Stock code: 4207
Imformation Website: https://mops.twse.com.tw
Company Website: http://www.fructose.com.tw

TAIWAN FRUCTOSE CO., LTD

2022

Annual Report

Printed in May 15 2023

I. Spokesperson

Name: Kang Chih-Liang

Title: President

Tel: 886-3-2125889 #119

E-mail: tfc@fructose.com.tw

Deputy Spokesperson

Name: Hung Chiu-Pi

Title: Deputy Manager

Tel: 886-3-2125889 #123

E-mail: bee@fructose.com.tw

II. Headquaters, Branches and Plant

Nankan Headquaters:

Address: 5F., No. 265, Nankan Rd., Luzhu Dist., Taoyuan City

Tel: 886-3-2125889 Fax: 886-3-3222493

Nankan Plant:

Address: No. 75, Ln. 1156, Bagu Rd., Luzhu Dist., Taoyuan City

Tel: 886-3-3222292 Fax: 886-3-3223539

Pitou Plant:

Address: No. 61-1, Guangfu E. Rd., Pitou Township, Changhua County

Tel: 886-4-8920690 Fax: 886-4-8921700

III. Stock Transfer Agent

Name: Oriental Securities Corporation Agent for stock affairs

Address: 13-14F., No. 16, Xinzhan Rd., Banqiao Dist., New Taipei City

Tel: 886-2-77531699

Website: http://www.osc.com.tw

IV. Auditors

Deloitte Touche Taiwan

Auditors: Ong Po-Jen, Lee Li-Huang

Address: 20F, Taipei Nan Shan Plaza No. 100, Songren Rd., Xinyi Dist., Taipei

Tel: 886-2-2725-9988

Website: http://www.deloitte.com.tw

V. Overseas Securities Exchange: None.

VI. Corporate Website: http://www.fructose.com.tw

Contents

I. Letter to Shareholders

With the popularization of vaccines, the COVID-19 pandemic in 2022 has gradually eased and people's lives have gradually returned to normal. However, the outbreak of the war between Ukraine and Russia at the beginning of the year, combined with the impact of climate change on raw material production and other various reasons, has led to a shortage of raw materials and an increase in prices. These factors have led to a new wave of challenges for the global economy after the pandemic.

Despite the challenging business environment, we still achieved a satisfactory performance. The revenue in 2022 was NT$5,044,450 million, a growth of 15.02% compared to the previous year.

As many of the raw materials required for our products rely heavily on imports, we have placed particular emphasis on risk management in recent years to prevent the impact of rising prices caused by uncertain factors such as fluctuations in the quantity of major commodities due to global climate change, which could have a negative impact on our profit margins. We have taken proactive measures to anticipate and prevent risks that may arise in our supply chain and adopting a diversified sourcing approach to address potential disruptions.

Looking ahead, corporate governance, energy conservation and carbon reduction are the main development trends for our corporate operations.
We will comply with various laws and regulations related to corporate governance, securities trading, and environmental protection, and incorporate issues related to corporate governance, climate change, and carbon emissions into our future business strategies and policies, in order to build a sustainable business.
With regard to our products, we will not only actively develop high value-added products and adjust our sales strategies, but also collaborate with the Food Industry Research and Development Institute to develop health-related food products. In the face of intense competition from imports and competitors, we will minimize the impact on our overall operations and pursue competitive advantages for the sustainable development of our company.

Thank you to all shareholders for your support and recognition. The entire team at Taiwan Fructose will continue to move towards sustainable management with a positive attitude, continuously enhancing the sustainable value of the company, promoting sustainable management and gear to international standards
We look forward to creating good performance in the 2023 fiscal year and providing a satisfactory return to all shareholders.

Wishing you all good health and happiness!

I. Business Report of 2022

The Company's Net Operating Revenue was NT$5,044,450 thousand dollar in 2022, an increase of 15.02% compared to the previous year's net operating revenue of NT$4,385,548 thousand dollar. Profit after tax was NT$191,394 thousand dollar which was a decrease of 66.03% compared to the previous year's net profit after tax of NT$563,502 thousand dollar. It is worth noting that if the land sale profits of the subsidiary company, Hoover Can Industrial Co., Ltd., in 2021 were excluded, the net profit of 2022 still grew by 17% compared to the net profit of 2021.

(1) Business Plan Implementation Results

(Unit: NT$ thousand dollar)

Item	2022	2021	Difference	Variation (%)
Operating revenue	5,044,450	4,385,548	658,902	15.02%
Operating costs	(4,408,857)	(3,782,959)	(625,898)	16.55%
Gross profit	635,593	602,589	33,004	5.48%
Operating expenses	(317,186)	(302,782)	(14,404)	4.76%
Net operating income	318,407	299,807	18,600	6.20%
Non-operating income and expenses	(37,533)	404,628	(442,161)	(109.28%)
Net income for the period from continuing operations	280,874	704,435	(423,561)	(60.13%)
Income Tax Expense	(89,480)	(140,933)	51,453	(36.51%)
Current year net profit	191,394	563,502	(372,108)	(66.03%)

(2) Budget Implementation Status

(Unit: NT$ thousand dollar)

Item	2022	2022 Budget	Achievement rete (%)
Operating revenue	5,044,450	4,920,949	102.51%
Operating costs	(4,408,857)	(4,289,878)	102.77%
Gross profit	635,593	631,071	100.72%
Operating expenses	(317,186)	(295,592)	107.31%
Net operating income	318,407	335,479	94.91%
Non-operating income and expenses	(37,533)	(45,145)	83.14%
Net income for the period from continuing operations	280,874	290,334	96.74%
Income Tax Expense	(89,480)	(58,066)	154.10%
Current year net profit	191,394	232,268	82.40%

(3) Financial revenue and expenditure as well as profitability analysis

Analysis Item / Annual		Financial Analysis 2022	Financial Analysis 2021
Financial Structure	Current ratio (%)	220.33%	226.80%
	Debt to asset ratio (%)	44.00%	44.87%
	Ratio of long term funds to fixed assets ratio (%)	183.03%	175.21%
Profitability	Return on equity (%)	6.29%	20.00%
	Net profit before tax to paid-in capital ratio (%)	15.46%	41.97%
	Net profit ratio (%)	3.79%	12.84%
	Earnings per share (NT$)	0.79	2.25

(4) Research and Development Status

1. Main research projects for the Company in 2022:
   (a) Product: High-content Isomalto-oligosaccharide (IMO) 90%.
2. Research and Development achievements in 2022:
   (a) Improved the production of original Isomalto-oligosaccharide (IMO) 55% through a two-stage enzyme process to increase the health-promoting ingredient PANOSE.
   (b) Laboratory trial production of IMO 90% syrup, with the current test result containing approximately 85% of the intended component.
   (c) Laboratory trial production of IMO 90% powder, with the assistance of a small spray drying machine from the Food Industry Development and Research Institute, resulting in a component of approximately 88%.

II. Business Plan for 2023

Looking ahead to 2023, the Company's operations will follow the following strategic plans:

(1) Business policy:

1. Sustainability as the ultimate goal.
2. Customer value as the development premise.
3. Core strategy as the guiding principle.
4. Active organization as the execution basis.
5. Reform and innovation as the driving force for growth.

(2) Expected sales quantity and basis:

The sales target for 2023 is set at 65,800 tons, a 2.43% growth compared to the actual sales of 64,240 tons in 2022, due to the adjustment of product mix.

(3) Important production and sales policies:

1. Production strategy:
   (a) Produce various products to increase inventory during off-season and adjust the supply pressure during the peak season.
   (b) Improve the production process to enhance production efficiency and output rate.
2. Marketing strategy:
   (a) Establish customer-oriented policies, strengthen QA function, and promote a fast delivery system.
   (b) Closely monitor the development and trends of the downstream food industry, and strive for opportunities to trade with large customers who expand or establish new plants.

II. Company Profile

I. Company Profile

(1) Date of establishment: July 25, 1984

(2) Company history:

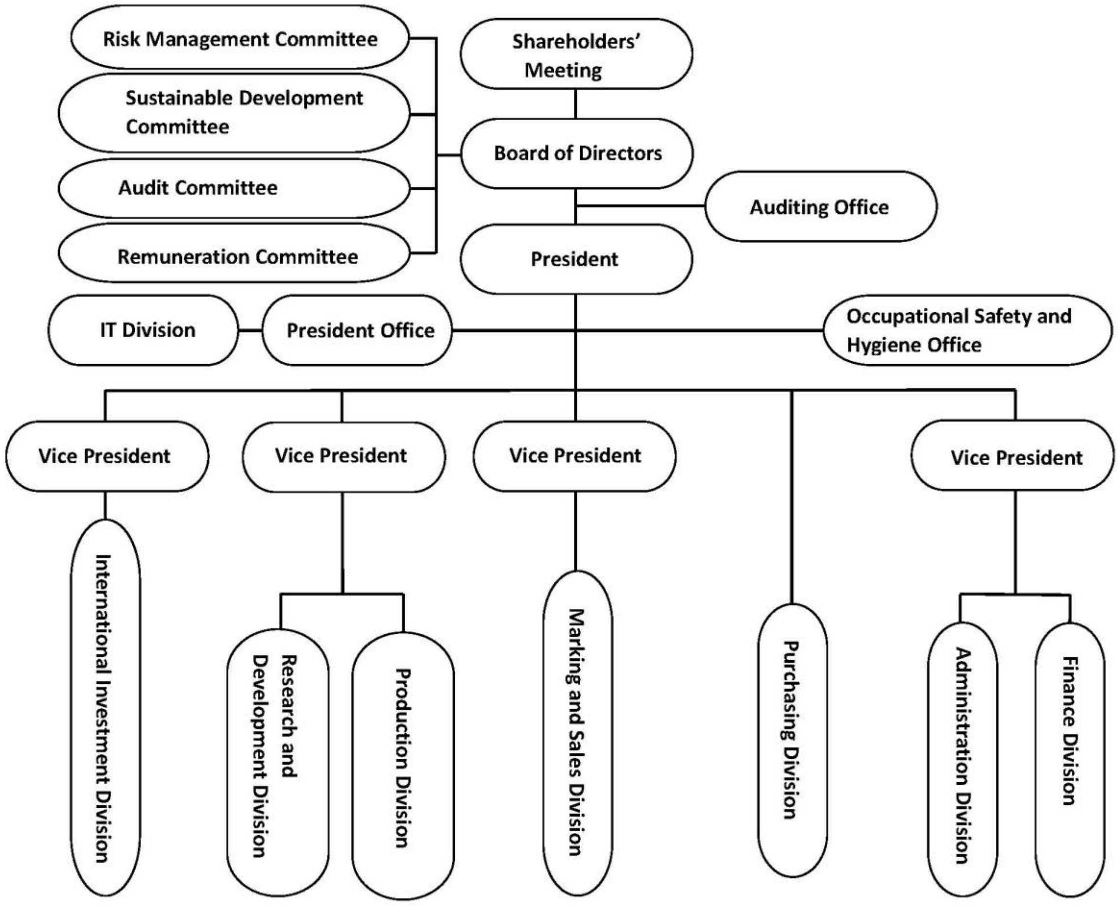
July 1984	The Company was formally established under its original name of “Hsin-Ho-Mei Fructose Co., Ltd.” with a capital amount of NT$15 million. Set up high fructose syrup and maltose syrup production lines in partnership with Mie-Karyo Kabushiki Kaisha Japan Technology, with daily production capacity of 75 tons.
December 1987	Cash capital increase of NT$75 million; paid-up capital amount attained NT$90 million.
May 1990	Capital increase of NT$108 million; invested in waste water treatment equipment for diversification; changed name to “Taiwan Fructose Co., Ltd.”.
October 1991	Handled successive capital increases, with paid-up capital amount attaining NT$237.6 million. Approved by the Securities and Exchange Commission (SEC) to become a publicly listed company.
August 1992	Capital increase to NT$325 million.
April 1994	Launched the biotech product “iso-malto-oligo-saccharides”. The Industrial Development Bureau of the Ministry of Economic Affairs granted food product GMP certification to fructose syrup, maltose syrup, and iso-malto-oligo-saccharide pulp.
November 1996	Capital increase to NT$376 million.
1997	Launched super high maltose syrup.
January 2000	The Company's stock was listed on the OTC market.
2001	Passed ISO 9001 certification; introduced the HACCP food safety hazard analysis control system.
2002	Released a series of maltodextrin powdered starch sugar products. Improved process structure, expanding daily production capacity to 260 tons. Capital increased to NT$513 million.
2004	Released a series of vegetable oil powder products.
September 2007	Private placement of NT$50 million in common shares.
2008	Launched linear oligosaccharide products. Malaysian plant officially started mass production.

	Capital increase to NT$1.193 billion.
2009	Merged and acquired the Thailand plant (Pure Chem Co., Ltd.).
2010	Passed ISO 22000:2005 and HACCP certification.
September 2011	Issued domestic secondary secured convertible corporate bonds of NT$300 million.
2013	Invested in Philippine subsidiary; established Philippine plant. Taiwan Fructose (Philippines) Inc.
2014	Received Halal certification.
December 2014	Conversion of corporate bonds of NT$71,881,950; paid-up capital amount attained NT$1,694,671,170.
October 2015	Capitalization of retained earnings of NT$41,500,520; paid-up capital amount attained NT$1,736,171,690.
2016	Received FSSC 22000 certification.
October 2017	Treasury shares to reduce capital of NT$34,650,000; paid-up capital amount attained NT$1,701,521,690.
2018	Received FSSC 22000 certification (transition to Version 4.1).
September 2018	Treasury shares to reduce capital of NT$49,470,000; capitalization of retained earnings of NT$40,555,540; paid-up capital amount attained NT$1,692,607,230.
December 2018	Treasury shares to reduce capital of NT$29,830,000; paid-up capital amount attained NT$1,662,777,230.
2019	Received Kosher certification.
September 2019	Capitalization of retained earnings of NT$66,511,090; paid-up capital amount attained NT$1,729,288,320.
2020	Nankan Plant received FSSC 22000 certification (transition to Version 5.0).
2020	Pitou Plant passed transition to ISO 22000:2018.
2020	Passed transition to TQF V2.1.
September 2020	Treasury shares to reduce capital of NT$108,380,000; paid-up capital amount attained NT$1,620,908,320.
2021	Nankan Plant received FSSC 22000 certification (transition to Version 5.1)
2022	Pitou Plant received FSSC 22000 certification (transition to Version 5.1)
September 2022	Capitalization of retained earnings of NT$137,777,200; paid-up capital amount attained NT$1,758,685,520.

III. Coporate Governance Report

3.1. Organization

3.1.1. Organization Chart



3.1.2. Major Corporate Function

Department	Key responsibilities
President Office	Investment management for the Company.
Information Technology Division	Information security and computer operational planning and construction.
Administration Division	Human resources, general affairs, company stock affairs, properties, regulations, legal affairs.
Finance Division	Accounting, finance, tax affairs, budget estimates.
Marketing & Sales Division	Responsible for marketing of products.
Production Division	Manufacture, storage and transportation of fructose, maltose, isomalto-oligosaccharides, vegetable oil powder, and other products.
Research & Development Division	Research and development of new products and technologies as well as process improvements.
Auditing Office	Auditing financial affairs and operations.
Purchasing Division	Inventory, purchasing of equipment and consumables, import and export affairs.
Occupational Safety and Hygiene Office	Management of occupational safety and hygiene.
International Investment Division	Overall planning and investment matters carried out in accordance with the Company's vision and development.

3.2. Information on Directors, President, Vice-Presidents, and department and branch officer

3.2.1. Directors

1. Director information

April 30, 2023

Title	Nationality or place of registration	Name	Gender Age	Date of election (appointment)	Term of office	Date first appointed (Note 1)	Shares held at the time of appointment		Number of shares currentlyheld		Shares currently held by spouse and minor children		Shares held in the name(s) of others		Principal Experience (Education)	Office(s) concurrently held in the Company and in other companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, Directors, or supervisors			Remarks (Note 2)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	ROC	KANG, YUNG-MING	Male 71~80	2020.06.23	3 year	2014.06.16	0	0	0	0	0	0	0	0	Department of Business Administration, Tatung University	Director of Hoover Can Industrial Co., LTD.	None	None	None	None
Director	ROC	KANG, CHIH-LIANG	Male 41~50	2020.06.23	3 year	2002.05.30	3,900,486	2.26%	4,232,027	2.41%	0	0	0	0	Department of International Trade, Tamkang University	(1) Director and General Manager of Taiwan Fructose Co., LTD. (2) Chairman of Hoover Can Industrial Co., LTD. (3) Liun Shun Industrial Co., LTD.	Director	KANG LI TSO HUI	Mother and Son	None
Director	ROC	CHANG, KEN-TENG	Male 81~90	2020.06.23	3 year	1999.06.26	0	0	0	0	0	0	0	0	(1)Department of Economics, National Chung Hsing University (2)Chairman of Hong sheng Construction Co., LTD.	None	None	None	None	None
Director	ROC	Liun Shun Industrial Co., Ltd. Representative: KANG LI TSO HUI	Female 71~80	2020.06.23	3 year	1984.07.25	31,522,446	18.23%	35,823,928	20.37%	0	0	0	0	Daojiang High School of Commerce	None	Director	KANG, CHIH-LIANG	Mother and Son	None
Director	ROC	MA, YUNG CHIEN	Male 51~60	2020.06.23	3 year	1998.06.11	1,023,092	0.59%	763,939	0.43%	0	0	0	0	Fu Jen University Master of Finance	Chairman of Junsheng Investment Co., Ltd.	None	None	None	None

Director	ROC	LEE, CHIN-CHIN	Male 51~60	2020.06.23	3 year	1998.06.11	0	0	0	0	0	0	0	0	Paul Hsu Senior High School	Director of Tokyo Vacation Co., LTD.	None	None	None	None
Independent Director	ROC	CHEN, CHIN-JANG	Male 81~90	2020.06.23	3 year	1999.06.26	0	0	0	0	0	0	0	0	(1) Deputy Speaker and Acting Speaker of the National Assembly (2) Minister of the Examination and Selection Department of the Examination Institute (3) Counselor of the Presidential Office	(1) Director of Soochow University (2) Director of Feng Chia University	None	None	None	None
Independent Director	ROC	CHIEN, TAI-LANG	Male 71~80	2020.06.23	3 year	2017.06.22	0	0	0	0	0	0	0	0	(1) Political Councillors and Secretary-general to the president of the Executive Yuan (2) Parliamentary Secretary and Deputy Secretary of the Ministry of the Interior (3) Secretary-general to the president of the Central Election Commission (4) Deputies to the National Congress of the National Assembly	(1) Independent Director of Ta Ching Bills Finance Corp. (2) Independent Director of Formosa Chemicals And Fibre Corp.	None	None	None	None
Independent Director	ROC	CHAN, I-YAO	Male 71~80	2020.06.23	3 year	2020.06.23	0	0	0	0	0	0	0	0	(1) General Manager of SME Credit Guarantee Fund (2) Civil servants college entrance examination administration staff	(1) Independent Director of Alltek Technology Corp. (2) Independent Director of Jukao Engineering Corp.	None	None	None	None

Note 1: When he/she/they assumed the position of Director or supervisor for the first time.
Note 2: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship to the other: None.

2. Major shareholders of legal person shareholders

April 30, 2023

Name of legal person shareholder (Note 1)	Major shareholders of legal person shareholders (Note 2)
Liun Shun Industrial Co., Ltd.	Kang Chih-Liang 36.66%, Kang Kuo-Feng 25.41% Lin Hsin-Yi 10.58%, Kang Li Tso Hui 8.95% Kang Ying-Yun 9.20%, Kang Ying-Chin 9.20%
Tokyo Vacation Co., LTD.	Taiwan Fructose 25%, Junlian Investment 12.5%, Wu Ming-Chuan 8.75%, Hsueh Shih-Wei 8.33%, Wu Hsing-Chung 8.33%, Wu Ming-Feng 7.42%, Chuang Hsiu-Chen 5.83%, Wang Tung-Mao 5%

Note 1: If the Director or supervisor is a representative of a legal person shareholder, the name of the institutional shareholder should be filled in.

Note 2: Fill in the name of the major shareholder of the legal person shareholder (with the shareholding ratio falling within the top ten) and the shareholding ratio.
If the major shareholder is a legal person, the following Table 2 should be filled in.

Note 3: If a legal person shareholder is not a company organizer, the aforementioned name of the shareholder and shareholding ratio that should be disclosed (Judicial Yuan announcements may be referred to for inquiry) is the name of the investor or donor and the ratio of capital contribution or donation. If the donor has passed away, mark as “deceased”.

Note 4: Information provided by legal persons, public information of the Department of Commerce of the Ministry of Economic Affairs, or the Market Observation Post System (MOPS).

3. Major shareholders of major shareholders who are legal persons:

April 30, 2023

Name of legal person shareholder (Note 1)	Major shareholders of legal person shareholders (Note 2)
Taiwan Fructose Co., Ltd.	Liun Shun Industrial 20.37%, Kang Kuo-Feng 10.48%, Tokyo Vacation 4.77%, Kang Li Tso Hui 3.29%, Lin Wen-Lin 2.77%, Kang Chih-Liang 2.41%, Junlian Investment 2.15%, Li Wen Sheng 1.92%, Kang Ching Ho 1.36%, HsinHoMei Food 1.24%
Junlian Investment Co., Ltd.	Kang Kuo-Feng 23.44%, Kang Chih-Liang 19.53%, Kang Li Tso Hui 15.63%, Kang Ying-Yun 15.63%, Lin Hsin-Yi 11.72%, Kang Ying-Chin 11.72%, Li Wen Sheng 0.78%, Chiu Hao-Hsiang 0.78%, Ye You-Tzu 0.78%

Note 1: Names of legal person shareholders in Table 1 above.
Note 2: Names of major shareholders of legal persons in Table 1 above (with shareholding ratios falling within the top ten) and their shareholding ratios.
Note 3: If a legal person shareholder is not a company organizer, the aforementioned name of the shareholder and shareholding ratio that should be disclosed (Judicial Yuan announcements may be referred to for inquiry) is the name of the investor or donor and the ratio of capital contribution or donation. If the donor has passed away, mark as “deceased”.
Note 4: Information provided by legal persons, public information of the Department of Commerce of the Ministry of Economic Affairs, or the Market Observation Post System (MOPS).

4. Disclosure of information on the professional qualifications of Directors and the independence of Independent Directors:

April 30, 2023

<table>
<tr><th>Conditions / Name</th><th>Professional qualifications and experience</th><th>Status of independence</th><th>Number of other public companies where he/she/they concurrently serve(s) as an Independent Director</th></tr>
<tr><td>Chairman
Kang Yung-Ming</td><td>Graduated from the Department of Business Administration of Tatung University; has served as a Director of Guanwen Agricultural Biotechnology Co., Ltd.; has professional capabilities in corporate operations management, finance, and law.</td><td rowspan="6">Not applicable</td><td>0</td></tr>
<tr><td>Director
Kang Chih-Liang</td><td>Graduated from the Department of International Trade of Tamkang University; has concurrently served as Chairman of Hoover Can Industrial Co., Ltd. and Liun Shun Industrial Co., Ltd.; has professional experience in corporate operations management.</td><td>0</td></tr>
<tr><td>Director
Chang Ken-Teng</td><td>Graduated from the Department of Economics of Chung Hsing University; has served as Chairman of Hung Sheng Construction Co., Ltd.; has knowledge and work experience in corporate operations management, finance, and law.</td><td>0</td></tr>
<tr><td>Director
Liun Shun Industrial Co., Ltd.
Representative: Kang Li Tso Hui</td><td>A corporate Director of the Company with knowledge of corporate operations management and law.</td><td>0</td></tr>
<tr><td>Director
Ma Yung-Chien</td><td>Graduated from the Graduate Institute of Finance of Fu Jen Catholic University; has served as Chairman of Junsheng Investment Co., Ltd.; has knowledge of corporate operations management, finance, and law.</td><td>0</td></tr>
<tr><td>Director
Lee Chin-Chin</td><td>Has served as Director of Tokyo Vacation Co., Ltd.; has knowledge of corporate operations management and law.</td><td>0</td></tr>
<tr><td>Independent Director
Chen Chin-Jang</td><td>Has served as Acting Speaker of the National Assembly, Senior Advisor in the Presidential Office, Minister of the Examination and Selection Department of the Examination Institute, Chairman of Lianya Transportation Co., Ltd., and Chairman of CTI Television Inc. Currently Director of Soochow University and Feng Chia University. With more than 30 years of management and legal knowledge, although he has served as an Independent Director for more than three terms (9 years), he can give professional advice on company operations based on his rich experience to improve the quality of corporate governance and the supervisory functions of the Audit Committee.</td><td rowspan="3">Fully meeting the following conditions during the two years prior to election and during the term of office:
(1) Not an employee of the Company or its affiliates.
(2) Not a Director or supervisor of the Company or its affiliates.
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings.
(4) Not a manager of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate blood relative within three degrees of kinship.
(5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings, or is designated as a representative in accordance with Article 27, Paragraph 1 or 2 of the Company Act.
(6) Not a Director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the company's board of Directors.
(7) Not a Director, supervisor, or employee of another company or institution whose Chairman, president, or equivalent position is the same person as that of the Company, or the spouse thereof.
(8) Not a Director, supervisor, or manager of a specific company or institution having financial or business dealings with the Company, or a shareholder holding 5% or more of shares.
(9) Not a partner, Director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services, or consultation to the Company or any affiliate of the Company for amounts exceeding TWD 500,000 in the past two years.
(10) Not a spouse or relative within the second degree of kinship of another Director.
(11) Not elected as a governmental entity or legal person or representative thereof as stipulated by Article 27 of the Company Act.</td><td>0</td></tr>
<tr><td>Independent Director
Chien Tai-Lang</td><td>Has served as a representative to the third term of National Assembly, Secretary-General and Administrative Committee Member of the Executive Yuan, Undersecretary and Executive Deputy Minister of the Ministry of the Interior, and Secretary-General of the Central Election Commission; now concurrently serving as an Independent Director of Ta Qing Ticket Finance and Formosa Chemicals & Fibre; has over 30 years of knowledge in management and law.</td><td>2</td></tr>
<tr><td>Independent Director
Chan I-Yao</td><td>Earned an EMBA from National Taiwan University and has served as President of the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (2005-2014); now concurrently serving as an Independent Director of Alltek Technology and Jukao Engineering; has over 30 years of knowledge in management, finance, and law.</td><td>2</td></tr>
</table>

Note: Note: No Director exhibits any of the circumstances specified under Article 30 of the Company Act.

5. Diversity and independence of the Board of Directors:

Title	Chairman	Director					Independent Director		
Name	KANG, YUNG-MING	KANG, CHIH-LIANG	CHANG, KEN-TENG	Liun Shun Industrial Co., Ltd. Representative: Kang Li Tso Hui	MA, YUNG CHIEN	LEE, CHIN-CHIN	CHEN, CHIN-JANG	CHIEN, TAI-LANG	CHAN, I-YAO
Gender	Male	Male	Male	Female	Male	Male	Male	Male	Male
Nationality	ROC	ROC	ROC	ROC	ROC	ROC	ROC	ROC	ROC
Age	71~80	41~50	81~90	71~80	51~60	51~60	81~90	71~80	71~80
Independent Director seniority	N/A						Over 9 year	6~9 year	Less than 3 year
Education	Department of Business Administration, Tatung University	Department of International Trade, Tamkang University	Department of Economics, National Chung Hsing University	Daojiang High School of Commerce	Fu Jen University Master of Finance	Paul Hsu Senior High School	Department of Law, Soochow University	Department of Sociology, National Chung Hsing University	Taiwan University EMBA Finance Group
Experience	(1) Director and General Manager of Taiwan Fructose Co., LTD. (2) Director of Hoover Can Industrial Co., LTD.	(1) Director and General Manager of Taiwan Fructose Co., LTD. (2) Chairman of Hoover Can Industrial Co., LTD.	Chairman of Hong sheng Construction Co., LTD.	Director, Taiwan Fructose Co., Ltd.	Chairman of Junsheng Investment Co., Ltd.	Director of Tokyo Vacation Co., LTD.	(1) Deputy Speaker and Acting Speaker of the National Assembly (2) Minister of the Examination and Selection Department of the Examination Institute (3) Counselor of the Presidential Office	(1) Political Councillors and Secretary-general to the president of the Executive Yuan (2) Parliamentary Secretary and Deputy Secretary of the Ministry of the Interior (3) Secretary-general to the president of the Central Election Commission (4) Deputies to the National Congress of the National Assembly	(1) General Manager of SME Credit Guarantee Fund (2) Civil servants college entrance examination administration staff

Professional knowledge and abilities									
Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance/Accounting	✓	✓	✓		✓				✓
Law	✓	✓	✓	✓	✓	✓	✓	✓	✓
Industrial manufacturing/Marketing	✓	✓	✓	✓	✓	✓	✓	✓	✓
Abilities and experience									
Leadership and decision-making	✓	✓	✓	✓	✓	✓	✓	✓	✓
An international market perspective	✓	✓	✓		✓	✓			
Crisis management	✓	✓	✓		✓	✓	✓	✓	✓
Financial management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environmental sustainability	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note: Considering that Independent Director Chen Chin-Jang has management experience, legal expertise, and proficiency in company operations management that are beneficial to the operation of the Company, although he has been re-elected to the Company for three terms as an Independent Director, the Company still needs to rely on his expertise to provide Board oversight and professional experience.

Board diversity:

(1) In order to strengthen corporate governance and promote the healthy development of Board composition and structure, the composition of the Board of Directors shall be determined by taking diversity into consideration in accordance with Article 20 of the Company's Corporate Governance Best Practice Principles. In addition to the requirement that Directors who concurrently serve as company managers should not exceed one-third of the Directors' seats, an appropriate diversification policy should further be formulated based on the Company's own operations, business model, and development needs. The policy should include, without being limited to, the following two general standards:
   - I. Basic conditions and values: Gender, age, nationality, culture, and so on.
   - II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, and technology), professional skills, and industry experience.

(2) Each of the Directors of the Company has a professional background in business management, law, finance and other fields, and in addition to considering professional ability and practical experience, they also attach importance to their personal reputation in ethical behavior and leadership, and the implementation of the diversity of the board of Directors is conducive to improving the efficacy of corporate governance and business performance. In addition, we also pay attention to gender equality in the composition of the Board of Directors, including 1 female Director among the 9 Directors, accounting for about 11%. Furthermore, we will revise the diversity policy in due course according to the actual operation and needs of the Board in the future, and the goal is to increase the proportion of female Directors to 20% in the future.

Independence of the Board of Directors:

(1) The company has 9 Directors, of which 3 are Independent Directors, accounting for 33.33% of the total number of Directors.
    In order to enhance the independence and operational efficacy of the Board of Directors, the Company has formulated “Responsibility Standards for Independent Directors” to ensure that no relationship has been established with the management or related persons of the Company that would harm the interests of the Company or make unfair judgments during their term of office, and that each of the 3 Independent Directors can independently and effectively supervise the operation of the Board of Directors.

(2) Independent Directors all meet the requirements of Items 3 and 4 of Article 26-3 of the Securities and Exchange Act as promulgated by the Financial Supervisory Commission, and do not have a spousal or second-degree kinship relationship with the remaining board members. In addition, the Independent Directors do not hold shares in the Company personally (or in the name of others), nor do their spouses and minor children, and they do not exhibit any of the circumstances specified in Article 30 of the Company Act.

(3) No Independent Director has provided business, legal, financial, accounting, or other services and received commensurate remuneration either for the Company or its affiliated companies in the past two years.

3.2.2. Information on President, Vice-Presidents, and department and branch officers

April 30, 2023

Title	Nationality	Name	Gender	Date of election (appointment)	Shares held		Shares held by spouse and minor children		Shares held in the name(s) of others		Principal Experience (Education)	Office(s) Concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks (Note 1)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	ROC	Kang Chih-Liang	Male	2014.06.16	4,232,027	2.41%	0	0.00%	0	0.00%	Department of International Trade, Tamkang University	Chairman of Hoover Can	None	None	None	None
Vice President	ROC	Feng Yao-Hsuan	Male	2005.01.01	151,813	0.09%	0	0.00%	0	0.00%	Fuxing Technical College Chemical Engineering; China and Overseas Factory Director	None	None	None	None	None
Internal Audit Officer	ROC	Hsu Ping-Lun	Male	1991.03.01	70,290	0.04%	0	0.00%	0	0.00%	Master of Management, Yuan Ze University; CPC Consultant	None	None	None	None	None
Financial Officer (Note 2)	ROC	Chang Tsung-Ching	Male	1997.10.29	3,062	0000%	0	0.00%	0	0.00%	Institute of Enterprise Research, Kainan University	None	None	None	None	None
Financial Officer	ROC	Liang Pei-Ching	Female	2023.04.01	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration Vanung University	None	None	None	None	None
Corporate Governance Officer	ROC	Chen Chi-En	Male	2005.03.31	2,096	0.00%	0	0.00%	0	0.00%	Department of Business Administration, Tunghai University	None	None	None	None	None
Accounting Officer	ROC	Hung Chiu-Pi	Female	1997.10.29	362	0.00%	351	0.00%	0	0.00%	Information Management Department, Vanung University	None	None	None	None	None

Note 1: If the President or equivalent (top manager) and Chairman is the same person, or spouse or relative within one degree of kinship to the other: None.

Note 2: The Finance Officer Chang Tsung-Ching retired on March 31, 2023 and the position has been assumed by the Deputy Finance Manager Liang Pei-Ching.

3.3. Remuneration Paid to Directors, President, and Vice President in the Most Recent Year

3.3.1. Remuneration of Directors and Independent Directors (disclosing individual names and methods of remuneration)

Unit: TWD thousand

Job title	name	Remuneration to directors: Base compensation (A) (Note 2): The Company	Remuneration to directors: Base compensation (A) (Note 2): All consolidated entities (Note 7)	Retirement pay and pension (B): The Company	Retirement pay and pension (B): All consolidated entities (Note 7)	Director profit-sharing compensation (C) (Note 3): The Company	Director profit-sharing compensation (C) (Note 3): All consolidated entities (Note 7)	Expenses and perquisites (D) (Note 4): The Company	Expenses and perquisites (D) (Note 4): All consolidated entities (Note 7)	Sum of A+B+C+D and ratio to net income (Note 10): The Company	Sum of A+B+C+D and ratio to net income (Note 10): All consolidated entities (Note 7)	Remuneration received by directors for concurrent service as an employee: Salary, rewards, and special disbursements (E) (Note 5): The Company	Salary, rewards, and special disbursements (E) (Note 5): All consolidated entities (Note 7)	Retirement pay and pension (F): The Company	Retirement pay and pension (F): All consolidated entities (Note 7)	Employee profit-sharing compensation (G) (Note 6): The Company: Amount in cash	Employee profit-sharing compensation (G) (Note 6): The Company: Amount in stock	Employee profit-sharing compensation (G) (Note 6): All consolidated entities (Note 7): Amount in cash	Employee profit-sharing compensation (G) (Note 6): All consolidated entities (Note 7): Amount in stock	Sum of A+B+C+D+E+F+G and ratio to net income (Note 10): The Company	Sum of A+B+C+D+E+F+G and ratio to net income (Note 10): All consoli-dated entities	Remuneration received from investee enterprises other than subsidiaries or from the parent company
Chairman	KANG, YUNG MING	1717	1717	0	0	363	363	180	300	2,260 1.63%	2,380 1.71%	0	0	0	0	0	0	0	0	2,260 1.63%	2,380 1.71%	None
Director	KANG, CHIH LIANG	0	540	0	0	363	440	180	300	543 0.39%	1,280 0.92%	1,485	1,485	0	0	58	0	58	0	2,086 1.50%	2,823 2.03%	None
Director (Note 1)	KANG, LI TSO HUI	0	0	0	0	363	363	180	180	543 0.39%	543 0.39%	0	0	0	0	0	0	0	0	543 0.39%	543 0.39%	None
Director	MA, YUNG CHIEN	0	0	0	0	363	363	180	180	543 0.39%	543 0.39	0	0	0	0	0	0	0	0	543 0.39%	543 0.39%	None
Director	CHANG, KEN-TENG	0	0	0	0	363	363	180	180	543 0.39%	543 0.39%	0	0	0	0	0	0	0	0	543 0.39%	543 0.39%	None
Director	LEE, CHIN-CHIN	0	0	0	0	363	363	180	180	543 0.39%	543 0.39%	0	0	0	0	0	0	0	0	543 0.39%	543 0.39%	None
Independent Director	CHEN, CHIN-JANG	0	0	0	0	363	363	360	360	723 0.52%	723 0.52%	0	0	0	0	0	0	0	0	723 0.52%	723 0.52%	None
Independent Director	CHIEN, TAI-LANG	0	0	0	0	363	363	360	360	723 0.52%	723 0.52%	0	0	0	0	0	0	0	0	723 0.52%	723 0.52%	None
Independent	CHAN,	0	0	0	0	363	363	360	360	723	723	0	0	0	0	0	0	0	0	723	723	None

Director	I-YAO									0.52%	0.52%									0.52%	0.52%	

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid.
   (1) Participate in the earnings distribution of the company in comparison to the fixed remuneration of directors.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.

Schedule of Remuneration Ranges

Range of remuneration paid to each Director of the Company	Director name			
	The total amount of the first four remuneration items (A+B+C+D)		The total amount of the first seven remuneration items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9) H	The Company (Note 8)	All companies included in the financial statements (Note 9) I
Less than TWD 1,000,000	Liun Shun Industrial Co., LTD MA, YUNG CHIEN CHANG, KEN-TENG LEE, CHIN-CHIN KANG, CHIH LIANG I.D. CHEN,CHIN-JANG I.D. CHIEN, TAI-LANG I.D. CHAN, I-YAO	Liun Shun Industrial Co., LTD MA, YUNG CHIEN CHANG, KEN-TENG LEE, CHIN-CHIN I.D. CHEN,CHIN-JANG I.D. CHIEN, TAI-LANG I.D. CHAN, I-YAO	Liun Shun Industrial Co., LTD MA, YUNG CHIEN CHANG, KEN-TENG LEE, CHIN-CHIN I.D. CHEN,CHIN-JANG I.D. CHIEN, TAI-LANG I.D. CHAN, I-YAO	Liun Shun Industrial Co., LTD MA, YUNG CHIEN CHANG, KEN-TENG LEE, CHIN-CHIN I.D. CHEN,CHIN-JANG I.D. CHIEN, TAI-LANG I.D. CHAN, I-YAO
TWD 1,000,000 (including) ~TWD 2,000,000 (inclusive)		KANG, CHIH LIANG		
TWD 2,000,000 (including) ~TWD 3,500,000 (inclusive)	KANG, YUNG MING	KANG, YUNG MING	KANG, YUNG MING KANG, CHIH LIANG	KANG, YUNG MING KANG, CHIH LIANG
TWD 3,500,000 (including) ~TWD 5,000,000 (inclusive)				
TWD 5,000,000 (including) ~TWD 10,000,000 (inclusive)				
TWD 10,000,000 (including) ~TWD 15,000,000 (inclusive)				
TWD 15,000,000 (including) ~TWD 30,000,000 (inclusive)				
TWD 30,000,000 (including) ~TWD 50,000,000 (inclusive)				
TWD 50,000,000 (including) ~TWD 100,000,000 (inclusive)				
TWD 100,000,000 and above				
Total	9 people	9 people	9 people	9 people

Note 1: Legal Representative of Liun Shun Industrial Co., LTD.

Note 2: Refers to the remuneration of Directors in 2022 (including Director salaries, position bonuses, severance pay, each category of bonus, incentives, etc.).

Note 3: Indicates the amount of Directors' remuneration distributed by the Board of Directors in 2022.

Note 4: Refers to the relevant professional practice expenses of Directors in 2022 (including transportation expenses, special expenses, each type of allowance, housing, vehicle allocations, and other provisions in kind).

When providing housing, vehicles, and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market rates of associated rental fees, fuel, and other payments shall be disclosed. In addition, if there is a driver, please note that the Company pays the driver the relevant remuneration, but it will not be included in the aforementioned remuneration.

Note 5: This refers to provisions in kind such as salary, job bonuses, severance pay, bonuses, incentive payments, vehicle expenses, special expenses, allowances, housing, and vehicle allocations received by Directors and employees (including those serving concurrently as President or Vice-President or as another manager or employee) in 2022. When providing housing, vehicles, and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market rates of associated rental fees, fuel, and other payments shall be disclosed. In addition, if there is a driver, please note that the Company pays the driver the relevant remuneration, but it will not be included in the aforementioned remuneration. In addition, remuneration shall also cover salary expenses recognized under IFRS 2, “Share-Based Payments”, including the obtaining of employee stock option certificates, restricted employee shares, and participation in cash capital increase subscription shares, and so on.

Note 6: Indicates the 2022 employee remuneration amount approved by the Board of Directors in 2023.

Note 7: The total amount of remuneration paid to the Directors of the Company by all companies (including the Company) in the consolidated report should be disclosed.

Note 8: The Company pays each Director the total amount of all remuneration and discloses the names of the Directors in the classifications to which they belong.

Note 9: The total amount of remuneration paid to each Director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the Directors should be disclosed in the classifications to which they belong.

Note 10: Net profit after tax refers to the net profit after tax of the 2022 parent company only financial statements.

Note 11:

a. This column should clearly indicate the amounts of remuneration received by Directors of the Company from subsidiaries or from the parent company.

b. If the Company’s President and Vice-Presidents receive relevant remuneration from reinvestment operations outside of subsidiaries or the parent company, the remuneration received by the Company’s President and Vice-Presidents from reinvested companies other than subsidiaries or the parent company shall be incorporated into column E of the schedule of remuneration ranges, and the field name shall be changed to “Parent Company and All Reinvested Businesses”.

c. Remuneration refers to remuneration and rewards received by the Company's Directors while serving as a Director, supervisor, or manager of an investee company outside of subsidiaries, or from the parent company (including remuneration of employees, Directors and supervisors) as well as remuneration related to professional practice expenses and so on.

*The content of remuneration disclosed in this schedule differs from the concept of income under the Income Tax Act. Therefore, the purpose of these entries is for information disclosure and not for tax purposes.

3.3.2. Remuneration to President and Vice President (Disclosure of Remuneration Plus Disclosure of Names by Remuneration Range)

April 30, 2023; Unit: TWD thousand

Title	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and special expenses (C) (Note 3)		Employee remuneration amount (D) (Note 4)				Ratio of the total amount of A, B, C and D vs. net profit after tax (%) (Note 8)		Renumeration received from investee companies outside of subsidiaries, or from the parent company (Note 9)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Amount in cash	Amount in shares	Amount in cash	Amount in shares			
President	Kang Chih-Liang	3170	3170	0	0	867	867	174	0	174	0	4,211 3.03%	4,211 3.03%	None
Vice President	Hsu Ping-Lun													
Vice President	Feng Yao-Hsuan													

Schedule of Remuneration Ranges

Range of remunerations paid to President and Vice President(s)	Names of President and Vice President(s)	
	The Company (Note 6)	All companies in the financial reports (Note 7) E
Less than TWD 1,000,000		
TWD 1,000,000 (including)~TWD 2,000,000 (inclusive)	Kang Chih-Liang Hsu Ping-Lun Feng Yao-Hsuan	Kang Chih-Liang Hsu Ping-Lun Feng Yao-Hsuan
TWD 2,000,000 (including)~TWD 3,500,000 (inclusive)		
TWD 3,500,000 (including)~TWD 5,000,000 (inclusive)		
TWD 5,000,000 (including)~TWD 10,000,000 (inclusive)		
TWD 10,000,000 (including)~TWD 15,000,000 (inclusive)		
TWD 15,000,000 (including)~TWD 30,000,000 (inclusive)		
TWD 30,000,000 (including)~TWD 50,000,000 (inclusive)		
TWD 50,000,000 (including)~TWD 100,000,000 (inclusive)		
TWD 100,000,000 and above		
Total	3 people	3 people

Note 1: The payment amounts are disclosed in a summary manner.

Note 2: Salaries, job bonuses, and severance pay of the President and Vice-Presidents in 2022 are listed.

Note 3: Listing is made of all bonuses, rewards, transportation allowances, special expenses, allowances, housing, vehicle allocations, and other in-kind provisions and other remuneration amounts received by the President and Vice-Presidents in 2022. When providing housing, vehicles, and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market rates of associated rental fees, fuel, and other payments shall be disclosed. In addition, if there is a driver, please note that the Company pays the driver the relevant remuneration, but it will not be included in the aforementioned remuneration. In addition, remuneration shall also cover salary expenses recognized under IFRS 2, “Share-Based Payments”, including the obtaining of employee stock option certificates, restricted employee shares, and participation in cash capital increase subscription shares, and so on.

Note 4: Indicates the 2022 employee remuneration amount approved by the Board of Directors in 2023.

Note 5: The total amount of remuneration paid to the President and Vice-Presidents of the Company by all companies (including the Company) in the consolidated report should be disclosed.

Note 6: The Company pays each President and Vice President(s) the total amount of all remuneration and discloses the names of the President and Vice President(s) in the classifications to which they belong.

Note 7: The total amount of remuneration paid to each President and Vice-President of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the President and Vice-Presidents should be disclosed in the classifications to which they belong.

Note 8: Net profit after tax refers to the net profit after tax of the 2022 parent company only financial statements.

Note 9:

a. This column should clearly indicate the amounts of remuneration received by the President and Vice President(s) of the Company from subsidiaries or from the parent company. (If there is no such case, then please fill in “None”).

b. If the Company’s President and Vice-Presidents receive relevant remuneration from reinvestment operations outside of subsidiaries or the parent company, the remuneration received by the Company’s President and Vice-Presidents from reinvested companies other than subsidiaries or the parent company shall be incorporated into column E of the schedule of remuneration ranges, and the field name shall be changed to “Parent Company and All Reinvested Businesses”.

c. Remuneration refers to remuneration and rewards received by the Company's President and Vice President(s) while serving as a Director, supervisor, or manager of an investee company outside of subsidiaries, or from the parent company (including remuneration of employees, Directors and supervisors) as well as remuneration related to professional practice expenses and so on.

*The content of remuneration disclosed in this schedule differs from the concept of income under the Income Tax Act. Therefore, the purpose of these entries is for information disclosure and not for tax purposes.

3.3.3. Names of managerial officers entitled to employee bonuses and amounts entitled

April 30, 2023; Unit: TWD thousand

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Amount in shares</th><th>Amount in cash</th><th>Total</th><th>As percentage of income after tax (%)</th></tr>
<tr><td rowspan="6">Officer</td><td>President</td><td>Kang Chih-Liang</td><td rowspan="6">0</td><td rowspan="6">308</td><td rowspan="6">308</td><td rowspan="6">0.22%</td></tr>
<tr><td>Vice President</td><td>Feng Yao-Hsuan</td></tr>
<tr><td>Vice President</td><td>Hsu Ping-Lun</td></tr>
<tr><td>Manager, Finance Division</td><td>Chang Tsung-Ching</td></tr>
<tr><td>Manager, Administration Division</td><td>Chen Chi-En</td></tr>
<tr><td>Internal Audit Officer</td><td>Hung Chiu-Pi</td></tr>
</table>

Note 1: The distribution of earnings is disclosed in a summary manner.

Note 2: Indicates the 2022 employee remuneration amount approved by the Board of Directors in 2023.

Note 3: The scope of application of managers in accordance with the provisions of Letter Tai-zai-zheng-san-zi No. 0920001301 dated March 27, 2003 is as follows:

(1) President and their equivalents.
(2) Vice President and their equivalents.
(3) Special Aides and their equivalents.
(4) Head of Finance Division.
(5) Head of Accounting Division.
(6) Other persons authorized to manage affairs and sign documents on behalf of a company.

3.3.4. The names, titles, and total distributions of the top ten recipients of employee remuneration

April 30, 2023; Unit: TWD thousand

<table>
<tr><th>Title</th><th>Name</th><th>Amounts of remuneration in shares</th><th>Amounts of remuneration in cash</th><th>Total</th><th>As percentage of income after tax (%)</th></tr>
<tr><td>President</td><td>Kang Chih-Liang</td><td rowspan="10">0</td><td rowspan="10">534</td><td rowspan="10">534</td><td rowspan="10">0.38%</td></tr>
<tr><td>Vice President</td><td>Feng Yao-Hsuan</td></tr>
<tr><td>Vice President</td><td>Hsu Ping-Lun</td></tr>
<tr><td>Manager</td><td>Huang Wen-Ting</td></tr>
<tr><td>Manager</td><td>Chiang Li-Na</td></tr>
<tr><td>Manager</td><td>Su Ching Yuan</td></tr>
<tr><td>Manager</td><td>Chen Chi-En</td></tr>
<tr><td>Assistant Manager</td><td>Cheng Ta-Jen</td></tr>
<tr><td>Head</td><td>Yang Pai-Chun</td></tr>
<tr><td>Specialist</td><td>Kang Kuo-Feng</td></tr>
</table>

3.3.5. Amount of compensation paid in the last two years by the Company and all companies included in the consolidated financial statements to the Company's Directors, President, and Vice Presidents, and the respective proportion of such compensation to income after tax, as well as the policies, standards, and packages by which it was paid, the procedures through which the compensation was determined, and its association with business performance and future risk.

1. Analysis of the proportions to net profits after tax in parent company only and individual financial statements of the total of the remuneration paid to Directors, President, and Vice Presidents, by the Company and all companies in the consolidated financial statements in the most recent two years:

April 30, 2023; Unit: TWD thousand

Item / Title	The Company				Consolidated statements of all companies			
	2021		2022		2021		2022	
	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax	Total amount	Proportion of net profit after tax
Director	7,145	5.14%	12,091	3.32%	8,001	4.18%	13,290	2.36%
General Mnanger and Vice President	4,213	3.03%	4,726	1.30%	4,213	2.20%	4,726	0.84%
Net profit after tax	138,875	-	364,340	-	191,394	-	563,502	-

2. Correlation between the policies, standards and combinations of payment, procedures for determination of remuneration of the Company versus business performance and future risks:

(1) Policies, standards, and combinations of remuneration payment:

1. The remuneration of Directors of the Company shall be allocated to Directors in accordance with Article 27 of the Company's Articles of Incorporation, not exceeding 2% of net profit before tax. In addition, it shall be paid by the Board of Directors at the customary level of industry peers according to the degree of participation and contribution value of individual Directors, and is subject to review by the Remuneration Committee and the Board of Directors.
2. In respect to remuneration of managers of the Company, not less than 2% of net profit before tax shall be allocated to employees in accordance with Article 27 of the Company's Articles of Incorporation. In addition, evaluation items shall include mastery of the Company's goals and tasks, responsibility awareness, internal relationship operation and communication, professional and continuous training, internal control, and the measurement of other special contributions or major negative incidents into the performance evaluation and remuneration consideration.

(2) Procedures for determining remuneration:

1. In regularly evaluating remuneration of Directors and managers, Directors' remuneration is determined based on evaluation results of the Board of Directors Performance Evaluation Measures. Meanwhile, managers' remuneration is determined based on employee performance appraisal methods and employee remuneration distribution methods.

2. The rationality of relevant performance appraisal and remuneration of the Directors and managers of the Company shall be regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year. In addition to referring to individual performance compliance rate and contributions to the Company, they should taking the Company's overall operating performance, the future and development trends of the industry into account. Furthermore, the remuneration system should be reviewed in a timely manner according to the actual business conditions and relevant laws and regulations. Reasonable remuneration should be given in order to seek a balance between the Company’s sustainable operations and risk control after comprehensively considering the current corporate governance trends. The actual amount of annual Director and manager remuneration paid in 2022 after being reviewed by the Remuneration Committee and proposed to the Board of Directors.

(3) Correlation with business performance and future risks:

1. Review of payment standards and systems related to the Company's remuneration policy is based on the overall operating conditions of the Company. Furthermore, payment standards are approved according to the performance compliance rate and contribution degree to enhance the overall organizational team efficacy of the Board of Directors and management divisions. In addition, we refer to salary standards of the industry to ensure that the salaries of the Company's management are competitive in the industry so as to retain excellent management talent.

3.4. Corporate Governance Operations

3.4.1. Operation of the Board of Directors

1. Attendance: The Board of Directors met four times in the most recent year and the attendance of Directors was as follows:

Title	Name	Number of times actually attending/ observing (B)	Number of attendances by proxy	Actual attendance/ observation rate (%) [B/A]	Remarks
Chairman	KANG, YUNG-MING	4	0	100%	REELECTION
Director	KANG, CHIH-LIANG	4	0	100%	REELECTION
Director	Liun Shun Industrial Co., Ltd. Representative: Kang Li Tso Hui	3	0	75%	REELECTION
Director	MA, YUNG CHIEN	4	0	100%	REELECTION
Director	CHANG, KEN-TENG	4	0	100%	2020/06/23 Newly-Elected
Director	LEE, CHIN-CHIN	4	0	100%	2020/06/23 Newly-Elected
Independent Director	CHEN, CHIN-JANG	4	0	100%	REELECTION
Independent Director	CHIEN, TAI-LANG	4	0	100%	REELECTION
Independent Director	CHAN, I-YAO	4	0	100%	2020/06/23 Newly-Elected

Other matters to be recorded:

1. If any of the following occurs in the operation of the Board, specify the date, the session, the content of the motion, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors: Pursuant to Article 14-5 of the Securities and Exchange Act, Article 14-3 of the Securities and Exchange Act does not apply to the Company.
2. Implementation status of Directors' recusals due to conflicts of interest should state the name of the Director, the content of the proposal, the reasons for recusal, and voting status: None
3. Evaluation of the goals and implementation status of strengthening Board of Directors functions in the current year and the most recent year:
   (1) Strengthening the functions of the Board of Directors:
   The Company passed a resolution at the shareholders' meeting to formulate the "Regulations Governing Procedure" for "Board of Directors Meetings" in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The latest revision was on November 11, 2023, and the operations of the Board of Directors are handled according to the Regulations Governing Procedure for Board of Directors Meetings.
   (2) Improving information transparency:
   The Company's financial statements are entrusted to Deloitte Touche Tohmatsu LLC to regularly audit certification and disclose all information as required by law and by the regulations, and we designate a dedicated personnel member to be responsible for collecting and disclosing company information, implementing the spokesperson system, and improve the timeliness of material information and

facilitate its disclosure.

(3) Board of Directors Performance Evaluation:
In order to implement corporate governance and enhance the functions of the Board of Directors, the Company has formulated the Board of Directors Performance Evaluation Methods and Procedures with reference to the OTC “Board of Directors Performance Evaluation Measures”. We have done so to establish performance targets and enhance the operational efficiency of the Board of Directors. Evaluation results of the Board of Directors, board members, and functional committees in 2022 were be submitted to the Board of Directors for reporting, review, and improvement on January 13, 2023; and the relevant evaluation methods and procedures can be found on the Company's website.

(4) Board Refresher Courses:
We actively plan and arrange for each Director to follow training according to the hours specified by the Main Points of Advanced Training “Implementation for Directors and Supervisors of Listed Companies”.

(5) The Company ranked among the top 20% of TPEx-listed companies in the 9th Corporate Governance Evaluation. We put in a good performance and shall continue to strengthen corporate governance in the future.

2. Board of Directors Performance Evaluation:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation results
Once per year	January 1, 2022 to December 31, 2022	Board of Directors performance evaluation	Internal self-evaluation of the Board of Directors	1. Degree of participation in company operations 2. Improving the quality of Board decisions 3. Board composition and structure 4. Selection and continuous education of Directors 5. Internal control system	Training hours insufficient and further training courses are to be arranged in the future
Once per year	January 1, 2022 to December 31, 2022	Individual Board member performance evaluations	Board member self-evaluations	1. Understanding of the Company's goals and tasks 2 Awareness of Directors' responsibilities 3. Degree of participation in company operations 4. Internal relationship management and communication 5. Directors' professional and continuing education 6. Internal control system	Training hours insufficient and further training courses are to be arranged in the future
Once per year	January 1, 2022 to December 31, 2022	Functional committee performance evaluations	Functional committee self-evaluations	1. Degree of participation in company operations 2 Recognition of functional committee responsibilities 3. Improvement of quality of decisions made by the functional committee 4. Functional committee composition and member selection 5. Internal control system	To be implemented in accordance with laws and regulations

3. Linkage between Board of Directors Performance Evaluation and remuneration:

Remuneration of the Company’s Directors is stipulated in Article 27 of the Company’s Articles of Incorporation. The current year’s remuneration of Directors shall not exceed 2% of the current year's profit, and a reasonable remuneration shall be given in consideration of the Company's operating results and the Director’s contribution to the Company's performance. Procedures for setting remuneration are drawn from the Company's “Board of Directors Performance Evaluation Methods and Procedures” as the basis for evaluation. In addition to referring to the overall operating performance of the Company, and to future business risks and development trends of the industry, we also refer to individual performance achievement rates and contributions to the performance of the Company. In order to offer reasonable remuneration, relevant performance evaluations as well as the rationality of the remuneration are reviewed by the Remuneration Committee and the Board of Directors. In addition, we will review the remuneration system in a timely manner based on actual operating conditions and relevant laws and regulations, so as to seek a balance between the Company's sustainable operations and risk control.

Policies and systems for Directors' remuneration: (Deliberated at the Remuneration Committee meeting on January 17, 2020 and approved by the Board of Directors)

(1) Director: Transportation allowance of TWD 15,000 per month.

(2) Directors' remuneration: According to Article 27 of the Company's Articles of Incorporation, Directors' remuneration shall not exceed 2% of annual profit.

(3) Independent Directors: Transportation allowance of TWD 30,000 per month and participation in the Company’s distribution of earnings.

3.4.2. Operation of committees

1. Audit Committee membership and operations

(1) Operations:

A total of four meetings of the Audit Committee were held in the most recent year (A). The attendance of Independent Directors was as follows:

Title	Name	Actual number of attendances (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A) (Note 1, Note 2)	Remarks
Independent Director	CHEN, CHIN-JANG	4	0	100%	
Independent Director	CHIEN, TAI-LANG	4	0	100%	
Independent Director	CHAN, I-YAO	4	0	100%	

Other matters to be recorded:

I. If any of the following circumstances arises in the operation of the Audit Committee, the meeting date, period, motion content, and any objections of Independent Directors should be stated, as well as contents of reserved opinions or material recommendations, the results of the audit committee's resolutions, and the Company's handling of the Audit Committee's opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee meeting dates	Proposal content
2022 1st session March 28, 2022	1. Audit report 2. Report on the implementation of derivatives 3. Report on the implementation of lending of funds and of endorsements/guarantees 4. Parent company only and consolidated financial statements for 2021 5. Amendment of the Procedures for Acquiring or Disposing of Assets 6. Distribution of earnings for 2021 7. Capitalization of retained earnings and issuance of new shares
2022 2nd session May 12, 2022	1. Audit report 2. Report on the implementation of derivatives 3. Report on the implementation of lending of funds and of endorsements/guarantees 4. Consolidated financial statements for 2022 Q1 5. Proposed lending of funds to Philippine subsidiary of 300 million PHP (Philippine currency)
2022 3rd session August 11, 2022	1. Audit report 2. Report on the implementation of derivatives 3. Report on the implementation of lending of funds and of endorsements/guarantees 4. Improve preparation of capability performance reports for Financial Reports of TPEx Listed Companies 5. Consolidated financial statements for 2022 Q2

2022 4th session November 11, 2022	1. Audit report 2. Report on the implementation of derivatives 3. Report on the implementation of lending of funds and of endorsements/guarantees 4. Consolidated financial statements for 2022 Q3 5. Improve preparation of capability performance reports for Financial Reports of TPEx Listed Companies
Objections of Independent Directors, contents of reserved opinions, or material recommendations: None	
Results of the Audit Committee's resolutions and the Company's handling of Audit Committee opinions: The Audit Committee unanimously passed all proposals, and the Board of Directors approved and passed all proposals based on the recommendations of the Audit Committee.	

(II) Further to the aforementioned matters, other resolutions not adopted by the Audit Committee but approved by more than two-thirds of all the Directors: No such situation.

II. Implementation status of Independent Directors' recusals due to conflicts of interest should state the name of the Independent Director, the content of the proposal, the reasons for recusal, and voting status: No such situation.

III. The communication between the Independent Directors and the Chief Internal Auditor and the CPAs (materiality, means, and result of communication on the financial position and operation of the Company should be covered): One meeting was held in 2022

Communications between Independent Directors, Accountants, and Internal Audit Officer in 2022

Date	Attendees	Communication matters	Explanation	Suggestions and corrections by Independent Directors
March 25, 2022	Independent Director Chen Chin-Jang Independent Director Chien Tai-Lang Independent Director Chan I-Yao Internal Audit Officer Hsu Ping-Lun	Audit progress by auditors	Audits are carried out in accordance with the annual audit plan, and the audit reports have been sent to all Independent Directors for review in accordance with regulations.	None
		Report on internal control self-evaluation results	The head office and key subsidiaries have completed the 2021 internal control self-evaluation in accordance with the regulations. Furthermore, they have issued a statement that the design and implementation of the internal control system are effective.	None
		Other matters for discussion	1. Are there any other suggestions or requirements to strengthen audit matters? 2. Are there any other suggestions or corrections?	None

(2) Working priorities of the Audit Committee for 2022

A. Review of financial reports:
The Company's 2022 annual business report, financial statements (including parent company only and consolidated), earnings distribution proposals, and so on have been submitted by the Board of Directors. The financial statements (including the parent company only and consolidated financial statements) have been audited by Deloitte Taiwan and an unqualified opinion has been issued.
The above-mentioned business report, financial statements, and earnings distribution proposal have been reviewed by the Audit Committee, submitted to the Board of Directors for discussion, and subsequently submitted to the shareholders' meeting for ratification following passage of resolutions by the Board of Directors.

B. Assessing the efficacy of the internal control system:
The Audit Committee evaluates the efficacy of the Company's internal control system policies and procedures (including control measures such as finance, operations, risk management, information security, outsourcing, and compliance with laws and regulations). Furthermore, the committee reviews the Company's Audit Department and its certified public accountants as well as periodic reports from management including risk management and legal compliance, and it submits the Internal Control System Statement for the review of the Audit Committee.

C. Appointment of a certified public accountant:
The Audit Committee is given the responsibility of supervising the independence of certified public accountant firms to ensure the fairness of financial statements.
Except for tax-related services or specially approved items, the CPA firm shall not provide other services to the Company.
All services provided by the CPA firm must be approved by the Audit Committee.
To ensure the independence of CPA firms, the Audit Committee is based on Article 47 of the Accounting Act and the Content Development Independence Evaluation Form of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10, "Integrity, Objectivity and Independence". Regarding the accountants' independence, professionalism, and competency assessment, it evaluates whether the firm is a related person, business, or party to a financial interest relationship with the Company.

2. Remuneration Committee membership and operations

(1) Remuneration Committee membership

Conditions / Name	Professional qualifications and experience	Status of independence	Number of other public companies where he/she/they concurrently serve(s) as an Independent Director
Independent Director Chen Chin-Jang	Has served as Acting Speaker of the National Assembly, Senior Advisor in the Presidential Office, Minister of the Examination and Selection Department of the Examination Institute, Chairman of Lianya Transportation Co., Ltd., and Chairman of CTI Television Inc. Currently Director of Soochow University and Feng Chia University. With more than 30 years of management and legal knowledge, although he has served as an Independent Director for more than three terms (9 years), he can give professional advice on company operations based on his rich experience to improve the quality of corporate governance and the supervisory functions of the Audit Committee.	Fully meeting the following conditions during the two years prior to election and during the term of office: (1) Not an employee of the Company or its affiliates. (2) Not a Director or supervisor of the Company or its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings. (4) Not a manager of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate blood relative within three degrees of kinship. (5) Not a Director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings, or is designated as a representative in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (6) Not a Director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the company's board of Directors. (7) Not a Director, supervisor, or employee of another company or institution whose Chairman, President, or equivalent position is the same person as that of the Company, or the spouse thereof. (8) Not a Director, supervisor, or manager of a specific company or institution having financial or business dealings with the Company, or a shareholder holding 5% or more of shares. (9) Not a partner, Director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, financial, accounting services, or consultation to the Company or any affiliate of the Company for amounts exceeding TWD 500,000 in the past two years. (10) Not a spouse or relative within the second degree of kinship of another Director. (11) Not elected as a governmental entity or legal person or representative thereof as stipulated by Article 27 of the Company Act.	0
Independent Director Chien Tai-Lang	Has served as a representative to the third term of National Assembly, Secretary-General and Administrative Committee Member of the Executive Yuan, Undersecretary and Executive Deputy Minister of the Ministry of the Interior, and Secretary-General of the Central Election Commission; now concurrently serving as an Independent Director of Ta Qing Ticket Finance and Formosa Chemicals & Fibre; has over 30 years of knowledge in management and law.		2
Independent Director Chan I-Yao	Earned an EMBA from National Taiwan University and has served as President of the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (2005-2014); now concurrently serving as an Independent Director of Alltek Technology and Jukao Engineering; has over 30 years of knowledge in management, finance, and law.		2

(2) Responsibilities of the Remuneration Committee

The Company's Remuneration Committee is composed of all Independent Directors to implement corporate governance and improve the remuneration system for Directors and managers of the Company. Functions and powers of the Committee include:

A. Formulate and regularly review the policies, systems, standards, and structures of Directors and managers' performance evaluation and remuneration.
B. Regularly evaluate and determine the remuneration of Directors and managers.
C. Other matters referred by the Board of Directors.

The Remuneration Committee shall meet at least twice a year; and, within its purview, it may appoint attorneys, accountants, or other experts by resolution to conduct necessary audits or provide consultation.

(3) Information on the operation of the Remuneration Committee

A. There are 3 members of the Remuneration Committee of the Company.

B. The current term of members is June 23, 2020 to June 22, 2023, and the Remuneration Committee held two meetings in the most recent year (A). The qualifications and attendance of members are as follows:

Title	Name	Actual number of attendances (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Chen Chin-Jang	2	0	100%	
Independent Director	Chien Tai-Lang	2	0	100%	
Independent Director	Chan I-Yao	2	0	100%	
Other matters to be recorded: I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): No such situation. II. On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all Remuneration Committee members and the handling of the opinions of the members shall be stated: No such situation. III. The Remuneration Committee held two meetings in 2022 (January 21 and March 28); the prepared meeting minutes and resolutions all were approved without objection for submission to the Board of Directors.					

Note:

(1) Before the end of the year, if a member of the Remuneration Committee resigns, the date of resignation should be indicated in the Remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during the term of service and the actual number of attendances.

(2) Before the end of the year, if the Remuneration Committee is re-elected, the new and old Remuneration Committee members should be listed, and the remarks column should indicate whether the member is old, new, or re-elected and the date of

reelection. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during the term of service and the actual number of attendances.

(4) The reasons for discussions and the resolutions of the Remuneration Committee

Remuneration Committee	Proposal content and subsequent handling	Resolution result	The Company's handling of opinions of the Remuneration Committee
1st session of 2022 January 21, 2022	1. Review the distribution of year-end bonuses to the Chairman and managers of the Company. 2. Evaluate and review the policies, systems, standards, and structures of Directors' and managers' remuneration.	Approval agreed by all members of the Committee	Proposal to the Board of Directors approved by all Directors present without objection
2nd session of 2022 March 28, 2022	1. Review the Company's 2021 Directors and supervisors' remuneration and managers' employee remuneration distribution proposals.	Approval agreed by all members of the Committee	Proposal to the Board of Directors approved by all Directors present without objection

Other matters to be recorded:
If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated): No such situation.

3. Sustainability Committee membership and operations

(1) Sustainability Committee membership

Conditions / Name	Professional qualifications and experience
Chairman Kang Yung-Ming	Graduated from the Department of Business Administration of Tatung University; has served as a Director of Guanwen Agricultural Biotechnology Co., Ltd.; has professional capabilities in corporate operations management, finance, and law.
Independent Director Chien Tai-Lang	Has served as a representative to the third term of National Assembly, Secretary-General and Administrative Committee Member of the Executive Yuan, Undersecretary and Executive Deputy Minister of the Ministry of the Interior, and Secretary-General of the Central Election Commission; now concurrently serving as an Independent Director of Ta Qing Ticket Finance and Formosa Chemicals & Fibre; has over 30 years of knowledge in management and law.
Independent Director Chan I-Yao	Earned an EMBA from National Taiwan University and has served as President of the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (2005-2014); now concurrently serving as an Independent Director of Alltek Technology and Jukao Engineering; has over 30 years of knowledge in management, finance, and law.

(2) Responsibilities of the Sustainability Committee

Functions and powers of the Sustainability Committee are as follows:

A. Confirm sustainable development policies.
B. Confirm strategic planning, annual planning, and project planning for sustainable development.
C. Supervise the implementation of strategic planning, annual planning, and project planning for sustainable development and evaluate implementation status.
D. Approve sustainability reports.
E. Report sustainable development annual implementation results to Board of Directors each year.
F. Other matters instructed by the Board of Directors to be handled by the Committee.

(3) Information on the operation of the Sustainability Committee

A. There are 3 members of the Sustainability Committee of the Company.

B. The current term of members is November 12, 2020 to June 22, 2023, and the Sustainability Committee held 3 meetings in the most recent year (A). The qualifications and attendance of members are as follows:

Title	Name	Actual number of attendances (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Kang Yung-Ming	3	0	100%	
Independent Director	Chien Tai-Lang	3	0	100%	
Independent Director	Chan I-Yao	3	0	100%	
Other matters to be recorded: I. If the Board of Directors does not adopt or amend the recommendations of the Sustainability Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Sustainability Committee should be stated: No such situation. II. On resolutions of Sustainability Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all Sustainability Committee members and the handling of the opinions of the members shall be stated: No such situation. III. The Sustainability Committee held 3 meetings in 2022 (May 12, September 23, and November 11); the prepared meeting minutes and resolutions all were approved without objection for submission to the Board of Directors.					

Note:

(1) Before the end of the year, if a member of the Sustainability Committee resigns, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Sustainability Committee during the term of service and the actual number of attendances.

(2) Before the end of the year, if the Sustainability Committee is re-elected, the old and new Sustainability Committee members should be listed, and the remarks column should indicate whether the member is old, new, or re-elected and the date of reelection. The actual attendance rate (%) is calculated based on the number of meetings of the Sustainability Committee during the term of service and the actual number of attendances.

(4) The reasons for discussions and the resolutions of the Sustainability Committee:

Sustainability Committee	Proposal content and subsequent handling	Resolution result	The Company's handling of the opinions of the Sustainability Committee
1st session of 2022 May 12, 2022	1. Review the Company's sustainable development policies, systems, and management guidelines. 2. Establish the Company's Sustainable Development Work Promotion Task Force and designate its Executive Secretary. 3. Review the Company's specific promotion plan for sustainable development and its implementation plan for 2022.	Approval agreed by all members of the Committee	Proposal to the Board of Directors approved by all Directors present without objection
2nd session of 2022 March 28, 2022	1. Approved the Company's 2021 Sustainability Report.	Approval agreed by all members of the Committee	Proposal to the Board of Directors approved by all Directors present without objection
3rd session of 2022 November 11, 2022	1. Results report for the Company's 2022 sustainable development implementation plan 2. Review the Company's specific promotion plan for sustainable development and its sustainable development implementation plan for 2023.	Approval agreed by all members of the Committee	Proposal to the Board of Directors approved by all Directors present without objection

Other matters to be recorded:
If the Board of Directors does not adopt or amend the recommendations of the Sustainability Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Sustainability Committee should be stated: No such situation.

4. Risk Management Committee membership and operations

(1) Risk Management Committee membership

Conditions / Name	Professional qualifications and experience
Director Kang Chih-Liang	Graduated from the Department of International Trade of Tamkang University; has concurrently served as Chairman of Hoover Can Industrial Co., Ltd. and Liun Shun Industrial Co., Ltd.; has professional experience in corporate operations management.
Independent Director Chien Tai-Lang	Has served as a representative to the third term of National Assembly, Secretary-General and Administrative Committee Member of the Executive Yuan, Undersecretary and Executive Deputy Minister of the Ministry of the Interior, and Secretary-General of the Central Election Commission; now concurrently serving as an Independent Director of Ta Qing Ticket Finance and Formosa Chemicals & Fibre; has over 30 years of knowledge in management and law.
Independent Director Chan I-Yao	Earned an EMBA from National Taiwan University and has served as President of the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (2005-2014); now concurrently serving as an Independent Director of Alltek Technology and Jukao Engineering; has over 30 years of knowledge in management, finance, and law.

(2) Responsibilities of the Risk Management Committee

Functions and powers of the Risk Management Committee are as follows:

A. Examine risk management policies, procedures, and structures, and regularly review their applicability and implementation efficacy.
B. Review and determine risk tolerance and guide resource allocation.
C. Ensure that risk management mechanisms can fully deal with risks faced by the Company and integrate them into daily operational processes.
D. Review and determine the priority and risk level of risk control.
E. Examine the implementation of risk management, put forth necessary suggestions for improvement, and regularly report to the Board of Directors (at least once a year).
F. Implement the risk management decisions of the Board of Directors.

(3) Information on the operation of Risk Management Committee

A. There are 3 members of the Risk Management Committee of the Company.

B. The current term of members is November 11, 2022 to June 22, 2023, and the Risk Management Committee held one meeting in the most recent year (A). The qualifications and attendance of members are as follows:

Title	Name	Actual number of attendances (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A) (Note)	Remarks
Convener	Kang Chih-Liang	1	0	100%	
Independent Director	Chien Tai-Lang	1	0	100%	
Independent Director	Chan I-Yao	1	0	100%	

Other matters to be recorded:

I. If the Board of Directors does not adopt or amend the recommendations of the Risk Management Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Risk Management Committee should be stated: No such situation.

II. On resolutions of Risk Management Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all Risk Management Committee members and the handling of the opinions of the members shall be stated: No such situation.

III. The Risk Management Committee held one meeting in 2022 (November 11); the prepared meeting minutes and resolutions all were approved without objection for submission to the Board of Directors.

Note:

(1) Before the end of the year, if a member of the Risk Management Committee resigns, the date of resignation should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Risk Management Committee during the term of service and the actual number of attendances.

(2) Before the end of the year, if the Risk Management Committee is re-elected, the old and new Risk Management Committee members should be listed, and the remarks column should indicate whether the member is old, new, or re-elected and the date of reelection. The actual attendance rate (%) is calculated based on the number of meetings of the Risk Management Committee during the term of service and the actual number of attendances.

(4) The reasons for discussions and the resolutions of the Risk Management Committee:

Risk Management Committee	Proposal content and subsequent handling	Resolution result
1st session of 2022 November 11, 2022	1. Nomination of the convener of the Risk Management Committee. 2. Establish a Risk Management Promotion Task Force and designate an Executive Secretary.	Approval agreed by all members of the Committee

3.4.3. Corporate governance operations and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof:

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
I. Has the Company prepared and disclosed Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	✓		A Corporate Governance Code has been established in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies" and it has been disclosed on the Company's website and the Market Observation Post System (MOPS).	None
II. Equity structure and shareholders' equity of the Company				
(I) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes, and litigation matters according to the procedures?	✓		(I) The Company has formulated "Stock Affairs Operational Measures", and the Administration Division will handle shareholders' suggestions, concerns, disputes, and litigation matters and implement them in accordance with the procedures.	None
(II) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	✓		(II) The Company's stock affairs committee is responsible for coordinating with the Stock Agency Department of Oriental Securities Co., Ltd. to fully grasp changes in shareholder structure. Major shareholders report changes in their shareholdings to the Company every month in accordance with regulations, and the list of the top ten shareholders and the list of ultimate controllers of major shareholders is disclosed in the annual report.	None
(III) Has the Company established and implemented risk control and firewall mechanisms for affiliated companies?	✓		(III) Establish appropriate risk control mechanisms and firewalls in accordance with relevant internal measures such as	None

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			related party transaction measures, subsidiary supervision and management measures, endorsement/guarantee measures, operating procedures for loans of funds to others, and procedures for acquiring or disposing of assets. Those who have business dealings with affiliated companies are treated as independent third parties, and unconventional transactions are prohibited.	
(IV) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	✓		(IV) We have established Preventive Measures for Insider Trading as operating procedures to prohibit insiders from using unpublished information in the market to buy and sell securities, and have announced them on the Company's internal website. The corporate governance officer regularly promotes this in meetings of the Board of Directors and executive meetings. On March 28, 2022, 9 members of the current Board of Directors underwent this training. On September 5, 14 company executives (Deputy managers and above) were given relevant education and advocacy. The content included coverage of Article 157-1 of the Securities and Exchange Act, the reasons for the formation of insider transactions, the identification process, descriptions of transaction examples, and the handling of violations.	None
III. Composition and Duties of the Board of Directors			(I) The Company amended the "Corporate	

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
(I) Has the Board of Directors formulated a diversity policy and specific management objectives, and implemented them?	✓		Governance Code” on March 28, 2022. The nomination and selection of members of the Board of Directors adheres to the provisions of the Company’s Articles of Incorporation and adopts a candidate nomination system. In addition to assessing the academic qualifications of each candidate, we refer to “Procedures for Election of Directors” and the “Corporate Governance Code”, to ensure the diversity and independence of Board members. The composition of the Board of Directors shall be determined by taking diversity into consideration. At present, 9 Directors have professional capabilities such as leadership, decision-making, an international market outlook, crisis management, financial management, operations management, business development, risk management, and environmental sustainability. 3 of them are Independent Directors. Members' backgrounds cover industry, management, manufacturing, and legal and financial backgrounds. Management policies can be provided from different perspectives to help the Company improve business performance and reduce operational risk. The diversity policy of the composition of the Board of Directors has been disclosed on the Company's website and annual report; please refer to page 10 of the annual report.	None None

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
(II) Has the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law? (III) Does the Company formulate the Board's performance assessment and evaluation method, conduct performance evaluation annually and regularly, and report the results of the performance evaluation to the Board of Directors, and apply it to individual Directors' remuneration and nomination renewal?	✓ ✓		(II) With the approval of the Board of Directors on November 12, 2020, the Company voluntarily established the Corporate Social Responsibility Committee; its name was changed to the Sustainability Committee on May 12, 2022. The Risk Management Committee was established on November 11, 2022, and the operation of each committee is detailed on pages 29~40 of the annual report. (III) On March 28, 2022, the Company revised the Board of Directors Performance Evaluation Methods and Procedures. Director performance self-evaluations are completed in accordance with regulations every year, and the evaluation report is completed by the corporate governance officer and submitted to Chairman for summarization and reported to the Board of Directors for review and improvement. Evaluation results are to be used as a reference for individual Directors' remuneration and nomination for re-election in the future. The results of the 2022 performance evaluation were submitted to the Board on January 13, 2023, and the evaluation results were to be used as a reference for the payment of remuneration.	None
			Measurement items for the Company's Board of Directors Performance Evaluation include the	

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			following five aspects: Degree of participation in company operations Improving the quality of Board decisions Board composition and structure Selection and continuous education of Directors Internal control system Measurement items for Board Member performance evaluations include the following matters: 1. Understanding of the Company's goals and tasks 2 Awareness of Directors' responsibilities 3. Degree of participation in company operations 4. Internal relationship management and communication 5. Directors' professional and continuing education 6. Internal control system Measurement items of functional committee performance evaluations include the following matters: 1. Degree of participation in company operations 2. Recognition of functional committee responsibilities 3. Improvement of quality of decisions made by the functional committee 4. Functional committee composition and member selection 5. Internal control system Please refer to page 27 of the annual report for the Board of Directors Performance	

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			Evaluation results for 2022	
(IV) Has the Company assessed the independence of CPAs at regular intervals?	✓		(IV) The Company self-evaluates the independence of accountants in accordance with the Corporate Governance Code and obtains the statement of independence of the accounting firm; all of which complies with the Bulletin of Norms for Professional Ethics for Certified Public Accountant of the Republic of China No. 10, “Integrity, Objectivity and Independence”. The evaluation results of accountant independence and appropriateness was reported to the Board of Directors on January 13, 2023. (Note 1)	None
IV. Is the TWSE/TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance Director responsible for corporate governance related matters (including but not limited to providing information needed by Directors to carry out business, assisting Directors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders’ meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		On May 14, 2019, the Company passed a resolution of the Board of Directors to appoint manager Chen Chi-En as corporate governance officer to protect the rights and interests of shareholders and strengthen the functions of the Board of Directors. Manager Chen Chi-En has more than 3 years of experience in the management of public offering companies in legal, financial, and stock affairs. The main responsibilities of corporate governance personnel are to provide information needed by Directors to carry out business, assisting Directors and to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders’ meeting in accordance with the law.	None

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			Relevant business implementation in 2022: 1. Handled 4 Board meetings and the 2022 annual General Meeting of Shareholders in accordance with the law. 2. Produced minutes of Board of Directors meetings and shareholders' meetings. 3. Assisted Directors in taking their positions and provided information for their continuing education. 4. Provided Directors with information required for business implementation. 5. Assisted Directors in complying with laws and regulations. 6. Other matters stipulated in accordance with the Company’s Articles of Incorporation or contracts and so on.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a special column for stakeholders on the Company’s website, and respond appropriately to important corporate social responsibility issues of concern to stakeholders?	✓		The Company’s website has a Stakeholder Area as well as associated responsible unit, and we provide stakeholder feedback on topics of concern and can communicate and respond appropriately through the corresponding responsible units at any time. Stakeholder identity, issues of concern, communication channels, and response methods are detailed in Note 2.	None
VI. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	✓		The Company has appointed the stock agency department of Oriental Securities Co., Ltd., a professional stock agency, to handle the relevant affairs of the shareholders' meeting.	None

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
VII. Disclosure of Information (I) Has the Company installed a website for the disclosure of information on financial and business matters as well as corporate governance?	✓		(I) The Company has set up a website to regularly update relevant information, and relevant financial and business matters and corporate governance information are disclosed in the Market Observation Post System (MOPS) in accordance with regulations.	None
(II) Does the Company disclose information by other means (such as setting up an English website, putting dedicated personnel in charge of collecting and disclosing company information, and publishing the spokesperson systems, and the process for legal person briefing session on the Company's website)?	✓		(II) The Company has set up an English version of the website and designated dedicated personnel to be responsible for the collection and disclosure of information. We have faithfully implemented a spokesperson system and made the institutional briefing session process available on the Company's website to be viewed. We shall continue cooperating with relevant laws and regulations and fulfill the responsibility of corporate information disclosure.	None
(III) Does the Company announce and declare its 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 as early as possible within the prescribed time limit?		✓	(III) The Company's annual financial statements are submitted before the end of March each year. Due to the Company's business relationships, it is impossible to declare within two months after the end of the fiscal year. The first, second, third quarter financial statements and the operational status of each month shall be reported in accordance with the relevant regulations.	Although our company did not announce or file financial reports and operational updates in advance, we have complied with the regulatory deadlines by completing the relevant filings within the required timeframe.
VIII. Is there any other material information that would facilitate an understanding of corporate governance operations (including but not limited to employee	✓		1. Employee rights and interests: The Company always treats employees with integrity and emphasized employee safety and employee welfare. In addition to establishing an	None

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
rights and interests, employee care, investor relations, supplier relations, stakeholder rights, Directors' continuing education, implementation of risk management policies and standards of risk assessment, implementation of customer policies, and professional liability insurance coverage for the Directors)?			Employee Welfare Committee to implement the operation of employee welfare matters, the Company also protects the legitimate rights and interests of employees in accordance with the Labor Standards Act. 2. Employee care: In order to create a high-quality working environment, the Company provides diversified employee care measures. Group insurance and annual health checks are provided in addition to statutory employee benefits. In addition, diversified education and training programs are also provided to strengthen core and professional functions. The Company has also set up two-way communication channels for employee suggestion boxes and e-mails to respect the expression of employees' opinions. 3. Investor relations: The Company has designated dedicated personnel to deal with shareholder suggestions and disclose information on the Market Observation Post System (MOPS) within the time limit specified by laws and regulations, and we have implemented a spokesperson system to protect the rights and interests of investors. 4. Supplier relations: The Company has always maintained good relationships with its suppliers, conducting irregularly supplier audits and timely communication to improve product quality. 5. Rights of interested parties: In addition to the	

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			spokesperson system, the Company also provides the contact information of the “Oriental Securities Co., Ltd. Stock Affairs Agency Department”. Any comments or questions can be submitted directly to the relevant personnel for a response for the sake of protecting the legitimate rights and interests of investors and stakeholders. 6. Directors’ continuing education: The Directors of the Company all have industrial professional background and practical experience in operations and management. Therefore, it is not mandatory for Directors to take further training. Instead, Directors are actively encouraged to participate in relevant courses organized by the Securities & Futures Institute. 7. Implementation of risk management policies and standards of risk assessment: The Company's material proposals on operating material policies, endorsement/guarantee, lending of funds, bank financing, and investment proposals are all implemented by Board of Directors resolutions. The Audit Office also draws up its annual audit plan in accordance with the risk evaluation results to implement the supervision mechanism and control the implementation of each risk management item. 8. Implementation of customer policies: The Company has established client complaint	

Evaluation criteria	Operational status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			channels, regularly conducts customer satisfaction surveys, and implements customer relationship management to maintain good relationships and create mutual benefit. 9. Purchase of liability insurance for the Company's Directors: The Company purchased Director and supervisor liability insurance from Shinkong Insurance on June 25, 2022, and the insurance is expected to be renewed in 2023 on June 25.	
IX. Please explain corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year: The Company will improve corporate governance-related information based on corporate governance evaluation results, cooperate with indicator revisions, and add relevant policies and regulations, strengthen corporate governance, and disclose it on the Company's website in real time to improve the timeliness of public information.				

Note 1: Independence and appropriateness assessment table for CPAs in 2022.

Item	Evaluation criteria	Evaluation results	Do they conform to the status of independence
1	Do the accountants have direct or material indirect financial interests in the Company.	Conformity	Yes
2	Are the accountants involved in financing or guarantees of the Company or are Directors of the Company.	Conformity	Yes
3	Do the accountants have close business relationships and potential employment relationships with the Company.	Conformity	Yes
4	Have the accountants and their audit team members held positions in the Company during the audit period as Directors, managers or other positions with significant influence on the audit work.	Conformity	Yes
5	Have the accountants provided non-audit service items that may directly affect the audit work of the Company.	Conformity	Yes
6	Do the accountants hold shares or other securities issued by the Company.	Conformity	Yes
7	Have the accountants acted as advocates for the Company or settled conflicts with other third parties on behalf of the Company.	Conformity	Yes
8	Do the accountants share kinship with the Directors, managers of the Company, or those who have significant influence on the audit work.	Conformity	Yes

Note 2: Stakeholder identity, issues of concern, communication channels, and response methods.

Stakeholder	Issue of concern	Responding department/ contact window	Communication channel (frequency)	Response method
Government agency	Waste management/energy resource utilization and energy saving and carbon reduction/ corporate governance/service quality and customer satisfaction/ Environmental protection and ecological conservation	Administration Division Manager Chen	1. Audit (irregularly) 2. Advocacy briefing (irregularly) 3. Issuance and receipt of official documents (irregularly)	1. Comply with legal requirements and conduct regular audits. 2. Maintain favorable interactions and coordinate related activities. 3. Respond to inquiries and explanations from competent authorities.
Customers	Waste management/energy resource utilization and energy saving and carbon reduction/ Product risk/service quality and customer satisfaction/ Environmental protection and ecological conservation	Marketing & Sales Division Manager Chien	1. Satisfaction surveys (annually) 2. Customer complaint mechanisms (irregularly)	1. Regularly improve customer trust through satisfaction surveys with customers, and the satisfaction rate in 2022 was 89.6%. 2. Customer complaint handling measures have been established that clearly delineate customer complaint channels and handling methods.
Suppliers Contractors Outsourcers	Privacy protection and transaction security/human rights and equality/ Product risk/service quality and customer satisfaction/ Sustainability strategy	Purchasing Division Manager Jiang	1. Audit management (irregularly) 2. Supplier management (irregularly)	1. Ensure quality through audits. 2. Two-way communication to announce policies, quality goals, and cooperation progress.

Stakeholder	Issue of concern	Responding department/ contact window	Communication channel (frequency)	Response method
Employees	Waste management/product risk/human rights and equality/ corporate governance/service quality and customer satisfaction	Administration Division Manager Chen	1. Employee suggestion box (irregularly) 2. Labor-management meeting (quarterly) 3. Management meeting (monthly) 4. Welfare Committee meeting (irregularly) 5. Electronic bulletin board (irregularly) 6. Performance appraisal (annually) 7. Care for new hires (annually)	1. Clear employee complaint channels and have them handled by the Administration Division. 2. Two-way communication between labor and management to establish harmonious relations. 3. Formulate and review production and marketing strategies. 4. Employee benefit planning and implementation. 5. Announcement of management measures, rewards and disciplinary actions, and personnel changes. 6. Two-way evaluation mechanism to implement performance appraisals. 7. Employee care mechanisms to assist in problem solving.
Shareholders Investors	Sustainability strategy/corporate governance/information disclosure and transparency/ Operational performance/risk control	Administration Division Manager Chen	1. Shareholders' meeting (annually) 2. Annual report/financial statements (quarterly) 3. Company website (irregularly) 4. Market Observation Post System (MOPS) (irregularly)	1. Report on business performance and future outlook. 2. Provide financial and corporate governance information. 3. Establish a spokesperson system to answer questions. 4. Provide real-time information of the Company.

Stakeholder	Issue of concern	Responding department/ contact window	Communication channel (frequency)	Response method
Bank	Sustainability strategy/corporate governance/information disclosure and transparency/ Operational performance/risk control	Finance Division Manager Chang	1. On-site visits (irregularly) 2. Complaint window (irregularly)	Establish windows and communication methods to understand industry news and changes in the economic environment, so as to facilitate investment decision-making and judgment.

3.4.4. Implementation of sustainable development promotions and the deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof:

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
I. Does the Company establish a governance structure to promote sustainable development, and set up a designated full-time (or part-time) unit to promote Sustainable Development, and the Board of Directors authorizes senior management to handle this, and the Board of Directors supervises the situation?	✓		I. In order to practice corporate sustainable management and strive to fulfill corporate social responsibility, the Company set up a Corporate Social Responsibility Committee on November 12, 2020; its name to the Sustainability Committee on May 12, 2022. With the Chairman acting as convener, the Company's divisions form three task forces covering Sustainable Governance, Sustainable Environment and Social Responsibility. The heads of each division are responsible for the planning, promotion, and implementation of task force issues, and the work promotion task force collects data from the divisions and compiles it into a sustainable report to be submitted to the Board of Directors after reviewing the annual implementation at the end of each year. The Board of Directors carried out the annual report on November 11, 2022. For the structure of the Sustainability Committee please refer to Note 1.	None

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?	✓		II. The period covered by the Company's Sustainability Report is from January 1, 2021 to December 31, 2021. It discloses self-statistical information and data. The content is mainly in Taiwan, and the scope of information covers the Nankan Plant and the Pitou Plant. Adhering to the principle of materiality, the Company completed a stakeholder questionnaire in March 2022 and held a meeting to identify material issues in April, thereby conduct risking assessments on environmental, social and corporate governance issues related to Company operations.	None
III. Environmental issues (I) Has the Company established an appropriate environmental management system based on its industry characteristics?	✓		(I) The Company's Nankan Plant received guidance to build an ISO 14064-3:2006 greenhouse gas organization inventory system and it introduced, ISO 22000 and HACCP food safety management systems in accordance with the characteristics of the industry. We comply with relevant norms and publicly disclose them in the sustainability report and on the Company's website.	None
(II) Has the Company committed itself to improving energy efficiency and to using	✓		(II) The Company is committed to improving the utilization efficiency of resources. We	None

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
recycled materials with low impact on the environment?			select equipment with high energy efficiency and energy-saving design while reducing business and energy consumption. Furthermore, we have formulated “Waste Management Measures”, regularly apply for scrapped waste storage and output, and recycle and reuse in accordance with the law. See Note 2 for details of usage and emissions of each energy resource item.	
(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and has it taken relevant countermeasures?		✓	(III) The Company plans to follow the TCFD framework announced by the Financial Supervisory Commission this year. Furthermore, we shall rely on the guidance of the accounting firm to evaluate the Company’s risks and opportunities from climate change; and we shall disclose the evaluation results in the 2022 Sustainability Report after undertaking corresponding contingency measures.	In accordance with sustainable development guidelines and the TCFD (Task Force on Climate-related Financial Disclosures) framework, we have implemented ongoing planning and adjustments in compliance with regulations.
(IV) Does the Company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water management or other waste management?	✓		(IV) The Company is committed to pollution prevention, energy saving and carbon reduction to protect the Earth. We undertake annual reviews of greenhouse gas emissions, water consumption, and total waste volume, and we try to reduce the consumption of all resources in order	None

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			to contribute to global environmental protection. See Note 2 for details on usage and emissions of each energy resource item of the Company. (The appended information is for 2021; statistics, for 2022 will be disclosed in the Company's 2022 Sustainability Report after the statistics are completed.)	
IV. Social matters (I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	✓		(I) The Company recognizes and abides by the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the UN Guiding Principles on Business and Human Rights, the United Nations International Labor Organization (ILO), and other internationally recognized human rights norms; and we have established human rights policies and measures and published them on the Company’s website.	None
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation, and other benefits, etc.), and appropriately	✓		(II) Employee benefit measures: The Company has marriage and funeral allowance measures whereunder employees can apply for maternity	None

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
reflected business performance or results in employee compensation?			allowances, marriage allowances, and funeral allowances. The Nankan Plant and Pitou Plant provide free meals as well as nursing rooms, staff dormitories, parking lots, and staff leisure activity centers. Furthermore, we have established an Employee Welfare Committee to handle domestic travel, end of year banquets, New Year gifts/vouchers, birthday gift certificates, and cultural and leisure activities and subsidies. In addition, we cooperate with medical consulting companies to arrange for nurses to come to the Nankan Plant to provide on-site health services four times a month and care for the physical and mental health of colleagues. We thus can prevent the occurrence of occupational injury through weekly consultations and advice. We further stipulate provisions such as a hazard prevention plan, maternal health protection plan, prevention plan for unlawful harm suffered in the performance of duties, abnormal workload illness plan, sexual harassment prevention measures, complaints, and disciplinary measures, etc., to protect the occupational safety and	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			health of employees. The reflection of business performance employee remuneration: If there is current net profit in the Company's annual final accounts, it must first make up for past losses and then withdraw 10% for legal reserve. Furthermore, provision for special reserve or reversal of special reserve shall be set aside in accordance with Article 41 of the Securities and Exchange Act, and the accumulated undistributed earnings of the previous year shall be added to distributable earnings. If a balance remains, allocation to employee remuneration shall not be less than 2% and operating performance shall be fully reflected in employee remuneration.	
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	✓		(III) The Company attaches great importance to the physical and mental health of employees, formulates safety and health work rules, underwrites group casualty insurance, and pays for items including accidental death or disability insurance and injury medical insurance. We offer regular annual health checkups and follow up with	None

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			employees on abnormal health checks so as to improve the concept of health management. There were no cases of occupational illness in 2022. The Company implements and declares the following matters in accordance with the law to maintain workplace safety: (1) Building public security inspection once per year. (2) Fire safety inspection once every six months. Labor safety and health and fire protection organization training courses are held every year to enhance the safety awareness of employees, and dedicated personnel are assigned to strictly manage the purchase and entry and exit of dangerous goods to avoid risks and hazards. Furthermore, and in accordance with the law, newly hired workers and in-service workers are provided with safety and health education and training before changing jobs. The on-the-job safety and health education and training for general workers is conducted once a year, and fire training is conducted twice a year, each time being for 3 hours. In 2022, 7 lectures	

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			were held on labor safety with 233 participants. In the same year, there were 2 occupational accidents, both involving abrasions and contusions and there were no serious problems after treatment.	
(IV) Has the Company provided effective training in career planning for employees? (V) Regarding issues such as customer health and safety, customer privacy, and marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and formulate relevant consumer and customer protection policies and complaint procedures?	✓ ✓		(IV) The Company proposes an annual training plan for each unit based on the development of employees' career capabilities as a reference for implementation, and reviews the achievement rate of each unit at the end of the year. (V) We have set up a management mechanism for the supply chain of the Company’s raw materials. Furthermore, we have passed GFSI requirements in response to international trends as we continuously track food safety information and improve internal reporting mechanisms. Moreover, we are dedicated to minimizing food safety risks and to implementing our commitment to food safety. The marketing and labeling of the Company's products and services are handled in accordance with relevant laws and regulations, and “Personal Data Protection Measures” have been	None None

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			formulated to manage and protect customer privacy. The company's Marketing & Sales Division is responsible for customer rights and consumer complaints, and responds immediately to customer complaints.	
(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?	✓		(VI) The Company conducts supplier/outsourcer environmental management and evaluation operations for suppliers, covering issues such as labor, health and safety, environment, ethics management systems, and environmental safety management systems. After evaluation, if a supplier is involved in a policy violation, then the terms of the contract may be terminated or rescinded at any time when there is a significant impact on the environment and society. The 2022 evaluation methods covered 100% of suppliers.	None
V. Does the Company refer to the international reporting standards or guidelines, preparation of sustainability reports, and other reports that disclose the Company's non-financial information? Did the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?	✓		The sustainability reports prepared by the Company all refer to internationally accepted reporting standards and guidelines. The 2021 sustainability report is in accordance with the GRI core principles and obtained Grant Thornton Taiwan’s confirmation of audit completion in September 2022, and it has	None

Promotion item	Implementation			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			been uploaded to the Market Observation Post System (MOPS).	

VI. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the differences between its operation and the Principles:

The Company has formulated a Code of Sustainable Development. In order to practice corporate citizenship, demonstrate the Company's commitment to employees and shareholders, and implement sustainable development, it has published a corporate social responsibility report every year since 2016 to make information transparent. We also actively participate in green environmental protection actions and public welfare activities. Relevant information was disclosed in 2022 in line with the newly revised Sustainable Development Code Policy, and we shall continue to strengthen the disclosure of relevant information of regulations to ensure compliance with relevant norms.

VII. Other important information helpful to understand the implementation of the promotion of sustainable development:

Due to the easing of the pandemic in 2022, the Company implemented corporate sustainability by participating in a range of in-person charity activities that aligned with the practice of previous years.

*Family Support sponsorship

The Family Support Center is committed to assisting families of children who have suffered from accidents leading to poverty. It provides economic, educational, medical, recreational, and psychological help, behavioral counseling, and other diversified services.

Since April 2021, the Company has sponsored 10 children in Taoyuan City through the Family Support Foundation for TWD 10,000 per month. It provides assistance to children from all walks of life, so that they can grow up more smoothly on the road to adulthood. We hope that children can grow up with a grateful heart, knowing how to have gratitude for the source of benefit. In this way, we are continuing to give back while planting seeds of love for society

*Family Support Love Garden Fair

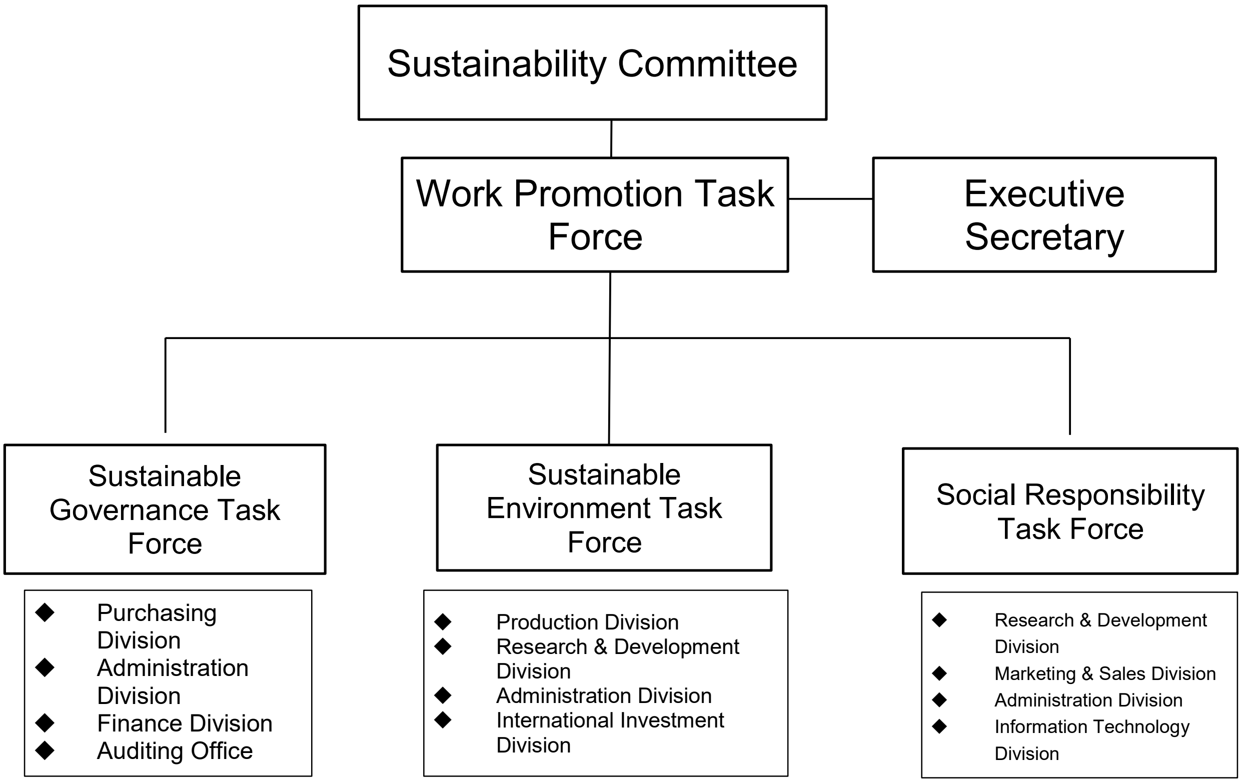
The Company participated in a Family Support Love Garden Fair charity sale in November 2022, setting up our own stalls to sell products with all proceeds to be donated.

This activity provided materials and parent-child education needed by families who are near Taoyuan. Employees were also encouraged to actively participate and provide park tickets, consolidating the solidarity of employees through charity activities and letting them deeply understand the meaning of social welfare and sustainable development.

*Maltose Cup Golf Charity Tournament
The Company first launched the Maltose Cup golf charity event in 2013. Except for its cancellation in 2021 due to the pandemic, it has held nine tournaments through 2022 with 94 players participating.
The Maltose Cup provides a stage for outstanding domestic players to perform, and the named players also provide nutrition funds. Through this charity competition, we actively promote youth golf, encourage young players to communicate with each other and learn from each other, bravely chase their dreams, let the game of golf take root, and allow young players get good results through continuous practice while looking forward to shining on the international stage in the future.

*Streetlamp sponsorship
In order to ensure the safety of residents around the community and allow the road to be fully illuminated at night, Taiwan Fructose adheres to the spirit of taking from society and giving back to the local community. In 2022, we participated in the sponsorship of 10 streetlamps in the Guangfu East Road lot in Pitou Township, shining a light on the neighborhood.

Note 1: Sustainability Committee organizational chart



Note 2: Usage and emissions of each energy resource item
(The disclosed information is for 2021; statistics for 2022 will be disclosed in the Company's 2022 Sustainability Report after the statistics are completed.)

(1) Greenhouse gases:
Greenhouse gas inventories verified by a third-party verification unit based on signed bilateral agreements and ISO 14064-1: Standards including 2006 ISO 14064-3:2006 and the greenhouse gas inspection guidelines of the Environmental Protection Department of the Executive Yuan require implementation of greenhouse gas emissions audit activities; furthermore, we have submitted greenhouse gas audit declarations in accordance with the scope of application, targets, criteria, and the results of the audit during the period covered by greenhouse gas emissions. The Company submits greenhouse gas claims in accordance with the requirements of the audit standards and regularly declares them in the greenhouse gas inventory system, aiming to reduce greenhouse gas emissions by 3% per year. Greenhouse gas emissions in 2021 amounted to 30,970.496 metric tons, compared with 2020 greenhouse gas emissions 32,849.75 tons for a decrease of about 5.7%.

Greenhouse gas emissions by scope classification

Item	Scope 1	Scope 2	Total
Greenhouse gas emissions (metric tons CO2e/year)	26,479.7188	4,490.7772	30,970.496
Proportion of total emissions (%)	85.5%	14.5%	100%

(2) Water consumption:

With the increasing demand for water, the most important topic of current water resources policy is how to foster “open sourcing” and “flow controls”. In the daily operation of the starch sugar plant, process water (including separation and recycling water and water for dissolving powder) and public water (air-conditioning water, cooling water, washing water, and boiler water) account for about 70% of overall plant water.

The Company actively implements water recycling measures in the plant area to ease the plight of water shortages and insufficiency. A new water recycling strategy was added from 2021 that incorporated water for adsorption towers, washing buckets, and separation towers. Total water consumption is 434,829 metric tons, and the recycled water volume has attained 130,963 tons, with the water recovery reuse rate reaching 30.12%.

Summary table of water sources

Year	2020		2021	
Water sources	Tap water	Groundwater	Tap water	Groundwater
Individual water intake	18,186	439,985	12,738	422,091

Note 1: Tap water amounts are aggregated according to water consumption reflected in monthly billing.

Note 2: Groundwater amounts are aggregated according to water meter flow statistics.

(3) Waste:

Clean up and treat the waste generated in the factory in accordance with the Waste Disposal Act, formulate waste and manufacturer checklists, conduct regular audits, and record the results, and simultaneously strengthen flow management. In 2022, the total waste amount came to 3,963.29 metric tons and the total amount of reused waste was 3,925.78 metric tons for a reuse rate of 98.1%. No illegal incidents occurred according to the results of the waste cleaning audit.

Statistical table of waste output

Unit: Metric tons

Item	2020	2021	Disposal method
Waste diatomaceous earth	1,769.36	1,801.78	Recycling - organic fertilizer
Food processing sludge	407.53	301.7	Recycling - organic fertilizer
Coal ash	2,053.24	2,275.82	Recycling - ready mix concrete
Waste liquid	62.14	41.97	Incineration
Domestic waste	0.0254	0.029	Landfill disposal

Note 1: In the statistical table of waste output, except for waste liquid constituting hazardous industrial waste, the remainder constitutes general industrial waste.

3.4.5. The Company's fulfillment of ethical management and measures taken:

Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies:

Evaluation criteria	Operational status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
I. Formulation of ethical management policy and plans				
(I) Has the Company formulated the ethical management policy approved by the Board of Directors, and in the regulations and external documents expressed the policies and practices of operating in good faith, and the commitment of the Board of Directors and senior management to actively implement business policies?	✓		(I) The Company adheres to Ethical Corporate Management Best Practice Principles and it is regularly promoted by the corporate governance officer. On March 28, 2022, 0.5 hours of advocacy was given to 9 members of the Board of Directors. On May 5, advocacy was conducted for 15 senior executives of the Company. Furthermore, the Board of Directors made an annual report on November 11, 2022 and is actively implementing a commitment to ethical management.	None
(II) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) The Company's Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct clearly stipulate the plan and related measures to prevent dishonesty. If the Company's Directors, managers, employees, or those with substantial control are involved in dishonest behavior, disciplinary action will be carried out in accordance with the	None

Evaluation criteria	Operational status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			norms. If the circumstances are material, disciplinary action will be carried out in accordance with the law or with Company personnel regulations.	
(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties, and grievance systems as part of its preventive measures against dishonest conduct, and are the above measures reviewed and revised on a regular basis?	✓		(III) On May 8, 2020, the Board of Directors of the Company approved Procedures for Ethical Management and Guidelines for Conduct that clearly stipulate a disciplinary action and appeal system for violations as well as their implementation. It can be revised at any time in accordance with the law and regulations and the requirements of the competent authorities.	None
II. Implementation of ethical corporate management (I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	✓		(I) The Company has clearly stipulated the principles of good faith transactions in sales contracts. In order to maintain a basis of honesty and mutual trust in business dealings, there must be no improper or dishonest transactions in commercial activities. The Company shall not do business with violators, and ethical clauses are clearly stipulated in the Company's standard sales contracts while dishonest transactions are prohibited.	None
(II) Has the Company set up a special unit under the board of Directors to promote corporate ethical management, and regularly reports (at	✓		(II) On August 12, 2015, the Company designated the President's Office as the responsible unit for the supervision and	None

Evaluation criteria	Operational status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
least once a year) to the board of Directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?			implementation of ethical management policy and prevention programs, and it regularly reports to the Board of Directors. Since ethical corporate management covers food safety, we arrange, as needed, research and development, quality assurance, quality control units and health management personnel to participate in food hygiene and safety lectures held by central competent authorities and inspection agencies in order to enhance the professional knowledge and skills of employees, strengthen the sensitivity of employees in the plant to food safety and hygiene, and promote the more perfect operation of the management system. In 2022, we arranged practical training courses related to 5S/GHP, product process, CCP point monitoring technology, allergens, food safety, and an introduction to the FSSC 22000 food safety management system. There were 743 training participants for 1,126 hours. On November 11, 2022, a report was made to the Board of Directors on annual ethical corporate management implementation.	
(III) Has the Company developed a policy to prevent conflicts of interest, provided a proper	✓		(III) The Company has established policies to prevent conflicts of interest, providing	None

Evaluation criteria	Operational status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
presentation channel, and put such policy in place?			channels for statements and answers and stipulating recusal from in discussions and votes. Furthermore, we have established a strict Code of Ethical Conduct such that all employees are required to follow codes of conduct and ethical guidelines in a responsible manner. In addition, the Company has established a stringent whistle-blowing system whose scope covers high-risk operating activities such as outsourcing, business, and procurement. We have also published the Code of Ethical Conduct on the Company's website so that relevant colleagues have access to clear operating standards.	
(IV) Whether the Company has established an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, formulated relevant audit plans, and checked compliance with the plan to prevent dishonesty, or entrusted an accountant to perform the audit.	✓		(IV) In order to implement ethical corporate management, the Company has established an effective accounting system and internal control system in accordance with the components of the internal system. Furthermore, the internal audit unit conducts audits in accordance with the annual audit plan and prepares an audit report and submits it to the Board of Directors.	None
(V) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	✓		(V) Since anti-corruption policy mainly involves management, advocacy meetings were respectively held for Directors and supervisors and for management-level executives in 2022 on	None

Evaluation criteria	Operational status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			the Code of Ethical Conduct and the Ethical Corporate Management Best Practice Principles and Policies, together amounting to one hour of training time, two sessions were attended by 24 participants. No employee was subject to administrative disciplinary action for violating the Code of Conduct in the current year. We will continue to strengthen education and advocacy in the future so as to prevent conflicts of interest.	
III. Operation of the Company's reporting system (I) Has the Company put in place the specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing?	✓		(I) The Company has established and announced an internal independent reporting mailbox and dedicated line for use by internal and external personnel, and has assigned a special unit with responsibility for accepting and handling whistleblower reports.	None
(II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	✓		(II) The Company has established the types of reported matters and their investigation standard operating procedures. Reported matters involving Directors or senior executives should be reported to Independent Directors.	None
(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	✓		(III) The Company has measures to keep the identity of the whistleblower and the content of the whistleblower report confidential. The Corporation also	None

Evaluation criteria	Operational status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary description	
			undertakes to protect the whistleblowers from improper treatment due to their whistleblowing.	
IV. Strengthening of information disclosure Has the company, on its website and on the Market Observation Post System (MOPS), disclosed the content and promotion efficacy of its Ethical Corporate Management Best Practice Principles?	✓		The Company has an electronic bulletin board to announce relevant regulations and event information in real time. Relevant regulations on corporate governance and ethical operations performance are disclosed on the Company's website.	None
V. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the difference between its operation and the Principles: The Company has its own Ethical Corporate Management Best Practice Principles in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”. We pay constant pay attention to the development of relevant norms of ethical corporate management domestically and abroad, and we encourage Directors, managers, and employees to put forward suggestions, based on the review and improvement of the Company's ethical management policy and promotion measures to enhance the Company's implementation of ethical corporate management.				
VI. Other information that enables a better understanding of the Company's ethical corporate management (for example, the Company’s review and revision of the Ethical Corporate Management Best Practice Principles): The Company’s Ethical Corporate Management Best Practice Principles were established on March 21, 2014, and a second revision was made on March 27, 2020. On March 29, 2018, the Board of Directors passed the ethical management policy and the Directors and managers signed the statement of compliance with the ethical management policy, which was extended to all employees in June 2022. Ethical corporate management and other regulations are placed in the internal system download area and the investor area of the Company’s website.				

3.4.6. If the Company has established the Corporate Governance Best Practice Principles and the related regulations, it should disclose how to inquire about such principles:

In order to improve the governance system of the Company's Board of Directors and strengthen the supervision and management functions, the “Company's Corporate Governance Code” has been formulated in accordance with the relevant provisions of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

For further detail, please refer to the Company's website: http://www.fructose.com.tw/ or the Market Observation Post System (MOPS):http://mops.twse.com.tw/mops/web/index.

3.4.7. Other important information sufficient to enhance the understanding of corporate governance operations:

The Company’s Procedures for Handling Material Inside Information adheres to the Taipei Exchange’s operational methods for reporting company information on TPEx listed companies in marketable securities and the Procedures for Handling Internal Material Information. Furthermore, the Board of Directors has passed amendments to the relevant regulations of the internal control system, including: 1. Information management measures. 2. Preventive measures for insider trading. As the Company's Directors, managers, and those who meet the insider trading standards, the behavior should follow the norms, which clearly define the scope of internal material information and the aforementioned personnel should abide by laws, regulations, and orders including insider trading. The Company has provided these to Directors and managers and also placed this code on the Company's internal website for all colleagues to follow, so as to avoid violations or insider trading.

3.4.8. Implementation status of the internal control system

1. Internal Control System Statement

Taiwan Fructose Co. Ltd.
Internal Control System Statement

Date: December 31, 2022

For the Company's Internal Control System of 2022, based on the results of self-assessment, the following is hereby declared:

I. The Company acknowledges and understands that the establishment, implementation, and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the efficacy and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the efficacy of the internal control system could be affected by the changes of environment and circumstances. However, the company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the company takes corrective action.

III. The Company evaluates the design and execution of its internal control system based on the criteria specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The "Regulations" divide internal control into five constituents in line with the process of management control: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Supervision. Each element further encompasses several sub-elements. Please refer to the "Regulations" for more details.

IV. The Company has adopted the aforementioned criteria to validate the efficacy of its internal control system design and execution.

V. Based on the assessments described above, the Company considers the design and execution of its internal control system to be effective as at December 31, 2022. This system (including supervision and management of subsidiaries) has provided assurance with regards to the Company's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.

VI. This Statement of Declaration shall constitute important content of the annual report and prospectus of the Company and shall be publicly disclosed. If there are falsehoods, concealment, or other unlawful matters in the above-mentioned disclosed content, they are subject to legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement has been approved by the Company's Board of Directors at the meeting held on March 30, at which this Statement was unanimously endorsed by all nine attending Directors without any opposing opinions.

Taiwan Fructose Co. Ltd.

Chairman: Kang Yung-Ming (signature and seal)

President: Kang Chih-Liang (signature and seal)

Note 1: If there are significant deficiencies in the design and implementation of the internal control system of a publicly offered company during the year, an explanatory paragraph should be added after Item 4 of the internal control system declaration to list and explain the material deficiencies found in the self-evaluation as well as the improvement actions and improvement situations taken by the Company before the balance sheet date.

Note 2: The date of the declaration is the "fiscal year-end date".

2. If a CPA is retained for the conduct of the internal audit system, disclose the Auditor’s Report: Not applicable.

3.4.9. In the most recent year and as of the date of publication of the annual report, whether the company and its internal personnel have been disciplined according to law, or whether the company has disciplined its internal personnel for violating the provisions of the Internal Control System, associated disciplinary measures, and main deficiencies and improvements: None.

3.4.10. Important resolutions of the shareholders meeting and Board of Directors in the most recent year and as of the printing date of the annual report:

1. Important resolutions of the General Meeting of Shareholders as of June 23, 2022

Important resolutions	Resolution result	Review of implementation
(1) Ratification of the Company’s 2021 Business Report, Financial Statements	Approved without objection	Approved without objection
(2) Ratification of the Company’s Distribution of 2021 Profits	Approved without objection	The Company allocated a cash dividend of TWD 64,836,332 for a distribution of TWD 0.40 per share, which was completed on May 12, 2022; another stock dividend of TWD 137,777,200 with a distribution of TWD 0.85 per share was completed on October 6, 2022.
(3) Increase capital by issuing new shares from retained earnings	Approved without objection	Capitalization of retained earnings of TWD 137,777,200 or TWD 10 per share with issuance of 13,777,200 shares, approved by the Ministry of Economic Affairs on September 20, 2022 (Jing-shou-shang-zi No. 11101181420).
(4) Amendments to the Articles of Incorporation	Approved without objection	Revision completed
(5) Amendments to the Rules and Procedures of Shareholders’ Meeting	Approved without objection	Revision completed
(6) Amendments to the Procedures for Acquisition and Disposal of Assets	Approved without objection	Revision completed

2. Important resolutions of the Board of Directors in the most recent year and as of the printing date of the annual report

Board of Directors	Date	Important resolutions
2022		
1st meeting of the Board of Directors	111.03.28	(1) Results report on the Board of Directors Performance Evaluation for 2021. (2) Report on the evaluation results of independence and appropriateness of accountants. (3) Ratification of parent company only and consolidated financial statements for 2021. (4) Proposed distribution of remuneration of employees and Directors for 2021. (5) 2021 Statement of Internal Control System. (6) 2021 earnings distribution. (7) Setting of the ex-dividend record date for 2021 earnings distribution; i.e., the payment date. (8) Handling of capitalization of retained earnings and issuance of new shares. (9) The reasons for convening the 2022 Annual Shareholders to discuss and decide on agenda items, including proposals submitted by shareholders holding 1% or more of the shares, and to determine the duration and location of acceptance of such proposals.
2nd meeting of the Board of Directors	111.05.12	(1) Consolidated financial statements for 2022 Q1. (2) Formulation of greenhouse gas inventory and verification schedule plan. (3) Proposed capital increase of 300 million PHP (Philippine currency) for TFP, a Philippine subsidiary held 100% by the Company.
3rd meeting of the Board of Directors	111.08.11	(1) Progress report of greenhouse gas inventory and verification schedule plan. (2) Consolidated financial statements for 2022 Q2. (3) Determined ex-rights record date and related matters for the Company's capitalization of retained earnings and issuance of new shares.
4th meeting of the Board of Directors	111.11.11	(1) Change of CPA. (2) Consolidated financial statements for 2022 Q3. (3) Formulation of a greenhouse gas inventory and verification schedule plan for the Group (including each subsidiary). (4) Proposed establishment of a Risk Management Committee and appointment of its members.

Board of Directors	Date	Important resolutions
2023		
1st meeting of the Board of Directors	112.01.13	(1) Results report on the Risk Management Committee's review and determination of the Company's risk tolerance. (2) Results report on the Board of Directors Performance Evaluation for 2022. (3) Report on the evaluation results of independence and appropriateness of accountants.
2nd meeting of the Board of Directors	112.03.30	(1) Ratification of parent company only and consolidated financial statements for 2022. (2) Proposed distribution of remuneration of employees and Directors for 2022. (3) 2022 Statement of Internal Control System. (4) 2022 earnings distribution. (5) Setting of the ex-dividend record date for 2022 earnings distribution; i.e., the payment date. (6) Handling of capitalization of retained earnings and issuance of new shares. (7) Re-election of Directors and Independent Directors. (8) Proposed replacement of the Finance Manager and Deputy Spokesperson (9) The reasons for convening the 2023 Annual Shareholders to discuss and decide on agenda items, including proposals submitted by shareholders holding 1% or more of the shares, and to determine the duration and location of acceptance of such proposals. (10) Eveluant of Inventment of Thailand third factory.
3rd meeting of the Board of Directors	112.05.11	(1) Consolidated financial statements for 2023 Q1. (2) The proposal for the pre-approval review process of engaging the auditing firm to provide non-audit services. (3) The review of the acceptance of proposals submitted by shareholders holding 1% or more of the shares. (4) The review of the nominations for directors and independent director candidates.

3.4.11. In the most recent year and up to the date of publication of the annual report, the major contents of the opposition to or qualified opinions expressed by Directors about the significant resolutions passed by the Board of Directors that have been noted in the records or declared in writing: No such situation.

3.4.12. Summary of resignation or relief from office of the Chairman, President, Chief Accountant, Finance Manager, Chief Internal Auditor, and Chief R&D Officer of the Company in the most recent year to the day this report was printed:

April 30, 2023

Title	Name	Date assumed office	Date of dismissal	Reasons for resignation or dismissal
Finance Officer	Chang Tsung-Ching	1997.10.29	2023.03.31	Retirement

3.5. Information about CPA Professional Fees

3.5.1. Information about CPA professional fees

Unit: TWD thousand

Accounting firm name	Accountant name	Accountant audit period	Audit fees	Non-audit fees (Note 1)	Total	Remarks
Deloitte Touche Tohmatsu LLC	Ong Po-Jen	2022.01.01 ~ 2022.12.31	3,760	339	4,099	None
	Chih Jui-Chuan	2022.01.01 ~ 2022.11.11				
	Lee Li-Huang	2022.11.11 ~ 2022.12.31				

Note 1 : Non-audit fee service content:

(1) Pricing transfer 170 thousand.

(2) Sales tax direct deduction method 110 thousand.

(3) Advance payment 59 thousand.

3.5.2. If the accounting fees paid during the year when the accounting firm is replaced are less than the previous year, the amount of the audit fees before and after correction and the reasons shall be disclosed: No such situation.

3.5.3. If audit fees are reduced by more than 10% compared with the previous year, the amount, proportion, and reasons for the reduction in the audit fees shall be disclosed: No such situation.

3.6. Change of CPA Information:

3.6.1. About previous CPAs

<table>
<tr><td>Reason for change</td><td colspan="4">Approval by audit committee and Board of Directors on November 11, 2022.</td></tr>
<tr><td>Reason for change and description</td><td colspan="4">Deloitte Touche Tohmatsu LLC correspondence dated November 11, 2022
In order to meet the needs of the internal position adjustments of Deloitte Touche Tohmatsu LLC, starting from the third quarter of 2022, the CPAs of the Company were to be changed to accountants Ong Po-Jen and Lee Lee-Huang from the prior accountants Ong Po-Jen and Chih Jui-Chuan.</td></tr>
<tr><td rowspan="3">Explanation of termination or non-acceptance of appointment by appointee or accountant</td><td colspan="2">Parties
Circumstances</td><td>Accountant</td><td>Appointee</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td>N/A</td><td>N/A</td></tr>
<tr><td colspan="2">No longer accepting (continuing) appointment</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Audit report comments and reasons issued within the most recent two years other than an unqualified opinion</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Financial statement disclosures</td></tr>
<tr><td></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Explanation</td></tr>
<tr><td>Other disclosures (Contents required for disclosure according to Sub-paragraphs 1-4 to 1-7 of Paragraph 6 of Article 10 of these regulations)</td><td colspan="4">None</td></tr>
</table>

3.6.2. About CPAs in succession

Firm Name	Deloitte Touche Tohmatsu LLC
Accountant name	Lee Lee-Huang
Date of appointment	2022.11.11
Accounting treatment methods or accounting principles for specific transactions, and advisory matters and results that may be issued for financial reporting prior to appointment	None
Written opinions of CPA in succession different from the opinions of previous CPA	None

3.6.3. Reply of the former CPA found on Articles 10.6.1 and 10.6.2.3: None.

3.7. The Chairman, President, or manager responsible for financing or accounting affairs, who has worked for the accounting firm to which the CPAs belong or affiliated enterprises within the past year: No such situation.

3.8. Information about the shares transferred by and changes to the shares pledged by the Directors, managers and the shareholders holding more than 10% of shares in the most recent year and up to the date of publication of the annual report:

3.8.1. Changes in equity among Directors, managers, and major shareholders

Title (Note 1)	Name	2022		From the current year through April 30	
		Increase/ decrease in the number of shares held	Increase/ decrease in the number of pledged shares	Increase/ decrease in the number of shares held	Increase/ decrease in the number of pledged shares
Chairman	Kang Yung-Ming	-	-	0	0
Director	Kang Chih-Liang	331,541	-	0	0
Director	Chang Ken-Teng	-	-	0	0
Corporate Director Representative, Liun Shun Industrial Co., Ltd.	Kang Li Tso Hui	2,806,482	3,800,000	0	0
Director	Ma Yung-Chien	59,847	-	0	0
Director	Lee Chin-Chin	-	-	0	0
President	Kang Chih-Liang	331,541	-	0	0
Vice President	Feng Yao-Hsuan	11,893	-	0	0
Vice President	Hsu Ping-Lun	5,506	-	0	0
Manager	Chen Chi-En	2,096	-	0	0
Manager	Chang Tsung-Ching	239	-	0	0
Accounting Officer	Hung Chiu-Pi	28	-	0	0
10% Major shareholder	Kang Kuo-Feng	1,443,988	-	0	0

Note 1: Shareholders holding more than 10% of the Company's total shares should be marked as major shareholders and listed separately.
Note 2: If the counterparty of the equity transfer or equity pledge is a related party, the following table should be filled in.
Note 3: Liun Shun Industrial Co., Ltd. and Kang Kuo-Feng hold more than 10% of shares.

3.8.2. Share transfer information: None.

3.8.3. Equity pledge information:

Name	Reasons for pledge changes	Date of change	Trade counterparty	Relationships between transaction counterparties and the Company's supervisors, Directors, managers, and shareholders who hold more than 10% of shares	Number of shares	% of shareholding	Pledge ratio	Pledge (redemption) amount
Liun Shun Industrial Co., Ltd.	Pledge	2022.7.25	First Bank, Xinzhuang Branch	None	3,800,000	20.26%	42.71%	TWD 14.52 million

Note 1: Liun Shun Industrial Co., Ltd. holds 35,823,928 shares for a shareholding ratio of 20.26%, and has 15.3 million pledged shares for a pledge ratio of 42.71%.

3.9. Information on mutual relationships among the top ten shareholders in terms of shareholding ratio

April 30, 2023

	Name	Shares personally held		Shares held by spouse and minor children		Total number of shares held in the name of others		Where top ten shareholders have a relationship with each other or a relative relationship within the scope of their spouse or relative within the second degree of kinship, the name or designation and the relationship		Remarks
		Shares	%	Shares	%	Shares	%	Name (or designation)	Relationship	
1.	Liun Shun Industrial Co., Ltd.	35,823,928	20.37%	0	0	0	0	None	None	None
	Representative: Kang Chih-Liang	4,232,027	2.41%	0	0	0	0	Kang Kuo-Feng Kang Li Tso Hui Kang Ching Ho	Father and child Mother and child Uncle and nephew	None
2.	Kang Kuo-Feng	18,423,083	10.48%	0	0	0	0	Kang Li Tso Hui Kang Chih-Liang Kang Ching Ho	Spouse Father and child Brother	None
3.	Tokyo Vacation Co., Ltd.	8,381,607	4.77%	0	0	0	0	None	None	None
	Representative: Wu Ming-Feng	968	0.00%	0	0	0	0	None	None	None
4.	Kang Li Tso Hui	5,788,330	3.29%	18,432,083	10.48%	0	0	Kang Kuo-Feng Kang Chih-Liang Kang Ching Ho	Spouse Mother and child Uncle and nephew	None
5.	Lin Wen-Lin	4,863,085	2.77%	0	0	0	0	None	None	None
6.	Kang Chih-Liang	4,232,027	2.41%	0	0	0	0	Kang Kuo-Feng Kang Li Tso Hui Kang Ching Ho	Father and child Mother and child Uncle and nephew	None
7.	Junlian Investment Co., Ltd.	3,773,052	2.15%	0	0	0	0	None	None	None
	Representative: Kang Chih-Liang	4,232,027	2.41%	0	0	0	0	Kang Kuo-Feng Kang Li Tso Hui Kang Ching Ho	Father and child Mother and child Uncle and nephew	None
8.	Li Wen Sheng	3,377,191	1.92%	0	0	0	0	None	None	None
9.	Kang Ching Ho	2,393,891	1.36%	0	0	0	0	Kang Kuo-Feng Kang Li Tso Hui Kang Chih-Liang	Brother Brother-in-law and sister-in-law Uncle and nephew	None
10.	HsinHoMei Food Co.	2,173,252	1.24%	0	0	0	0	None	None	None
	Representative: Yeh Yu Tzu	331,919	0.18%	0	0	0	0	None	None	None

3.10. Comprehensive Shareholding Ratios

December 31, 2022 Units: shares; %

Reinvested business (Note)	The Company's investment		Directors, supervisors, managers and direct or indirect control of investment in the business		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Hoover Can Industrial Co., Ltd.	8,818,326	65.32%	63,945	0.47%	8,882,271	65.80%
TAIWAN FRUCTOSE (M)SDN. BHD	85,257,908	100%	0	0%	85,257,908	100%
Tokyo Vacation Co., Ltd.	3,750,000	25%	0	0%	3,750,000	25%
TAIWAN FRUCTOSE (PHILIPPINES), INC	13,000,000	100%	5	0%	13,000,000	100%
TAIWAN FRUCTOSE (THAI) CO., LTD	19,680	48%	0	0%	19,680	48%
PURE CHEM CO., LTD	960,000	8%	0	0%	960,000	8%
HSINHOMEI LAND HOLDING CO. INC	79,998	40%	2	0%	80,000	40%

Note: Constitute the Company's long-term investments using the equity method.
Note: TAIWAN FRUCTOSE (THAI) CO., LTD held PURE CHEM CO., LTD with 80.07% total of 3,804,000 shares.

IV. Fundraising Status

4.1. Capital and shares

4.1.1. Sources of share capital

1. Formation of share capital

April 30, 2023 Unit: Shares/NT$ thousand

Year and month	Issuing price	Approved share capital		Paid-in share capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital		Property other than cash contributed as share capital	Others
1984.07	10	1,500,000	15,000,000	1,500,000	15,000,000	Cash at establishment	15,000,000	None	None
1987.12	10	9,000,000	90,000,000	9,000,000	90,000,000	Cash	75,000,000	None	None
1990.05	10	19,800,000	198,000,000	19,800,000	198,000,000	Cash	108,000,000	None	None
1991.11	10	23,760,000	237,600,000	23,760,000	237,600,000	Surplus capital reserves	19,800,000 19,800,000	None	Letter of Approval (1991) Tai-Cai-Zheng (1) No. 03265
1992.08	10	32,500,000	325,000,000	32,500,000	325,000,000	Cash surplus capital reserves	23,760,000 23,760,000 39,880,000	None	Letter of Approval (1992) Tai-Cai-Zheng (1) No. 01929
1996.07	10	37,600,000	376,000,000	37,600,000	376,000,000	Cash capital reserves	18,500,000 32,500,000	None	Letter of Approval (1996) Tai-Cai-Zheng (1) No. 41742
2000.09	10	43,091,160	430,911,600	43,091,160	430,911,600	Earnings	54,911,600	None	Letter of Approval (2000) Tai-Cai-Zheng (1) No. 58903
2001.09	10	46,449,874	464,498,740	46,449,874	464,498,740	Earnings	33,587,140	None	Letter of Approval (2001) Tai-Cai-Zheng (1) No. 144616
2002.08	10	51,305,499	513,054,990	51,305,499	513,054,990	Earnings	48,556,250	None	Letter (2002) Tai-Cai-Zheng-(I) No. 0910132754
2003.08	10	100,000,000	1,000,000,000	55,304,790	553,047,900	Earnings	39,992,910	None	Letter of Approval (2003) Tai-Cai-Zheng (1) No. 0920129166
2004.08	10	100,000,000	1,000,000,000	58,718,393	587,183,930	Surplus capital reserves	23,628,120 10,507,910	None	Letter of Approval Zheng-Qi-Yi-Zi No. 0930129787
2004.10	10	100,000,000	1,000,000,000	59,216,544	592,165,440	Corporate bonds	4,981,510	None	Letter of Approval Jing-Shou-Shang-Zi No. 09301201820
2005.01	10	100,000,000	1,000,000,000	61,116,912	611,169,120	Corporate bonds	19,003,680	None	Letter of Approval Jing-Shou-Shang-Zi No. 09401018390
2005.05	10	100,000,000	1,000,000,000	62,363,370	623,633,700	Corporate bonds	12,464,580	None	Letter of Approval Jing-Shou-Shang-Zi No. 09401086220
2005.07	10	100,000,000	1,000,000,000	66,810,957	668,109,570	Corporate bonds	44,475,870	None	Letter of Approval Jing-Shou-Shang-Zi No. 09401137070
2005.09	10	100,000,000	1,000,000,000	69,731,465	697,314,650	Earnings	29,205,080	None	Letter of Approval Jing-Shou-Shang-Zi No. 09401174890
2005.10	10	100,000,000	1,000,000,000	69,790,578	697,905,780	Corporate bonds	591,130	None	Letter of Approval Jing-Shou-Shang-Zi No. 09401207170
2006.04	10	100,000,000	1,000,000,000	69,802,554	698,025,540	Corporate bonds	119,760	None	Letter of Approval Jing-Shou-Shang-Zi No. 09501070030
2006.07	10	100,000,000	1,000,000,000	70,161,834	701,618,340	Corporate bonds	3,592,800	None	Letter of Approval Jing-Shou-Shang-Zi No. 09501162430
2006.10	10	100,000,000	1,000,000,000	75,694,765	756,947,650	Corporate bonds	55,329,310	None	Letter of Approval Jing-Shou-Shang-Zi No. 09501124610

Year and month	Issuing price	Approved share capital		Paid-in share capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital		Property other than cash contributed as share capital	Others
2007.01	10	100,000,000	1,000,000,000	80,736,672	807,366,720	Corporate bonds	50,410,070	None	Letter of Approval Jing-Shou-Shang-Zi No. 09601014750
2007.03	10	100,000,000	1,000,000,000	95,736,672	957,366,720	Private placement cash	150,000,000	None	Letter of Approval Jing-Shou-Shang-Zi No. 09601058220
2007.04	10	160,000,000	1,600,000,000	100,862,692	1,008,626,920	Corporate bonds	51,260,200	None	Letter of Approval Jing-Shou-Shang-Zi No. 09601079980
2007.07	10	160,000,000	1,600,000,000	103,013,487	1,030,134,870	Corporate bonds	21,507,950	None	Letter of Approval Jing-Shou-Shang-Zi No. 09601179870
2007.08	10	160,000,000	1,600,000,000	108,358,239	1,083,582,390	Earnings	53,447,520	None	Letter of Approval Jing-Shou-Shang-Zi No. 09601208340
2007.09	10	160,000,000	1,600,000,000	113,358,239	1,133,582,390	Private placement cash	50,000,000	None	Letter of Approval Jing-Shou-Shang-Zi No. 09601214840
2007.10	10	160,000,000	1,600,000,000	113,783,572	1,137,835,720	Corporate bonds	4,253,330	None	Letter of Approval Jing-Shou-Shang-Zi No. 09601253390
2008.01	10	160,000,000	1,600,000,000	113,796,609	1,137,966,090	Corporate bonds	130,370	None	Letter of Approval Jing-Shou-Shang-Zi No. 09701010490
2008.04	10	160,000,000	1,600,000,000	114,722,290	1,147,222,900	Corporate bonds	9,256,810	None	Letter of Approval Jing-Shou-Shang-Zi No. 09701090570
2008.07	10	160,000,000	1,600,000,000	114,878,742	1,148,787,420	Corporate bonds	1,564,520	None	Letter of Approval Jing-Shou-Shang-Zi No. 09701150890
2008.07	10	160,000,000	1,600,000,000	119,360,694	1,193,606,940	Earnings	44,819,520	None	Letter of Approval Jing-Shou-Shang-Zi No. 09701234330
2010.07	10	160,000,000	1,600,000,000	124,527,086	1,245,270,860	Earnings	51,663,920	None	Letter of Approval Jing-Shou-Shang-Zi No. 09901208280
2011.10	10	200,000,000	2,000,000,000	130,130,805	1,301,308,050	Earnings	56,037,190	None	Letter of Approval Jing-Shou-Shang-Zi No. 10001230660
2012.04	10	200,000,000	2,000,000,000	126,735,805	1,267,358,050	Treasury shares to reduce capital	(33,950,000)	None	Letter of Approval Jing-Shou-Shang-Zi No. 10101076110
2012.09	10	200,000,000	2,000,000,000	130,164,266	1,301,642,660	Surplus corporate bonds	32,951,310 1,333,300	None	Letter of Approval Jing-Shou-Shang-Zi No. 10101188890
2012.11	10	200,000,000	2,000,000,000	133,928,465	1,339,284,650	Corporate bonds	37,641,990	None	Letter of Approval Jing-Shou-Shang-Zi No. 10101235800
2013.03	10	200,000,000	2,000,000,000	134,631,584	1,346,315,840	Corporate bonds	7,031,190	None	Letter of Approval Jing-Shou-Shang-Zi No. 10201052400
2013.07	10	200,000,000	2,000,000,000	148,352,270	1,483,522,700	Corporate bonds	137,206,860	None	Letter of Approval Jing-Shou-Shang-Zi No. 10201136530
2013.10	10	200,000,000	2,000,000,000	151,553,687	1,515,536,870	Surplus corporate bonds	29,670,450 2,343,720	None	Letter of Approval Jing-Shou-Shang-Zi No. 10201204190
2013.12	10	200,000,000	2,000,000,000	154,512,658	1,545,126,580	Corporate bonds	29,589,710	None	Letter of Approval Jing-Shou-Shang-Zi No. 10201255200
2014.03	10	200,000,000	2,000,000,000	154,627,840	1,546,278,400	Corporate bonds	1,151,820	None	Letter of Approval Jing-Shou-Shang-Zi No. 10301042320
2014.09	10	200,000,000	2,000,000,000	162,278,922	1,622,789,220	Surplus corporate bonds	61,851,140 14,659,680	None	Letter of Approval Jing-Shou-Shang-Zi No. 10301182210
2014.12	10	200,000,000	2,000,000,000	169,467,117	1,694,671,170	Corporate bonds	71,881,950	None	Letter of Approval Jing-Shou-Shang-Zi No. 10301258040
2015.10	10	200,000,000	2,000,000,000	173,617,169	1,736,171,690	Earnings	41,500,520	None	Letter of Approval Jing-Shou-Shang-Zi No.

Year and month	Issuing price	Approved share capital		Paid-in share capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital		Property other than cash contributed as share capital	Others
									10401203840
2017.10	10	200,000,000	2,000,000,000	170,152,169	1,701,521,690	Treasury shares to reduce capital	(34,650,000)	None	Letter of Approval Jing-Shou-Shang-Zi No. 10601150540
2018.09	10	200,000,000	2,000,000,000	169,260,723	1,692,607,230	Surplus treasury shares to reduce capital	40,555,540 (49,470,000)	None	Letter of Approval Jing-Shou-Shang-Zi No. 10701110680
2018.12	10	200,000,000	2,000,000,000	166,277,723	1,662,777,230	Treasury shares to reduce capital	(29,830,000)	None	Letter of Approval Jing-Shou-Shang-Zi No. 10701160490
2019.09	10	200,000,000	2,000,000,000	172,928,832	1,729,288,320	Earnings	66,511,090	None	Letter of Approval Jing-Shou-Shang-Zi No. 10801118160
2020.09	10	200,000,000	2,000,000,000	162,090,832	1,620,908,320	Treasury shares to reduce capital	(108,380,000)	None	Letter of Approval Jing-Shou-Shang-Zi No. 10901168170
2022.09	10	200,000,000	2,000,000,000	175,868,552	1,758,685,520	Earnings	13,777,720	None	Letter of Approval Jing-Shou-Shang-Zi No. 11101181420

2. Sources of share capital

April 30, 2023 Unit: Shares

Share type	Approved share capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Registered common stock	175,868,552	24,131,448	200,000,000	Number of shares outstanding as of April 30, 2023

3. Information concerning the collective reporting system: None.

4.1.2. Shareholder structure

April 30, 2023

Shareholder structure / Quantity	Government agencies	Financial institutions	Other legal persons	Individuals	Foreign institutions and foreign individuals	Total
Number of individuals	0	0	20	9,090	13	9,123
Number of shares held	0	0	51,701,947	122,979,800	1,186,805	175,868,552
Percentage of shareholding	0	0	29.40%	69.93%	0.67%	100%

4.1.3. Sources of share capital

1. Common stock

Distribution of equity

(Par value per share of NT$10)

April 30, 2023

Shareholding class	Number of shareholders	Number of shares held	Percentage of shareholding
1 to 999	3,855	667,755	0.38 %
1,000 to 5,000	3,483	7,098,082	4.03 %
5,001 to 10,000	709	5,069,197	2.88 %
10,001 to 15,000	338	4,073,688	2.32 %
15,001 to 20,000	120	2,111,989	1.20 %
20,001 to 30,000	182	4,467,077	2.54 %
30,001 to 40,000	91	3,110,252	1.77 %
40,001 to 50,000	64	2,918,809	1.66 %
50,001 to 100,000	112	8,025,500	4.56 %
100,001 to 200,000	78	11,148,864	6.34 %
200,001 to 400,000	47	12,996,731	7.39 %
400,001 to 600,000	15	7,312,538	4.16 %
600,001 to 800,000	10	6,820,200	3.88 %
800,001 to 1,000,000	4	3,592,652	2.04 %
1,000,001 and higher to be classified according to actual conditions	15	96,455,218	54.85 %
Total	9,123	175,868,552	100.00 %

2. Preferred shares

Preferred shares

(Par value per share of NT$)

April 30, 2023

Shareholding class	Number of shareholders	Number of shares held	Percentage of shareholding
Classified according to actual conditions	0	0	0
Total	0	0	0

4.1.4. List of major shareholders

April 30, 2023 Unit: Shares; %

Major shareholder name \ Shares	Number of shares held	Percentage of shareholding
Liun Shun Industrial Co., Ltd.	35,823,928	20.37%
Kang Kuo-Feng	18,432,083	10.48%
Tokyo Vacation Co., Ltd.	8,381,607	4.77%
Kang Li Tso Hui	5,788,330	3.29%
Lin Wen Lin	4,863,085	2.77%
Kang Chih Liang	4,232,027	2.41%
Junlian Investment Co., Ltd.	3,773,052	2.15%
Li Wen Sheng	3,377,191	1.92%
Kang Ching Ho	2,393,891	1.36%
HsinHoMei Food	2,173,252	1.245%

4.1.5. Information about market price, net value, earnings, and dividends per share in the most recent two years

<u>Information about market price, net value, earnings, and dividends per share</u>

Unit: NT$; thousand shares

Item \ Year			2021	2022	The current year through May 15, 2023 (Notes 8, 9)
Market price per share (Note 1)	Highest		16.7	18.1	14.6
	Lowest		11.5	11.7	12.85
	Average		13.30	13.9	13.67
Net value per share (Note 2)	Before distribution		13.01	12.82	12.88
	After distribution		-	-	-
Earnings per share	Weighted average number of shares		162,090 thousand shares	175,868 thousand shares	175,868 thousand shares
	Earnings per share (Note 3)		2.25	0.79	0.36
Dividend per share	Cash dividends		0.4	0.35	0.35
	Stock dividends	Stock dividends from capitalization of retained earnings	0.85	0.65	0.65
		Allocation of capital reserves	0	0	0
	Accumulated unpaid dividends (Note 4)		0	0	0
Return on investment analysis	P/E ratio (Note 5)		5.9	17.5	-
	Price to dividend ratio (Note 6)		33.25	39.71	-
	Cash dividend yield (Note 7)		3%	4.6%	-

* If there is capitalization of retained earnings or capital reserves, disclosure shall be made of information on market price and cash dividends retrospectively adjusted according to the number of issued shares.

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

Note 2: Please use the number of shares issued at the end of the year as the standard and fill in the distribution according to the resolution of the Board of Directors or the resolution of the shareholders' meeting in the following year.

Note 3: If retroactive adjustment is required due to stock dividends and other circumstances, earnings per share before and after adjustment should be listed.

Note 4: If the equity securities issuance conditions stipulate that the dividends not paid in the current year may be accumulated to be distributed in a year with surplus, the accumulated unpaid dividends up to the current year shall be disclosed separately.

Note 5: P/E ratio = average closing price per share for the year / earnings per share.

Note 6: Price to dividend ratio = average closing price per share for the year / cash dividend per share.

Note 7: Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 8: Data shall be filled in for the net value per share and earnings per share as of the date of publication of the annual report through the accountant’s audit (review) in the latest quarter. The remaining fields should be filled with the current year data as of the date of publication of the annual report.

Note 9: The proposed 2022 distribution of earnings is yet to be resolved by the shareholders' meeting.

4.1.6. Company dividend policy and implementation status

1. Dividend policy:
   Regarding the dividend policy of the Company, in order to align with business expansion and consider the Company's capital expenditure and operational turnover needs, a residual dividend policy is adopted at this stage. The future dividend policy shall be based on the principle of being no less than 40% of the distributable earnings for the current year. However, if distributable earnings are less than 2% of the paid-in share capital, they shall not be distributed. Measurement shall be made of demand for funds according to the Company's future capital expenditure budget, and shall take into account the interests of shareholders. Earnings distributions can be made in the form of cash dividends or stock dividends, among which cash dividends may not be less than 10% of the total dividends.
2. Proposed dividend distribution for presentation to this year’s shareholders’ meeting:
   In 2022, after net profit after tax of NT$138,874,914, add unappropriated retained earnings of previous year of NT$9,509,132, other consolidated income after tax of NT$9,338,327, special surplus reserves for long-term investment foreign exchange losses as required by law of NT$63,967,934, and substract 10% legal reserve of NT$14,821,324, the unallocated amount available for distribution was NT$206,868,983.
   Appropriation was made for cash dividends of NT$61,553,993 (NT$0.35 per share) and additional appropriation of stock dividends of NT$114,314,560 (NT$0.65 per share).
3. When a major change in the dividend policy is expected, this should be stated: No such situation.

4.1.7. The influence of stock dividends planned to the paid in the shareholders' meeting of this year on the operating performance and earnings per share of the Company: Not applicable.

4.1.8. Employee dividends and director remuneration

1. If there is current net profit in the Company's annual final accounts, it must first make up for past losses and then withdraw 10% for legal reserve. Furthermore, provision for special reserve or special reserve shall be set aside in accordance with Article 41 of the Securities and Exchange Act, and the accumulated undistributed earnings of the previous year shall be added to distributable earnings. The remainder shall be allocated in the following order:
   (1) Employee remuneration shall be not less than 2%.
   (2) Director remuneration shall not be more than 2%.
   (3) Likewise, after accumulating undistributed surplus earnings in the prior year, the Board of Directors will prepare a proposal for the distribution of earnings and submit it to the shareholders' meeting for resolution to distribute shareholder dividends.

Note: Remuneration of the Company’s directors is stipulated in Article 27 of the Company’s Articles of Incorporation. The current year’s remuneration of directors shall not exceed 2% of the current year's profit, and a reasonable remuneration shall be given in consideration of the Company's operating results and their contribution to the Company's performance. The remuneration policy for the president and vice presidents is based on the Company's “Salary Management Measures” in the scope of powers and responsibilities of their positions in the Company and their contributions to the Company's operating goals. Procedures for setting remuneration are drawn from the Company's Performance Evaluation Measures for Directors and Managers as the basis for evaluation. In addition to referring to the overall operating performance of the Company, and to future business risks and development trends of the industry, we also refer to individual performance achievement rates and contributions to the performance of the Company. In order to offer reasonable remuneration, relevant performance evaluations as well as the rationality of the remuneration are reviewed by the Remuneration Committee and the Board of Directors. In addition, we will review the remuneration system in a timely manner based on actual operating conditions and relevant laws and regulations, so as to seek a balance between the Company's sustainable operations and risk control.

2. The accounting of the difference between the amounts calculated on the basis of the estimation of the remuneration to the employees and the directors, the calculation of shares for paying stock dividends to the employees as remuneration and the actual amount of payment for the current period:
   If there are major changes in the distribution amounts approved by the Board of Directors before the release date of the annual parent company only financial statements, these changes shall be adjusted to the original annual expense. If there are any further changes in the amounts after the publication of the annual parent company only financial statements, then they will be handled as changes in accounting estimates and adjusted and recorded in the following year.
3. Remuneration distribution approved by the Board of Directors:
   (1) The amount of employee remuneration and director remuneration paid in cash or stocks. If there is a discrepancy with the annual estimated amount of recognized expenses, the amount of the discrepancy, reason and handling circumstances should be disclosed:
   The Company’s 2022 distribution of earnings proposal was passed by the Board of Directors on March 30, 2023, and is to be submitted to the General Meeting of Shareholders for ratification on June 21, 2023.
   A. Employees’ remuneration amount: NT$3,267,870.
   B. Directors’ remuneration amount: NT$3,267,810.
   C. All of the above amounts are to be paid in cash, and there are no differences from the estimated amounts for 2022.
   (2) The amount of employee remuneration distributed in stocks and its proportion to the total after-tax net profit and total employee remuneration in the parent company only or individual financial statements for the current period: No such situation.
4. The actual payment of remuneration to the employees and directors in the previous year (including the number of distributed shares, amount, and stock price); if there is a difference with the recognized amount of remuneration for employees and directors, the amount of the difference, the reason, and the handling circumstances should be stated:
   The actual allocation amounts recognized for employee and director remuneration in 2021 were the same as the amounts in the consolidated financial statements for 2021 and there was no difference.

4.1.9. Repurchases of shares by the Company: Not applicable.

4.2. Handling of corporate bonds: None.

4.3. Handling of preferred shares: None.

4.4. Handling of overseas depositary receipts: None.

4.5. Handling of employee stock options: None.

4.6. Handling of restricted employee shares: None.

4.7. Handling of mergers and acquisitions or transfers of shares of other companies: None.

4.8. Implementation status of fund utilization plan: None.

V. Overview of Operations

5.1. Business Content

5.1.1. Business Scope

1. Main business content

   The business scope listed in the Company profit-seeking enterprise registration certificate is as follows:

   (1) Manufacturing, processing and trading of starch, maltose, glucose, and new compound syrups.
   (2) Manufacturing, processing, and trading of dairy products, ice products, candies, biscuits, frozen foods, and dehydrated foods.
   (3) Manufacturing, processing, and trading of canned foods, fruit juice, jam, fruits and vegetables, grains, and other foods.
   (4) CA02060 Metal Containers Manufacturing.
   (5) CC01060 Wired Communication Mechanical Equipment Manufacturing.
   (6) CC01070 Wireless Communication Mechanical Equipment Manufacturing.
   (7) CC01080 Electronics Components Manufacturing.
   (8) CD01030 Motor Vehicles and Parts Manufacturing.
   (9) Import and export trade business related to the above products, and raw materials (except futures).
   (10) Operation of agriculture, fishery and pastures, amusement parks, supermarkets and hotels, and restaurants.

2. Business proportions of major products (merchandise)

2022

Unit: NT$; thousand

Product item		Revenue amount	Revenue distribution (%)
Liquid syrup	Maltose	640,101	37.01%
	Fructose	470,315	27.19%
	Oligosaccharides	108,698	6.28%
Powder product	Maltodextrin	229,515	13.27%
	Vegetable oil powder	200,280	11.58%
	Sorbitol	53,680	3.10%
	Crystalline glucose	27,184	1.57%
Total		1,729,773	100.00%

3. Current goods or services of the Company

   (1) High fructose syrup: (F55, F60, F42, F30).
   (2) Maltose syrup: (SHM, CM, HM, LM, CHM).
   (3) Oligosaccharide syrup: IMO isomalto-oligosaccharide syrup, MOS maltose oligosaccharide syrup.
   (4) Maltodextrin: DE-10, DE-20.
   (5) Vegetable oil powder: canola oil powder, palm oil powder, creamer.
   (6) Sorbitol liquid (hexyl alcohol)
   (7) Crystalline glucose.

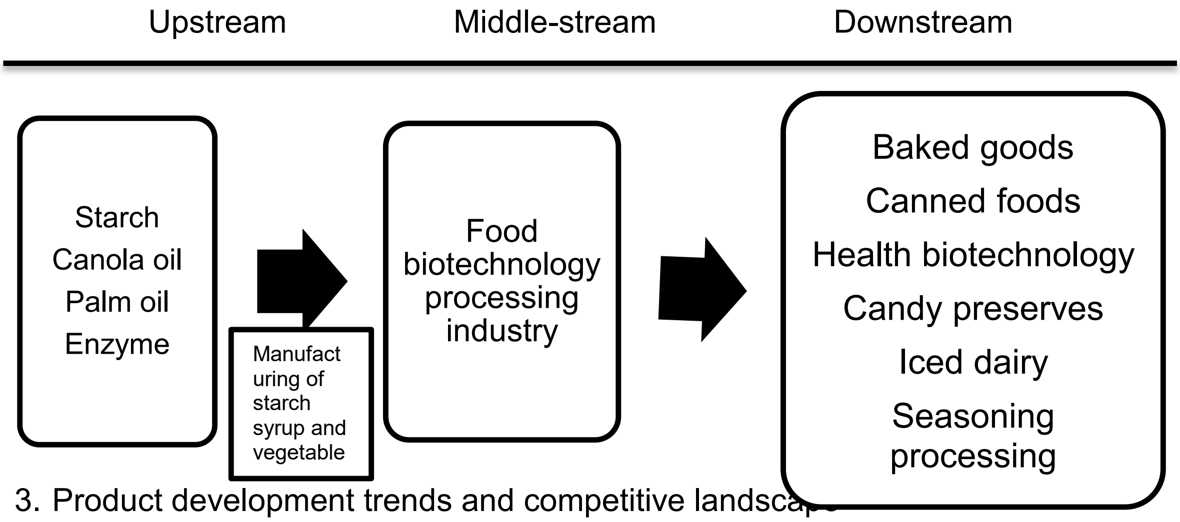
4. New products or services under planning and development

   Maltitol liquid, health food related liquid and powder materials.

5.1.2. Industry overview

1. Current status and development of the industry
   (1) At present, there are only three manufacturers in China that can produce a full range of fructose products; namely, Taiwan Fructose, Fonen and Fonher, and Tairoun. These three manufacturers have grasped more than 95% of the domestic market share, so the industry concentration is quite high and there is a tendency toward excess production capacity. Barriers to entry for new competitors are high.
   Taiwan Fructose is the only domestic professional manufacturer that can produce a full range of diversified starch syrup products and has market advantages. Furthermore, Taiwan Fructose's plants are located in Taoyuan and Changhua, which can reduce transportation costs and serve customers quickly.
   The main customers are major food processing and fruit juice beverage manufacturers in the central and northern regions, forming a clear market segment alongside Tairoun and Fonen. Each has its own market and competition is stable overall.
   (2) Taiwan Fructose currently has a diversified product portfolio that encompasses high fructose syrup, maltose, fruit oligosaccharide syrup, maltodextrin, and vegetable oil powder. It can fully meet the needs of the food biotechnology industry, and there is still considerable room for development and growth in terms of market prospects. From the point of view of health foods and beverages and health specialty drinks, economic growth has led to increasing national income and national consumption capacity. These in turn stimulate consumer demand and will also drive the continuous growth of Taiwan Fructose’s product industry in the future.
2. Relationships with upstream, middle-stream, and downstream industries
   The Company is a manufacturer of liquid starch sugar and health food powder materials. After purchasing raw materials such as starch, vegetable oil, and enzymes from upstream, it processes and manufactures high-fructose, maltose, oligosaccharides, maltodextrin, vegetable oil powder, and so on. A series of products are then sold to food processing manufacturers either directly or through domestic distributors. From there, they are used as additives in the production of beverages, pastries, canned foods, dairy products, biotechnology and health care, and candy preserves to produce the final products.

   The correlation diagram is given below:



3. Product development trends and competitive landscape

(1) Development trends

Health food materials (canola oil powder, maltodextrin, and oligosaccharides), fructose, and maltose syrup constitute staple industries for people's livelihoods. Their development is closely related to overall economic activity and reflects certain basic needs. Furthermore, their development is affected by factors such as the domestic economic cycle, national income, the needs of senior citizens in an aging society, and demand for liquid nutritional supplement drinks as well as consumption capacity and other factors. In addition, Taiwan residents’ emphasis on health and changes in lifestyle also promote the vigorous development of specialty nutritional foods, baked goods, and the fruit juice beverage industry. All have positive benefits in respect to the Company's range of starch sugar related products. Looking to the future, Taiwan will continue to grow in terms of increasing national income and the response to an aging society. Disposable income will also increase accordingly. Amid these trends, Taiwan Fructose's products will be used in production and manufacturing as the basic raw materials for processing. Looking forward, and in view of Taiwan residents' enthusiasm for food safety and health and nutrition, Taiwan Fructose will be the food biotechnology company with the highest growth potential in the market. Therefore, the Company's future performance should continue to grow steadily.

(2) Competitive landscape

The domestic liquid syrup industry has a high degree of concentration and stable competition. At present, domestic production of high fructose syrup is dominated by Fonen, Tairoun, and Taiwan Fructose. These three manufacturers have mastered more than 95% of the market. Marketing strategies are greatly influenced by each other; however, due to the high homogeneity of products, and as the main customers of all high fructose syrup manufacturers are fruit juice beverage manufacturers, there are few large-scale advertising and promotion activities, but they instead rely on quality and price to win customers. Generally speaking, Taiwan Fructose's customers are mainly concentrated in northern and central Taiwan. Tairoun is concentrated in the middle region while Fonen is in the south. Therefore, each liquid syrup manufacturer has its own customer base and competition is stable.

We are the only domestic health food material manufacturer (for canola oil powder, maltodextrin, and oligosaccharides), and our competitors are mainly raw material import traders. Because Taiwan Fructose produces and sells domestically, our quality is relatively fresh and our prices reasonable, and our delivery service is fast. We have a competitive advantage in long-term operations, and sales volumes are gradually rising every year.

5.1.3. Technology and Research and Development Overview

1. Main research projects for the Company in 2022:
   (1) Product: High-content Isomalto-oligosaccharide (IMO) 90%.
2. Research and Development achievements in 2022:
   (1) Improved the production of original Isomalto-oligosaccharide (IMO) 55% through a two-stage enzyme process to increase the health-promoting ingredient PANOSE.
   (2) Laboratory trial production of IMO 90% syrup, with the current test result

containing approximately 85% of the intended component.

(3) Laboratory trial production of IMO 90% powder, with the assistance of a small spray drying machine from the Food Industry Development and Research Institute, resulting in a component of approximately 88%.

3. Research and Development expenses for 2022:

(1) 2021~2022: NT$3,650,000.

(2) 2023 through the printing date of the annual report: NT$693,000.

5.1.4. Long-term and short-term business development plans

1. Long-term business development plans

(1) Investment abroad to set up starch manufacturing, master raw materials, and expand the scale of production and sales.

(2) Development of biotechnology business.

2. Short-term business development plan

(1) Actively develop powder-related products.

(2) Arrange development of pet food markets.

5.2. Overview of the Market and of Production and Sales

5.2.1. Market Analysis

1. Main product and service sales areas

Unit: TWD thousand

Year / Region	2021		2022	
	Amount	%	Amount	%
Domestic sales	1,550,361	99.93%	1,728,546	99.93%
Exports	1,048	0.07%	1,227	0.07%
Total	1,551,409	100.00%	1,729,773	100.00%

2. Market share: Liquid syrup accounts for about 30% while maltodextrin and vegetable oil powder account for about 20%.

3. Future market supply and demand conditions

(1) Fructose

(a) Supply conditions:

The main domestic suppliers of fructose are Fonen and Fonher, Tairoun, and the Company.

(b) Demand conditions:

The main demand of fructose is to supply for beverages such as carbonated drinks, juice drinks, sports drinks, and tea drinks, as well as for dairy products, ice products and other businesses as a sweetener instead of sugar. Since fructose is healthier, more hygienic, and more convenient than granulated sugar, it can therefore be generally adopted by the above-mentioned industries.

(2) Maltose

(a) Supply conditions:

Outside of the Company, most of the supply sources of maltose are small and medium-sized regional factories with limited production capacity and no new suppliers joining, so this is also in a stable state.

(b) Demand conditions:

There is strong demand for high-quality, high-standard maltose syrup in response to the diversification of food processing products.

The food application function of maltose syrup cannot be replaced by sugar, and market demand is growing steadily.

The food export market is booming and this is also driving increasing demand for maltose syrup.

(3) Oligosaccharides

(a) Supply conditions:

Domestic oligosaccharide products are only produced by the Company and a few regional manufacturers. Supply is stable but still able to cope with the growth of the market.

(b) Demand conditions:

At present, in addition to the use of energy drinks, sports drinks and dairy products, other desserts and snack foods have also begun to study the addition of oligosaccharides; and due to the Taiwan public's demand for healthy alternatives, the demand for oligosaccharides has been showing stable growth.

(4) Maltodextrin

(a) Supply conditions:

Except for the Company’s own production, domestic maltodextrin depends entirely on imports.

(b) Demand conditions:

Domestic demand is stable.

(5) Vegetable oil powder

(a) Supply conditions:

Except for the Company’s own production, domestic vegetable oil powder depends entirely on imports.

(b) Demand conditions:

Domestic demand for vegetable oil powder is about 40,000 tons a year, and the Company has extensive room for growth in the production of vegetable oil powder.

4. Favorable and unfavorable factors for development prospects

(1) Favorable factors:

(a) Increasing national income and increasing demand in the food processing market. The food industry is a basic industry for people's livelihoods, and the industry is less affected by economic cycles. As national income increases annually, this will drive the development of the liquid syrup industry.

(b) Various products of the Company have obtained food TQF certification and FSSC 22000, ISO 22000, HACCP and HALAL quality system certification. These should contribute to the improvement of corporate image and boost competitiveness. At present, production lines have been fully automated to maintain good product quality.

(2) Unfavorable factors:

(a) Raw materials constitute bulk materials, and international market conditions and exchange rate volatility can easily affect profit performance. At present, about 90% of domestic natural starch sources are imported from abroad. It is difficult to grasp the price trends of raw materials and fluctuations in exchange rates, subjecting the acquisition price of raw materials to a certain degree of uncertainty.

5.2.2. Important uses and production processes of major products

1. Fructose:
   (1) Drinks: Carbonated drinks, juices, tea drinks, sports drinks, and energy drinks.
   (2) Dairy products: Flavored milk, lactic acid drinks, fermented milk.
   (3) Iced products: Ice cream, popsicles, ice cream.
   (4) Desserts: Jelly, pudding.
   (5) Baked Goods: Bread, cakes.
   (6) Others: Soy sauce, health foods.
2. Maltose: Raw material for the following foods:
   Candy, ice cream, jam, jelly, sacima, bean paste, chewing gum, peanut candy, candied fruit, etc.
3. Oligosaccharides: Added to energy drinks, such as:
   Lactic acid drinks, sports drinks, low-fat fresh milk, ice products, candies, jams, desserts, etc. can promote the proliferation of beneficial bacteria such as Bifidus bacteria and lactic acid bacteria in the human intestinal tract, improving intestinal ecology.
4. Maltodextrin:
   Powder carriers, extenders, formula adjustments for food processing, such as: special nutritional foods, formula milk powder, fillings, ice products, the baking industry, biscuits, and beverages.
5. Vegetable oil powder:
   Mainly used in specialty nutritional food, formula milk powder, instant drinks, the baking industry and types of food processing.
6. Sorbitol: Mainly used in food, fillings, toothpaste, cleaning cosmetics, adhesives, etc.
7. Crystalline glucose: Mainly used in candy, fillings, the beverage industry, the baking industry, preserves, etc.

5.2.3. Supply conditions of major raw materials

Major raw material name	Suppliers	Place of origin (Manufacturing location)	Future conditions
Starch	Northeast Tapioca Flour Co., Ltd.	Thailand	The major raw material is starch, which constitutes a bulk material. A majority is imported from Thailand and Indonesia and purchased in Taiwan with wide and stable supply of goods.
Starch	Chokyuenyong Industry Co., Ltd.	Thailand	
Starch	Korat Flour Industry Co., Ltd.	Thailand	

5.2.4. List of major purchase and sales customers

1. Information on major suppliers in the last two years

In 2020, the COVID-19 pandemic began to spread globally, and shipping costs worldwide quietly increased. To proactively mitigate the risks, our company made advance preparations from September 2020 to the present by diversifying risks and purchasing a large quantity of raw materials from Indonesian Group PT.B under CFR trade conditions. This decision helped the company overcome the crisis of surging shipping costs in 2021. As a result, in 2021, our company procured from PT.B, with the procurement amount accounting for 27.85% of the annual net purchases, ranking first.

In 2022, the global COVID-19 pandemic continued to impact the world. Increased demand, severe container shortages, and port congestion led to skyrocketing container shipping costs. Due to the proximity of C.Y. Company to Laem Chabang, most of our suppliers were located near Lat Krabang and Sahathai, where these two terminals required shipping empty containers from Laem Chabang, resulting in increased shipping costs. However, due to the concerns of container turnover rates, shipping companies were reluctant to bring in empty containers, causing difficulties in shipping the goods. By accurately and sensitively grasping the ever-changing macro environment, we chose to purchase from C.Y. Company at an economically advantageous price. The procurement amount accounted for 17.81% of the annual net purchases, ranking second.

In 2023, as the overall environment returns to normal, our company does not engage in centralized procurement, reducing the risk of sudden situations with a single supplier.

Unit: TWD thousand

	2021				2022				2023 Q1			
Item	Name	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with issuer	Name	Amount	Proportion of net purchases in the current year through the prior quarter [%]	Relationship with issuer
1	PT.B.	280,140	27.85%	None	N.T.	267,615	21.87%	None	T.C.S.	53,084	21.16%	None
2	N.T.	149,718	14.88%	None	C.Y.	217,972	17.81%	None	PT.B.	51,880	20.69%	None
3	N.P.	58,211	5.79%	None	K.F.	104,814	8.57%	None	K.F.	47,370	18.89%	None
4	F.N.	55,674	5.53%	None	E.U.	93,799	7.67%	None	N.T.	21,867	8.72%	None
5	T.R.	39,227	3.90%	None	Pure Chem Co., Ltd.	90,841	7.42%	Sub-subsidiary	S.M.	11,780	4.70%	None
6	Pure Chem Co., Ltd.	36,935	3.67%	Sub-subsidiary	N.P.	57,768	4.72%	None	Pure Chem Co., Ltd.	6,798	2.71%	None
7	K.F.	34,066	3.39%	None	PT.B.	35,780	2.92%	None	T.T.E.	5,829	2.32%	None
8	R.F.	30,070	2.99%	None	C.G.	34,184	2.79%	None	E.U.	5,538	2.21%	None
9	R.E.	29,261	2.91%	None	E.S.	29,105	2.38%	None	F.S.	5,120	2.04%	None
10	C.Y.	28,737	2.86%	None	T.T.E.	26,972	2.20%	None	FM.O.	4,603	1.84%	None
	Other	263,835	26.23%		Other	264,747	21.64%		Other	36,940	14.73%	
	Total	1,005,874	100.00%		Total	1,223,597	100.00%		Total	250,811	100%	

Note 1: List names of suppliers accounting for more than 10% of total purchases in the last two years, and their purchase amounts and proportions. However, code names are permitted if disclosure of the supplier's name or transaction counterparty is not allowed due to contractual obligations or if the transaction counterparty is an individual and a non-related person.

Note 2: The main raw materials required for the production of products are (cassava and corn) starch, which form part of the bulk material market. In addition to considering quality and supply capacity, price is the main determinant of purchases. The proportion and increase or decrease of purchasers will change In response to changes in demand.

2. Information on major sales customers in the last two years

Unit: TWD thousand

	2021				2022				2023 Q1			
Item	Name	Amount	Percentage of total annual net sales (%)	Relationship with issuer	Name	Amount	Percentage of total annual net sales (%)	Relationship with issuer	Name	Amount	Proportion of net sales in the current year through the prior quarter [%]	Relationship with issuer
1	R.F.	90,783	5.9%	None	R.F.	121,928	7.0%	None	R.F.	27,332	5.8%	None
2	S.S.	62,031	4.0%	None	M.N.	64,541	3.7%	None	E.N.	26,965	5.7%	None
3	A.C.	50,470	3.3%	None	J.H.	59,909	3.5%	None	K.P.	18,791	4.0%	None
4	T.Y.	49,902	3.2%	None	S.S.	58,879	3.4%	None	M.N.	17,328	3.7%	None
5	J.H.	49,379	3.2%	None	A.C.	58,217	3.4%	None	T.Y.	15,034	3.2%	None
6	S.S.G.	49,187	3.2%	None	N.E.	54,355	3.1%	None	S.S.	14,658	3.1%	None
7	P.S.	41,901	2.7%	None	K.P.	50,789	2.9%	None	S.I.M.	14,415	3.0%	None
8	M.N.	40,762	2.6%	None	F.D .	47,602	2.8%	None	F.D.	12,648	2.7%	None
9	I.M.	35,713	2.3%	None	P.S.	46,055	2.7%	None	S.S.G.	12,312	2.6%	None
10	F.D.	34,302	2.2%	None	S.S.G.	43,316	2.5%	None	J.H.	12,059	2.5%	None
	Other	1,046,916	67.5%		Other	1,124,182	65.0%		Other	302,271	63.8%	
	Total	1,551,409	100.00%		Total	1,729,883	100.00%		Total	473,713	100.00%	

Note 1: List names of customers accounting for more than 10% of total sales in the last two years, and their sales amounts and proportions. However, code names are permitted if disclosure of the customer’s name or transaction counterparty is not allowed due to contractual obligations or if the transaction counterparty is an individual and a non-related person.

Note 2: As of the date of publication of the annual report, if a company that is listed or whose shares have been traded in a securities firm’s place of business has the most recent financial information that has been audited, certified, or reviewed by accountants, this shall also be disclosed.

Note 3: None of the company's sales customers accounted for 10% of net sales of the year or period. In order to avoid the risk of customer concentration, major sales customers changed slightly with changing of product production capacity.

5.2.5. Production volume and value in the most recent two years

Units: Metric tons (volume), TWD thousand (value)

Year / Production value / Major product (or division)	2021			2022		
	Capacity	Yield	Production value	Capacity	Yield	Production value
Liquid syrup	176	64,060	961,060	147	53,618	973,807
Maltodextrin	16	5,822	166,618	18	6,388	209,392
Vegetable oil powder	7	2,416	129,755	7	2,516	163,916
Total	198	72,298	1,257,432	172	62,523	1,347,115

Note 1: Capacity refers to the volume that the Company can produce under normal operations using existing production equipment after taking necessary shutdowns, holidays, and other factors into account.

Note 2: If the production of each product is substitutable, the production capacity may be calculated together with a note and explanation.

Note 3: Capacity = Production/365 days.

5.2.6. Sales volume and value in the most recent two years

Units: Metric tons (volume), TWD thousand (value)

Year / Sales value / Major products (or division)	2021				2022			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Liquid syrup	54,347	1,140,658	37	1,048	52,150	1,217,887	37	1,227
Maltodextrin, vegetable oil powder	8,155	343,759	0	0	8,928	429,795	0	0
Starch and materials	734	21,486	0	0	921	27,184	0	0
Sorbitol	1,986	44,395	0	0	2,206	53,680	0	0
Total	65,222	1,550,298	37	1,048	64,205	1,728,546	37	1,227

5.3. Employees

Information of employees in the latest two years and as of the publication date of the annual report

April 30, 2023

Year		2021	2022	2023 Q1
Number of employees	Management & Staff	20	20	20
	Tcehnicians	81	79	77
	Office	57	57	57
	Total	158	156	154
Average age		42.08	42.67	43
Average service years		10.15	10.93	11.31
Education %	Ph.D.	0%	0%	0%
	Masters	12.74%	12.82%	12.98%
	Bachelors	63.69%	64.11%	64.29%
	Senior High School	22.93%	21.79%	21.43%
	Below Senior High	1.27%	1.28%	1.30%

5.4. Environmental Protection Expenditures

5.4.1. Total loss amounts (including compensations) and disciplinary action resulting from environmental pollution:

Penalty date	Penalty reason	Sanctioning unit	Causes of occurrence	Penalty amount	Improvement status
March 25, 2022	Violations of the Water Pollution Control Act	Taoyuan City Government	On September 29, 2021, the Environmental Protection Bureau of the Taoyuan City Government sent personnel to take samples at the Nankan Plant wastewater discharge outlet. The test results showed that the biochemical oxygen requirement and chemical oxygen requirement did not meet the discharge water standards (Note 1) in a violation of Article 7, Item 1 of the Water Pollution Control Act. The matter was to be adjudicated in accordance with Article 40, Item 1 of the same Act.	TWD 216,000	Strengthen education and training

Note 1: Test results: biochemical oxygen requirement 76.5mg/L, chemical oxygen requirement 118mg/L.
(Regulatory standards: biochemical oxygen requirement 30mg/L, chemical oxygen requirement 100mg/L)

5.4.2. At present, the discharge of waste gas and wastewater and the removal and treatment of waste have complied with legal and regulatory requirements. Annual routine environmental protection expenditures are about TWD 4 million, accounting for a relatively low proportion of the company's Capital and that will not affect operating results and competitive position.

5.4.3. Major environmental capital expenditures expected in the next two years: Continue to strengthen the renewal of environmental protection equipment with a budget of TWD 10 million.

5.5. Labor Relations

5.5.1. Employee welfare measures, advanced education, training, and retirement systems of the Company and their implementation, as well as agreements between labor and management:

1. Welfare measures:
   (1) The Company has wedding and funeral subsidy measures and free meals and provides dormitories and employee leisure activity centers. Furthermore, we have set up an Employee Welfare Committee to handle domestic and foreign travel, end of year banquets, New Year gifts (vouchers), birthday parties, cultural and leisure activities, and subsidies to boost employee morale.
   (2) The Company cooperates with medical consulting companies to arrange for nurses to come to the manufacturing facilities to provide on-site health services 4 times a month and care for the physical and mental health of colleagues. We thus can prevent the occurrence of occupational injury through weekly consultations and advice. We further stipulate provisions such as a hazard prevention plan, maternal health protection plan, prevention plan for unlawful harm suffered in the performance of duties, abnormal workload illness plan, sexual harassment prevention measures, complaints and disciplinary measures, etc., to protect the occupational safety and health of employees.
   (3) The Company provides free employee health checks every year to ensure the health of employees.
2. Retirement system:
   The Company established a “Labor Retirement Reserve Supervision Committee” in 1988 in accordance with the regulations of the Labor Standards Act. Pensions are allocated monthly in proportion to total salaries and deposit to the “Taiwan Bank Trust Department” account designated by the government.
   Retirement procedures:
   (1) Voluntary retirement:
      - Those who have served for more than 15 years and are over 55 years old.
      - Those who have served for more than 25 years.
   (2) Mandatory retirement:
      - Those over 65 years old.
      - Those subject to mental incapacity or physical disability and are unfit to work.
3. Personnel connected to financial information transparency who have obtained the relevant licenses specified by the competent authority: None.
4. Code of Conduct or Ethics for Employees:
   In order to establish an optimal code of conduct for the Company's employees and meet ethical standards, we have established working rules

for the Company's employees to follow and have published them on the Company's internal website for all colleagues to consult at any time.

5. Measures for the protection of employee rights and interests:

The Company attaches great importance to the opinions of employees, who can fully express their life and work problems through the Company's relevant communication channels at any time. There is also an Employee Welfare Committee responsible for the planning of employee welfare matters. Therefore, labor relations have always been good and no disputes have occurred.

Protective measures for working environment and employees' personal safety:

(1)In order to ensure the safety of workers at work and prevent occupational hazards, the Company has reported its work rules to the Taoyuan City Government for approval and custody, and formulated labor safety and health work rules.

(2)The Company has established emergency preparedness and contingency management procedures.

(3)In accordance with the labor safety and health work rules, regular health examinations are carried out every year and colleagues are notified of examination results by doctors.

(4)Employers should provide safety and health education and training to newly hired workers and in-service workers before they change jobs. The on-the-job safety and health education and training for general workers is conducted once a year, and fire training is conducted twice a year, each time being for three hours.

(5)The Company conducts regular fire inspections every year to maintain workplace safety.

6. Recent losses suffered by the Company due to labor disputes in the most recent year and as of the publication date of the annual report, and estimated amount and corresponding measures that may occur at present and in the future:

(1) Labor dispute status: No such situation confronted by the Company.

(2) Amounts of losses incurred: None.

(3) Estimated amounts of possible future losses: None.

(4) The Company's response measures:

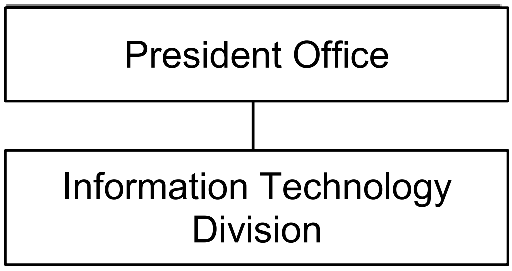
Continuously Strengthen employee benefits measures and labor ethics, also increase the channels of labor-management communication and coordination.

5.6. Information security management

5.6.1. Information security risk management structure:

Within the corporate structure of Taiwan Fructose, the Information Technology Office is responsible for implementing information operation security management planning, establishing, and maintaining an information security management system, and coordinating information security and protection-related policy formulation, implementation, risk management, and compliance audits.

It is managed by the President's Office and is responsible for corporate information security and physical security planning and related audit matters.



5.6.2. Information security policies:

Taiwan Fructose's information security policies cover the Company and its subsidiaries domestically and abroad, and the following are listed as guidelines:

1. Establish information security management that complies with the law and with customer needs.
2. Reach consensus that everyone is responsible for information security through the understanding of all employees.
3. Protect the confidentiality, integrity, and availability of the Company's and customer information.
4. Provide a safe production environment to ensure the sustainable operation of the Company's business.

   Furthermore, we set our sights on the three major information security protection aspects of anti-virus, anti-hacking, and anti-leakage efforts by establishing firewalls, intrusion detection, anti-virus systems, and several internal control systems to enhance the Company's ability to defend against external attacks and ensure the protection of internal confidential information.

5.6.3. Specific management plan:

In order to achieve the information security policy and objectives and establish comprehensive information security protection, management matters and specific management plans to be implemented are as follows:

1. Improve information security defense capabilities: Regularly conduct vulnerability analysis and penetration testing of information security systems, and strengthen and repair them to reduce information security risks. Establish a cybersecurity incident response plan, conduct impact and damage assessments according to the severity level of the incident, and take corresponding notification and recovery actions.
2. Improve network, endpoint, and application security: Improve anomaly detection and protection capabilities of endpoint devices, including application whitelist mechanism and endpoint detection and response mechanisms. Optimize overall information system network security area and increase multi-factor authentication protection for important host privileges and account logins.
3. Pandemic control: In response to the global COVID-19 pandemic, we have strengthened anti-virus and information security protection measures for working from home, urging our staff not to use public computers and networks for work use and fulfilling the responsibility of protecting corporate information.

5.6.4. Resources invested in information security management:

1. Software and hardware equipment: These include as firewalls, NAS backup hardware, and remote media backup storage.
2. Manpower input: Information security manpower responsible for information security management, information security publicity and education and training manpower.

5.6.5. Losses suffered due to material information security incidents in the most recent year and as of the publication date of the annual report, possible impact, and response measures. If this cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated:

1. Material information security incidents:

Taiwan Fructose had no material information security incidents in 2022.

2. Information security risks and countermeasures:

Insufficient cyberattack defense capabilities arising from network security failures may not only expose the Company to data leakage and blackmail risks, but may also confront it with production system interruptions that may cause serious operational losses and affect the Company's good reputation. In the face of the ever-changing and diversified external threats, it is urgent for many global and well-known enterprises to use their limited resources to correctly respond to the changing environment.

Taiwan Fructose pays special attention to the prevention of information security and network risks. We have therefore constructed a complete set of multi-layered defense networks including firewalls, intrusion detection, antivirus systems, vulnerability scanning, and patch management from outside to inside so as to improve information security defense capabilities. An information security management system has been implemented, and in accordance with the existing management system and control measures, it should not be easy for traditional malicious programs such as viruses, Trojans, and worms and traditional external attacks by hackers to cause damage to the Company's information systems.

5.7. Important contracts: None.

VI. Financial Overview

6.1. Condensed balance sheets, statements of comprehensive income, and CPA names and their audit opinions for the most recent five years

6.1.1. Condensed balance sheets and statements of comprehensive income

1. Consolidated condensed balance sheets

Unit: NT$ thousand

Item \ Year		Financial data for the most recent five years (Note 1)					The current year through March 31, 2023 Financial data (Note 3)
		2018	2019	2020	2021	2022	
Current assets		2,103,726	2,183,009	2,325,586	2,640,226	2,642,115	2,629,587
Property, plant and equipment (Note 2)		2,524,022	2,540,690	2,453,476	2,358,944	2,431,832	2,474,201
Intangible assets		5,394	4,482	3,548	3,053	2,059	1,805
Others assets (Note 2)		264,408	316,321	406,399	295,016	574,176	574,957
Total assets		4,897,550	5,044,502	5,189,009	5,297,239	5,650,182	5,680,550
Current liabilities	Before distribution	1,276,174	1,343,824	1,480,934	1,164,106	1,199,111	1,186,244
	After distribution	1,276,174	1,343,824	1,480,934	1,164,106	1,199,111	1,186,244
Non-current liabilities		1,006,533	953,986	993,405	1,213,163	1,287,148	1,304,962
Total liabilities	Before distribution	2,282,707	2,297,810	2,474,399	2,377,269	2,486,259	2,491,206
	After distribution	2,282,707	2,297,810	2,474,399	2,377,269	2,486,259	2,491,206
Equity attributable to owners of the parent company		2,015,705	2,059,903	1,989,927	2,108,652	2,255,997	2,266,033
Share capital		1,662,776	1,729,287	1,620,907	1,620,907	1,758,684	1,758,684
Capital reserves		59,970	59,970	57,414	57,414	57,414	57,414
Retained earnings	Before distribution	520,524	470,427	561,225	821,672	767,272	769,100
	After distribution	520,524	470,427	561,225	821,672	767,272	769,100
Other equity interest		(227,565)	(199,781)	(249,619)	(391,341)	(327,373)	(319,165)
Treasury shares		0	0	0	0	0	0
Non-controlling interests		599,138	686,789	724,743	811,318	907,926	923,311
Total equity	Before distribution	2,614,843	2,746,692	2,714,670	2,919,970	3,163,923	3,189,344
	After distribution	2,614,843	2,746,692	2,714,670	2,919,970	3,163,923	3,189,344

* If the Company has prepared parent company only financial statements, the parent company only condensed balance sheets and statements of comprehensive income for the most recent five years should be compiled separately.
* If the financial information using the International Financial Reporting Standards is for less than five years, the following table (2) shall be prepared separately for the financial information using Taiwan's Accounting Standards for Enterprises.

Note 1: Any year that has not been audited by accountants should be noted.

Note 2: For those that have undergone asset revaluation in the current year, the date of revaluation and the value-added amount of the revaluation shall be listed.

Note 3: As of the date of publication of the annual report, if a company that is listed or whose shares have been traded in a securities firm’s place of business has the most recent financial information that has been audited, certified, or reviewed by accountants, this shall also be disclosed.

Note 4: For the above-mentioned post-distribution figures, please fill in according to the resolution of the Board of Directors or the resolution of the shareholders' meeting in the following year.

Note 5: Financial information that should be corrected or restated upon notification by the competent authority should be listed with the corrected or restated figures, and the circumstances and reasons should be indicated.

2. Consolidated condensed statements of comprehensive income

Unit: NT$ thousand

Item \ Year	Financial data for the most recent five years (Note 1)					Financial data for the current year through March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Operating revenue	3,772,091	4,109,093	3,897,342	4,385,548	5,044,450	1,284,073
Operating margin	443,599	425,325	577,266	602,589	635,593	190,425
Operating profit and loss	169,670	171,337	301,393	299,807	318,407	112,662
Non-operating income and expenses	29,401	(40,822)	11,050	404,628	(37,533)	(3,861)
Net profit before tax	199,071	130,515	312,443	704,435	280,874	108,801
Profit from continuing operations	150,744	121,058	218,959	563,502	191,394	79,081
Profit or loss from discontinued operations	0	0	0	0	0	0
Profit (loss) for the period	150,744	121,058	218,959	563,502	191,394	79,081
Other comprehensive income for the period (net after tax)	37,484	65,039	(105,896)	(252,843)	117,395	7,894
Total comprehensive income for the period	188,228	186,097	113,063	310,659	308,789	86,975
Net profit attributable to owners of the parent company	123,921	66,691	151,564	364,340	138,875	63,382
Net profit attributable to non-controlling interests	26,823	54,367	67,395	199,162	52,519	15,699
Total comprehensive income attributable to owners of the parent company	150,744	94,081	101,485	224,084	212,181	71,590
Total comprehensive profit and loss attributable to non-controlling interests	48,866	92,016	11,578	86,575	96,608	15,385
Earnings per share	0.75	0.39	0.92	2.25	0.79	0.36

* If the Company has prepared parent company only financial statements, the parent company only condensed balance sheets and statements of comprehensive income for the most recent five years should be compiled separately.
* If the financial information using the International Financial Reporting Standards is for less than five years, the following table (2) shall be prepared separately for the financial information using Taiwan's Accounting Standards for Enterprises.

Note 1: Any year that has not been audited by accountants should be noted.
Note 2: As of the date of publication of the annual report, if a company that is listed or whose shares have been traded in a securities firm's place of business has the most recent financial information that has been audited, certified, or reviewed by accountants, this shall also be disclosed.
Note 3: Profit and loss from discontinued operations are presented as a net amount after deducting income tax.
Note 4: Financial information that should be corrected or restated upon notification by the competent authority should be listed with the corrected or restated figures, and the circumstances and reasons should be indicated.

3. Parent company only condensed balance sheets

Unit: NT$ thousand

Item / Year		Financial data for the most recent 5 years				
		2018	2019	2020	2021	2022
Current assets		1,027,664	936,062	978,853	1,030,371	962,651
Property, plant and equipment		670,076	673,699	675,571	655,203	634,093
Intangible assets		5,149	4,284	3,419	2,555	1,690
Other assets		1,949,219	2,173,702	2,181,006	2,194,159	2,561,983
Total assets		3,652,108	3,787,747	3,838,846	3,882,288	4,160,417
Current liabilities	Before distribution	734,581	859,870	977,820	870,277	805,519
	After distribution	734,581	859,870	977,820	870,277	805,519
Non-current liabilities		901,822	867,974	871,099	903,359	1,098,901
Total liabilities	Before distribution	1,636,403	1,727,844	1,848,919	1,773,636	1,904,420
	After distribution	1,636,403	1,727,844	1,848,919	1,773,636	1,904,420
Share capital		1,662,776	1,729,287	1,620,907	1,620,907	1,758,684
Capital reserves		59,970	59,970	57,414	57,414	57,414
Retained earnings	Before distribution	520,524	470,427	561,225	821,672	767,272
	After distribution	520,524	470,427	561,225	821,672	767,272
Other equity interest		(227,565)	(199,781)	(249,619)	(391,341)	(327,373)
Treasury shares		0	0	0	0	0
Total equity	Before distribution	2,015,705	2,059,903	1,989,927	2,108,652	2,255,997
	After distribution	2,015,705	2,059,903	1,989,927	2,108,652	2,255,997

4. Parent company only condensed statements of comprehensive income

Unit: In NT$ thousand except for earnings per share in NT$

Item \ Year	Financial data for the most recent 5 years				
	2018	2019	2020	2021	2022
Operating revenue	1,298,796	1,403,448	1,401,567	1,551,409	1,729,773
Operating margin	150,448	172,998	252,693	230,707	207,497
Operating profit and loss	51,813	77,603	145,570	122,045	102,581
Non-operating gains and losses	110,624	6,305	56,387	300,622	54,275
Net profit (net loss) before tax	162,437	83,908	201,957	422,667	156,856
Profit or loss from continuing operations	123,921	66,691	151,564	364,340	138,875
Profit or loss from discontinued operations	0	0	0	0	0
Net profit (net loss) for the period	123,921	66,691	151,564	364,340	138,875
Other comprehensive income for the period	15,441	27,390	(50,079)	(140,256)	73,306
Total comprehensive income for the period	139,362	94,081	101,485	224,084	212,181
Earnings per share	0.75	0.39	0.92	2.25	0.79

6.1.2 CPA names and audit opinions for the most recent five years:

Year	Accounting firm	Accountant name	Audit opinion
2018	Deloitte Taiwan	Hsieh Ming-Chung, Lee Li-Huang	Unqualified opinion
2019	Deloitte Taiwan	Ong Po-Jen, Chih Jui-Chuan	Unqualified opinion
2020	Deloitte Taiwan	Ong Po-Jen, Chih Jui-Chuan	Unqualified opinion
2021	Deloitte Taiwan	Ong Po-Jen, Chih Jui-Chuan	Unqualified opinion
2022	Deloitte Taiwan	Ong Po-Jen, Lee Li-Huang,	Unqualified opinion

6.2. Financial analysis for the most recent five years

6.2.1. Financial analysis - consolidated financial ratio analysis

Analysis item (Note 3) \ Year (Note 1)		Financial analyses for the most recent five years					The current year through March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Financial structure %	Debt to asset ratio	46.60	45.55	47.68	44.87	44.00	43.85
	Ratio of long-term funds to property, plant, and equipment	143.47	145.65	151.13	175.21	183.03	181.64
Solvency %	Current ratio	164.84	162.44	157.03	226.80	220.33	221.67
	Quick ratio	101.25	104.24	102.23	168.72	146.67	143.45
	Interest coverage ratio	8.95	4.46	13.82	27.37	10.15	7.66
Operating ability	Receivables turnover ratio (times)	5.06	4.60	4.23	4.62	4.67	1.09
	Average cash collection days	72.13	79.34	86.28	79.00	78.15	82.56
	Inventory turnover ratio (times)	5.36	5.77	5.42	6.64	6.96	1.50
	Payables turnover ratio (times)	14.61	19.64	17.19	16.67	17.00	4.03
	Average sales days	68.09	63.25	67.34	54.96	52.44	60.00
	Property, plant, and equipment turnover rate ratio (times)	1.49	1.61	1.58	1.85	2.07	0.51
	Total asset turnover ratio (times)	0.77	0.81	0.75	0.82	0.89	0.22
Profitability	Return on assets (%)	3.66	3.04	4.65	11.17	4.00	1.58
	Return on equity (%)	6.44	4.51	8.01	20.00	6.29	2.48
	Net profit before tax to paid-in capital ratio (%) (Note 7)	11.55	7.29	18.61	41.97	15.46	5.99
	Net profit ratio (%)	3.99	2.94	5.61	12.84	3.79	6.15
	Earnings per share (NT$)	0.75	0.39	0.92	2.25	0.79	0.40
Cash flows	Cash flow ratio (%)	13.54	15.63	35.40	38.61	0.53	4.32
	Cash flow adequacy ratio (%)	118.28	127.53	125.49	211.75	123.57	214.85
	Cash reinvestment ratio (%)	5.03	4.62	13.69	8.76	(1.47)	1.28
Leverage	Operational leverage	2.61	2.48	1.92	2.01	2.00	1.69
	Financial leverage	1.76	1.47	1.72	1.79	1.57	1.57

Please explain reasons for changes in financial ratios in the last two years. (The analysis can be disregarded if the increase or decrease does not attain 20%)

1. Interest coverage ratio: Mainly due to a decrease in net profit before tax in 2022.
2. Return on assets: Mainly due to a decrease in after-tax net income in 2022.
3. Return on shareholder's equity: Mainly due to a decrease in after-tax net income in 2022.
4. Net profit before tax to paid-in capital ratio: Mainly due to a decrease in after-tax net income in 2022.
5. Net profit ratio: Mainly due to a decrease in after-tax net income in 2022.
6. Earnings per share: Mainly due to a decrease in after-tax net income in 2022.
7. Cash flow ratio: Mainly due to a reduction in net cash flows from operating activities in 2022.
8. Cash flow adequacy ratio: Mainly due to a reduction in net cash flows from operating activities in 2022.
9. Cash reinvestment ratio: Mainly due to a reduction in net cash flows from operating activities in 2022.

∗ If the Company has prepared parent company only financial statements, the Company's parent company only financial ratio analysis should be compiled separately.

∗ If the financial information using the International Financial Reporting Standards is for less than five years, the following table (2) shall be prepared separately for the financial information using Taiwan's Accounting Standards for Enterprises.

Note 1: Years that have not been audited by accountants should be noted.

Note 2: As of the date of publication of the annual report, if a company that is listed or whose shares have been traded in a securities firm's place of business has the most recent financial information that has been audited, certified, or reviewed by accountants, this shall also be analyzed.

Note 3: The following calculation formulas should be listed at the end of this table of the annual report:

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term funds to property, plant, and equipment = (total equity + non-current liabilities) / net property, plant, and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Interest coverage ratio = net profit before income tax and interest expense / interest expense for the current period.
3. Operating ability
   (1) Receivables (including accounts receivable and notes receivable due to business) turnover ratio = net sales / average receivables in each period (including accounts receivable and notes receivable due to business) balance.
   (2) Average cash collection days = 365 / receivables turnover ratio.
   (3) Inventory turnover ratio = cost of goods sold / average inventory value.
   (4) Payables (including accounts payable and notes payable due to business) turnover ratio = cost of goods sold / average payables in each period (including accounts payable and notes payable due to business) balance.
   (5) Average sales days = 365 / inventory turnover ratio.
   (6) Property, plant, and equipment turnover ratio = net sales / average net property, plant, and equipment.
   (7) Total asset turnover ratio = net sales / average total assets.
4. Profitability
   (1) Return on assets = (after-tax profit and loss + interest expense × (1 - tax rate)] / average total assets.
   (2) Return on equity = after-tax profit and loss / average total equity.
   (3) Net profit ratio = after-tax profit and loss / net sales.

(4) Earnings per share = (profit and loss attributable to owners of the parent company - preferred share dividends) / weighted average number of issued shares. (Note 4)

5. Cash flows

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

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

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capital). (Note 5)

6. Leverage:

(1) Operating leverage = (net operating income - variable operating costs and expenses) / business interests (Note 6).

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

Note 4: In the above formula for calculating earnings per share, special attention shall be paid to the following items when measuring:

1. It is based on the weighted average number of common shares, and not based on the number of shares outstanding at the end of the year.
2. Instances of cash capital increase or treasury stock transactions should consider their circulation periods in calculating the weighted average number of shares.
3. In instances of capitalization of retained earnings or capitalization of capital reserves, retrospective adjustments shall be made when calculating earnings per share for previous years and half-year periods based on the capital increase ratio, regardless of the issuance period of the capital increase.
4. Where preferred shares constitute non-convertible cumulative preferred shares, their dividends for the current year (whether paid or not) should be deducted from net profit after tax, or operating income net of tax should be added. Where preferred shares are non-cumulative in nature, then in the case of net profit after tax, the preferred share dividends shall be deducted from the net profit after tax; in the case of a loss, no adjustment is necessary.

Note 5: In the cash flow analysis, special attention should be paid to the following items when measuring:

1. Net cash flows from operating activities refers to the net cash inflows from operating activities in the statements of cash flows.
2. Capital expenditures refers to the annual cash outflows from capital investments.
3. Inventory increases are only included when the ending balance is greater than the opening balance. If inventory has decreased at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends from common shares and preferred shares.
5. Property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 6: The issuer should distinguish each operating cost and operating expense as fixed or variable according to its nature. If estimates or subjective judgments are involved, their rationale should be noted and kept consistent.

Note 7: Where a company's shares have no par value or a par value other than NT$10, then the aforementioned calculation of the paid-in capital ratio shall be calculated based on the equity attributable to owners of the parent company on the balance sheet.

6.2.2 Financial analysis - parent company only financial ratio analysis

Analysis item (Note 2)		Year (Note 1) Financial analyses for the most recent five years: 2018	2019	2020	2021	2022
Financial structure (%)	Debt to asset ratio	44.80	45.61	48.16	45.68	45.77
	Ratio of long-term funds to property, plant, and equipment	435.40	434.59	423.49	459.70	529.08
Solvency (%)	Current ratio	139.89	108.86	100.10	118.39	119.50
	Quick ratio	106.40	82.76	75.15	90.95	82.66
	Interest coverage ratio	9.23	4.37	12.21	24.65	8.70
Operating ability	Receivables turnover ratio (times)	4.35	4.36	4.31	4.24	4.19
	Average cash collection days	83.90	83.71	84.68	86.08	87.11
	Inventory turnover ratio (times)	5.49	6.10	5.48	6.01	6.38
	Payables turnover ratio (times)	9.85	13.34	15.71	16.04	16.70
	Average sales days	66.48	59.83	66.60	60.73	57.21
	Property, plant and equipment turnover ratio (times)	1.93	2.08	2.07	2.36	2.72
	Total asset turnover ratio (times)	0.35	0.37	0.36	0.39	0.41
Profitability	Return on assets (%)	3.93	2.32	4.36	9.81	3.93
	Return on equity (%)	6.16	3.27	7.48	17.77	6.36
	Percentage of paid-in capital (%) - Operating profit	3.00	4.33	8.67	7.27	5.64
	Percentage of paid-in capital (%) - Net profit before tax	9.42	4.68	12.03	25.18	8.63
	Net profit ratio (%)	9.54	4.75	10.81	23.48	8.02
	Earnings per share (NT$)	0.75	0.39	0.92	2.25	0.79
Cash flows	Cash flow ratio (%)	(5.03)	4.86	15.29	24.40	1.14
	Cash flow adequacy ratio (%)	93.29	95.40	84.40	107.66	58.92
	Cash reinvestment ratio (%)	(1.36)	(0.30)	3.51	3.98	(1.87)
Leverage	Operational leverage	1.89	2.23	1.74	1.89	2.02
	Financial leverage	1.57	1.41	1.72	1.81	1.62

Please explain reasons for changes in financial ratios in the last two years. (The analysis can be disregarded if the increase or decrease does not attain 20%)

1. Interest coverage ratio: Mainly due to a decrease in net profit before tax in 2022.
2. Return on assets: Mainly due to a decrease in after-tax net income in 2022.
3. Return on shareholder's equity: Mainly due to a decrease in after-tax net income in 2022.
4. Operating profit to paid-in capital ratio: Mainly due to a decrease in net profit before tax in 2022.
5. Net profit before tax to paid-in capital ratio: Mainly due to a decrease in net profit before tax in 2022.
6. Net profit ratio: Mainly due to a decrease in after-tax net income in 2022.
7. Earnings per share: Mainly due to a decrease in after-tax net income in 2022.
8. Cash flow ratio: Mainly due to a reduction in net cash flows from operating activities in 2022.
9. Cash flow adequacy ratio: Mainly due to a reduction in net cash flows from operating activities in 2022.
10. Cash reinvestment ratio: Mainly due to a reduction in net cash flows from operating activities in 2022.

Note 1: Years that have not been audited by accountants should be noted.
Note 2: The following calculation formulas should be listed at the end of this table of the annual report:

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term funds to property, plant, and equipment = (total equity + non-current liabilities) / net property, plant, and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Interest coverage ratio = net profit before income tax and interest expense / interest expense for the current period.
3. Operating ability
   (1) Receivables (including accounts receivable and notes receivable due to business) turnover ratio = net sales / average receivables in each period (including accounts receivable and notes receivable due to business) balance.
   (2) Average cash collection days = 365 / receivables turnover ratio.
   (3) Inventory turnover ratio = cost of goods sold / average inventory value.
   (4) Payables (including accounts payable and notes payable due to business) turnover ratio = cost of goods sold / average payables in each period (including accounts payable and notes payable due to business) balance.
   (5) Average sales days = 365 / inventory turnover ratio.
   (6) Property, plant, and equipment turnover ratio = net sales / average net property, plant, and equipment.
   (7) Total asset turnover ratio = net sales / average total assets.
4. Profitability
   (1) Return on assets = (after-tax profit and loss + interest expense × (1 - tax rate)] / average total assets.
   (2) Return on equity = after-tax profit and loss / average net shareholders' equity.
   (3) Net profit ratio = after-tax profit and loss / net sales.
   (4) Earnings per share = (net profit after tax - preferred share dividend) / weighted average number of issued shares. (Note 4)
5. Cash flows
   (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
   (2) Net cash flow adequacy ratio = net cash flow from operating activities in the last five years / (capital expenditure + inventory increase + cash dividend) in the last five years.
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capital). (Note 5)
6. Leverage:
   (1) Operating leverage = (net operating income - variable operating costs and expenses) / business interests (Note 6).
   (2) Financial leverage = operating profit / (business profit - interest expense).

Note 3: In the above formula for calculating earnings per share, special attention shall be paid to the following items when measuring:

1. It is based on the weighted average number of common shares, and not based on the number of shares outstanding at the end of the year.
2. Instances of cash capital increase or treasury stock transactions should consider their circulation periods in calculating the weighted average number of shares.
3. In instances of capitalization of retained earnings or capitalization of capital reserves, retrospective adjustments shall be made when calculating earnings per share for previous years and half-year periods based on the capital increase ratio, regardless of the issuance period of the capital increase.
4. Where preferred shares constitute non-convertible cumulative preferred shares, their dividends for the current year (whether paid or not) should be deducted from net profit after tax, or operating income net of tax should be added. Where preferred shares are non-cumulative in nature, then in the case of net profit after tax, the preferred share dividends shall be deducted from the net profit after tax; in the case of a loss, no adjustment is necessary.

Note 4: In the cash flow analysis, special attention should be paid to the following items when measuring:

1. Net cash flows from operating activities refers to the net cash inflows from operating activities in the statements of cash flows.
2. Capital expenditures refers to the annual cash outflows from capital investments.
3. Inventory increases are only included when the ending balance is greater than the opening balance. If inventory has decreased at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends from common shares and preferred shares.
5. Property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 5: The issuer should distinguish each operating cost and operating expense as fixed or variable according to its nature. If estimates or subjective judgments are involved, their rationale should be noted and kept consistent.

6.3. Audit Committee's Review Report

Taiwan Fructose Co. Ltd.

Audit Committee's Review Report

The Company's 2022 annual business report, financial statements (including the parent company only and consolidated financial statements), earnings distribution proposals, and so on have been submitted by the Board of Directors. Among them, the financial statements (including the parent company only and consolidated financial statements) have been audited by Deloitte Taiwan and an unqualified opinion has been issued. The aforementioned business report, financial statements, and earnings distribution proposals have been reviewed by the Audit Committee which has found no discrepancies. The report is given as above in accordance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted for review.

Sincerely

2022 Annual General Meeting of Shareholders of the Company

Taiwan Fructose Co., Ltd.

Convener of Audit Committee: Chen Chin-Jang

March 30, 2023

6.4. Financial statements and accountants' audit report of the most recent year

Accountants' Audit Report

Taiwan Fructose Co., Ltd. Submitted:

Audit opinion

We have completed our review of Taiwan Fructose Co., Ltd. Parent Company Only Balance Sheet for December 31, 2022 and 2021; and Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows and Notes to the Parent Company Only Financial Statements (including a summary of significant accounting policies) for January 1 to December 31, 2022 and 2021.

In our opinion, and based on our audit results and the audit reports of other accountants (please see "Other Matters" below), the aforementioned parent company only financial statements in all major respects are in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. They are sufficient to adequately express the parent company only financial status of Taiwan Fructose Co., Ltd. as of December 31, 2022 and 2021 and its parent company only financial performance and parent company only cash flow from January 1 through December 31, 2022 and 2021.

Basis of audit opinion

We carry out audit work in accordance with the Regulation Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and with auditing standards. Our responsibilities under these guidelines will be further explained in the paragraph on accountant responsibilities in auditing the parent company only financial statements. Our personnel subject to standards of independence have maintained detached independence from Taiwan Fructose Co. Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant, and have performed other responsibilities under that Norm. Based on our audit results and the audit reports of other accountants, we believe that sufficient and appropriate audit evidence has been obtained to serve as the basis for expressing an audit opinion.

Key audit matters

Key audit matters refer to the most important matters for the audit of Taiwan Fructose Co., Ltd.'s 2022 parent company only financial statements based on our professional judgment. These matters have been addressed in the process of reviewing the overall parent company only financial statements and forming the audit opinion; we do not express a separate opinion on these matters.

Key audit matters of the parent company only financial statements of Taiwan Fructose Co., Ltd. for 2022 are hereby detailed as follows:

Sales revenue recognition from a portion of major customers

Sales among Taiwan Fructose Co. Ltd.’s major customers this year increased significantly compared with the same period last year. Based on materiality and the presupposition of revenue recognition as a significant risk by the Auditing Standards Bulletin, we therefore identify the authenticity of sales revenues among a portion of major customers as a key audit matter. For accounting policies connected to revenue recognition, please refer to Note 4 of the parent company only financial statements.

Our implementation of audit procedures is as follows:

1. Understand and test the design and implementation of internal controls in relation to revenue recognition.
2. For sales revenue details of a portion of major customers, select appropriate samples to examine relevant supporting documents and test receipts in order to confirm that sales transactions actually took place.
3. Determine whether any material occurrence of sales returns took place subsequent to the audit period.

Other Matters

Among the investments accounted for using the equity method in the parent company only financial statements of Taiwan Fructose Co., Ltd., we have not audited the financial statements of Tokyo Holiday Enterprise Co., Ltd., Hoover Can Industrial Co., Ltd., and Hsinhomei Land Holding Co., Inc. and they have instead been audited by other accountants. Therefore, in our expression of an opinion on the above-mentioned financial statements, the amounts listed in the financial statements of these companies are based on the audit reports of other accountants. The investment amounts accounted for using the equity method and audited by other accountants as at December 31, 2022 and 2021 were TWD 500,082 thousand and TWD 512,426 thousand, respectively, accounting for 12.02% and 13.20% of total assets. For the periods of January 1 to December 31, 2022 and 2021, the share of profits and losses from subsidiaries, affiliated enterprises, and joint ventures accounted for using the equity method amounted to TWD 4,114 thousand and TWD 4,604 thousand, respectively, accounting for 1.94% and 2.05% of total comprehensive income.

Responsibilities of management and units charged with governance in respect to the parent company only financial statements

The responsibility of management encompasses the fair presentation of parent company only financial statements in compliance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and to maintain the necessary internal controls in connection with the preparation of the parent company only financial statements, so as to ensure that there is no material misrepresentation due to fraud or error in the parent company only financial statements.

When compiling the parent company only financial statements, management's responsibilities also include disclosing the evaluation of Taiwan Fructose Co. Ltd.'s ability to continue as a going concern and related matters, and the adoption of a going concern basis of accounting unless management intends to liquidate Taiwan Fructose Co. Ltd., or to cease operations, or there is no practical alternative to liquidation or closure.

The units charged with governance of Taiwan Fructose Co. Ltd., (including the Audit Committee) are responsible for supervising the financial reporting process.

Accountant responsibilities in auditing the parent company only financial statements

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance as to whether there is any material misrepresentation as a whole in the parent company only financial statements due to fraud or error, and to issue an audit report. Reasonable assurance constitutes a high degree of assurance, but there is no guarantee that the audit work implemented in accordance with auditing standards will be able to detect material misrepresentations in the parent company only financial statements. Misrepresentation may result from fraud or error. Misrepresentation of individual amounts or aggregated amounts are considered material if they can reasonably be expected to affect economic decisions made by users of the parent company only financial statements.

We exercise professional judgment and professional skepticism when conducting audits in accordance with the auditing standards. We also perform the following tasks:

1. Identify and assess the risk of material misrepresentation of the parent company only financial statements as a result of fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as a basis for the audit opinion. Because fraud may involve collusion, forgery, willful omission, misrepresentation, or overstepping of internal controls, the risk of not detecting a material misrepresentation due to fraud is therefore higher than that due to error.
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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the accompanying notes) and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of the constituent entities within Taiwan Fructose Co. Ltd. to express an opinion on the parent company only financial statements. We are responsible for guidance,

supervision, and implementation of the audit, and we are responsible for forming an audit opinion for Taiwan Fructose Co. Ltd.

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 to those units charged with governance with a statement that our personnel subject to standards of independence have complied with the statement of independence under the Norm of Professional Ethics for Certified Public Accountant; and we communicate to the units charged with governance all relationships and other matters (including relevant protective measures) that may be considered as affecting accountant independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Deloitte Touche Tohmatsu Limited

Accountant Ong Po-Jen	Accountant Lee Li-Huang
Financial Supervisory Commission approval number Jin-Guan-Zheng-Shen-Zi No. 1010028123	Securities and Futures Commission approval number Tai-Cai-Zheng No. 0930128050

March 30, 2023

Taiwan Fructose Co. Ltd.

Parent Company Only Balance Sheets

December 31, 2022 and 2021

Unit: TWD thousand

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6, and 27)	$ 216,513	5	$ 243,285	6
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7, and 28)	29,720	1	38,628	1
1136	Financial assets measured at amortized cost - current (Notes 4, 8, and 28)	-	-	2,000	-
1150	Notes receivable - non-related parties (Notes 4, 9, and 28)	99,802	2	134,009	4
1160	Notes receivable - related parties	-	-	296	-
1170	Accounts receivable - non-related parties (Notes 4, 5, 9, and 28)	311,876	8	278,061	7
1200	Other receivables (Notes 4, 9, and 28)	336	-	924	-
1210	Other receivables - related parties (Notes 9, 28, and 29)	4,388	-	90,088	2
1310	Inventories (Notes 4, 5, and 10)	266,353	6	210,710	6
1410	Prepayments (Notes 4 and 16)	30,404	1	28,066	1
1476	Other current financial assets - current (Notes 4, 16, and 30)	3,000	-	3,000	-
1479	Other current assets (Notes 4 and 16)	259	-	1,304	-
11XX	Total current assets	962,651	23	1,030,371	27
	Non-current assets				
1535	Financial assets measured at amortized cost - non-current (Notes 8, and 28)	47,350	1	6,712	-
1550	Investments accounted for using the equity method (Notes 4 and 11)	2,168,607	52	1,865,755	48
1600	Property, plant and equipment (Notes 4, 12, and 30)	634,093	15	655,203	17
1755	Right of use assets (Notes 4 and 13)	2,194	-	99	-
1760	Investment property (Notes 4, 14, and 30)	41,634	1	42,440	1
1780	Other intangible assets (Notes 4 and 15)	1,690	-	2,555	-
1840	Deferred tax assets (Note 24)	56,541	2	54,363	1
1915	Prepaid equipment (Note 16)	47,210	1	24,810	1
1920	Refundable deposits - Noncurrent (Note 16)	157	-	157	-
1960	Prepayments for investments (Notes 16 and 29)	164,352	4	176,164	5
1975	Net defined benefit assets－non-current (Notes 4 and 20)	30,640	1	19,863	-
1990	Other non-current assets (Notes 4 and 16)	3,298	-	3,796	-
15XX	Total non-current assets	3,197,766	77	2,851,917	73
1XXX	Total assets	$ 4,160,417	100	$ 3,882,288	100

Code	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 4, 17, and 28)	$ 550,805	13	$ 547,784	14
2120	Financial liabilities at fair value through profit or loss - current (Notes 4, 7, and 28)	419	-	323	-
2130	Contract liabilities - current	-	-	20,043	1
2150	Notes payable - non-related parties (Notes 4, 18, and 28)	48,542	1	44,890	1
2160	Notes payable - related parties (Notes 18, 27, and 29)	2,429	-	2,754	-
2170	Accounts payable - non-related parties (Notes 4, 18, and 28)	17,142	-	31,140	1
2180	Accounts payable - related parties (Notes 18, 27, and 29)	17,860	1	17,523	-
2200	Other payables (Notes 19 and 28)	63,668	2	65,789	2
2230	Tax liabilities for the current period (Note 24)	17,544	-	56,986	2
2280	Lease liabilities - current (Notes 4 and 13)	560	-	80	-
2320	Long-term loans maturing within one year (Notes 4, 17, and 28)	84,818	2	81,818	2
2399	Other current liabilities (Note 19)	1,732	-	1,147	-
21XX	Total current liabilities	805,519	19	870,277	23
	Non-current liabilities				
2540	Long-term borrowings (Notes 4, 17, and 28)	904,026	22	728,844	19
2570	Deferred tax liabilities (Notes 4, 5, and 24)	193,128	5	174,396	4
2580	Lease liabilities - non-current (Notes 4 and 13)	1,647	-	19	-
2670	Other non-current liabilities (Note 19)	100	-	100	-
25XX	Total non-current liabilities	1,098,901	27	903,359	23
2XXX	Total liabilities	1,904,420	46	1,773,636	46
	Equity (Note 21)				
	Share capital				
3110	Common stock	1,758,684	42	1,620,907	42
3200	Capital reserves	57,414	1	57,414	1
	Retained earnings				
3310	Legal reserve	218,209	5	181,628	5
3320	Special reserve	391,341	10	249,619	6
3350	Undistributed earnings	157,722	4	390,425	10
3300	Total retained earnings	767,272	19	821,672	21
3400	Other equity interest	(327,373)	(8)	(391,341)	(10)
3XXX	Total equity	2,255,997	54	2,108,652	54
	Total liabilities and equity	$ 4,160,417	100	$ 3,882,288	100

The attached notes form part of these parent company only financial statements.

Chairman: Kang Yung-Ming　　Manager: Kang Chih-Liang　　Accounting Supervisor: Hung Chiu-Pi

Taiwan Fructose Co. Ltd.

Parent Company Only Statements of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: TWD thousand,
except for earnings per share in TWD

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Operating revenue (Notes 4 and 22)				
4100	Sales revenue	$ 1,729,773	100	$ 1,551,409	100
	Operating costs				
5110	Cost of goods sold	(1,522,276)	(88)	(1,320,702)	(85)
5900	Operating margin	207,497	12	230,707	15
	Operating expenses				
6100	Marketing expenses	(44,909)	(3)	(44,760)	(3)
6200	Administrative expenses	(56,357)	(3)	(60,335)	(4)
6300	Research and development expenses	(3,650)	-	(3,567)	-
6000	Total operating expenses	(104,916)	(6)	(108,662)	(7)
6900	Operating profit	102,581	6	122,045	8
	Non-operating income and expenses (Note 23)				
7100	Interest income	1,830	-	2,474	-
7010	Other income	14,425	1	17,141	1
7020	Other gains and losses	(16,328)	(1)	79,044	5
7050	Finance costs, net	(24,321)	(1)	(18,088)	(1)
7070	Share of profits and losses of subsidiaries, affiliated enterprises, and joint ventures using the equity method	78,669	4	220,051	14
7000	Total non-operating income and expenses	54,275	3	300,622	19
7900	Net profit before tax	156,856	9	422,667	27
7950	Income tax expense (Notes 4 and 24)	(17,981)	(1)	(58,327)	(4)
8200	Current year net profit	138,875	8	364,340	23

(Continued on next page)

(Continued from previous page)

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive income				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plan	8,879	-	1,644	-
8330	Share of other comprehensive income of subsidiaries, affiliated enterprises, and joint ventures using the equity method	459	-	(178)	-
8360	Subsequent items that may be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	63,596	4	(145,313)	(9)
8372	Share of other comprehensive income of subsidiaries, affiliated enterprises, and joint ventures using the equity method	372	-	3,591	-
8300	Current year other comprehensive income	73,306	4	(140,256)	(9)
8500	Current year total comprehensive income	$ 212,181	12	$ 224,084	14
	Earnings per share (Note 25)				
9710	Basic	$ 0.79		$ 2.07	
9810	Diluted	$ 0.79		$ 2.06	

The attached notes form part of these parent company only financial statements.

Chairman: Kang Yung-Ming Manager: Kang Chih-Liang Accounting Supervisor: Hung Chiu-Pi

Taiwan Fructose Co. Ltd.

Parent Company Only Statements of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: TWD thousand

Code		Share capital: Number of shares (thousand shares)	Share capital: Amount	Capital reserves	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings	Total other equity interest: Exchange differences on translation of foreign financial statements	Total other equity interest: Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
A1	Balance on January 1, 2021	162,091	$ 1,620,907	$ 57,414	$ 166,495	$ 213,452	$ 181,278	($ 259,600)	$ 9,981	$ 1,989,927
	Earnings allocation and distribution for 2020									
B1	Legal reserve	-	-	-	15,133	-	(15,133)	-	-	-
B3	Special reserve	-	-	-	-	36,167	(36,167)	-	-	-
B5	Shareholder cash dividends of the Company	-	-	-	-	-	(105,359)	-	-	(105,359)
D1	2021 net profit	-	-	-	-	-	364,340	-	-	364,340
D3	Other comprehensive profit and loss after tax for 2021	-	-	-	-	-	1,466	(145,313)	3,591	(140,256)
D5	Total comprehensive income for 2021	-	-	-	-	-	365,806	(145,313)	3,591	224,084
Z1	Balance on December 31, 2021	162,091	1,620,907	57,414	181,628	249,619	390,425	(404,913)	13,572	2,108,652
	Earnings allocation and distribution for 2021									
B1	Legal reserve	-	-	-	36,581	-	(36,581)	-	-	-
B3	Special reserve	-	-	-	-	141,722	(141,722)	-	-	-
B5	Shareholder cash dividends of the Company	-	-	-	-	-	(64,836)	-	-	(64,836)
B9	Stock dividends of the Company	13,778	137,777	-	-	-	(137,777)	-	-	-
D1	2022 net profit	-	-	-	-	-	138,875	-	-	138,875
D3	Other comprehensive profit and loss after tax for 2022	-	-	-	-	-	9,338	63,596	372	73,306
D5	Total comprehensive income for 2022	-	-	-	-	-	148,213	63,596	372	212,181
Z1	Balance on December 31, 2022	175,869	$ 1,758,684	$ 57,414	$ 218,209	$ 391,341	$ 157,722	($ 341,317)	$ 13,944	$ 2,255,997

The attached notes form part of these parent company only financial statements.

Chairman: Kang Yung-Ming Manager: Kang Chih-Liang Accounting Supervisor: Hung Chiu-Pi

Taiwan Fructose Co. Ltd.

Parent Company Only Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: TWD thousand

Code		2022	2021
	Cash flows from operating activities		
A10000	Current year net profit before tax	$ 156,856	$ 422,667
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation expense	52,220	52,258
A20200	Amortization expense	865	864
A20900	Finance costs, net	24,321	18,088
A21200	Interest income	(1,830)	(2,474)
A21300	Dividend income	(4,009)	(1,545)
A22400	Share of profits and losses of subsidiaries, affiliated enterprises, and joint ventures using the equity method	(78,669)	(220,051)
A22500	Gains from the disposal of property, plant and equipment	(1,360)	(78,684)
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	13,280	(7,886)
A29900	Losses on inventory declines in market value and slow-moving inventory	5,812	-
A24500	Recovery gain on losses on inventory declines in market value and slow-moving inventory	-	(7,115)
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	34,207	(35,967)
A31140	Notes receivable - related parties	296	(296)
A31150	Accounts receivable	(33,815)	(57,238)
A31180	Other receivables	588	4,420
A31190	Other receivables - related parties	1,743	143,878
A31200	Inventories	(61,455)	24,799
A31230	Prepayments	(2,338)	(12,489)
A31240	Other current assets	1,045	(520)
A31990	Other non-current assets	498	210
A32125	Contract liabilities	(20,043)	19,556
A32130	Notes payable	3,652	3,661
A32130	Notes payable - related parties	(325)	9
A32150	Accounts payable	(13,998)	18,380
A32150	Accounts payable - related parties	337	5,932
A32180	Other payables	(5,610)	(3,452)
A32230	Other current liabilities	585	18
A32240	Changes in net defined benefit assets	(1,898)	(1,802)
A33000	Cash generated from operations	70,955	285,221
A33300	Interest paid	(20,823)	(17,877)
A33500	Income tax paid	(40,869)	(54,928)
AAAA	Net cash inflow from operating activities	9,263	212,416

Cash flows from investing activities

(Continued on next page)

(Continued from previous page)

Code		2022	2021
B00040	Acquisition of financial assets measured at amortized cost	(40,638)	(2,000)
B00050	Disposal of financial assets measured at amortized cost	2,000	19,314
B00100	Acquisition of financial assets at fair value through profit or loss	(149,171)	(296,638)
B00200	Sale of financial assets at fair value through profit or loss	144,895	323,433
B02000	Increase in prepaid investments	(164,352)	-
B02700	Acquisition of property, plant and equipment	(25,290)	(17,543)
B02800	Prices on disposal of property, plant and equipment	131	246
B03800	Decrease in refundable deposits	-	290
B04400	Decrease (increase) in other receivables - related parties	83,957	(66,848)
B05350	Obtaining of right of use assets	-	(158)
B07100	Increase in prepaid equipment	(26,900)	(17,364)
B07500	Interest received	1,830	2,474
B07600	Dividends received from subsidiaries and affiliated enterprises	17,637	79,633
B07600	Other dividends received	4,009	1,545
B09900	Collection of capital reduction and return of shares from subsidiaries and affiliated enterprises	-	65,321
BBBB	Net cash inflows (outflows) from investing activities	(151,892)	91,705
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	3,021	-
C00200	Decrease in short-term borrowings	-	(66,391)
C01600	Increase in long-term debt	320,000	628,571
C01700	Decrease in long-term debt	(141,818)	(697,195)
C04020	Principal repayment of lease liabilities	(510)	(1,380)
C04500	Payment of dividends	(64,836)	(105,359)
CCCC	Net cash inflows (outflows) from financing activities	115,857	(241,754)
EEEE	Increase (decrease) in cash and cash equivalents	(26,772)	62,367
E00100	Cash and cash equivalents balance at the beginning of the year	243,285	180,918
E00200	Cash and cash equivalents balance at the end of the year	$ 216,513	$ 243,285

The attached notes form part of these parent company only financial statements.

Chairman: Kang Yung-Ming Manager: Kang Chih-Liang Accounting Supervisor: Hung Chiu-Pi

Taiwan Fructose Co. Ltd.
Notes to the Parent Company Only Financial Statements
January 1 to December 31, 2022 and 2021
(Amounts in thousand New Taiwan Dollars unless specified otherwise)

I. Company history

Taiwan Fructose Co. Ltd. (“the Company”) was established in July 1984 in the Republic of China. The main business is the processing and manufacturing of fructose, maltose, glucose, and starch, and the trading of tinplate.

The Company’s stock has been traded over the counter on the Taipei Exchange since January 2000.

The parent company only financial statements are expressed in the Company's functional currency of New Taiwan dollars.

II. Dates and procedures for approval of the financial statements

The parent company only financial statements were approved by the Board of Directors on March 30, 2023.

III. New standards, amendments and interpretations adopted

(I) First-time application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation (hereinafter “IFRSs”) as endorsed by the Financial Supervisory Commission (“FSC”).

The application of revised IFRSs approved and issued by the Financial Supervisory Commission would not result in material changes in the accounting policies of the Company.

(II) Applicable IFRSs recognized by the Financial Supervisory Commission in 2023

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: These amendments apply to annual reporting periods beginning after January 1, 2023.

Note 2: These amendments apply to changes in accounting estimates and changes in accounting policies that occur during annual reporting periods beginning after January 1, 2023.

Note 3: These amendments apply to transactions occurring after January 1, 2022, except for the recognition of deferred tax on temporary differences for leasing and decommissioning obligations on January 1, 2022.

1. Amendments to IAS 1 “Disclosure of Accounting Policies”

These amendments stipulate that the Company determine material accounting policy information that should be disclosed in accordance with the definition of materiality. Accounting policy information is material if it can reasonably be expected to influence the decisions made by major users of general-purpose financial statements on the basis of such financial statements. The amendments also clarify:

- Where accounting policy information is related to non-material transactions or other matters or circumstances that are not material, the Company does not need to disclose such information.
- The Company may judge that certain accounting policy information is material due to the nature of the transaction or due to other events or circumstances even if the amount is not material.
- Not all accounting policy information related to material transactions or to other matters or circumstances is to be regarded as material.

In addition, the amendments also highlight that if the accounting policy information is related to material transactions or to other matters or circumstances, this information may be regarded as material in the following cases:

(1) The Company changed its accounting policies during the reporting period, and the change resulted in a material alteration in information in the financial statements;

(2) The Company has selected its applicable accounting policies from the options permitted by the standards;

(3) The Company has responded to a lack of specific standards by establishing accounting policies based on IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”;

(4) The Company discloses relevant accounting policies determined by using material judgments or assumptions; or

(5) Complex accounting treatment requirements are involved, and users of financial statements must rely on this information to understand these material transactions or other matters or circumstances.

2. Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments specify that accounting estimates constitute monetary amounts in the financial statements that are subject to measurement uncertainty. When the Company applies accounting policies, it may be necessary to measure financial statement items with monetary amounts that cannot be directly observed but must be estimated. Therefore, measurement techniques and input values must be used to develop accounting estimates for this purpose. If the impact of changes in measurement technology or input values on accounting estimates is not a correction of errors in prior periods, such changes constitute changes in accounting estimates.

As of the date of adoption of these parent company only financial statements, the Company’s evaluation of amendments to other standards and interpretations would not have a material impact on financial status and financial performance.

(III) IFRSs published by the IASB but not yet approved by the Financial Supervisory Commission

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Affiliated enterprises or Joint Venture”	Unresolved
Amendments to IFRS 16 “Lease Liability in Sale and Leaseback”	January 1, 2024 (Note 2)
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative	January 1, 2023

Information”	
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

Note 1: Unless stated otherwise, the newly published/amended/revised standards or interpretations are effective for the annual reporting period commencing after each such respective date.

Note 2: The seller and Lessee should retroactively apply the amendments to IFRS 16 to sale and leaseback transactions signed after the initial application of IFRS 16.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (amended in 2020) and “Non-current Liabilities with Covenants” (amended in 2022)

The 2020 amendments clarify that when judging whether a liability is classified as non-current, it should be evaluated whether the Company has the right to defer the settlement period for at least 12 months after the reporting period ends. If the Company such a right at the end of the reporting period, the liability is classified as non-current regardless of whether the Company expects to exercise this right.

The 2020 amendments also stipulate that if the Company must comply with specific conditions before it has the right to defer the settlement of a liability, the Company must have complied with these specific conditions by the end of the reporting period even if the lender only tests the Company's compliance with such conditions at a later date. The 2022 amendments further clarify that only contractual terms that must be followed before the end of the reporting period will affect the classification of liabilities. Although the terms of contracts to be followed within 12 months after the reporting period do not affect the classifications of liabilities, relevant information must nonetheless be disclosed so that users of financial reports can understand the risk that the Company may not be able to comply with the contract terms and must repay within 12 months after the reporting period.

In in accordance with the provisions amended in 2020, for the purpose of classification of liabilities, such settlement refers to the elimination of liabilities as a result of a transfer to the counterparty of cash, other economic resources, or equity instruments of the Company. If, however, the terms of the liability may result in its settlement at the option of the counterparty by transfer of the equity instruments of the Company, and if the option is recognized separately and listed in equity in accordance with the provisions of IAS 32 “Financial Instruments: Presentation”, then the foregoing does not affect the classification of liabilities.

As of the date of adoption of these parent company only financial statements, the Company is still evaluating the impact of amendments to other standards and interpretations on its financial status and financial performance, and the relevant results will be disclosed when the evaluation is completed.

IV. Summary of material accounting policies

(I) Statement of compliance

The parent company only financial statements have been compiled in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of compilation

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of plan assets.

Measurement at fair value is divided into Levels 1 to 3 in accordance with the degree of observability and importance of relevant input values:

1. Level 1 input value: Refers to observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets on the measurement date.
2. Level 2 input value: Refers to observable input values of assets or liabilities obtained either directly (i.e., prices) or indirectly (i.e., derived from prices) other than the quoted prices under Level 1.
3. Level 3 input value: Refers to unobservable input values of assets or liabilities.

When the Company prepares the parent company only financial statements, it adopts the equity method for invested subsidiaries, affiliated enterprises, or joint ventures. In order to make the current year profit and loss, other comprehensive income, and equity in these parent company only financial statements the same as the current year profit and loss, other comprehensive income, and equity attributable to owners of the Company in the Company's consolidated financial statements, certain differences in accounting treatment under the parent company only basis and the consolidated basis incorporate adjustments to investments accounted for using the equity method, share of profits and losses of subsidiaries, affiliated enterprises, and joint ventures using the equity method, and share of other comprehensive profits and losses of subsidiaries, affiliated enterprises, and joint ventures using the equity method and related equity items.

(III) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluding those subject to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within 12 months after the balance sheet date, and
3. Liabilities whose maturity cannot be deferred unconditionally to at least 12 months after the balance sheet date.

Those not belonging to the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Foreign currency

When the Company compiles financial statements, transactions in currencies other than the Company’s functional currency (i.e., in foreign currency) shall be converted into the functional currency recorded at the exchange rate on the day of the transaction.

Monetary items denominated in foreign currencies are translated at the closing exchange rates at each balance sheet date. Exchange differences arising from delivery of monetary items or translation of monetary items are recognized in profit or loss in the period in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and any resulting exchange difference is listed as current profit or loss except when the change in fair value is recognized in other comprehensive income, in which case the resulting exchange difference is listed in other comprehensive income.

Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the transaction date and will not be re-translated.

When preparing parent company only financial statements, the assets and liabilities of foreign operations are translated into New Taiwan Dollars at the exchange rate on each balance sheet date (including subsidiaries and affiliated enterprises operating in countries or using currencies that differ from those of the Company). Income and expense items are translated at the current average exchange rate, and the resulting exchange differences are listed in other comprehensive income.

(V) Inventories

Inventories include raw materials, supplies, finished goods, work in progress, products, and so on. Inventories are measured at the lower of cost and net realizable value, and the comparison between cost and net realizable value is based on individual items except for inventories of the same category. Net realizable value refers to the estimated selling price under normal circumstances after deducting the estimated cost of completion and the estimated cost required for completion of sale. The calculation of inventory cost adopts the weighted average method.

(VI) Name of invested subsidiary

The Company adopts the equity method for its investments in subsidiaries.

A subsidiary means an entity over which the Company has control.

Under the equity method, an investment is initially recognized at cost, and the book value after acquisition will increase or decrease with the Company's share of the subsidiary's profit or loss, other comprehensive income, and distribution of earnings. In addition, changes in the Company's entitlement to other interests in subsidiaries are recognized in proportion to the shareholding.

When a change of ownership interest of the Company in respect to a subsidiary does not lead to a loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of a subsidiary's loss is equal to or exceeds its equity in the subsidiary (including the book value of the subsidiary under the equity method and other long-term interests that are substantially part of the Company's net investment in the subsidiary), losses continue to be recognized according to the shareholding ratio.

In respect to any amount of the acquisition cost that exceeds the net fair value share of the identifiable assets and liabilities of a subsidiary constituting a business to which the Company is entitled on the acquisition date, such amount is to be listed as goodwill, which is included in the book value of the investment and cannot be amortized. The excess of the share of the net fair value of the identifiable assets and liabilities of the subsidiary constituting the business over the acquisition cost is listed as current period profit or loss.

When the Company assesses impairment, it considers the cash-generating unit as a whole based on the financial statements and compares its recoverable amount with the carrying amount. If the recoverable amount of the asset later increases, the reversal of the impairment loss will be recognized as profit, provided that the carrying amount of the asset after the reversal of the impairment loss does not exceed the carrying amount after the amortization should be made if the asset is not recognized as an impairment loss. Impairment losses attributable to goodwill are not reversed in subsequent periods.

When losing control over a subsidiary, the Company measures its remaining investment in the former subsidiary based on the fair value on the day when control is lost, and the difference between the fair value of the remaining investment and any disposal price and the carrying amount of the investment on the day when control is lost is included in current period profit and loss. In addition, all amounts related to the subsidiary recognized in other comprehensive income are to be accounted for as would be required if the Company directly disposed of the related assets or liabilities.

The unrealized gains and losses of downstream transactions between the Company and its subsidiaries are eliminated from the parent company only financial statements. Profits and losses arising from upstream and lateral transactions between the Company and its subsidiaries shall be recognized in the parent company only financial statements only to the extent that they is not connected to the Company's rights and interests in the subsidiaries.

(VII) Investments in affiliated enterprises

Affiliated enterprises refer to enterprises that have significant influence on the Company, but are not subsidiaries or joint ventures.

The Company adopts the equity method for investments in affiliated enterprises.

Under the equity method, an investment in an affiliated enterprise is initially recognized at cost, and the book value after acquisition will increase or decrease with the Company's share of the affiliated enterprises profit or loss, other comprehensive income, and distribution of earnings. In addition, changes in the rights and interests of affiliated enterprises to which the Company is entitled are recognized based on shareholding ratios.

The amount of the acquisition cost exceeding the net fair value share of the identifiable assets and liabilities of an affiliated enterprise to which the Company is entitled on the acquisition date is listed as goodwill, which is included in the book value of the investment and cannot be amortized. The excess of the share of the net fair value of the identifiable assets and liabilities of the affiliated enterprise over the acquisition cost is listed as current period profit or loss.

When an affiliated enterprise issues new shares, if the Company does not subscribe in accordance with the shareholding ratio and this results in a change in the shareholding ratio and consequently an increase or decrease in the net equity value of the investment, the increase or decrease shall be adjusted to the capital reserve – accounted for using the equity method to recognize the change in the net equity value of the affiliated enterprise and the investment accounted for using the equity method. However, if the ownership interest in an associate is reduced due to a failure to subscribe or acquire in accordance with the shareholding ratio, the amount recognized in other comprehensive income in relation to the associate is to be reclassified in accordance with the proportionate reduction, and the basis of its accounting treatment is to be the same as the basis that the associate must follow in directly disposing of related assets or liabilities. If the aforementioned adjustment should be debited from the capital reserve, and if the balance of the capital reserve generated by the investment accounted for using the equity method is insufficient, then the difference will be debited from retained earnings.

When the Company's share of losses in an affiliated enterprise equals or exceeds its interest, it shall cease to recognize further losses (including the carrying amount of investment in the affiliated enterprise under the equity method as well as other long-term interests that form a substantial component of the Company's net investment in the affiliated enterprise). The Company recognizes additional losses and liabilities only within the scope of statutory obligations, constructive obligations, or payments made on behalf of the affiliated enterprise.

When the Company assesses the impairment, it shall regard the overall book value of the investment (including goodwill) as a single asset and compare the recoverable amount with the book value in performing an impairment test. The recognized impairment loss is not to be apportioned to any assets forming part of the investment’s book value, including goodwill. Any reversal of the impairment loss is to be recognized to the extent of subsequent increases in the recoverable amount of the investment.

The Company shall cease adoption of the equity method from the date when its investment ceases to be that of an affiliated enterprise, and its retained interest in the original affiliated enterprise shall be measured at fair value. The difference between the fair value and disposal price and the book value of the investment on the date on which the equity method ceases to be used is to be included in current period profit or loss. In addition, all amounts related to the affiliated enterprise recognized in other comprehensive income are to be accounted for on the same basis as would be required if the affiliated enterprise directly disposed of the related assets or liabilities.

Profits and losses arising from bottom-up, top-down, and lateral transactions between the Company and affiliated enterprises shall be recognized in the parent company only financial statements only to the extent that they are not connected to the Company's rights and interests in the affiliated enterprise.

(VIII) Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less the accumulated depreciation and accumulated impairment losses.

Each material component of property, plant and equipment is depreciated separately on a straight-line basis over its service life. The Company shall review estimated service life, residual value, and depreciation method at the end of each year at a minimum, and it shall postpone the impact of changes in applicable accounting estimates.

Upon derecognition of property, plant and equipment, the difference between the net disposal price and the asset carrying amount is to be recognized in profit or loss.

(IX) Investment property

Investment property constitutes real estate property held to earn rent or capital appreciation, or both. Investment property also includes land held where its future use has not yet been determined.

Owned investment property is originally measured by cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on a straight-line basis.

Upon derecognition of investment property, the difference between the net disposal price and the asset carrying amount is to be recognized in profit or loss.

(X) Intangible assets

1. Separately acquired

Separately acquired limited-life intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization. Intangible assets are to be amortized on a straight-line basis within their service lives. The Company shall review estimated service life, residual value, and amortization method at the end of each year at a minimum, and it shall postpone the impact of changes in applicable accounting estimates. Intangible assets with indefinite service lives are presented at cost less accumulated impairment loss.

2. Derecognition

Upon derecognition of intangible assets, the difference between the net disposal price and the asset carrying amount is to be recognized in profit or loss.

(XI) Impairment of assets related to property, plant and equipment, right of use assets, investment property, intangible assets and contractual costs

The Company evaluates at each balance sheet date whether there is any evidence that impairment has occurred among property, plant and equipment, right-of-use assets, investment properties, and intangible assets (excluding goodwill). An asset's recoverable amount is to be estimated if any evidence of impairment exists. If it is not possible to estimate the recoverable amount of an individual asset, the Company is to estimate the recoverable amount of the cash-generating unit to which the asset belongs.

For intangible assets with undetermined service lives and that are not yet available for use, impairment tests are to be conducted at least annually and when there is evidence of impairment.

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

Inventory, property, plant and equipment, and intangible assets recognized in a customer's contract are first recognized as impairment in accordance with inventory impairment provisions as well as the above rules.

As such, if the carrying amount of the relevant assets of the contract cost exceeds the expected consideration that can be received for the provision of related goods or services, then the amount after deducting the directly related costs is recognized as an impairment loss, and the carrying amount of the relevant asset related to the contract cost is included in the cash-generating unit to evaluate the impairment of the cash-generating unit.

When the impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit, or contract cost-related asset is increased to the revised recoverable amount. However, this is provided that the increased carrying amount does not exceed the carrying amount determined if the asset, cash-generating unit, or contract cost-related asset had not recognized impairment losses in the previous year (less amortization or depreciation). Reversal of impairment losses is recognized in profit or loss.

(XII) Financial instruments

Financial assets and financial liabilities are recognized in the parent company only balance sheet when the Company becomes a party to the contractual terms of the instrument.

When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, then they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Customary transactions of financial assets are recognized and derecognized using transaction date accounting.

(1) Measurement categories

The categories of financial assets held by the Company are financial assets at fair value through profit or loss, financial assets measured at cost after amortization, and investments in equity investments at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss constitute financial assets designated as at fair value through profit or loss. Financial assets designated as at fair value through profit or loss include unspecified investments in equity investments at fair value through other comprehensive income as well as investments in debt instruments that do not qualify for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value with dividends, interest and remeasurement gains or losses recognized in other gains and losses. For methods for determining fair value, please refer to Note 28.

B. Financial assets measured at amortized cost

Financial assets invested by the Company shall be classified as financial assets measured at cost after amortization if both of the following two conditions are met:

a. They are held under a business model whose purpose is to hold financial assets to collect contractual cash flows; and
b. The terms of the contract generate cash flows on specific dates that exclusively constitute payments of principal and interest on the outstanding principal amount.

After the original recognition of financial assets measured at cost after amortization (including cash and cash equivalents, notes receivable measured at amortized cost, accounts receivable, other receivables, time deposits whose original maturity date exceeds three months, and refundable deposits and pledged financial assets), these are measured at the amortized cost of the gross carrying amount determined using the effective interest method less any impairment losses, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except in the following two cases, interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

a. Interest income on credit-impaired financial assets purchased or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.

b. Interest income of financial assets that are not purchased or initiated by credit impairment but subsequently become credit impaired shall be calculated by multiplying the effective interest rate by the amortized cost of the financial assets from the reporting period following the credit impairment.

Credit-impaired financial assets refer to circumstances where the issuer or debtor has experienced major financial difficulties; where it has defaulted; where the debtor is likely to file for bankruptcy or other financial reorganization; or where the active market for financial assets has disappeared due to financial difficulties.

Cash equivalents include highly liquid time deposits that are readily convertible into a fixed amount of cash within 3 months from the date of acquisition and have little risk of change in value, and that are used to meet short-term cash commitments.

C. Investments in equity investments at fair value through other comprehensive income

At the time of initial recognition, the Company may make an irrevocable choice to designate an investment in equity instruments to be measured at fair value through other comprehensive income when it is not being held for trading and recognized as contingent consideration by acquisition of a non-business combination.

Investments in equity investments at fair value through other comprehensive income are measured at fair value. Subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity investments at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payment is established, unless the dividend clearly represents a partial recovery of investment costs.

(2) Impairment of financial assets and contract assets

The Company evaluates impairment losses on financial assets measured at cost after amortization at each balance sheet date (including accounts receivable) based on expected credit losses.

Allowance for uncollectable accounts on accounts receivable are all recognized based on expected lifetime credit losses. For other financial assets, evaluation is first made of whether credit risk has increased significantly since initial recognition. If there is no significant increase, allowance for uncollectable accounts is recognized based on 12-month expected credit losses; if there is a significant increase, allowance for uncollectable accounts is recognized based on expected lifetime credit losses.

Expected credit losses constitute weighted average credit losses weighted by the risk of default. The 12-month expected credit losses represent expected credit losses arising from possible default events of the financial instrument within 12 months after the reporting date. Expected lifetime credit losses represent expected credit losses arising from all possible default events of the financial instrument in its projected time to maturity.

For the purposes of internal credit risk management, the Company determines whether there exists internal or external evidence that a debtor is unable to repay and default on the financial asset has therefore occurred.

All financial assets see their carrying amounts reduced by impairment losses through contra accounts, with the exception of allowance for uncollectable accounts for debt instrument investments at fair value through other comprehensive income that are recognized in other comprehensive income with no reduction in their carrying amounts.

(3) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset have lapsed, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another entity.

When comprehensive derecognition occurs for a financial asset measured at cost after amortization, the difference between its carrying amount and the received consideration is recognized in profit or loss. When comprehensive derecognition occurs for an investment in a debt instrument measured at fair value through other comprehensive income, the difference between its carrying amount and the sum of the consideration received plus any cumulative gain or loss that has been recognized in other comprehensive income is thereupon recognized in profit or loss. When comprehensive derecognition occurs for investments in equity investments at fair value through other comprehensive income, cumulative profits and losses are transferred directly to retained earnings and not reclassified to profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the amount obtained after deducting direct issuance costs.

Recovery of the Company’s own equity instruments is recognized and deducted under equity. Its carrying amount is calculated in accordance with the weighted average of the share classification. The purchase, sale, issue, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

Upon the derecognition a financial liability, the difference between its carrying amount and the consideration paid is recognized in profit or loss (including any non-cash assets transferred or liabilities assumed).

4. Derivative instruments

The Company's involvement in derivative instruments encompasses forward exchange contracts used to manage the exchange rate risks of the Company.

Derivative instruments are initially recognized at fair value upon entry into the associated contracts and then subsequently remeasured at fair value on the balance sheet date. Gains or losses resulting from the subsequent measurement are directly recognized in profit or loss. When the fair value of a derivative instrument is positive, it is classified as a financial asset. When its fair value is negative, it is classified as a financial liability.

If a derivative instrument is embedded in an asset host contract within the scope of IFRS 9, the overall contract shall determine the classification of the financial asset. An embedded derivative instrument is considered a separate derivative instrument if it is embedded in an asset host contract that is not within the scope of IFRS 9 (such as being embedded in a host contract for financial liabilities), if it conforms to the definition of a derivative instrument and its risks and characteristics are not closely related to those of the host contract, and if the hybrid contract is not measured fair value through profit or loss.

(XIII) Provisions

The amount recognized as a provision is the best estimate of the expenditure required to settle an obligation on the balance sheet date, taking into account the risks and uncertainties of the obligation. A provision is measured at the discounted value of the estimated cash flows of the settlement obligation.

(XIV) Revenue recognition

After the Company identifies performance obligations in a customer contract, it allocates the transaction price to each performance obligation and recognizes revenue when a performance obligation is met.

Product sales revenues

Product sales revenues are generated by the manufacture of fructose and by sales of the tinplate trading business. Since the customer has the right to use the product and bears the risk of loss or damage of the product when the product arrives at the location designated by the customer, the Company recognizes revenue and accounts receivable at this point in time.

(XV) Leases

The Company evaluates whether a contract constitutes (or contains) a lease on the contract inception date.

1. Where the Company acts as the Lessor

A lease is classified as a financial lease when the terms of the lease transfers substantially all the risks and rewards of ownership of the asset to the Lessee. All other leases are classified as operating leases.

Under an operating lease, the lease payment net of lease incentives is recognized as revenue on a straight-line basis over the relevant lease term. The initial direct cost incurred in obtaining the operating lease is added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term.

2. Where the Company acts as the Lessee

Except for lease payments for leases of low-value underlying assets and short-term leases to which recognition exemption is applicable, which are recognized as expenses during the lease term on a straight-line basis, all other leases recognize right-of-use assets and lease liabilities on the commencement date of the lease.

Right-of-use assets are initially measured at cost (including the initial measured amount of the lease liability, lease payments paid before the commencement date less lease incentives received, initial direct costs, and the estimated cost of restoring the underlying asset), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of lease liabilities. Right-of-use assets are presented separately in the parent company only balance sheets.

Right of use assets are depreciated on a straight-line basis from the lease commencement date to the expiry of service life or the expiry of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). If the implied interest rate of the lease is easily determined, the lease payment is to be discounted using this rate. If this rate is not readily determined, the incremental borrowing rate of the Lessee is to be used.

Subsequently, the lease liability is to be measured on an amortized cost basis using the effective interest method, and the interest expense is to be amortized over the lease term. If changes in the lease term or the index or rate used to determine the lease payment lead to changes in future lease payments, the Company will remeasure the lease liabilities and adjust the right-of-use assets accordingly. If the carrying amount of the right of use assets has been reduced to zero, then the remaining remeasured amount will be recognized in profit or loss. Lease liabilities are presented separately in the parent company only balance sheets.

(XVI) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended use or sale have been completed.

Investment income earned on the temporary investment specified borrowings prior to the occurrence of eligible capital expenditures is deducted from the borrowing costs eligible for capitalization.

Outside of the above, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

(XVII) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

Defined contribution plan retirement benefits are recognized as expenses during an employee’s period of service.

The defined benefit costs of the defined benefit plan are actuarially calculated using the projected unit credit method (including service cost, net interest, and remeasurement amount). Service costs (including current period service costs) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense when incurred. Remeasurement amounts (including actuarial profit and loss and plan asset return after deduction of interest) are recognized in other comprehensive income and included in retained earnings at the time of occurrence, with no reclassification to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) constitute shortfalls (surpluses) in defined benefit plan contributions. Net defined benefit assets may not exceed the present value of contributions refunded from the plan or from reductions in future contributions.

(XVIII) Income taxes

Income tax expense is the sum of the current income tax and deferred income tax.

1. Income taxes for the current period

The Company determines the income/loss of the current period in accordance with the regulations formulated by each income tax reporting jurisdiction and calculates the income tax payable (recoverable) on this basis.

Income tax is levied on undistributed earnings as calculated in accordance with provisions of the Income Tax Act of the Republic of China and recognized in the year of the shareholders' meeting resolution.

The adjustment of prior year income tax payable shall be incorporated into income tax for the current period.

2. Deferred income taxes

Deferred income tax is calculated based on temporary differences asset and liability carrying amounts and the tax basis for calculating taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is highly probable that taxable income will be available for use as a deductible income tax deduction arising from the temporary differences.

Taxable temporary differences related to investment subsidiaries and affiliated enterprises are all recognized as deferred income tax liabilities unless the Company can control the timing of a temporary difference reversal and it is highly likely that the temporary difference will not reversed in the foreseeable future. Deductible temporary differences in connection with such investments are recognized as deferred tax assets only to the extent that they are likely to have sufficient taxable income to realize the temporary differences and are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is to be re-examined at each balance sheet date and reduced for those assets for which it is no longer probable that sufficient taxable income will be available to recover all or part of the assets. Those that have not been recognized as deferred income tax assets are also re-examined on each balance sheet date and the carrying amount increased for those that are likely to generate taxable income in the future to recover all or part of the assets, the book amount is increased.

Deferred income tax assets and liabilities are measured at the tax rates expected to be settled or assets realized in the current period. The tax rates are based on the tax rates and tax laws that have been enacted or substantively enacted as of the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences arising from the manner in which the Company expects to recover or pay off the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current period and deferred income taxes

Current period and deferred income taxes are recognized in profit or loss, with the exception that such items connected to items recognized in other comprehensive income or directly included in equity are to be respectively recognized in other comprehensive income or directly included in equity.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

When the Company adopts accounting policies, management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those items where relevant information is not readily available from other sources. Actual results may differ from estimates.

The Company shall incorporate recent developments concerning the COVID-19 pandemic and their possible impact on the economic environment into its consideration of cash flow estimates, growth rates, discount rates, profitability, and other relevant material accounting estimates, and management shall continue to review estimates and underlying assumptions. If the estimate revisions only affect the current period, then they will be recognized in the current period of revision. If a revision of accounting estimates affects both the current period and future periods, it is to be recognized in the current period of revision and in and future periods.

Major sources of uncertainty in estimates and assumptions

Estimated impairment of financial assets

Estimated impairment of accounts receivable is based on the Company's assumptions about probability of default and loss given default. The Company considers historical experience, current market conditions, and forward-looking information to make assumptions and select input for impairment assessments. For important assumptions and input values adopted, please refer to Note 9. Material impairment losses may arise if actual future cash flows are less than the Company’s expectations.

VI. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 920	$ 920
Bank cheques and demand deposits	215,593	242,365
	$216,513	$243,285

The interest rate ranges of bank deposits as of the balance sheet dates were as follows:

	December 31, 2022	December 31, 2021
Cash in banks	0.005%～1.05%	0.005%～0.2%

VII. Financial instruments at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Designated as at fair value through profit or loss		
Non-derivative financial assets		
- Domestic listed/over-the-counter stocks	$ 28,602	$ 36,305
- Foreign listed/over-the-counter stocks	1,118	2,323
Subtotal	$ 29,720	$ 38,628
Financial liabilities - current		
Designated as at fair value through profit or loss		
Derivative instruments (unspecified hedging)		
- Forward foreign exchange contracts	$ 419	$ 323

Forward foreign exchange contracts that are not subject to hedging accounting as of the balance sheet date and that have not yet expired are as follows:

	Currency	Expiration period	Contract amount (TWD thousand)
December 31, 2022			
Forward exchange purchase	USD/TWD	2023.01.16~2023.05.26	USD14,534/ NTD 443,470
December 31, 2021			
Forward exchange purchase	USD/TWD	2022.01.10~2022.03.04	USD 5,212/ NTD 144,484

The Company's purpose in engaging in forward exchange transactions is mainly to avoid the risks of foreign currency assets and liabilities due to exchange rate volatility.

VIII. Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Current		
Domestic investments		
Time deposits with an original maturity date of more than 3 months (1)	$ -	$ 2,000
Non-current		
Domestic investments		
Time deposits with an original maturity date of more than 3 months (1)	$ 2,000	$ -
Restricted bank deposits (2)	45,350	6,712
	$ 47,350	$ 6,712

(I) As of December 31, 2022 and 2021, the interest rates for time deposits with an original maturity of more than 3 months were 1.445% and 0.82% respectively.

(II) The Group obtained approval from the “National Taxation Bureau of the Ministry of Finance” in accordance with the Regulations on Investment from Repatriated Offshore Funds, and the Company has further submitted an investment plan to the Ministry of Economic Affairs. In in accordance with the regulations, the funds are tied to the approved plan and cannot be used for other purposes.

(III) For information on pledges of assets measured at amortized cost, please refer to Note 30.

IX. Notes receivable, accounts receivable, and other receivables

	December 31, 2022	December 31, 2021
Notes receivable - non-related parties		
Occurrence due to business		
Measured at amortized cost		
Total carrying amount	$100,669	$134,876
Less: Allowance for uncollectable accounts	(867)	(867)
	$ 99,802	$134,009
Notes receivable - related parties	$ -	$ 296
Accounts receivable - non-related parties		
Measured at amortized cost		
Total carrying amount	$311,879	$278,064
Less: Allowance for uncollectable accounts	(3)	(3)
	$311,876	$278,061
Other receivables		
Funding loans to subsidiaries	$ -	$ 83,040
Others	4,724	7,972
	$ 4,724	$ 91,012

Accounts receivable and notes receivable

The average credit period of the Company for product sales is 60 days, and no interest is charged on accounts receivable. When determining the collectability of accounts receivable, the Company considers any changes in the credit quality of accounts receivable from the original credit date to the balance sheet date.

The Company recognizes accounts receivable allowance for uncollectable accounts in accordance with expected lifetime credit losses. Expected lifetime credit losses are calculated using a provision matrix that considers the customer's past default record and the current financial status and economic conditions in the industry, as well as simultaneously considering GDP forecasts and industry outlook. Since the Company’s historical credit loss experience shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further distinguish customer groups and only determines the expected credit loss rate based on the number of days that accounts receivable are overdue.

If there is evidence that a counterparty is facing serious financial difficulties and the Company cannot reasonably expect a recoverable amount, the Company shall directly write off the relevant accounts receivable while still pursuing recoupment, and any recovered amount shall be recognized in profit or loss.

The Company measures allowances for uncollectable accounts of notes receivable and accounts receivable in accordance with the provision matrix as follows:

December 31, 2022

	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
Expected credit loss rate	0～1%	0～1%	0～3%	0～5%	0～100%	
Total carrying amount	$406,592	$ 5,766	$ 190	$ -	$ -	$412,548
Allowance for uncollectable accounts (expected lifetime credit losses)	(867)	-	(3)	-	-	(870)
Amortized cost	$405,725	$ 5,766	$ 187	$ -	$ -	$411,678

December 31, 2021

	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
Expected credit loss rate	0～1%	0～1%	0～3%	0～5%	0～100%	
Total carrying amount	$408,121	$ 5,040	$ 75	$ -	$ -	$413,236
Allowance for uncollectable accounts (expected lifetime credit losses)	(867)	-	(3)	-	-	(870)
Amortized cost	$407,254	$ 5,040	$ 72	$ -	$ -	$412,366

There was no change in the allowance for uncollectable accounts for notes receivable and accounts receivable in 2022 and 2021.

X. Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 93,844	$ 65,612
Supplies	34,166	31,874
Work in progress	22,066	26,321
Finished goods	65,988	48,760
Products	8,060	4,787
Inventory in transit	42,229	33,356
	$266,353	$210,710

In 2022 and December 31, 2021, allowances for losses on inventory declines in market value were TWD 7,548 thousand and TWD 1,736 thousand respectively.

Cost of goods sold related to inventory in 2022 and 2021 were TWD 1,522,276 thousand and TWD 1,320,702 thousand respectively. Cost of goods sold incorporated a loss from decline in net realizable value of inventory of TWD 5,812 thousand in 2022 and a recovery gain in net realizable value of inventory of TWD 7,115 thousand in 2021. The increase in the net realizable value of inventories was due to the increase in the sales prices of the inventories in specific markets.

XI. Investments accounted for using the equity method

	December 31, 2022	December 31, 2021
Invested subsidiary	$2,079,866	$1,777,697
Investments in affiliated enterprises	88,741	88,058
	$2,168,607	$1,865,755

(I) Invested subsidiary

	December 31, 2022	December 31, 2021
Hoover Can Industrial Co., Ltd.	$ 402,783	$ 416,053
TAIWAN FRUCTOSE (M) SDN. BHD.	798,336	708,844
TAIWAN FRUCTOSE (THAI) CO., LTD.	469,013	405,456
PURE CHEM CO., LTD.	95,379	85,062
TAIWAN FRUCTOSE (PHILIPPINES), INC.	305,797	153,967
HSINHOMEI LAND HOLDING CO., INC.	8,558	8,315
	$2,079,866	$1,777,697

Subsidiary name	Percentage of shareholding and voting rights	
	December 31, 2022	December 31, 2021
Hoover Can Industrial Co., Ltd.	65.32%	65.32%
TAIWAN FRUCTOSE (M) SDN. BHD.	100.00%	100.00%
TAIWAN FRUCTOSE (THAI) CO., LTD.	48.00%	48.00%
PURE CHEM CO., LTD.	8.00%	8.00%
TAIWAN FRUCTOSE (PHILIPPINES), INC.	100.00%	100.00%
HSINHOMEI LAND HOLDING CO.,INC.	40.00%	40.00%

The Company's direct and indirect shareholdings in Taiwan Fructose (Thai) Co., Ltd, Hsinhomei Land Holding Co., Ltd and Pure Chem Co., Ltd. are 48%, 40%, and 46.43% respectively. However, the Company still has substantial control over these companies and they are therefore listed as subsidiaries.

In 2022 and 2021, the profit and loss and other comprehensive income shares of subsidiaries adopting the equity method are recognized based on the financial reports of the subsidiaries audited by accountants for the same period. Among them, Hoover Can Industrial Co., Ltd. and Hsinhomei Land Holding Co., Inc. were audited by other accountants.

(II) Investments in affiliated enterprises

	December 31, 2022	December 31, 2021
Affiliated enterprises with materiality		
Tokyo Holiday Enterprise Co., Ltd.	$ 88,741	$ 88,058

Company name	Proportions of shareholdings and voting rights	
	December 31, 2022	December 31, 2021
Tokyo Holiday Enterprise Co., Ltd.	25%	25%

For nature of business, principal place of business, and corporate domicile of the above-mentioned affiliated enterprises, please refer to the attached Schedule IV of “Investee Company Information, Locations, and Other Related Information”.

Equity method investments and the Company's share of profits or losses and its share of other comprehensive income are recognized according to the financial statements of the affiliated enterprises audited by other accountants in the same period.

The Company measures the above-mentioned affiliated enterprises using the equity method.

The following aggregated financial information is based on the compilation of the affiliated enterprises’ financial statements based on IFRSs and reflecting adjustments made in adopting the equity method.

Tokyo Holiday Enterprise Co., Ltd.

	December 31, 2022	December 31, 2021
Current assets	$ 11,850	$ 11,384
Non-current assets	343,368	341,012
Current liabilities	(247)	(148)
Non-current liabilities	(9)	(18)
Equity	$354,962	$352,230
Shareholding ratio of the Company	25%	25%
Investment carrying amount	$ 88,741	$ 88,058

	2022	2021
Operating revenue	$ -	$ -
Current year net profit	$ 1,243	$ 2,471
Other comprehensive income	1,489	14,362
	$ 2,732	$ 16,833

XII. Property, plant and equipment

	Land	Land improvements	Buildings	Equipment	Transportation equipment	Office equipment	Other equipment	Total
Costs								
Balance on January 1, 2022	$ 323,474	$ 6,410	$ 250,522	$ 602,204	$ 46,503	$ 21,292	$ 100,239	$1,350,644
Reclassification	-	-	-	3,354	789	357	-	4,500
Increase	-	-	2,340	12,874	7,820	256	2,000	25,290
Disposal	-	-	-	-	(4,440)	-	-	(4,440)
Balance on December 31, 2022	$ 323,474	$ 6,410	$ 252,862	$ 618,432	$ 50,672	$ 21,905	$ 102,239	$1,375,994
Accumulated depreciation and impairment								
Balance on January 1, 2022	$ -	$ 3,285	$ 164,111	$ 414,573	$ 31,378	$ 17,561	$ 64,533	$ 695,441
Disposal	-	-	-	-	(4,440)	-	-	(4,440)
Depreciation expense	-	734	11,973	28,294	3,268	942	5,689	50,900
Balance on December 31, 2022	$ -	$ 4,019	$ 176,084	$ 442,867	$ 30,206	$ 18,503	$ 70,222	$ 741,901
Net amount as at December 31, 2022	$ 323,474	$ 2,391	$ 76,778	$ 175,565	$ 20,466	$ 3,402	$ 32,017	$ 634,093
Costs								
Balance on January 1, 2021	$ 323,474	$ 6,410	$ 247,398	$ 606,217	$ 47,814	$ 21,102	$ 100,416	$1,352,831
Reclassification	-	-	-	12,798	-	-	-	12,798
Increase	-	-	3,124	13,624	605	190	-	17,543
Disposal	-	-	-	(30,435)	(1,916)	-	(177)	(32,528)
Balance on December 31, 2021	$ 323,474	$ 6,410	$ 250,522	$ 602,204	$ 46,503	$ 21,292	$ 100,239	$1,350,644
Accumulated depreciation and impairment								
Balance on January 1, 2021	$ -	$ 2,504	$ 151,734	$ 417,734	$ 29,978	$ 16,685	$ 58,625	$ 677,260
Disposal	-	-	-	(30,207)	(1,916)	-	(84)	(32,207)
Depreciation expense	-	781	12,377	27,046	3,316	876	5,992	50,388
Balance on December 31, 2021	$ -	$ 3,285	$ 164,111	$ 414,573	$ 31,378	$ 17,561	$ 64,533	$ 695,441
Net amount as at December 31, 2021	$ 323,474	$ 3,125	$ 86,411	$ 187,631	$ 15,125	$ 3,731	$ 35,706	$ 655,203

Depreciation expense is accrued on a straight-line basis based on the following numbers of years of asset durability:

Land improvements	5 to 20 years
Buildings	
Primary factory building structures	15 to 40 years
Electromechanical power equipment	20 years
Engineering systems	20 to 30 years
Others	3 to 10 years
Machinery and equipment	
Wastewater engineering	8 to 20 years
Storage tanks	20 to 25 years
Others	5 to 15 years
Transportation equipment	5 to 10 years
Office equipment	3 to 11 years
Other equipment	3 to 20 years

For property, plant and equipment amounts set as loan guarantees, please refer to Note 30.

XIII. Lease agreements

(I) Right of use assets

	December 31, 2022	December 31, 2021
Right of use assets carrying value		
Buildings	$ 20	$ 99
Machinery and equipment	2,174	-
	$ 2,194	$ 99

	2022	2021
Addition of right of use assets	$ 2,609	$ 158
Depreciation expense of right of use assets		
Land	$ -	$ 753
Buildings	79	79
Transportation equipment	-	230
Machinery and equipment	435	-
	$ 514	$ 1,062

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Lease liability carrying amounts		
Current	$ 560	$ 80
Non-current	$ 1,647	$ 19

The discount rate range for lease liabilities is as follows:

	December 31, 2022	December 31, 2021
Land	-	1.792%
Buildings	1.410%	1.410%
Transportation equipment	-	1.792%
Machinery and equipment	1.400%	-

(III) Important leasing activities and terms

The Company has leased certain land and buildings as factory buildings and offices, and the lease terms range from 2 to 3 years. Upon termination of the lease terms, the Company has no preferential rights to purchase the leased land and buildings. Furthermore, the contracts stipulate that the

Company shall not sublease or transfer all or part of the lease object without the consent of the Lessor.

(IV) Other leasing information

	2022	2021
Short-term rental expenses	$ 2,140	$ 2,114
Total cash (outflows) from leases	($ 2,650)	($ 3,655)

The Company elects to apply the recognition exemption to machinery and equipment and office equipment that qualify for short-term leases, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

All lease commitments for which the lease term begins after the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Lease commitment	$ 231	$ 1,750

XIV. Investment properties

	Land	Houses and buildings	Total investment property
Costs			
Balance on January 1, 2022	$ 40,222	$ 12,909	$ 53,131
Balance on December 31, 2022	$ 40,222	$ 12,909	$ 53,131
Accumulated depreciation and impairment			
Balance on January 1, 2022	$ -	$ 10,691	$ 10,691
Depreciation expense	-	806	806
Balance on December 31, 2022	$ -	$ 11,497	$ 11,497
Net amount as at December 31, 2022	$ 40,222	$ 1,412	$ 41,634
Costs			
Balance on January 1, 2021	$ 40,222	$ 12,909	$ 53,131
Balance on December 31, 2021	$ 40,222	$ 12,909	$ 53,131
Accumulated depreciation and impairment			
Balance on January 1, 2021	$ -	$ 9,883	$ 9,883
Depreciation expense	-	808	808
Balance on December 31, 2021	$ -	$ 10,691	$ 10,691

Net amount as at December 31, 2021	$ 40,222	$ 2,218	$ 42,440

Investment property of the Company is located in Pitou, Taiwan. Due to infrequent transactions in the comparable market and unavailability of reliable alternative fair value estimates, fair value therefore cannot be reliably determined.

All investment properties of the Company constitute its own rights and interest. For investment property amounts set as loan guarantees, please refer to Note 30.

XV. Other intangible assets

	Computer software costs
Costs	
Balance on January 1, 2022	$ 8,646
Balance on December 31, 2022	$ 8,646
Accumulated amortization and impairment	
Balance on January 1, 2022	$ 6,091
Amortization expense	865
Balance on December 31, 2022	$ 6,956
Net amount as at December 31, 2022	$ 1,690
Costs	
Balance on January 1, 2021	$ 8,646
Balance on December 31, 2021	$ 8,646
Accumulated amortization and impairment	
Balance on January 1, 2021	$ 5,227
Amortization expense	864
Balance on December 31, 2021	$ 6,091
Net amount as at December 31, 2021	$ 2,555

Amortization expense is accrued on a straight-line basis based on the following numbers of years of asset durability:

Computer software costs	10 years

Summary of amortization expenses by function:

	2022	2021
Administrative expenses	$ 865	$ 864

XVI. Other assets

	December 31, 2022	December 31, 2021
Current		
Prepayments	$ 30,404	$ 28,066
Other financial assets - current (I)	3,000	3,000
Other assets - current	259	1,304
	$ 33,663	$ 32,370
Non-current		
Prepaid equipment	$ 47,210	$ 24,810
Refundable deposits	157	157
Prepaid investments	164,352	176,164
Other assets - non-current (2)	3,298	3,796
	$215,017	$204,927

(I) Please refer to Note 30 for other financial assets pledged by the Company as loan guarantees.

(II) Other assets - non-current primarily constitute stainless steel coils for which the cost and allowance for declines in market value respectively came to TWD 3,127 thousand and TWD 3,420 thousand in December 31, 2022 and 2021 respectively.

XVII. Loans

(I) Short-term borrowings

	December 31, 2022	December 31, 2021
Secured loans		
Bank loans	$120,000	$140,000
Unsecured loans		
Credit loans	30,000	150,000
Bank remittances payable	400,805	257,784
	$550,805	$547,784

Interest rates for bank revolving loans on December 31, 2022 and 2021 were 1.43% and 0.93%~1.05%.

Please refer to Note 30 for the collateral guarantees provided the Company for the above-mentioned short-term loans.

(II) Long-term loans

	December 31, 2022	December 31, 2021
Secured loans		
Bank loans	$798,571	$658,571
Unsecured loans		
Credit loans	190,273	152,091
Less: Portion maturing within 1 year	(84,818)	(81,818)
Long term loans	$904,026	$728,844

	Material terms	December 31, 2022	December 31, 2021
Secured loans			
Taiwan Business Bank	Long-term borrowings with a credit limit of TWD 52,000 thousand at an interest rate based on the two-year fixed deposit rate plus 0.2% (currently 1.925%) starting from August 2013, with each quarter constituting one installment for a total of 52 installments, with principal repaid on schedule and payment each installment being TWD 1 million.	$ 14,000	$ 18,000
Shanghai Commercial and Savings Bank	Long-term borrowings of 7 years with a credit limit of TWD 200 million; in the first three years, the interest rate is calculated in accordance with the two-year New Taiwan Dollar fixed postal deposit rate +0.505% and from the fourth year, the rate is calculated based on the two-year New Taiwan Dollar fixed postal deposit rate +0.655% (currently 1.5%) with interest accrued monthly. Following expiration of the principal grace period (24 months), each installment comprises 3 months for a total of 20 principal repayments. Principal repayment began from July 12, 2019.	-	100,000
Shanghai Commercial and Savings Bank	Long-term borrowings of 7 years with a credit limit of TWD 250 million; the interest rate is calculated in accordance with the two-year New Taiwan Dollar fixed postal deposit rate +0.65% (currently 2.12%) with interest accrued monthly. Following expiration of the principal grace period (12 months), each installment comprises 3 months for a total of 24 principal repayments.	250,000	-

(Continued on next page)

(Continued from previous page)

	Material terms	December 31, 2022	December 31, 2021
Taiwan Business Bank	Long-term borrowings of 5 years with a credit limit of TWD 30,000 thousand; the interest rate is based on the one-year fixed deposit rate plus an annual rate of 0.51% (currently 1.925%). The first interest payment date was on January 3, 2019, and the principal was to be amortized monthly from the appropriation date.	6,000	12,000
O-Bank	Long-term borrowings of 5 years with a credit limit of TWD 552,000 thousand; calculated and paid in accordance with the TAIBOR interest rate plus an annual rate of 2.0638% from January onwards. Principal is to be repaid within 5 years from the first date of use (October 25, 2021) and interest rate will be paid quarterly.	528,571	528,571
Unsecured loans			
O-Bank	Long-term borrowings with a credit limit of TWD 130,000 thousand; interest is automatically calculated and paid according to the interest rate obtained by adding 0.849% to Taibor 3M of the previous banking business day and then dividing by 0.946 (currently 2.0041%). There is one installment every six months amortized evenly on a regular basis, and interest accrues monthly.	71,273	89,091
Shin Kong Bank	Long-term borrowings of 3 years with a credit limit of TWD 70,000 thousand; the interest rate is based on one-year TAIBOR 1.4% (currently 1.781%) with regular adjustment of the applicable interest rate every 12 months starting from the actual borrowing date; with one installment every 3 months starting from August 5, 2021, the principal of TWD 3,500 thousand is to be amortized on schedule and interest paid on a monthly basis, and the remaining principal is to be paid off in one lump sum on the due date.	49,000	63,000
CTBC	Long-term borrowings of 3 years with a credit limit of TWD 60,000 thousand; interest is calculated and paid at 1.7%, and interest is to be paid monthly from the month of borrowing and principal repaid in a lump sum once due.	20,000	-

(Continued on next page)

(Continued from previous page)

	Material terms	December 31, 2022	December 31, 2021
Taiwan Cooperative Bank	Long-term borrowings of 2 years with a credit limit of TWD 70,000 thousand; interest is calculated and paid at 1.801%, with interest paid monthly from the month of borrowing and the principal repaid once due.	50,000	-
	Less: Portion maturing within 1 year	(84,818)	(81,818)
		$ 904,026	$ 728,844

Please refer to Note 30 for the collateral guarantees provided by the Company for the above-mentioned long-term loans.

XVIII. Notes payable and accounts payable

The average credit period for purchasing raw materials of the Company is 15 to 45 days, and no interest is charged. The Company has a financial risk management policy to ensure that all accounts payable are repaid within the credit periods agreed beforehand.

XIX. Other liabilities

	December 31, 2022	December 31, 2021
Current		
Other payables		
Salaries payable	$ 9,282	$ 8,927
Bonuses payable	11,631	12,823
Employee bonuses payable and director and supervisor remuneration payable	6,536	15,330
Business tax payable	-	215
Others	36,219	28,494
	$ 63,668	$ 65,789
Other liabilities		
Collection	$ 1,732	$ 1,147
Non-current		
Deposits received	$ 100	$ 100

XX. Retirement benefit plans

(I) Defined contribution plan

As applicable to the Company, the pension system stipulated by the "Labor Pension Act" constitutes a government-managed defined contribution plan where 6% of an employee's monthly salary is allocated to a personal account under the Bureau of Labor Insurance.

(II) Defined benefit plan

As handled in accordance with Taiwan's "Labor Standards Act", the pension system of the Company constitutes a government-managed defined benefit plan. The payment of an employee's pension is calculated based on the years of service and the average salary for the six months prior to an approved retirement date. The Company allocates 2% of total monthly employee salaries to the pension, handing it over to the Labor Retirement Reserve Supervision Committee for deposit into a special account of the Bank of Taiwan in the name of the Committee. Before the end of the year, if the estimated balance in the special account is insufficient to pay workers who are expected to meet retirement conditions within the next year, the difference will be allocated before the end of March of the following year. The special account is entrusted to the Bureau of Labor Funds of the Ministry of Labor to manage, and the Company has no right to influence its investment management strategies.

The defined benefit plan amounts included in the parent company only balance sheets are listed below:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	$ 42,997	$ 46,357
Fair value of plan assets	(73,637)	(66,220)
Allocation of surplus	(30,640)	(19,863)
Net defined benefit assets	($ 30,640)	($ 19,863)

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
Balance on January 1, 2022	$ 46,357	($ 66,220)	($ 19,863)
Service costs			
Expected return on plan assets	-	(315)	(315)
Interest expense	217	-	217
Recognized in profit or loss	217	(315)	(98)
Remeasurement			
Actuarial loss (benefit)			
- changes in financial assumptions	(3,033)	-	(3,033)
- experience adjustments	(544)	(5,302)	(5,846)
Recognized in other comprehensive income	(3,577)	(5,302)	(8,879)
Employer allocations	-	(1,800)	(1,800)
Benefit payments	-	-	-
Balance on December 31, 2022	$ 42,997	($ 73,637)	($ 30,640)
Balance on January 1, 2021	$ 48,518	($ 64,935)	($ 16,417)
Service costs			
Current period service costs	46	-	46
Expected return on plan assets	-	(184)	(184)
Interest expense	136	-	136
Recognized in profit or loss	182	(184)	(2)
Remeasurement			
Actuarial loss (benefit)			
- changes in financial assumptions	(793)	-	(793)
- experience adjustments	153	(1,004)	(851)
Recognized in other comprehensive income	(640)	(1,004)	(1,644)
Employer allocations	-	(1,800)	(1,800)
Benefit payments	(1,703)	1,703	-
Balance on December 31, 2021	$ 46,357	($ 66,220)	($ 19,863)

Defined benefit plan amounts recognized in profit or loss are summarized by function as follows:

	2022	2021
Operating costs	($ 62)	($ 1)
Marketing expenses	(6)	-
Administrative expenses	(28)	(1)
R&D expenses	(2)	-
	($ 98)	($ 2)

The Company is exposed to the following risks in association with the pension system of the “Labor Standards Act”:

1. Investment risk: The Bureau of Labor Funds of the Ministry of Labor invests labor pension funds in domestic/foreign equity securities, debt securities, and bank deposits itself and through entrusted operations, whereas the distribution amounts of the Company’s plan assets are calculated based on 2-year fixed deposit interest rates among local banks.
2. Interest rate risk: A decrease in government bond interest rates would increase the present value of defined benefit obligations, while the return on debt investments of plan assets would also increase accordingly and the impact of these two factors on net defined benefit liabilities would have a partial offsetting effect.
3. Salary risk: The calculation of present value of defined benefit obligations refers to the future salaries of plan participants. Therefore, an increase in salaries among plan participants would increase the present value of defined benefit obligations.

The present value of defined benefit obligations of the Company is calculated by a qualified actuary, and the material assumptions as of the measurement date are as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.3212%	0.469%
Expected rate of salary increase	1.50%	1.50%

If there are reasonable and possible changes in material actuarial assumptions and all other assumptions are held constant, the amounts that would increase (decrease) the present value of defined benefit obligations are as follows:

	December 31, 2022	December 31, 2021
Discount rate		
Increase of 0.25%	($ 841)	($ 1,022)
Reduction of 0.25%	$ 865	$ 1,053
Expected rate of salary increase		
Increase of 0.25%	$ 848	$ 1,025
Reduction of 0.25%	($ 829)	($ 999)

Since actuarial assumptions may be correlated and changes in a single assumption are unlikely, the sensitivity analysis described above may not reflect actual changes in determining the present value of benefit obligations.

	December 31, 2022	December 31, 2021
Allocation amount expected within 1 year	$ 1,298	$ 1,153
Average maturity of defined benefit obligations	8.09 years	9.04 years

XXI. Equity

(I) Share capital

Common stock

	December 31, 2022	December 31, 2021
Authorized number of shares (thousand shares)	200,000	200,000
Authorized capital stock	$2,000,000	$2,000,000
Number of issued and fully paid up shares (thousand shares)	175,869	162,091
Issued share capital	$1,758,684	$1,620,907

On June 23, 2022, the shareholders' meeting passed a resolution for the 2021 earnings distribution proposal of the Company, with the distribution of TWD 137,777 thousand in stock dividends and paid-in share capital following the capital increase attaining TWD 1,758,684 thousand. The above capitalization of retained earnings was approved by the Securities and Futures Bureau of the Financial Supervisory Commission with effective registration on July 12, 2022, and with September 5, 2022 approved by a resolution of the Board of Directors as the capital increase record date.

(II) Capital reserves

	December 31, 2022	December 31, 2021
Can be used to make up for losses, distribute cash, or transfer share capital (1)		
Stock issue premiums	$ 7,597	$ 7,597
Treasury share transactions	7,743	7,743
	15,340	15,340
May only be used to make up for losses		
Recognition of changes in ownership interests in subsidiaries (2)	14	14
Gains on disposals of assets	42,060	42,060
Total	$ 57,414	$ 57,414

1. Such capital reserves can be used to make up for losses, and can also be used for issuance of cash dividends or transfers of share capital when the Company has no losses. However, transfers of share capital are limited to a certain percentage of paid-in share capital each year.
2. Such capital reserves refer to times when the Company does not actually acquire or dispose of the equity of a subsidiary company due to the impact of equity transactions recognized by changes in the equity of subsidiaries or as the Company adopts the equity method to recognize the adjustment of the subsidiary's capital reserves.

(III) Retained earnings and dividend policy

The Company adopted a resolution to amend the Articles of Incorporation at the shareholders' meeting of July 5, 2021, stipulating that the Company's Board of Directors is authorized to pass a special resolution for dividends and bonuses to be distributed by means of cash disbursement, and this should be reported to the shareholders' meeting.

In accordance with the dividend policy stipulated by the Company's Articles of Incorporation, if there is a surplus in the annual final accounts, taxes should first be paid in accordance with the law and then, after making up for accumulated losses, another 10% should be set aside as legal reserve.

However, where such legal reserve amounts to the total paid-in capital of the Company, no further provision shall be made. The remainder shall be set aside or reversed as special reserve in accordance with laws and regulations. Any remaining balance shall be combined with cumulative undistributed earnings and an earnings distribution proposal drafted by the Board of Directors for submission to the shareholders' meeting for resolution on the distribution of shareholder dividends. For the distribution policy of remuneration of employees, directors, and supervisors stipulated in the Company's Articles of Incorporation, see Note 23-(8) on employee remuneration and director remuneration.

Regarding the dividend policy of the Company, in order to align with business expansion and consider the Company's capital expenditure and operational turnover needs, a residual dividend policy is adopted at this stage. The future dividend policy shall be based on the principle of being no less than 40% of the distributable earnings for the current year. However, if distributable earnings are less than 2% of paid-in capital, they shall not be distributed. Measurement shall be made of demand for funds according to the Company's future capital expenditure budget, and shall take the interests of shareholders into account. Earnings distributions can be made in the form of cash dividends or stock dividends, but cash dividends may not be less than the 10% of the total dividends.

Legal reserve shall be appropriated until its balance reaches the total paid-in share capital of the Company. Legal reserve can be used to make up for losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in share capital may be allocated to share capital and distributed in cash.

The Company passed a resolution to amend the Articles of Incorporation at the shareholders' meeting of July 5, 2021 specifying that when the Company sets aside a special reserve for the net amount of other equity deductions accumulated in the previous period, if the undistributed earnings of the previous period are insufficient then the current period's net profit after tax plus items other than the after-tax net profit shall be included in the amount of the current period's undistributed earnings. Prior to the amendment of the Articles of Incorporation, the Company had made provision of undistributed surplus from the previous period in accordance with the law.

The Company's 2021 and 2020 earnings distribution plans were as follows:

	2021	109Year
Legal reserve	$ 36,581	$ 15,133
Special reserve	$141,722	$ 36,167
Cash dividends	$ 64,836	$105,359
Shareholder dividends	$137,777	$ -
Cash dividend per share (TWD)	$ 0.40	$ 0.65
Stock dividend per share	0.85	-

The above cash dividends were distributed by resolution of the Board of Directors on March 28, 2022 and the General Meeting of Shareholders on July 5, 2021. The remaining earnings distribution items were also approved by resolutions of the General Meeting of Shareholders on June 23, 2022 and July 5, 2021.

On March 30, 2023, the Board of Directors of the Company proposed the earnings distribution plan for 2022 as follows:

	2022
Legal reserve	$ 14,821
Special reserve	($ 63,968)
Cash dividends	$ 61,554
Stock dividends	$114,315
Cash dividend per share (TWD)	$ 0.35
Stock dividend per share (TWD)	$ 0.65

Distribution of the above cash dividends were approved by resolution of the Board of Directors, with the remainder pending resolution of the General Meeting of Shareholders that is expected to be held on June 21, 2023.

(IV) Special reserve

	2022	2021
Balance at the beginning of year	$249,619	$213,452
Provision for special reserve		
Deducted items listed under other equity interest	141,722	36,167
Balance at end of year	$391,341	$249,619

(V) Total other equity interest

1. Exchange differences on translation of foreign financial statements

	2022	2021
Balance at the beginning of year	($404,913)	($259,600)
Exchange differences arising from the translation of financial statements of foreign operations	63,596	(145,313)
Balance at end of year	($341,317)	($404,913)

2. Unrealized valuation gains (losses) from financial assets measured at fair value through other comprehensive income

	2022	2021
Balance at the beginning of year	$ 13,572	$ 9,981
Production in the current year		
Shares of affiliated enterprises accounted for using equity method	372	3,591
Current year other comprehensive income	372	3,591
Balance at end of year	$ 13,944	$ 13,572

XXII. Revenue

	2022	2021
Customer contracted revenues		
Product sales revenues	$1,729,773	$1,551,409

Product sales revenues are generated by the manufacture of fructose and by sales of the tinplate trading business. Since the customer has the right to use the product and bears the risk of loss or damage of the product when the product arrives at the location designated by the customer, the Company recognizes revenue and accounts receivable at this point in time.

(I) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable and accounts receivable (Note 9)	$411,678	$412,366	$318,865
Contract liabilities			
Product sales	$ -	$ 20,043	$ 487

(II) Breakdown of revenues from customer contracts

Please refer to Schedule 16 for revenue category information.

XXIII. Current year net profit

(I) Interest income

	2022	2021
Cash in banks	$ 334	$ 98
funding loan	1,496	2,376
	$ 1,830	$ 2,474

(II) Other income

	2022	2021
Leasing income		
Investment property		
－Other rent	$ 2,400	$ 2,400
Other operating leases		
－Other rent	284	137
Dividend income	4,009	1,545
Others	7,732	13,059
	$ 14,425	$ 17,141

(III) Other gains and losses

	2022	2021
Gains (losses) from financial assets and financial liabilities		
Financial assets designated as at fair value through profit or loss	($ 13,280)	$ 7,886
Net foreign currency exchange losses	(4,169)	(4,859)
Gains from the disposal of property, plant and equipment	1,360	78,684
Others	(239)	(2,667)
	($ 16,328)	$ 79,044

(IV) Finance costs

	2022	2021
Bank overdrafts and interest on bank borrowings	$ 24,293	$ 18,085
Interest on lease liabilities	28	3
	$ 24,321	$ 18,088

(V) Reversal of impairment (losses)

	2022	2021
Inventories (included in operating costs)	($ 5,812)	$ 7,115

(VI) Depreciation and amortization

	2022	2021
Summary of depreciation expense by function		
Operating costs	$ 45,330	$ 44,807
Operating expenses	6,890	7,451
	$ 52,220	$ 52,258
Summary of amortization expenses by function		
Operating expenses	$ 865	$ 864

(VII) Employee benefit expenses

	2022	2021
Short-term employee benefits	$147,304	$155,510
Retirement benefits		
Defined contribution plan	4,013	4,363
Defined benefit plan (Note 20)	(98)	(2)
	3,915	4,361
Total employee benefit expense	$151,219	$159,871
Summarized by function		
Operating costs	$103,446	$107,946
Operating expenses	47,773	51,925
	$151,219	$159,871

(VIII) Employee remuneration and director remuneration

In accordance with the Articles of Incorporation, the Company allocates no less than 2% to employee remuneration and no more than 2% to director remuneration based on pre-tax profit before deducting the distribution of employee and director remuneration for the current year. Estimated employee remuneration and director remuneration for 2022 and 2021 were approved by resolution of the Board of Directors on March 30, 2023 and March 28, 2022 respectively, as follows:

Estimated proportions

	2022	2021
Employees’ compensation	2%	2%
Director's remuneration	2%	1.5%

Amount

	2022	2021
	Cash bonuses	Cash bonuses
Employees’ compensation	$ 3,268	$ 8,760
Director's remuneration	3,268	6,570

Any further changes in the amounts after the publication of the annual parent company only financial statements will be handled as changes in accounting estimates and adjusted and recorded in the following year.

There were no differences between the actual distribution amounts of employee remuneration and director remuneration in 2021 and 2020 versus the amounts recognized in the parent company only financial statements for 2021 and 2020.

For information on employee remuneration and director remuneration as approved by resolution of the Company's Board of Directors, please inquire at the “Market Observation Post System” of the Taiwan Stock Exchange.

(IX) Foreign currency exchange gains and losses

	2022	2021
Total amount of foreign currency exchange gains	$ 6,489	$ 16,035
Total amount of foreign currency exchange losses	(10,658)	(20,894)
Net loss	($ 4,169)	($ 4,859)

XIV. <u>Income taxes</u>

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	2022	2021
Current income tax		
Current year production	$ 17,973	$ 64,959
Prior year adjustments	(16,546)	(960)
Deferred income taxes		
Current year production	16,554	(5,672)
Income tax expense recognized in profit or loss	$ 17,981	$ 58,327

The reconciliation of accounting income and income tax expense is as follows:

	2022	2021
Net profit before tax	$156,856	$422,667
Income tax expense calculated at the statutory tax rate on net profit before tax (20%)	$ 31,371	$ 84,533
Non-deductible expense losses	2,396	356
Tax-free income	(1,124)	(56,684)
Deductible temporary differences not recognized	1,400	17,919
Foreign withholding tax	184	12,687
Adjustment of income tax expense for prior years in the current year	(16,546)	(960)
Others	300	476
Income tax expense recognized in profit or loss	$ 17,981	$ 58,327

(II) Tax assets and liabilities for the current period

	December 31, 2022	December 31, 2021
Tax liabilities for the current period		
Income tax payable	$ 17,544	$ 56,986

(III) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2022

Deferred tax assets	Balance at the beginning of year	Recognized in profit or loss	Balance at end of year
Temporary differences			
Losses on inventory declines in market value	$ 347	$ 1,162	$ 1,509
Investment gains and losses recognized by the equity method	41,927	1,400	43,327
Allowance for uncollectable accounts	582	-	582
Impairment losses	603	-	603
Financial assets at fair value through profit or loss	10,588	(68)	10,520
Unrealized foreign exchange gain/loss	316	(316)	-
	$ 54,363	$ 2,178	$ 56,541

Deferred tax liabilities	Balance at the beginning of year	Recognized in profit or loss	Balance at end of year
Temporary differences			
Investment gains and losses recognized by the equity method	($116,695)	($ 18,015)	($134,710)
Unrealized foreign exchange gain/loss	(327)	(93)	(420)
Defined benefit plan	(5,349)	(379)	(5,728)
Unrealized gains from the disposal of assets between affiliated enterprises	(33)	(245)	(278)
	(122,404)	(18,732)	(141,136)
Provision for tax on land appreciation	(51,992)	-	(51,992)
	($174,396)	($ 18,732)	($193,128)

2021

Deferred tax assets	Balance at the beginning of year	Recognized in profit or loss	Balance at end of year
Temporary differences			
Losses on inventory declines in market value	$ 1,770	(1,423)	$ 347
Investment gains and losses recognized by the equity method	24,008	17,919	41,927
Allowance for uncollectable accounts	582	-	582
Impairment losses	603	-	603
Financial assets at fair value through profit or loss	10,197	391	10,588
Unrealized foreign exchange gain/loss	1,877	(1,561)	316
	$ 39,037	$ 15,326	$ 54,363

Deferred tax liabilities	Balance at the beginning of year	Recognized in profit or loss	Balance at end of year
Temporary differences			
Investment gains and losses recognized by the equity method	($107,748)	($ 8,947)	($116,695)
Unrealized foreign exchange gain/loss	-	(327)	(327)
Defined benefit plan	(4,988)	(361)	(5,349)
Unrealized gains from the disposal of assets between affiliated enterprises	(14)	(19)	(33)
	(112,750)	(9,654)	(122,404)
Provision for tax on land appreciation	(51,992)	-	(51,992)
	($164,742)	($ 9,654)	($174,396)

(IV) Deductible temporary differences not recognized as deferred tax assets in the parent company only balance sheets

	December 31, 2022	December 31, 2021
Deductible temporary differences	$219,651	$212,651

(V) Income tax verification

Declarations before 2020 have been approved by the tax collection agency.

XXV. Earnings per share

Unit: TWD per share

	2022	2021
Basic earnings per share	$ 0.79	$ 2.07
Diluted earnings per share	$ 0.79	$ 2.06

The impact of stock dividends has been adjusted retrospectively in calculating earnings per share, and the record date of the stock dividends was set at September 5, 2022. Changes in basic and diluted earnings per share for 2021 due to retrospective adjustments were as follows:

Unit: TWD per share

	Before retrospective adjustment	After retrospective adjustment
	2021	2021
Basic earnings per share	$ 2.25	$ 2.07
Diluted earnings per share	$ 2.24	$ 2.06

The earnings and the weighted average number of common shares used to calculate EPS are as follows:

Current year net profit

	2022	2021
Net profit		
Net income used to calculate basic earnings per share	$138,875	$364,340
Net income used to calculate diluted earnings per share	$138,875	$364,340

Number of shares

Unit: thousand shares

	2022	2021
Weighted average number of common shares used to calculate basic earnings per share	175,869	175,869
Effect of potentially dilutive ordinary shares:		
Employees' compensation	251	635
Weighted average number of common shares used to calculate diluted earnings per	176,120	176,504

share

If the Company chooses issuance of employee remuneration in shares or in cash, then when calculating diluted earnings per share it is assumed that employee remuneration will be issued in the form of shares; furthermore, when these potential common shares have a dilutive effect, this will be incorporated into the weighted average number of shares outstanding to calculate diluted earnings per share. When calculating the diluted earnings per share before deciding on the number of shares issued for employee remuneration in the following year, the dilutive effect of these potential common shares will also continue to be considered.

XXVI. Cash flows

Non-cash transactions

Except as disclosed in other notes, the Company conducted the following non-cash investment activities in 2022 and 2021:

The Company transferred prepaid equipment payments of TWD 4,500 thousand and TWD 12,798 thousand to property, plant and equipment in 2022 and 2021 respectively. (See Note 12)

XXVII. Capital risk management

The Company conducts capital management to ensure that each company under the Company can continue to operate and maximize shareholder returns by optimizing the balance of debt and equity. The Company's overall strategy has not changed materially.

The capital structure of the Company consists of the net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital reserves, retained earnings, and total other equity interest) of the Company.

XXVIII. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

The Company's management believes that the fair values of financial assets and financial liabilities not measured at fair value are approximated by their carrying amounts.

(II) Fair value information - financial instruments measured at fair value based on repeatability

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed/ over-the-counter and emerging market stocks	$ 28,602	$ -	$ -	$ 28,602
Foreign listed/over-the-counter stocks	1,118	-	-	1,118
Total	$ 29,720	$ -	$ -	$ 29,720
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 419	$ -	$ 419

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed/ over-the-counter and emerging market stocks	$ 36,305	$ -	$ -	$ 36,305
Foreign listed/over-the-counter stocks	2,323	-	-	2,323
Total	$ 38,628	$ -	$ -	$ 38,628
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 323	$ -	$ 323

There were no transfers between Level 1 and Level 2 measurements at fair value in 2022 and 2021.

2. Valuation techniques and input values for Level 2 measurement at fair value

Financial instrument category	Valuation technique and input values
Derivative instruments - forward foreign exchange contracts	Discounted cash flow method: Future cashflows are estimated according to the observable forward exchange rate and the end of period contractual exchange rate and discounted at a rate that reflects the credit risk of each counterparty.

(III) Financial instrument categories

	December 31, 2022	December 31, 2021
Financial assets		
Fair value through profit or loss		
Designated as at fair value through profit or loss	$ 29,720	$ 38,628
Financial assets measured at amortized cost (Note 1)	683,422	758,532
Financial liabilities		
Fair value through profit or loss		
Designated as at fair value through profit or loss	419	323
Measured at amortized cost (Note 2)	1,689,390	1,520,642

Note 1: The balance includes financial assets measured at cost after amortization such as cash and cash equivalents, debt instrument investments, notes receivable, accounts receivable, other receivables, other financial assets, and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, notes payable, accounts payable, other payables, long term borrowings, and deposits received.

(IV) Financial risk management objectives and policies

The main financial instruments of the Company include equity and debt instrument investments, accounts receivable, accounts payable, borrowings, and lease liabilities. The Financial Management Department of the Company provides services for each business unit, engages in overall planning and coordination of entry into domestic and international financial market operations, and monitors and manages financial risks related to the operations of the Company by analyzing internal risk reports according to the degree and breadth of the risk. Such risks encompass market risk (including exchange rate risk, interest rate risk, and other market price risk), credit risk, and liquidity risk.

1. Market risk

The main financial risk exposures of the Company’s operating activities include exchange rate risk (see (1) below), interest rate risk (see (2) below) and other market price risk (see (3) below).

There was no change in the Company’s exposure to financial instrument market risk and the way it manages and measures such exposure.

(1) Exchange rate risk

The Company is engaged in sales and purchase transactions denominated in foreign currencies, thus exposing the Company to exposure to exchange rate changes.

For the Company’s carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date, and its carrying amounts of derivative instruments with exchange rate risk exposure, please refer to Note 32.

<u>Sensitivity analysis</u>

The Company is mainly affected by exchange rate volatility of the US dollar.

The following table explains the sensitivity analysis of the Company when the exchange rate of the New Taiwan Dollar (functional currency) increases and decreases by 1% against each relevant foreign currency. This 1% change represents the sensitivity rate used when reporting exchange rate risk to senior management within the Company, and it also represents management's assessment of the range of reasonably possible changes in foreign currency exchange rates. Sensitivity analysis only includes outstanding monetary items in foreign currencies and those forward exchange contracts designated as cash flow hedging, and the translation at the end of the year is adjusted by a 1% change in exchange rates. The positive numbers in the table below represent the amount that would reduce after-tax net profit or equity when the New Taiwan Dollar appreciates by 1% relative to the relevant currencies; the effect would be negative by the same amount.

	US dollar impact	
	2022	2021
Profit or loss	($ 577)	($ 137)

This is mainly derived from the US dollar denominated receivables and payables of the Company that are still outstanding as of the balance sheet date and that do not have cash flow hedging.

(2) Interest rate risk

Interest rate risk arises because the Company borrows funds at both fixed and floating rates.

The carrying amounts of financial assets and financial liabilities of the Company subject to interest rate exposure as of the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Bearing cash flow interest rate risk		
- Financial assets	$ 221,513	$ 248,285
- Financial liabilities	1,539,649	1,358,446

Sensitivity analysis

Interest rate risk is the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The interest rate risk of the Company mainly comes from floating rate loans. If interest rates had increased by 1% and assuming all other variables remained constant, the after-tax net profit of the Company in 2022 and 2021 would have decreased by TWD 10,545 thousand and TWD 8,881 thousand. If interest rates had decreased by 1%, their effects on after-tax net profit or equity would have been negative by the same amounts.

(3) Other market price risk

The Company has equity price risk due to investments in listed and over-the-counter equity securities. The Company's equity price risk is mainly concentrated in the equity instruments of the securities exchanges of the Republic of China.

Sensitivity analysis

The following sensitivity analysis is based on equity price risk at the balance sheet date.

If the prices of equities rose or fell by 1% in 2022 and 2021, corresponding net profit before tax would have increased or decreased by TWD 297 thousand and TWD 386 thousand due to the increase or decrease of fair value of financial assets measured by fair value through profit or loss.

2. Credit risk

Credit risk refers to the risk that a counterparty defaults in its contractual obligations and causes financial losses to the Company. As of the balance sheet date, the maximum credit risk exposure of the Company due to counterparties' failures to perform mainly reflected the carrying amounts of financial assets recognized in the parent company only balance sheets.

The Company continuously monitors credit risk and the credit ratings of counterparties, and controls credit risk through the credit line limits of counterparties that are reviewed and approved by a dedicated team assigned by management every year. In addition, the Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that unrecoverable receivables have been allocated to the appropriate impairment losses.

The counterparties of derivative financial instruments are banks with high credit ratings granted by international credit rating agencies; the associated credit risk is therefore limited.

3. Liquidity risk

Schedule of liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contract maturity of non-derivative financial liabilities (including principal and estimated interest) is prepared on the basis of undiscounted cash flows of financial liabilities based on the earliest date on which the Company may be required to repay.

Therefore, the bank loans that the Company can be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediately enforcing these rights. The maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

For interest cash flows paid at floating rates, the undiscounted interest amounts are derived from the yield curve at the balance sheet date.

December 31, 2022

	Weighted average effective interest rate (%)	Less than 1 year	1 to 3 years	Over 3 years
Non derivative financial liabilities				
Short-term borrowings	1.43	$ 558,682	$ -	$ -
Notes payable		50,971	-	-
Accounts payable		35,002	-	-
Other payables		63,668	-	-
Long term loans	3.43	87,727	259,045	675,989
Deposits received		100	-	-
		$ 796,150	$ 259,045	$ 675,989

December 31, 2021

	Weighted average effective interest rate (%)	Less than 1 year	1 to 3 years	Over 3 years
Non derivative financial liabilities				
Short-term borrowings	1.20	$ 554,357	$ -	$ -
Notes payable		47,644	-	-
Accounts payable		48,663	-	-
Other payables		65,789	-	-
Long term loans	1.40	82,963	160,857	578,191
Deposits received		100	-	-
		$ 799,516	$ 160,857	$ 578,191

The Company manages and maintains sufficient cash and cash equivalents to support the Company's operations and mitigate the impact of cash flow fluctuations. The Company’s management supervises the use of bank financing facilities and ensures compliance with the terms of the loan contracts.

Bank borrowings are an important source of liquidity for the Company. As of December 31, 2022 and 2021, the unused bank facilities of the Company totaled TWD 464,190 thousand and TWD 1,246,217 thousand respectively.

XXIX. Related party transactions

Transactions between the Company and related parties are as follows.

(I) Name and relationship of related party

Name of related party	Relationship with the Company
Hoover Can Industrial Co., Ltd. (Hoover Can Industrial)	Subsidiary
TAIWAN FRUCTOSE (M) SDN. BHD.	Subsidiary
PURE CHEM CO., LTD.	Subsidiary
TAIWAN FRUCTOSE (PHILIPPINES), INC.	Subsidiary
TAIWAN FRUCTOSE (THAI) CO., LTD.	Subsidiary
HSINHOMEI LAND HOLDING CO., INC.	Subsidiary

(II) Purchase of goods

Related parties	2022	2021
Subsidiary	$102,459	$ 65,333

There is no material difference between the above-mentioned trading terms and those for general suppliers.

(III) Receivables from related parties (excluding loans to related parties and contract assets)

Accounts	Related Party Category/Name	December 31, 2022	December 31, 2021
Notes receivable	Subsidiary	$ -	$ 296
Other receivables	PURE CHEM CO., LTD.	$ 1,885	$ -
Other receivables	TAIWAN FRUCTOSE (PHILIPPINES), INC.	697	2,743
Other receivables	Subsidiary	1,806	4,305
		$ 4,388	$ 7,048

There are no guarantees for outstanding receivables from related parties. No provision was made for allowance for uncollectable accounts for receivables from related parties in 2022 and 2021.

(IV) Amounts payable to related parties (excluding loans to related parties)

Accounts	Related Party Category/Name	December 31, 2022	December 31, 2021
Notes payable	Subsidiary	$ 2,429	$ 2,754
Accounts payable	PURE CHEM CO., LTD.	$ 15,524	$ 15,106
Accounts payable	Subsidiary	2,336	2,417
		$ 17,860	$ 17,523

No guarantees have been provided for the outstanding balances of payables to related parties.

(V) Prepaid investments

Related Party Category/Name	December 31, 2022	December 31, 2021
TAIWAN FRUCTOSE (PHILIPPINES), INC.	$164,352	$176,164

The Company participated in the cash capital increase of Taiwan Fructose (Philippines), Inc. in 2022 and increased the investment amount by TWD 164,352 thousand. As of December 31, 2022, the local share capital registration has not yet been completed.

(VI) Loans to Related Parties

Related Party Category/Name	December 31, 2022	December 31, 2021
TAIWAN FRUCTOSE (PHILIPPINES), INC.	$ -	$ 83,040

Interest income

Related Party Category/Name	2022	2021
HSINHOMEI LAND HOLDING CO., INC.	$ -	$ 321
TAIWAN FRUCTOSE (PHILIPPINES), INC.	1,496	1,889
	$ 1,496	$ 2,210

Please refer to the explanation in Schedule 1.

(VII) Endorsements and guarantees

Guarantees and endorsements for other parties

Related parties	December 31, 2022	December 31, 2021
Subsidiary	$ 61,640	$ 76,143

Please refer to the explanation in Schedule 2.

(VIII) Other related party transactions

Rental income

Lessee	Subject matter	Lease term and rent collection method	2022	2021
Subsidiary	Changhua Pitou plant buildings	The lease period was from January 1, 2013 to December 31, 2022. The monthly rent was TWD 200 thousand, and the rent was charged monthly.	$ 2,400	$ 2,400

Related parties	2022	2021
Service revenues:		
Hoover Can Industrial Co., Ltd.	$ 984	$ 984
TAIWAN FRUCTOSE (M) SDN. BHD.	1,728	1,966
PURE CHEM CO., LTD.	698	569
TAIWAN FRUCTOSE (PHILIPPINES), INC.	1,292	1,159
HSINHOMEI LAND HOLDING CO.,INC.	748	669
	$ 5,450	$ 5,347
Deposits received		
Hoover Can Industrial Co., Ltd.	$ 100	$ 100
Other income		
Subsidiary	$ 1,497	$ 287

The Company's other revenues constitute the provision of some technical guidance services for subsidiaries.

(IX) Remuneration of senior management

	2022	2021
Salary	$ 6,853	$ 6,702
Bonus	1,878	2,338

Professional practice expenses	2,160	2,160
Earnings distributions	7,359	4,649
	$ 18,250	$ 15,849

Remuneration of directors and other senior management is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXX. Pledged assets

The following assets have been provided as collateral for financing loans, customs duty guarantees for imported raw materials, or security deposits for business transactions:

	December 31, 2022	December 31, 2021
Pledged certificates of deposit (recorded under financial assets measured at amortized cost - current)	$ -	$ 2,000
Pledged certificates of deposit (recorded under financial assets measured at amortized cost - non-current)	2,000	-
Restricted bank deposits (recorded under financial assets measured at amortized cost - non-current)	45,350	6,712
Pledged certificates of deposit (recorded under other financial assets - current)	3,000	3,000
Property, plant and equipment - Land	363,696	323,474
Property, plant and equipment - houses and buildings	78,190	86,411
Investment property - land	40,222	40,222
Investment property - houses and buildings	1,412	2,218
	$533,870	$464,037

XXXI. Material contingent liabilities and unrecognized contractual commitments

In addition to what has been stated elsewhere in the Notes, the Company has material commitments and contingencies as of the balance sheet date as follows:

TWD thousand/USD

	December 31, 2022	December 31, 2021	
Deposits and payables of guarantee notes	$ 616,000	$ 600,000	Bank loans
Deposits and receivables of guarantee notes	2,670	2,670	Engineering performance bond
Opened unused amount	USD1,075,875	USD2,886,075	Raw material purchases

XXXII. Foreign currency assets and liabilities having material impact

The following information is aggregated in foreign currencies other than the functional currencies of the Company, and the disclosed exchange rates refer to the exchange rates of such foreign currencies converted to the functional currency. Foreign currency assets and liabilities having material impact as follows:

December 31, 2022

	Foreign currency	Exchange Rate	Carrying value
Foreign currency asset			
Monetary items			
USD	$ 16,107	30.71 (USD:TWD)	$ 494,640
Non-monetary items			
Subsidiaries, affiliated enterprises, and joint ventures accounted for using the equity method			
MYR	119,172	6.699 (MYR:TWD)	$ 798,336
THB	631,240	0.8941 (THB:TWD)	564,392
PHP	577,540	0.5443 (PHP:TWD)	314,355
Financial assets at fair value through profit or loss			
AUD	54	20.83 (AUD:TWD)	1,118
			$1,678,201
Financial liabilities			
Monetary items			
USD	13,760	30.71 (USD:TWD)	$ 422,560

December 31, 2021

Foreign currency asset	Foreign currency	Exchange Rate	Carrying value
Monetary items			
USD	$ 10,602	27.68 (USD:TWD)	$ 293,466
Non-monetary items			
Subsidiaries, affiliated enterprises, and joint ventures accounted for using the equity method			
MYR	111,541	6.355 (MYR:TWD)	$ 708,844
THB	587,658	0.8347 (THB:TWD)	490,518
PHP	303,161	0.5353 (PHP:TWD)	162,282
Financial assets at fair value through profit or loss			
AUD	116	20.08 (AUD:TWD)	2,323
			$1,363,967
Financial liabilities			
Monetary items			
USD	9,982	27.68 (USD:TWD)	$ 276,292

The realized and unrealized foreign currency exchange gains and losses of the Company 2022 and 2021 constituted a loss of TWD 4,169 thousand and a loss of TWD 4,859 thousand respectively. Due to the variety of foreign currency transactions and entity functional currencies, it is not possible disclose exchange gains and losses in foreign currencies that had material impact.

XXXIII. Other disclosures

(I) Material transactions:

1. Loans of funds to others. (Schedule 1)
2. Guarantees and endorsements for other parties. (Schedule 2)
3. Securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises, and joint ventures). (Schedule 3)
4. Individual securities acquired or disposed of with an accumulated amount exceeding the lower of TWD 300 million or 20% of capital stock. (None)
5. Acquisition of individual real estate with amount exceeding the lower of TWD 300 million or 20% of capital stock. (None)

6. Disposal of individual real estate with amount exceeding the lower of TWD 300 million or 20% of capital stock. (None)
7. Related party transactions for purchases and sales with amounts exceeding the lower of TWD 100 million or 20% of capital stock. (None)
8. Receivables from related parties with amounts exceeding the lower of TWD 100 million or 20% of capital stock. (None)
9. Trading in derivative instruments. (Note 7)

(II) Information on investees: (Note 4)

(III) Information on investment in Mainland China:

1. Names of Mainland China investee companies, major operating items, paid-in capital amounts, investment methods, capital remittance in and out, shareholding ratios, profit or loss for the period and recognized investment gains or losses, investment book amount at the end of the period, repatriated investment gains and losses, and investment limit in Mainland China. (None)
2. Material transactions, prices, payment terms, and unrealized gains and losses with mainland investee companies either directly or indirectly through a third region: (None)
   (1) Purchase amount and percentage, and the closing balance and percentage of associated payables.
   (2) Sales amount and percentage, and the closing balance and percentage of associated receivables.
   (3) Property transaction amounts and resulting profit or loss.
   (4) Ending balance of bill endorsement guarantee or provision of collateral and its purpose.
   (5) The maximum balance of financing, the ending balance, the interest rate range, and the total amount of interest for the current period.
   (6) Other transactions having material impact on current profit or loss or financial status, such as the provision or receipt of labor services, etc.

(IV) Major shareholder information: names of shareholders with a shareholding ratio of 5% or more, shareholding amounts, and proportions. (Schedule 5)

Taiwan Fructose Co. Ltd.

Loans of funds to others

January 1 to December 31, 2022

Schedule 1

Unit: TWD thousand

Number	Company lending funds	Name of borrower	Associated project	Whether a related party	Highest balance in the current period	Ending balance	Actual usage amount during the period	Interest rate	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short term financing	Provision made for allowance for uncollectable accounts	Collateral		Funding loans and limits for individual counterparties	Funding loans and total limits	Remarks
													Name	Value			
3	Taiwan Fructose Co. Ltd.	TAIWAN FRUCTOSE (PHILIPPINES), INC	Other receivables	Y	$ 85,875	$ -	$ -	4%	Short-term financing	$ -	Operating turnover	$ -	—	$ -	$ 676,799	$ 902,399	
4	TAIWAN FRUCTOSE (PHILIPPINES), INC	HSINHOMEI LAND HOLDING CO., INC.	Other receivables	Y	13,063	13,063	13,063	4.5%	Short-term financing	-	Operating turnover	-	—	-	91,739	122,319	

Note: In accordance with the Taiwan Fructose Co., Ltd. Operational Procedures for Loaning Funds to Others, the limit is calculated as follows:

Individual counterparty lending limit: 30% of the Company's net worth: 2,255,997 x 30% = 676,799

Total lending limit: 40% of the Company's net worth: 2,255,997 x 40% = 902,399

The limits of Taiwan Fructose (Philippines), Inc.'s lending of funds to others are calculated as follows:

Individual counterparty lending limit: 30% of the Company's net worth: 305,797 x 30% = 91,739

Total lending limit: 40% of the Company's net worth: 305,797 x 40% = 122,319

Taiwan Fructose Co. Ltd.

Guarantees and endorsements for other parties

January 1 to December 31, 2022

Schedule 2

Unit: TWD thousand unless otherwise specified

Number	Endorsement/guarantee company name	Counterparty of guarantee and endorsement		Limit of endorsements and guarantees for a single enterprise (Note 3)	Highest endorsement/ guarantee balance in the current period	Endorsement / guarantee ending balance	Actual usage amount during the period	Amount of endorsement/ guarantee secured by assets	The ratio of the accumulated endorsement/ guarantee amount to the net value of the latest financial statements (%)	Endorsement/ guarantee maximum limit (Note 3)	Constituting endorsements/ guarante es provided by the parent company for subsidiaries	Constituting endorsements/ guarantees provided by subsidiaries for the parent company	Endorsements/ guarantees extended to the mainland region	Remarks
		Company name	Relationship (Note 2)											
0	Taiwan Fructose Co. Ltd.	TAIWAN FRUCTOSE (PHILIPPINES), INC.	2	$ 902,399	$ 61,640	$ 61,640	$ 61,640	$ -	2.72%	$ 1,127,999	Y	N	N	

Note 1: Description of the number column is as follows:

(1) Fill in 0 for the issuer.

Note 2: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into six types:

(1) Companies with business relationships.

(2) Subsidiaries that directly hold more than 50% of equity in the form of common shares.

(3) An investee company whose parent company and subsidiaries jointly hold more than 50% of equity in the form of common shares.

(4) Parent companies that directly or indirectly hold more than 50% of common share equity through subsidiaries.

(5) Based on the needs of contracting projects, companies in the same industry providing mutual insurance according to the contract.

(6) Companies that are endorsed or guaranteed by a contributing shareholder in accordance with its shareholding ratio due to a joint investment relationship.

Note 3: The maximum limit of endorsement/guarantee is net value of 2,255,997 × 50% = 1,127,999; and the limit for endorsement/guarantee for a single enterprise is net value of 2,255,997 × 40% = 902,399.

Taiwan Fructose Co. Ltd.

Securities held at the end of the period

December 31, 2022

Schedule 3

Unit: TWD thousand unless otherwise specified

Name of holder	Category and name of security	Relationship with securities issuer	Account title	Ending balance				Remarks
				Number of shares	Carrying value	Percentage of shareholding	Fair value	
Taiwan Fructose Co. Ltd.	Domestic listed/over-the-counter common shares							
	President Securities Corporation	None	Financial assets at fair value through profit or loss - current	141,200	$ 2,210		$ 2,210	
	Taiwan Cement Corporation	〃	〃	40,000	1,346		1,346	
	Cathay Financial Holding Co., Ltd.	〃	〃	35,000	1,400		1,400	
	Yuanta Financial Holding Co., Ltd.	〃	〃	63,860	1,386		1,386	
	Capital Securities Corporation	〃	〃	75,000	814		814	
	Nan Ya Plastics Corporation	〃	〃	5,000	355		355	
	Innolux Corporation	〃	〃	71,495	790		790	
	Asia Cement Corporation	〃	〃	10,000	410		410	
	Horizon Securities Corp.	〃	〃	554,600	4,864		4,864	
	China Steel Corporation	〃	〃	88,000	2,622		2,622	
	Grand Fortune Securities Co., Ltd.	〃	〃	148,000	1,487		1,487	
	Shin Kong Financial Holding Co., Ltd.	〃	〃	190,000	1,666		1,666	
	Ruentex Industries Limited	〃	〃	107,000	696		696	
	Concord Securities Co., Ltd.	〃	〃	708,000	6,853		6,853	
	Yang Ming Marine Transport Corporation	〃	〃	26,000	1,703		1,703	
					28,602		28,602	
	Foreign listed/over-the-counter common shares							
	ICON ENERGY LIMITED	None	Financial assets at fair value through profit or loss - current	9,000,000	1,118	1.17%	1,118	
					$ 29,720		$ 29,720	
	Domestic non-listed shares							
	Shang Ye Wang Lu Co., Ltd.	〃	Financial assets at fair value through other comprehensive income - non-current	13,524	$ -	0.54%	$ -	Note 3
	Advanced Green Biotechnology Inc.	〃	〃	579,179	-	3,73%	-	Note 3
					$ -		$ -	

Note 1: For the purposes of this table, marketable securities refer to stocks, bonds, beneficiary certificates, and securities derived from the above items that fall within the scope of IFRS 9 “Financial Instruments”.
Note 2: For those measured at fair value, please fill in the carrying amount after adjustment to fair value valuation and deduction of allowance loss in column B; if not measured at fair value, please fill in the carrying amount of amortized cost in column B (deducting allowance for uncollectable accounts).
Note 3: Non-current financial assets at fair value through other comprehensive income have been fully set aside as impairment losses.
Note 4: For information on invested subsidiaries and affiliated enterprises, please refer to Schedule 4.

Taiwan Fructose Co. Ltd.

Investee Company Information, Locations, and Other Related Information

January 1 to December 31, 2022

Schedule 4

Unit: TWD thousand unless otherwise specified; thousand shares

Investing company name	Investee company name	Locations	Major business items	Original investment amount		Holdings at the end of the period			Profit and loss of the investee company for the period	Recognized investment gains and losses for the period	Remarks
				Ending balance for the period	Prior year end	Number of shares	ratio	Carrying value			
Taiwan Fructose Co. Ltd.	Hoover Can Industrial Co., Ltd.	Taiwan	Tin can manufacturing	$ 109,309	$ 109,309	8,818	65.32	$ 402,783	$ 1,996	$ 1,286	
	TAIWAN FRUCTOSE (M) SDN. BHD.	Malaysia	Fructose manufacturing	792,146	792,146	85,258	100.00	798,336	49,596	49,596	
	TAIWAN FRUCTOSE (THAI) CO., LTD.	Thailand	Import and export trading business and various investments	114,098	114,098	12	48.00	469,013	84,999	32,278	
	TAIWAN FRUCTOSE (PHILIPPINES), INC.	Philippines	Manufacture of sorbitol and crystalline glucose	830,464	654,300	13,000	100.00	305,797	(12,997)	(12,997)	
	PURE CHEM CO., LTD.	Thailand	Manufacture of sorbitol and crystalline glucose	46,290	46,290	960	8.00	95,379	101,163	8,093	
	HSINHOMEI LAND HOLDING CO., INC	Philippines	Land holding and development	5,656	5,656	80	40.00	8,558	255	102	
	Tokyo Holiday Enterprise Co., Ltd.	Taiwan	General hotel industry	22,045	22,045	3,750	25.00	88,741	1,243	311	
Hoover Can Industrial Co., Ltd.	HOOVER ENTERPRISE CO.,LTD.	Thailand	Manufacturing and trading of tin cans	32,673	66,273	297	99.00	31,624	4,254	4,211	
TAIWAN FRUCTOSE (THAI) CO., LTD.	PURE CHEM CO., LTD.	Thailand	Manufacture of sorbitol and crystalline glucose	293,486	293,486	3,804	80.07	963,457	101,650	86,125	
TAIWAN FRUCTURE (M) SDN. BHD	SARABATI (M) SDN. BHD.	Malaysia	Land holding and development	46,388	46,388	1,223	100.00	36,189	127	127	

Taiwan Fructose Co. Ltd.

Information on principal shareholders

December 31, 2022

Schedule 5

Name of major shareholders	Shares	
	Number of shares held	Percentage of shareholding
Liun Shun Industrial Co., Ltd.	35,823,928	20.37%
Kang Kuo-Feng	18,432,083	10.48%

Note 1: Information of major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation as of the last business day of the quarter and comprise shareholders holding more than 5% of the Company's common shares and preferred shares that have completed delivery without physical registration (including treasury shares). The share capital recorded in the Company's consolidated financial statements and the actual number of shares that have completed delivery without physical registration may reflect differences or discrepancies due to different bases of preparation and calculation.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year 2022 (January 1 to December 31, 2022), the Company complies with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” in that the company should be included in the preparation of the consolidated financial statements of the affiliated companies are the same as the companies that should be included in the preparation of the consolidated financial statements of the parent and subsidiary companies in accordance with IFRS 10. In addition, the relevant information that should be disclosed in the consolidated financial statements of the affiliated enterprises has been disclosed in the consolidated financial statements of the parent and subsidiary companies of the former disclosure. Therefore, there is no separate preparation of the consolidated financial statements of affiliated enterprises.

Hereby declared

Company Name: Taiwan Fructose Co., Ltd.

Responsible person: Kang Yung-Ming

March 30, 2023

6.5. Consolidated financial statements of the parent company and subsidiaries audited and certified by CPAs for the most recent year

Accountants' audit report

Taiwan Fructose Co., Ltd.　Submitted:

Audit opinion

We have completed our review of Taiwan Fructose Co., Ltd. and its Subsidiaries (Taiwan Fructose Group) Consolidated Balance Sheet for December 31, 2022 and 2021; and Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity, Consolidated Statements of Cash Flows and Notes to the Consolidated Financial Statements (including a summary of significant accounting policies) for January 1 to December 31, 2022 and 2021.

In our opinion, and based on our audit results and the audit reports of other accountants (please see Other Matters below), the aforementioned consolidated financial statements in all major respects are in compliance with Regulation Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission. They are sufficient to adequately express the consolidated financial status of Taiwan Fructose Group as of December 31, 2022 and 2021 and its consolidated financial performance and consolidated cash flow from January 1 to December 31, 2022 and 2021.

Basis of audit opinion

We carry out audit work in accordance with the Regulation Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and with auditing standards. Our responsibilities under these guidelines will be further explained in the paragraph on accountant responsibilities in auditing the consolidated financial statements. Our personnel subject to standards of independence have maintained detached independence from Taiwan Fructose Group in accordance with the Norm of Professional Ethics for Certified Public Accountant, and have performed other responsibilities under that Norm. Based on our audit results and the audit reports of other accountants, we believe that sufficient and appropriate audit evidence has been obtained to serve as the basis for expressing an audit opinion.

Key audit matters

Key audit matters refer to the most important matters for the audit of Taiwan Fructose Group's 2022 consolidated financial statements based on our professional judgment. These matters have been addressed in the process of reviewing the overall consolidated financial statements and forming the audit opinion; we do not express a separate opinion on these matters.

Key audit matters of Taiwan Fructose Group's 2022 consolidated financial statements are hereby stated as follows:

<u>Sales revenue recognition from a portion of major customers</u>

Sales among Taiwan Fructose Group’s major customers this year increased significantly compared with the same period last year. Based on materiality and the presupposition of revenue recognition as a significant risk by the Auditing Standards Bulletin, we therefore identify the authenticity of sales revenues among a portion of major customers as a key audit matter. For accounting policies connected to revenue recognition, please refer to Note 4 of the consolidated financial statements.

Our implementation of audit procedures is as follows:

1. Understand and test the design and implementation of internal controls in relation to revenue recognition.
2. For sales revenue details of a portion of major customers, select appropriate samples to examine relevant supporting documents and test receipts in order to confirm that sales transactions actually took place.
3. Determine whether any material occurrence of sales returns took place subsequent to the audit period.

Other Matters

Among the subsidiaries included in the consolidated financial statements of Taiwan Fructose Group, we have not undertaken audits of a portion of these subsidiaries but they have been audited by other accountants. Therefore, in our expression of an audit opinion on the above-mentioned consolidated financial statements, the amounts listed in the financial statements that we have not audited are based on the audit reports of other accountants. The total assets of these subsidiaries as at December 31, 2022 and 2021 were TWD 804,961 thousand and TWD 971,311 thousand, respectively, accounting for 14.25% and 18.34% of total consolidated assets. Net operating revenue for the periods of January 1 to December 31, 2022 and 2021 came to TWD 204,409 thousand and TWD 200,507 thousand, respectively, accounting for 4.05% and 4.57% of consolidated net operating revenue. Investments accounted for using the equity method included in the above consolidated financial statements are audited by other accountants. Therefore, in our expressed opinion on the above-mentioned consolidated financial statements, the corresponding investments accounted for using the equity method and the profits and losses of affiliated enterprises and joint ventures accounted for using equity method are recognized in accordance with the audit reports of other accountants. The balances of investments accounted for using the equity method as at December 31, 2022 and 2021 were TWD 88,741 thousand and TWD 88,058 thousand, respectively, accounting for 1.57% and 1.66% of total consolidated assets. For the periods of January 1 to December 31, 2022 and 2021, profit and loss and share of other comprehensive income from affiliated enterprises and joint ventures accounted for using equity method amounted to TWD 683 thousand and TWD 4,209 thousand, respectively, accounting for 0.22% and 1.35% of consolidated total comprehensive income.

Taiwan Fructose Co., Ltd. has prepared parent company only financial statements for 2022 and 2021, and the audit reports and other matters with unqualified opinions that we have issued are on file for reference.

Responsibilities of management and units charged with governance in respect to the consolidated financial statements

The responsibility of management encompasses the fair presentation of consolidated financial statements in compliance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission; and to maintain the necessary internal controls in connection with the preparation of the consolidated financial statements, in order to ensure that there is no material misrepresentation due to fraud or error in the consolidated financial statements.

When compiling the consolidated financial statements, management's responsibilities also include disclosing the evaluation of Taiwan Fructose Group's ability to continue as a going concern and related matters, and the adoption of a going concern basis of accounting unless management intends to liquidate Taiwan Fructose Group or to cease operations or there is no practical alternative to liquidation or closure.

The units charged with governance of Taiwan Fructose Group (including the Audit Committee) are responsible for supervising the financial reporting process.

Accountant responsibilities in auditing the consolidated financial statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance as to whether there is any material misrepresentation as a whole in the consolidated financial statements due to fraud or error, and to issue an audit report. Reasonable assurance constitutes a high degree of assurance, but there is no guarantee that the audit work implemented in accordance with auditing standards will be able to detect material misrepresentations in the consolidated financial statements. Misrepresentation may result from fraud or error. Misrepresentation of individual amounts or aggregated amounts are considered material if they can reasonably be expected to affect economic decisions made by users of the consolidated financial statements.

We exercise professional judgment and professional skepticism when conducting audits in accordance with the auditing standards. We also perform the following tasks:

1. Identify and assess the risk of material misrepresentation of the consolidated financial statements as a result of fraud or error; design and implement appropriate countermeasures for the assessed risks; and obtain sufficient and appropriate audit evidence as a basis for the audit opinion. Because fraud may involve collusion, forgery, willful omission, misrepresentation, or overstepping of internal controls, the risk of not detecting a material misrepresentation due to fraud is therefore higher than that due to error.
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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to those 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 auditor's report. However, future events or circumstances may result in Taiwan Fructose Group no longer having the ability to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including the accompanying notes) 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 for the financial information of the constituent entities within the group to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision, and implementation of the audit of the Group, and we are responsible for forming an audit opinion for the Group.

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 to those units charged with governance with a statement that our personnel subject to standards of independence have complied with the statement of independence under the Norm of Professional Ethics for Certified Public Accountant; and we communicate to the units charged with governance all relationships and other matters (including relevant protective measures) that may be considered as affecting accountant independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor’s 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.

Deloitte Touche Tohmatsu Limited

Accountant Ong Po-Jen

Accountant Lee Li-Huang

Financial Supervisory Commission approval number
Jin-Guan-Zheng-Shen-Zi No. 1010028123

Securities and Futures Commission approval number
Tai-Cai-Zheng No. 0930128050

March 30, 2023

Taiwan Fructose Co., Ltd., and Subsidiaries

Consolidated balance sheet

December 31, 2022 and 2021

Unit: TWD thousand

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4, 6, and 30)	$ 567,476	10	$ 908,233	17
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7, and 30)	29,720	1	38,628	1
1136	Financial assets measured at amortized cost - current (Notes 4, 8, and 30)	-	-	2,000	-
1150	Notes receivable (Notes 4, 9, and 30)	112,746	2	145,863	3
1170	Accounts receivable (Notes 4, 9, and 30)	1,040,584	18	860,879	16
1200	Other receivables (Notes 9 and 30)	3,052	-	3,178	-
1220	Tax assets for the current period (Notes 4 and 25)	391	-	-	-
130X	Inventories (Notes 4 and 10)	716,373	13	549,737	10
1410	Prepayments (Notes 4 and 18)	166,961	3	126,342	3
1476	Other current financial assets - current (Notes 4, 17, and 30)	3,000	-	3,000	-
1479	Other current assets (Notes 4 and 18)	1,812	-	2,366	-
11XX	Total current assets	2,642,115	47	2,640,226	50
	Non-current assets				
1535	Financial assets measured at amortized cost - non-current (Notes 4 and 8)	47,350	1	6,712	-
1550	Investments accounted for using the equity method (Notes 4 and 12)	88,741	2	88,058	2
1600	Property, plant and equipment (Notes 4, 13, and 32)	2,431,832	43	2,358,944	45
1755	Right of use assets (Notes IV and XIV)	12,066	-	11,996	-
1760	Investment property (Notes 4, 15, and 32)	246,153	4	48,472	1
1780	Other intangible assets (Notes 4 and 16)	2,059	-	3,053	-
1840	Deferred tax assets (Note 25)	56,541	1	55,117	1
1915	Prepaid equipment (Note 17)	58,002	1	37,740	1
1985	Prepayments for land and buildings (Note 17)	-	-	20,000	-
1920	Refundable deposits (Note 17)	29,288	-	4,455	-
1975	Net defined benefit assets－non-current (Notes 4 and 21)	30,048	1	18,215	-
1990	Other non-current assets (Notes 4 and 17)	5,987	-	4,251	-
15XX	Total non-current assets	3,008,067	53	2,657,013	50
1XXX	Total assets	$5,650,182	100	$5,297,239	100

Code	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 4 and 18)	$ 617,862	11	$ 569,365	11
2120	Financial liabilities at fair value through profit or loss - current (Notes 4, 7, and 30)	419	-	323	-
2130	Contract liabilities (Notes 4 and 23)	4,912	-	28,506	1
2150	Notes payable (Notes 4 and 19)	55,162	1	53,043	1
2170	Accounts payable (Notes 4 and 19)	218,330	4	192,127	4
2200	Other payables (Notes 20 and 30)	120,347	2	128,307	2
2220	Other payables - related parties (Notes 20 and 31)	8,941	-	8,347	-
2230	Tax liabilities for the current period (Notes 4 and 25)	52,996	1	77,550	1
2280	Lease liabilities - current (Notes 4 and 14)	9,188	-	8,577	-
2320	Long-term loans maturing within one year (Notes 4 and 18)	106,466	2	96,227	2
2399	Other current liabilities (Note 20)	4,488	-	1,734	-
21XX	Total current liabilities	1,199,111	21	1,164,106	22
	Non-current liabilities				
2540	Long-term loans (Notes 4 and 18)	1,044,401	19	985,294	19
2570	Deferred tax liabilities (Notes 4 and 25)	233,657	4	212,253	4
2580	Lease liabilities - non-current (Notes 4 and 14)	6,010	-	13,010	-
2670	Other non-current liabilities (Note 20)	3,080	-	2,606	-
25XX	Total non-current liabilities	1,287,148	23	1,213,163	23
2XXX	Total liabilities	2,486,259	44	2,377,269	45
	Equity attributable to owners of the Company (Notes 4 and 22)				
	Share capital				
3110	Common stock	1,758,684	31	1,620,907	31
3200	Capital reserves	57,414	1	57,414	1
	Retained earnings				
3310	Legal reserve	218,209	4	181,628	3
3320	Special reserve	391,341	7	249,619	5
3350	Undistributed earnings	157,722	3	390,425	7
3300	Total retained earnings	767,272	14	821,672	15
3400	Other equity interest	(327,373)	(6)	(391,341)	(7)
31XX	Total owner's equity of the Company	2,255,997	40	2,108,652	40
36XX	Non-controlling interest (Note 22)	907,926	16	811,318	15
3XXX	Total equity	3,163,923	56	2,919,970	55
	Total liabilities and equity	$5,650,182	100	$5,297,239	100

The attached notes form part of this consolidated financial report.

Chairman: Kang Yung-Ming Manager: Kang Chih-Liang Accounting Supervisor: Hung Chiu-Pi

Taiwan Fructose Co., Ltd., and Subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: TWD thousand, except for earnings per share in TWD

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Operating revenue (Notes 4 and 23)				
4100	Sales revenue	$ 5,044,450	100	$ 4,385,548	100
	Operating costs				
5110	Cost of goods sold	(4,408,857)	(87)	(3,782,959)	(86)
5900	Operating margin	635,593	13	602,589	14
	Operating expenses				
6100	Marketing expenses	(148,366)	(3)	(142,665)	(3)
6200	Administrative expenses	(154,511)	(3)	(148,698)	(4)
6300	Research and development expenses	(8,713)	-	(8,439)	-
6450	Expected credit loss	(5,596)	-	(2,980)	-
6000	Total operating expenses	(317,186)	(6)	(302,782)	(7)
6900	Operating profit	318,407	7	299,807	7
	Non-operating income and expenses (Note 24)				
7100	Interest income	2,989	-	3,325	-
7010	Other income	12,952	-	18,001	1
7020	Other gains and losses	(19,229)	-	410,450	9
7050	Finance costs, net	(34,556)	(1)	(27,766)	(1)
7060	Share of profits of affiliated enterprises and joint ventures accounted for using equity method	311	-	618	-
7000	Total non-operating income and expenses	(37,533)	(1)	404,628	9
7900	Net profit before tax	280,874	6	704,435	16
7950	Income tax expense (Notes 4 and 25)	(89,480)	(2)	(140,933)	(3)

(Continued on next page)

(Continued from previous page)

Code		2022 Amount	2022 %	2021 Amount	2021 %
8200	Current year net profit	191,394	4	563,502	13
	Other comprehensive income				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				
8311	Remeasurement of defined benefit plan (Note 21)	9,582	-	1,372	-
8360	Subsequent items that may be reclassified to profit or loss:				
8361	Exchange differences on translation of foreign financial statements	107,441	2	(257,806)	(6)
8372	Share of other comprehensive income of affiliated enterprises and joint ventures accounted for using equity method	372	-	3,591	-
8300	Current year total other comprehensive income	117,395	2	(252,843)	(6)
8500	Current year total comprehensive income	$ 308,789	6	$ 310,659	7
	Net profit attributable to:				
8610	Owners of the Company	$ 138,875	3	$ 364,340	8
8620	Non-controlling interests	52,519	1	199,162	5
8600		$ 191,394	4	$ 563,502	13
	Comprehensive income attributable to:				
8710	Owners of the Company	$ 212,181	4	$ 224,084	5
8720	Non-controlling interests	96,608	2	86,575	2
8700		$ 308,789	6	$ 310,659	7
	Earnings per share (Note 26)				
9710	Basic	$ 0.79		$ 2.07	
9810	Diluted	$ 0.79		$ 2.06	

The attached notes form part of this consolidated financial report.

Chairman: Kang Yung-Ming Manager: Kang Chih-Liang Accounting Supervisor: Hung Chiu-Pi

Taiwan Fructose Co., Ltd., and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: TWD thousand

		Equity attributable to owners of the Company										
		Share capital			Retained earnings			Total other equity interest				
Code		Number of shares (thousand shares)	Amount	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2021	162,091	$1,620,907	$ 57,414	$ 166,495	$ 213,452	$ 181,278	($ 259,600)	$ 9,981	$1,989,927	$ 724,743	$2,714,670
	Earnings allocation and distribution for 2020											
B1	Legal reserve	-	-	-	15,133	-	(15,133)	-	-	-	-	-
B3	Special reserve	-	-	-	-	36,167	(36,167)	-	-	-	-	-
B9	Shareholder cash dividends of the Company	-	-	-	-	-	(105,359)	-	-	(105,359)	-	(105,359)
D1	2021 net profit	-	-	-	-	-	364,340	-	-	364,340	199,162	563,502
D3	Other comprehensive profit and loss after tax for 2021	-	-	-	-	-	1,466	(145,313)	3,591	(140,256)	(112,587)	(252,843)
D5	Total comprehensive income for 2021	-	-	-	-	-	365,806	(145,313)	3,591	224,084	86,575	310,659
Z1	Balance on December 31, 2021	162,091	1,620,907	57,414	181,628	249,619	390,425	(404,913)	13,572	2,108,652	811,318	2,919,970
	Earnings allocation and distribution for 2021											
B1	Legal reserve	-	-	-	36,581	-	(36,581)	-	-	-	-	-
B3	Special reserve	-	-	-	-	141,722	(141,722)	-	-	-	-	-
B5	Shareholder cash dividends of the Company	-	-	-	-	-	(64,836)	-	-	(64,836)	-	(64,836)
B9	Shareholder stock dividends of the Company	13,778	137,777	-	-	-	(137,777)	-	-	-	-	-
D1	2022 net profit	-	-	-	-	-	138,875	-	-	138,875	52,519	191,394
D3	Other comprehensive profit and loss after tax for 2022	-	-	-	-	-	9,338	63,596	372	73,306	44,089	117,395
D5	Total comprehensive income for 2022	-	-	-	-	-	148,213	63,596	372	212,181	96,608	308,789
Z1	Balance on December 31, 2022	175,869	$1,758,684	$ 57,414	$ 218,209	$ 391,341	$ 157,722	($ 341,317)	$ 13,944	$2,255,997	$ 907,926	$3,163,923

The attached notes form part of this consolidated financial report.

Chairman: Kang Yung-Ming   Manager: Kang Chih-Liang   Accounting Supervisor: Hung Chiu-Pi

Taiwan Fructose Co., Ltd., and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: TWD thousand

Code		2022	2021
	Cash flows from operating activities		
A10000	Current year net profit before tax	$ 280,874	$ 704,435
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	173,311	185,299
A20200	Amortization expense	1,022	1,034
A29900	Expected credit loss	5,596	2,980
A20400	Losses/gains on financial assets and liabilities at fair value through profit or loss	13,280	(17,446)
A20900	Finance costs, net	34,556	27,766
A21200	Interest income	(2,989)	(3,325)
A21300	Dividend income	(4,009)	(2,486)
A22300	Share of profits and losses of affiliated enterprises and joint ventures accounted for using the equity method	(311)	(618)
A22500	Gains from the disposal of property, plant and equipment	(1,318)	(498,122)
A23700	Impairment loss on property, plant and equipment	-	107,024
A23800	Recovery gain on inventory declines in market value and slow-moving inventory	(571)	(6,420)
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	33,109	(33,507)
A31150	Accounts receivable	(185,760)	(84,970)
A31180	Other receivables	126	7,785
A31200	Inventories	(166,690)	47,188
A31230	Prepayments	(40,619)	96,990
A31240	Other current assets	554	(1,509)
A31990	Other non-current assets	(1,736)	(71)
A32130	Notes payable	2,119	3,421
A32150	Accounts payable	26,203	33,151
A32125	Contract liabilities	(23,594)	27,874
A32180	Other payables	(11,464)	(9,171)
A32230	Other current liabilities	2,754	(1,756)
A32240	Net changes in net defined benefit assets and liabilities	(2,495)	(2,062)
A33000	Cash inflow generated from operations	131,948	583,484
A33300	Interest paid	(31,052)	(26,744)
A33500	Income tax paid	(94,445)	(107,220)
AAAA	Net cash inflow from operating activities	6,451	449,520
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(40,638)	(2,000)

(Continued on next page)

(Continued from previous page)

Code		2022	2021
B00050	Disposal of financial assets measured at amortized cost	2,000	19,314
B00100	Acquisition of financial assets at fair value through profit or loss	(149,171)	(329,782)
B00200	Sale of financial assets at fair value through profit or loss	144,895	388,819
B02700	Acquisition of property, plant and equipment	(164,159)	(364,193)
B02800	Prices on disposal of property, plant and equipment	3,439	656,512
B03700	Increase in refundable deposits	(24,833)	-
B03800	Decrease in refundable deposits	-	1,973
B04500	Acquisition of intangible assets	-	(543)
B05350	Obtaining of right of use assets	-	(6,209)
B05400	Acquisition of investment property	(174,636)	-
B07200	Decrease (increase) in prepaid equipment	(22,509)	39,757
B07300	Increase in prepaid land and buildings	-	(20,300)
B07500	Interest received	2,989	3,325
B07600	Other dividends received	4,009	2,486
BBBB	Net cash inflows (outflows) from investing activities	(418,614)	389,159
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	48,497	-
C00200	Decrease in short-term borrowings	-	(214,010)
C01600	Increase in long-term debt	320,000	870,655
C01700	Decrease in long-term debt	(250,654)	(755,684)
C03000	Collection of deposits received	68	-
C03100	Returns of deposits received	-	(125)
C03700	Other payables - related parties	594	(100,316)
C04020	Payment of lease liabilities	(8,998)	(3,553)
C04300	Increase in other non-current liabilities	406	1,331
C04500	Payment of dividends to owners of the Company	(64,836)	(105,359)
CCCC	Net cash inflows (outflows) from financing activities	45,077	(307,061)
DDDD	Effect of exchange rate changes on cash and cash equivalents	26,329	(147,509)
EEEE	Net increase (decrease) in cash and cash equivalents	(340,757)	384,109
E00100	Cash and cash equivalents balance at the beginning of the year	908,233	524,124
E00200	Cash and cash equivalents balance at the end of the year	$ 567,476	$ 908,233

The attached notes form part of this consolidated financial report.

Chairman: Kang Yung-Ming Manager: Kang Chih-Liang Accounting Supervisor: Hung Chiu-Pi

Taiwan Fructose Co., Ltd., and Subsidiaries

Notes to the Consolidated Financial Statements

January 1 to December 31, 2022 and 2021

(Amounts in thousand New Taiwan Dollars unless specified otherwise)

I. Company history

Taiwan Fructose Co. Ltd. (“the Company”) was established in July 1984 in the Republic of China. The main business is the processing and manufacturing of fructose, maltose, glucose, and starch, and the trading of tinplate.

The Company’s stock has been traded over the counter on the Taipei Exchange since January 2000.

The consolidated financial statements are expressed in the Company's functional currency of New Taiwan dollars.

II. Dates and procedures for approval of the financial statements

The consolidated financial statements were approved by the Board of Directors on March 30, 2023.

III. New standards, amendments and interpretations adopted

(I) First-time application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretation, or SIC Interpretation (hereinafter “IFRSs”) as endorsed by the Financial Supervisory Commission (“FSC”).

The application of revised IFRSs approved and issued by the Financial Supervisory Commission would not result in material changes in the accounting policies of the Group.

(II) Applicable IFRSs recognized by the Financial Supervisory Commission in 2023

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: These amendments apply to annual reporting periods beginning after January 1, 2023.

Note 2: These amendments apply to changes in accounting estimates and changes in accounting policies that occur during annual reporting periods beginning after January 1, 2023.

Note 3: These amendments apply to transactions occurring after January 1, 2022, except for the recognition of deferred tax on temporary differences for leasing and decommissioning obligations on January 1, 2022.

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

These amendments stipulate that the Group determine material accounting policy information that should be disclosed in accordance with the definition of materiality. Accounting policy information is material if it can reasonably be expected to influence the decisions made by major users of general-purpose financial statements on the basis of such financial statements. The amendments also clarify:

- Where accounting policy information is related to non-material transactions or other matters or circumstances that are not material, the Group does not need to disclose such information.
- The Group may judge that relevant accounting policy information is material due to the nature of the transaction or due to other events or circumstances even if the amount is not material.
- Not all accounting policy information related to material transactions or to other matters or circumstances is to be regarded as material.

In addition, the amendments also highlight that if the accounting policy information is related to material transactions or to other matters or circumstances, this information may be regarded as material in the following cases:

(1) The Group changed its accounting policies during the reporting period, and the change resulted in a material alteration in information in the financial statements;

(2) The Group has selected its applicable accounting policies from the options permitted by the standards;

(3) The Group has responded to a lack of specific standards by establishing accounting policies based on IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";

(4) The Group discloses relevant accounting policies determined by using material judgments or assumptions; or

(5) Complex accounting treatment requirements are involved, and users of financial statements must rely on this information to understand these material transactions or other matters or circumstances.

2. Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments specify that accounting estimates constitute monetary amounts in the financial statements that are subject to measurement uncertainty. When the Group applies accounting policies, it may be necessary to measure financial statement items with monetary amounts that cannot be directly observed but must be estimated. Therefore, measurement techniques and input values must be used to develop accounting estimates for this purpose. If the impact of changes in measurement technology or input values on accounting estimates is not a correction of errors in prior periods, such changes constitute changes in accounting estimates.

As of the date of adoption of these consolidated financial statements, the Group's evaluation of amendments to other standards and interpretations would not have a material impact on financial status and financial performance.

(III) IFRSs published by the IASB but not yet approved by the Financial Supervisory Commission

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Affiliated Enterprises or Joint Venture"	Unresolved
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative	January 1, 2023

New, Revised or Amended Standards and Interpretations	Effective date of IASB publication (Note 1)
Information”	
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

Note 1: Unless stated otherwise, the newly published/amended/revised standards or interpretations are effective for the annual reporting period commencing after each such respective date.

Note 2: The seller and lessee should retroactively apply the amendments to IFRS 16 to sale and leaseback transactions signed after the initial application of IFRS 16.

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” (amended in 2020) and “Non-current Liabilities with Covenants” (amended in 2022)

The 2020 amendments clarify that when judging whether a liability is classified as non-current, it should be evaluated whether the Group has the right to defer the settlement period for at least 12 months after the reporting period ends. If the Group has such a right at the end of the reporting period, the liability is classified as non-current regardless of whether the Group expects to exercise this right.

The 2020 amendments also stipulate that if the Group must comply with specific conditions before it has the right to defer the settlement of a liability, the Group must have complied with these specific conditions by the end of the reporting period even if the lender only tests the Group’s compliance with such conditions at a later date. The 2022 amendments further clarify that only contractual terms that must be followed before the end of the reporting period will affect the classification of liabilities. Although the terms of contracts to be followed within 12 months after the reporting period do not affect the classifications of liabilities, relevant information must nonetheless be disclosed so that users of financial reports can understand the risk that the Group may not be able to comply with the contract terms and must repay within 12 months after the reporting period.

In accordance with the 2020 amended provisions, for the purpose of classification of liabilities, the foregoing settlement refers to the elimination of liabilities as a result of a transfer to the counterparty of cash, other economic resources, or equity instruments of the Group. If, however, the terms of the liability may result in its settlement at the option of the counterparty by transfer of the equity instruments of the Group, and if the option is recognized separately and listed in equity in accordance with the provisions of IAS 32 “Financial Instruments: Presentation”, then the foregoing does not affect the classification of liabilities.

As of the date of adoption of these consolidated financial statements, the Group is still evaluating the impact of amendments to other standards and interpretations on its financial status and financial performance, and the relevant results will be disclosed when the evaluation is completed.

IV. Summary of material accounting policies

(I) Statement of compliance

The consolidated financial statements have been compiled in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and with IFRSs approved and made effective by the Financial Supervisory Commission.

(II) Basis of compilation

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

Measurement at fair value is divided into Levels 1 to 3 in accordance with the degree of observability and importance of relevant input values:

1. Level 1 input value: Refers to observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets on the measurement date.
2. Level 2 input value: Refers to observable input values of assets or liabilities obtained either directly (i.e., prices) or indirectly (i.e., derived from prices) other than the quoted prices under Level 1.
3. Level 3 input value: Refers to unobservable input values of assets or liabilities.

(III) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluding those subject to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due to be settled within 12 months after the balance sheet date, and
3. Liabilities whose maturity cannot be deferred unconditionally to at least 12 months after the balance sheet date.

Those not belonging to the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(IV) Basis of consolidation

These consolidated financial statements include the financial statements of the Company and entities/subsidiaries controlled by the Company. The consolidated statements of comprehensive income include operating profits and losses of subsidiaries that have been acquired or disposed of in the current period, from the date of acquisition or to the date of disposal. Financial statements of subsidiaries have been adjusted to bring their accounting policies into line with those of the Group. When compiling the consolidated financial statements, all transactions, account balances, and gains and losses between entities have been eliminated in full. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to non-controlling interest, even if the non-controlling interest thus incurs a loss balance.

When a change of ownership interest of the Group in respect to a subsidiary does not lead to a loss of control, it is treated as an equity transaction. The carrying amounts of the Group and of non-controlling interest have been adjusted to reflect changes in their relative interests in subsidiaries. The difference between the adjusted amount of non-controlling interest and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the Company.

For details of subsidiaries, shareholding ratios, and business items, please refer to Note 11 and Schedule 4.

(V) Foreign currencies

When an entity compiles financial statements, transactions in currencies other than the entity's functional currency (i.e., in foreign currency) shall be converted into the functional currency recorded at the exchange rate on the day of the transaction.

Monetary items denominated in foreign currencies are translated at the closing exchange rates at each balance sheet date. Exchange differences arising from delivery of monetary items or translation of monetary items are recognized in profit or loss in the period in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and any resulting exchange difference is listed as current profit or loss except when the change in fair value is recognized in other comprehensive income, in which case the resulting exchange difference is listed in other comprehensive income.

Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the transaction date and will not be re-translated.

When preparing consolidated financial statements, the assets and liabilities of foreign operations are translated into New Taiwan Dollars at the exchange rate on each balance sheet date (including subsidiaries and affiliated enterprises operating in countries or using currencies that differ from those of the Company). Income and expense items are translated at the current average exchange rate, and the resulting exchange differences are listed in other comprehensive income (and are respectively attributed to owners of the Company owners and to non-controlling interest).

If the Group disposes of all its interests in a foreign operation, or disposes of a portion of interest in the subsidiary of the foreign operation but loses control, or the retained interest after disposing of an affiliated enterprise of the foreign operation constitutes a financial asset and is treated in accordance with the accounting policies for financial instruments, then all accumulated exchange differences attributable to the owner of the Company and related to the foreign operations will be reclassified to profit or loss.

If partial disposal of subsidiary of a foreign operation does not result in a loss of control, the accumulated exchange difference is to be proportionally re-attributed to the non-controlling interest of the subsidiary and is not to be recognized as profit or loss. In the event of any other partial disposal of foreign operations, the accumulated exchange difference is to be reclassified to profit or loss in proportion to the disposal.

(VI) Inventories

Inventories include raw materials, supplies, finished goods, work in progress, and products. Inventories are measured at the lower of cost and net realizable value, and the comparison between cost and net realizable value is based on individual items except for inventories of the same category. Net realizable value refers to the estimated selling price under normal circumstances after deducting the estimated cost of completion and the estimated cost required for completion of sale. The calculation of inventory cost adopts the weighted average method.

(VII) Investments in affiliated enterprises

Affiliated enterprises refer to enterprises that have significant influence on the Group, but are not subsidiaries or joint ventures.

The Group adopts the equity method for investments in affiliated enterprises.

Under the equity method, an investment in an affiliated enterprise is initially recognized at cost, and the book value after acquisition will increase or decrease with the Group's share of the affiliated enterprises profit or loss, other comprehensive income, and earnings distributions. In addition, changes in the rights and interests of affiliated enterprises to which the Group is entitled are recognized based on shareholding ratios.

The amount of the acquisition cost exceeding the net fair value share of the identifiable assets and liabilities of an affiliated enterprise to which the Group is entitled on the acquisition date is listed as goodwill, which is included in the book value of the investment and cannot be amortized. The excess of the share of the net fair value of the identifiable assets and liabilities of the affiliated enterprise over the acquisition cost is listed as current period profit or loss.

When an affiliated enterprise issues new shares, if the Group does not subscribe in accordance with the shareholding ratio and this results in a change in the shareholding ratio and consequently an increase or decrease in the net equity value of the investment, the increase or decrease shall be adjusted to the capital reserve – accounted for using the equity method to recognize the change in the net equity value of the affiliated enterprise and the investment accounted for using the equity method. However, if the ownership interest in an affiliated enterprise is reduced due to a failure to subscribe or acquire in accordance with the shareholding ratio, the amount recognized in other comprehensive income in relation to the affiliated enterprise is to be reclassified in accordance with the proportionate reduction, and the basis of its accounting treatment is to be the same as the basis that the affiliated enterprise must follow in directly disposing of related assets or liabilities. If the aforementioned adjustment should be debited from the capital reserve, and if the balance of the capital reserve generated by the investment accounted for using the equity method is insufficient, then the difference will be debited from retained earnings.

When the Company's share of losses in an affiliated enterprise equals or exceeds its interest, it shall cease to recognize further losses (including the carrying amount of investment in the affiliated enterprise under the equity method as well as other long-term interests that form a substantial component of the Company's net investment in the affiliated enterprise). The Group recognizes additional losses and liabilities only within the scope of statutory obligations, constructive obligations, or payments made on behalf of the affiliated enterprise.

When the Group assesses the impairment, it shall regard the overall book value of the investment (including goodwill) as a single asset and compare the recoverable amount with the book value in performing an impairment test. The recognized impairment loss is not to be apportioned to any assets forming part of the investment’s book value, including goodwill. Any reversal of the impairment loss is to be recognized to the extent of subsequent increases in the recoverable amount of the investment.

The Group shall cease adoption of the equity method from the date when its investment ceases to be that of an affiliated enterprise, and its retained interest in the original affiliated enterprise shall be measured at fair value. The difference between the fair value and disposal price and the book value of the investment on the date on which the equity method ceases to be used is to be included in current period profit or loss. In addition, all amounts related to the affiliated enterprise recognized in other comprehensive income are to be accounted for on the same basis as would be required if the affiliated enterprise directly disposed of the related assets or liabilities.

Profits and losses arising from upstream, downstream, and lateral transactions between the Group and affiliated enterprises shall be recognized in the consolidated financial statements only to the extent that they are not connected to the Group's rights and interests in the affiliated enterprise.

(VIII) Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Costs include professional services fees and borrowing costs eligible for capitalization. These assets are measured at the lower of cost and net realizable value until they reach their intended state of use, and the sales consideration and cost are recognized in profit or loss. These assets are classified to the appropriate categories of property, plant and equipment and start being depreciated when they are completed and reach their intended state of use.

Each material component of property, plant and equipment is depreciated separately on a straight-line basis over its service life. The Group shall review estimated service life, residual value, and depreciation method at the end of each year at a minimum, and it shall postpone the impact of changes in applicable accounting estimates.

Upon derecognition of property, plant and equipment, the difference between the net disposal price and the asset carrying amount is to be recognized in profit or loss.

(IX) Investment property

Investment property constitutes real estate property held to earn rent or capital appreciation, or both. Investment property also includes land held where its future use has not yet been determined.

Owned investment property is originally measured by cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on a straight-line basis.

Upon derecognition of investment property, the difference between the net disposal price and the asset carrying amount is to be recognized in profit or loss.

(X) Intangible assets

1. Separately acquired

Separately acquired limited-life intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortization. Intangible assets are to be amortized on a straight-line basis within their service lives. The Group shall review estimated service life, residual value, and amortization method at the end of each year at a minimum, and it shall postpone the impact of changes in applicable accounting estimates. Intangible assets with indefinite service lives are presented at cost less accumulated impairment loss.

2. Derecognition

Upon derecognition of intangible assets, the difference between the net disposal price and the asset carrying amount is to be recognized in profit or loss.

(XI) Impairment of assets related to property, plant and equipment, right of use assets, investment property, intangible assets and contractual costs

The Group evaluates at each balance sheet date whether there is any evidence that impairment has occurred among property, plant and equipment, right-of-use assets, investment properties, and intangible assets (excluding goodwill). An asset's recoverable amount is to be estimated if any evidence of impairment exists. If it is not possible to estimate the recoverable amount of an individual asset, the Group is to estimate the recoverable amount of the cash-generating unit to which the asset belongs.

For intangible assets with undetermined service lives and that are not yet available for use, impairment tests are to be conducted at least annually and when there is evidence of impairment.

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

Inventory, property, plant and equipment, and intangible assets recognized in a customer's contract are first recognized as impairment in accordance with inventory impairment provisions as well as the above rules. As such, if the carrying amount of the relevant assets of the contract cost exceeds the expected consideration that can be received for the provision of related goods or services, then the amount after deducting the directly related costs is recognized as an impairment loss, and the carrying amount of the relevant asset related to the contract cost is included in the cash-generating unit to evaluate the impairment of the cash-generating unit.

When the impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit, or contract cost-related asset is increased to the revised recoverable amount. However, this is provided that the increased carrying amount does not exceed the carrying amount determined if the asset, cash-generating unit, or contract cost-related asset had not recognized impairment losses in the previous year (less amortization or depreciation). Reversal of impairment losses is recognized in profit or loss.

(XII) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Group becomes a party to the contractual terms of the instrument.

When initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, then they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Customary transactions of financial assets are recognized and derecognized using transaction date accounting.

(1) Measurement categories

The categories of financial assets held by the Group are financial assets at fair value through profit or loss, financial assets measured at cost after amortization, and investments in equity investments at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss constitute financial assets designated as at fair value through profit or loss. Financial assets designated as at fair value through profit or loss include unspecified investments in equity investments at fair value through other comprehensive income as well as investments in debt instruments that do not qualify for classification as measured at amortized cost or at fair value through other comprehensive income.

Financial assets at fair value through profit or loss are measured at fair value with dividends, interest and remeasurement gains or losses recognized in other gains and losses. For methods for determining fair value, please refer to Note 30.

B. Financial assets measured at amortized cost

Financial assets invested by the Group shall be classified as financial assets measured at cost after amortization if both of the following two conditions are met:

a. They are held under a business model whose purpose is to hold financial assets to collect contractual cash flows; and

b. The terms of the contract generate cash flows on specific dates that exclusively constitute payments of principal and interest on the outstanding principal amount.

After the original recognition of financial assets measured at cost after amortization (including cash and cash equivalents, notes receivable measured at amortized cost, accounts receivable, other receivables, time deposits whose original maturity date exceeds three months, and refundable deposits and pledged financial assets), these are measured at the amortized cost of the gross carrying amount determined using the effective interest method less any impairment losses, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except in the following two cases, interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

a. Interest income on credit-impaired financial assets purchased or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
b. Interest income of financial assets that are not purchased or initiated by credit impairment but subsequently become credit impaired shall be calculated by multiplying the effective interest rate by the amortized cost of the financial assets from the reporting period following the credit impairment.

Credit-impaired financial assets refer to circumstances where the issuer or debtor has experienced major financial difficulties; where it has defaulted; where the debtor is likely to file for bankruptcy or other financial reorganization; or where the active market for financial assets has disappeared due to financial difficulties.

Cash equivalents include highly liquid time deposits that are readily convertible into a fixed amount of cash within 3 months from the date of acquisition and have little risk of change in value, and that are used to meet short-term cash commitments.

C. Investments in equity investments at fair value through other comprehensive income

At the time of initial recognition, the Group may make an irrevocable choice to designate an investment in equity instruments to be measured at fair value through other comprehensive income when it is not being held for trading and recognized as contingent consideration by acquisition of a non-business combination.

Investments in equity investments at fair value through other comprehensive income are measured at fair value. Subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity investments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is established, unless the dividend clearly represents a partial recovery of investment costs.

(2) Impairment of financial assets and contract assets

The Group evaluates impairment losses on financial assets measured at cost after amortization at each balance sheet date (including accounts receivable) based on expected credit losses.

Allowance for uncollectable accounts on accounts receivable are recognized based on expected lifetime credit losses. For other financial assets, evaluation is first made of whether credit risk has increased significantly since initial recognition. If there is no significant increase, allowance for uncollectable accounts is recognized based on 12-month expected credit losses; if there is a significant increase, allowance for uncollectable accounts is recognized based on expected lifetime credit losses.

Expected credit losses constitute weighted average credit losses weighted by the risk of default. The 12-month expected credit losses represent expected credit losses arising from possible default events of the financial instrument within 12 months after the reporting date. Expected lifetime credit losses represent expected credit losses arising from all possible default events of the financial instrument in its projected time to maturity.

For the purposes of internal credit risk management, the Group determines whether there exists internal or external evidence that a debtor is unable to repay and default on the financial asset has therefore occurred.

All financial assets see their carrying amounts reduced by impairment losses through contra accounts, with the exception of allowance for uncollectable accounts for debt instrument investments at fair value through other comprehensive income that are recognized in other comprehensive income with no reduction in their carrying amounts.

(3) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset have lapsed, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another entity.

When comprehensive derecognition occurs for a financial asset measured at cost after amortization, the difference between its carrying amount and the received consideration is recognized in profit or loss. When comprehensive derecognition occurs for an investment in a debt instrument measured at fair value through other comprehensive income, the difference between its carrying amount and the sum of the consideration received plus any cumulative gain or loss that has been recognized in other comprehensive income is thereupon recognized in profit or loss. When comprehensive derecognition occurs for investments in equity investments at fair value through other comprehensive income, cumulative profits and losses are transferred directly to retained earnings and not reclassified to profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Group are recognized at the amount obtained after deducting direct issuance costs.

Recovery of the Company’s own equity instruments is recognized and deducted under equity and its carrying amount is calculated in accordance with the weighted average of the share classification. The purchase, sale, issue, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

Upon the derecognition a financial liability, the difference between its carrying amount and the consideration paid is recognized in profit or loss (including any non-cash assets transferred or liabilities assumed).

4. Derivative instruments

The Group’s involvement in derivative instruments encompasses forward exchange contracts used to manage the exchange rate risks of the Group.

Derivative instruments are initially recognized at fair value upon entry into the associated contracts and then subsequently remeasured at fair value on the balance sheet date. Gains or losses resulting from the subsequent measurement are directly recognized in profit or loss. When the fair value of a derivative instrument is positive, it is classified as a financial asset. When its fair value is negative, it is classified as a financial liability.

If a derivative instrument is embedded in an asset host contract within the scope of IFRS 9, the overall contract shall determine the classification of the financial asset. An embedded derivative instrument is considered a separate derivative instrument if it is embedded in an asset host contract that is not within the scope of IFRS 9 (such as being embedded in a host contract for financial liabilities), if it conforms to the definition of a derivative instrument and its risks and characteristics are not closely related to those of the host contract, and if the hybrid contract is not measured fair value through profit or loss.

(XIII) Provisions

The amount recognized as a provision is the best estimate of the expenditure required to settle an obligation on the balance sheet date, taking into account the risks and uncertainties of the obligation. A provision is measured at the discounted value of the estimated cash flows of the settlement obligation.

(XIV) Revenue recognition

After the Group identifies performance obligations in a customer contract, it allocates the transaction price to that performance obligation and recognizes revenue when the performance obligation is met.

<u>Product sales revenues</u>

Product sales revenues are generated by the manufacture of fructose and by sales of the tinplate trading business. Since the customer has the right to use the product and bears the risk of loss or damage of the product when the product arrives at the location designated by the customer, the Group recognizes revenue and accounts receivable at this point in time.

(XV) Leases

The Group evaluates whether a contract constitutes (or contains) a lease on the contract inception date.

1. Where the Group acts as the lessor

A lease is classified as a financial lease when the terms of the lease transfers substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Under an operating lease, the lease payment net of lease incentives is recognized as revenue on a straight-line basis over the relevant lease term. The initial direct cost incurred in obtaining the operating lease is added to the carrying amount of the underlying asset and recognized as an expense on a straight-line basis over the lease term.

2. Where the Group acts as the lessee

Except for lease payments for leases of low-value underlying assets and short-term leases to which recognition exemption is applicable, which are recognized as expenses during the lease term on a straight-line basis, all other leases recognize right-of-use assets and lease liabilities on the commencement date of the lease.

Right-of-use assets are initially measured at cost (including the initial measured amount of the lease liability, lease payments paid before the commencement date less lease incentives received, initial direct costs, and the estimated cost of restoring the underlying asset), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for remeasurement of lease liabilities. Right-of-use assets are presented separately in the consolidated balance sheets.

Right of use assets are depreciated on a straight-line basis from the lease commencement date to the expiry of service life or the expiry of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). If the implied interest rate of the lease is easily determined, the lease payment is to be discounted using this rate. If this rate is not readily determined, the incremental borrowing rate of the lessee is to be used.

Subsequently, the lease liability is to be measured on an amortized cost basis using the effective interest method, and the interest expense is to be amortized over the lease term. If changes in the lease term or the index or rate used to determine the lease payment lead to changes in future lease payments, the Group will remeasure the lease liabilities and adjust the right-of-use assets accordingly. If the carrying amount of the right of use assets has been reduced to zero, then the remaining remeasured amount will be recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheets.

If the transfer of assets in a sale-and-leaseback transaction qualifies as a sale under IFRS 15, the Group will only recognize the relevant sales profit and loss for that portion that is transferred to the buyer and shall adjust the terms of non-market conditions to the sales price measured at fair value. If the transfer of assets does not qualify as a sale under IFRS 15, the transaction is considered a financing transaction.

(XVI) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of a qualifying asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended use or sale have been completed.

Investment income earned on the temporary investment specified borrowings prior to the occurrence of eligible capital expenditures is deducted from the borrowing costs eligible for capitalization.

Outside of the above, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

(XVII) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

Defined contribution plan retirement benefits are recognized as expenses during an employee’s period of service.

The defined benefit costs of the defined benefit plan are actuarially calculated using the projected unit credit method (including service cost, net interest, and remeasurement amount). Service costs (including current period service costs) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense when incurred. Remeasurement amounts (including actuarial profit and loss and plan asset return after deduction of interest) are recognized in other comprehensive income and included in retained earnings at the time of occurrence, with no reclassification to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) constitute shortfalls (surpluses) in defined benefit plan contributions. Net defined benefit assets may not exceed the present value of contributions refunded from the plan or from reductions in future contributions.

(XVIII) Income taxes

Income tax expense is the sum of the current income tax and deferred income tax.

1. Income taxes for the current period

The Group determines the income/loss of the current period in accordance with the regulations formulated by each income tax reporting jurisdiction and calculates the income tax payable (recoverable) on this basis.

Income tax is levied on undistributed earnings as calculated in accordance with provisions of the Income Tax Act of the Republic of China and recognized in the year of the shareholders' meeting resolution.

The adjustment of prior year income tax payable shall be incorporated into income tax for the current period.

2. Deferred income taxes

Deferred income tax is calculated based on temporary differences asset and liability carrying amounts and the tax basis for calculating taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is highly probable that taxable income will be available for use as a deductible income tax deduction arising from the temporary differences.

Taxable temporary differences related to investment subsidiaries, affiliated enterprises and joint agreements are all recognized as deferred income tax liabilities unless the Group can control the timing of a temporary difference reversal and it is highly likely that the temporary difference will not be reversed in the foreseeable future. Deductible temporary differences in connection with such investments are recognized as deferred tax assets only to the extent that they are likely to have sufficient taxable income to realize the temporary differences and are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is to be re-examined at each balance sheet date and reduced for those assets for which it is no longer probable that sufficient taxable income will be available to recover all or part of the assets. Those that have not been recognized as deferred income tax assets are also re-examined on each balance sheet date and the carrying amount increased for those that are likely to generate taxable income in the future to recover all or part of the assets, the book amount is increased.

Deferred income tax assets and liabilities are measured at the tax rates expected to be settled or assets realized in the current period. The tax rates are based on the tax rates and tax laws that have been enacted or substantively enacted as of the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences arising from the manner in which the Group expects to recover or pay off the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current period and deferred income taxes

Current period and deferred income taxes are recognized in profit or loss, with the exception that such items connected to items recognized in other comprehensive income or directly included in equity are to be respectively recognized in other comprehensive income or directly included in equity.

V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty

When adopting accounting policies, the Group's management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those items where relevant information is not readily available from other sources. Actual results may differ from estimates.

The Group shall incorporate recent developments concerning the COVID-19 pandemic and their possible impact on the economic environment into its consideration of cash flow estimates, growth rates, discount rates, profitability, and other relevant material accounting estimates, and management shall continue to review estimates and underlying assumptions. If the estimate revisions only affect the current period, then they will be recognized in the current period of revision. If a revision of accounting estimates affects both the current period and future periods, it is to be recognized in the current period of revision and in and future periods.

Major sources of uncertainty in estimates and assumptions

Estimated impairment of financial assets

Estimated impairment of accounts receivable is based on the Group's assumptions about probability of default and loss given default. The Group considers historical experience, current market conditions, and forward-looking information to make assumptions and select input for impairment assessments. For important assumptions and input values adopted, please refer to Note 9.

Material impairment losses may arise if actual future cash flows are less than the Group’s expectations.

VI. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 2,614	$ 1,654
Bank cheques and demand deposits	534,152	902,194
Cash equivalents (investments with initial date of expiration within 3 months)		
Bank time deposits	30,710	4,385
	$567,476	$908,233

The interest rate ranges of bank deposits as of the balance sheet dates were as follows:

	December 31, 2022	December 31, 2021
Cash in banks	0.005%～1.05%	0.005%～0.2%
Bank time deposits	0.35%	0.35%

VII. Financial instruments at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Designated as at fair value through profit or loss		
Non-derivative financial assets		
- Domestic listed/over-the-counter stocks	$ 28,602	$ 36,305
- Foreign listed/ over-the-counter stocks	1,118	2,323
	$ 29,720	$ 38,628
Financial liabilities - current		
Designated as at fair value through profit or loss		
Derivative instruments (unspecified hedging)		
- Forward foreign exchange contracts	$ 419	$ 323

Forward foreign exchange contracts that are not subject to hedging accounting as of the balance sheet date and that have not yet expired are as follows:

	Currency	Expiration period	Contract amount (TWD thousand)
December 31, 2022			
Forward exchange purchase	USD/TWD	2023.01.16~2023.05.26	USD14,534/ NTD 443,470
December 31, 2021			
Forward exchange purchase	USD/TWD	2022.01.10~2022.03.04	USD 5,212/ NTD 144,484

The Group's purpose in engaging in forward exchange transactions is mainly to avoid the risks of foreign currency assets and liabilities due to exchange rate volatility.

VIII. Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Current		
Domestic investments		
Time deposits with an original maturity date of more than 3 months (1)	$ -	$ 2,000
Non-current		
Domestic investments		
Time deposits with an original maturity date of more than 3 months (1)	$ 2,000	$ -
Restricted bank deposits (2)	45,350	6,712
	$ 47,350	$ 6,712

(I) As of December 31, 2022 and 2021, the interest rates for time deposits with an original maturity of more than 3 months were 1.445% and 0.82% respectively.

(II) The Group obtained approval from the National Taxation Bureau of the Ministry of Finance in accordance with the “Regulation on Investment from Repatriated Offshore Funds”, and the Group has further submitted an investment plan to the Ministry of Economic Affairs. In accordance with the regulations, the funds are limited to the approved plan and cannot be used for other purposes.

(III) For information on pledges of assets measured at amortized cost, please refer to Note 32.

IX. Notes receivable, accounts receivable, and other receivables

	December 31, 2022	December 31, 2021
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ 113,768	$ 146,877
Less: Allowance for uncollectable accounts	(1,022)	(1,014)
	$ 112,746	$ 145,863
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$1,050,011	$ 864,251
Less: Allowance for uncollectable accounts	(9,427)	(3,372)
	$1,040,584	$ 860,879

	December 31, 2022	December 31, 2021
Other receivables		
Other receivables	$ 3,052	$ 2,487
Receivable from sales of financial assets	-	691
	$ 3,052	$ 3,178

Notes receivable and accounts receivable

The average credit period of the Group for product sales is 60 days, and no interest is charged on accounts receivable. When determining the collectability of accounts receivable, the Group considers any changes in the credit quality of accounts receivable from the original credit date to the balance sheet date.

The Group recognizes accounts receivable allowance for uncollectable accounts in accordance with expected lifetime credit losses. Expected lifetime credit losses are calculated using a provision matrix that considers the customer's past default record and the current financial status and economic conditions in the industry, as well as simultaneously considering GDP forecasts and industry outlook. Since the Group’s historical credit loss experience shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further distinguish customer groups and only determines the expected credit loss rate based on the number of days that accounts receivable are overdue.

If there is evidence that a counterparty is facing serious financial difficulties and the Group cannot reasonably expect a recoverable amount, the Group shall directly write off the relevant accounts receivable while still pursuing recoupment, and any recovered amount shall be recognized in profit or loss.

The Group measures allowances for uncollectable accounts of notes receivable and accounts receivable in accordance with the provision matrix as follows:

December 31, 2022

	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
Expected credit loss rate	-	0～1%	0～11%	0～18%	0～100%	
Total carrying amount	$ 993,994	$ 111,641	$ 40,536	$ 4,835	$ 12,773	$1,163,779
Allowance for uncollectable accounts (expected lifetime credit losses)	(1,177)	(162)	(2,178)	(380)	(6,552)	(10,449)
Amortized cost	$ 992,817	$ 111,479	$ 38,358	$ 4,455	$ 6,221	$1,153,330

December 31, 2021

	Not past due	1~30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
Expected credit loss rate	0～1%	0～1%	0～3%	0～5%	0～100%	
Total carrying amount	$ 901,723	$ 92,401	$ 5,943	$ 3,324	$ 7,737	$1,011,128
Allowance for uncollectable accounts (expected lifetime credit losses)	(1,492)	(386)	(107)	(273)	(2,128)	(4,386)
Amortized cost	$ 900,231	$ 92,015	$ 5,836	$ 3,051	$ 5,609	$1,006,742

Information on changes in allowance for uncollectable accounts for notes receivable and accounts receivable is as follows:

	2022	2021
Balance at the beginning of year	$ 4,386	$ 1,625
Add: Provision for impairment losses in the current year	5,596	2,980
Less: Actual amounts written off in the current period	-	(23)
Foreign currency translation difference	467	(196)
Balance at end of year	$ 10,449	$ 4,386

X. Inventories

	December 31, 2022	December 31, 2021
Raw materials	$340,074	$251,570
Supplies	56,595	44,235
Work in progress	90,278	73,511
Finished goods	127,114	99,892
Products	9,808	5,929
Inventory in transit	92,504	74,600
	$716,373	$549,737

In 2022 and December 31, 2021, allowances for losses on inventory declines in market value were TWD 22,230 thousand and TWD 22,176 thousand respectively.

Cost of goods sold related to inventory in 2022 and 2021 were TWD 4,408,857 thousand and TWD 3,782,959 thousand respectively. Cost of goods sold in 2022 and 2021 incorporated recovery gains in net realizable value of inventory of TWD 571 thousand and TWD 6,420 thousand. The increase in the net realizable value of inventories was due to the increase in the sales prices of the inventories in specific markets.

XI. Subsidiaries

(I) List of subsidiaries in the consolidated financial statements

The entities preparing these consolidated financial statements are as follows:

Investing company name	Subsidiary name	Nature of business	Shareholding ratio December 31, 2022	Shareholding ratio December 31, 2021	Explanation
Taiwan Fructose	Hoover Can Industrial Co., Ltd.	Manufacturing and trading of tin cans	65.32%	65.32%	
Taiwan Fructose	TAIWAN FRUCTOSE (THAI) CO., LTD.	Import and export transactions as well as various investments	48.00%	48.00%	1, 4
Taiwan Fructose	PURE CHEM CO., LTD.	Manufacturing and trading of glucose and sorbitol	8.00%	8.00%	3
Taiwan Fructose	TAIWAN FRUCTOSE (PHILIPPINES), INC.	Manufacturing and trading of glucose and sorbitol	100.00%	100.00%	
Taiwan Fructose	HSINHOMEI LAND HOLDING CO. ,INC.	Land holding and development	40.00%	40.00%	2
Taiwan Fructose	TAIWAN FRUCTOSE (M) SDN. BHD.	Manufacturing and trading of fructose	100.00%	100.00%	
Hoover Can Industrial	HOOVER ENTERPRISE CO., LTD.	Manufacturing and trading of tin cans	99.00%	99.00%	
TAIWAN FRUCTOSE (THAI) CO., LTD.	PURE CHEM CO., LTD.	Manufacturing and trading of glucose and sorbitol	80.07%	80.07%	3
TAIWAN FRUCTOSE (M) SDN. BHD.	SARABATI (M) SDN. BHD.	Manufacturing and trading of fructose	100.00%	100.00%	

The financial statements of Hoover Can Industrial Co., Ltd., Hsinhomei Land Holding Co., Inc. and Hoover Enterprise Co., Ltd. are based on the recognition and disclosure of investee company financial statements audited by other accountants during the same period.

Their total assets as at December 31, 2022 and 2021 were TWD 804,961 thousand and TWD 971,311 thousand, respectively, accounting for 14.25% and 18.34% of total consolidated assets. Net operating revenue for the periods of January 1 to December 31, 2022 and 2021 came to TWD 204,409 thousand and TWD 200,507 thousand, respectively, accounting for 4.05% and 4.57% of consolidated net operating revenue.

1. The Group's shareholding ratio of Taiwan Fructose (Thai) Co., Ltd. is 48%, but it nonetheless has substantial control over the company, so it is still included in the individual compilation.
2. The Group's shareholding ratio of Hsinhomei Land Holding Co., Inc. is 40%, but it nonetheless has substantial control over the company, so it is still included in the individual compilation.
3. The Group's direct and indirect shareholding ratio of Pure Chem Co., Ltd. is 46.43%, but it nonetheless has substantial control over the company, so it is still included in the individual compilation.
4. Constituting subsidiaries with material non-controlling interest.

(II) Information on subsidiaries material non-controlling interests

Subsidiary name	Principal place of business	Shareholdings and voting rights held by non-controlling interests December 31, 2022	Shareholdings and voting rights held by non-controlling interests December 31, 2021
TAIWAN FRUCTOSE (THAI) CO., LTD.	Thailand	52%	52%

Subsidiary name	Profit or loss allocated to non-controlling interests 2022	Profit or loss allocated to non-controlling interests 2021	Non-controlling interests December 31, 2022	Non-controlling interests December 31, 2021
TAIWAN FRUCTOSE (THAI) CO., LTD.	$ 44,628	$ 49,426	$447,606	$371,316

Aggregated financial information of the following subsidiaries is prepared on the basis of amounts before eliminating inter-company transactions:

Taiwan Fructose (Thai) Co., Ltd. and its subsidiaries

	December 31, 2022	December 31, 2021
Current assets	$ 791,866	$ 589,462
Non-current assets	854,838	766,760
Current liabilities	(331,859)	(219,332)
Non-current liabilities	(53,105)	(61,673)
Equity	$1,261,740	$1,075,217

	December 31, 2022	December 31, 2021
Equity attributable to:		
Owners of the Company	$ 564,392	$ 490,517
Non-controlling interest in Taiwan Fructose (Thai) Co., Ltd.	447,606	371,316
Non-controlling interest in subsidiary Taiwan Fructose (Thai) Co., Ltd.	249,742	213,384
	$1,261,740	$1,075,217

	2022	2021
Operating revenue	$2,012,536	$1,636,069
Current year net profit	$ 100,524	$ 104,800
Net profit attributable to:		
Owners of the Company	$ 40,371	$ 47,765
Non-controlling interest in Taiwan Fructose (Thai) Co., Ltd.	44,628	49,426
Non-controlling interest in subsidiary Taiwan Fructose (Thai) Co., Ltd.	15,525	7,609
	$ 100,524	$ 104,800
Cash flows		
Operating activities	($ 44,019)	$ 100,670
Investing activities	(39,281)	(110,044)
Financing activities	74,788	(24,513)
Net cash inflow (outflow)	($ 8,512)	($ 33,887)

XII. Investments accounted for using the equity method

Investments in affiliated enterprises

	December 31, 2022	December 31, 2021
Affiliated enterprises with materiality		
Tokyo Holiday Enterprise Co., Ltd.	$ 88,741	$ 88,058

The Group's equity and voting right percentages in affiliated enterprises on the balance sheet date are as follows:

Company Name	December 31, 2022	December 31, 2021
Tokyo Holiday Enterprise Co., Ltd.	25%	25%

For nature of business, principal place of business, and corporate domicile of the above-mentioned affiliated enterprises, please refer to the attached Schedule IV of “Investee Company Information, Locations, and Other Related Information”.

Equity method investments and the Group's share of profits or losses and its share of other comprehensive income are recognized according to the financial statements of the affiliated enterprises audited by other accountants in the same period.

The Group measures the above-mentioned affiliated enterprises using the equity method.

The following aggregated financial information is based on the compilation of the affiliated enterprises’ financial statements based on IFRSs and reflecting adjustments made in adopting the equity method.

Tokyo Holiday Enterprise Co., Ltd.

	December 31, 2022	December 31, 2021
Current assets	$ 11,850	$ 11,384
Non-current assets	343,368	341,012
Current liabilities	(247)	(148)
Non-current liabilities	(9)	(18)
Equity	$354,962	$352,230
Shareholding ratio of the Group	25%	25%
Investment carrying amount	$ 88,741	$ 88,058

	2022	2021
Operating revenue	$ -	$ -
Current year net profit	$ 1,243	$ 2,471
Other comprehensive income	1,489	14,362
Total comprehensive income	$ 2,732	$ 16,833

XIII. Property, plant and equipment

	Land	Land improvements	Buildings	Equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Real estate under construction	Total
Costs										
Balance on January 1, 2022	$ 940,892	$ 41,968	$ 802,535	$2,130,713	$ 243,422	$ 41,795	$ 9,228	$ 159,866	$ 58,336	$4,428,755
Increase	8,025	73	2,622	22,459	12,962	1,348	143	2,150	114,377	164,159
Disposal	-	-	(172)	(10,951)	(10,913)	(258)	-	(807)	-	(23,101)
Reclassification	-	941	7,205	69,659	22,223	635	-	-	(98,416)	2,247
Effects of Foreign Currency Exchange Differences	24,021	2,577	26,162	80,234	11,066	993	-	998	4,478	150,529
Balance on December 31, 2022	$ 972,938	$ 45,559	$ 838,352	$2,292,114	$ 278,760	$ 44,513	$ 9,371	$ 162,207	$ 78,775	$4,722,589
Accumulated depreciation and impairment										
Balance on January 1, 2022	$ -	$ 16,511	$ 394,407	$1,343,069	$ 179,306	$ 32,976	$ 6,675	$ 96,867	$ -	$2,069,811
Disposal	-	-	(172)	(9,314)	(10,913)	(257)	-	(324)	-	(20,980)
Depreciation expense	-	3,570	32,760	102,333	18,606	2,311	644	10,213	-	170,437
Effects of Foreign Currency Exchange Differences	-	1,068	11,438	49,097	8,493	806	-	587	-	71,489
Balance on December 31, 2022	$ -	$ 21,149	$ 438,433	$1,485,185	$ 195,492	$ 35,836	$ 7,319	$ 107,343	$ -	$2,290,757
Net amount as at December 31, 2022	$ 972,938	$ 24,410	$ 399,919	$ 806,929	$ 83,268	$ 8,677	$ 2,052	$ 54,864	$ 78,775	$2,431,832
Costs										
Balance on January 1, 2021	$ 733,842	$ 47,069	$ 858,060	$2,271,151	$ 256,074	$ 43,090	$ 9,228	$ 165,491	$ 34,377	$4,418,382
Increase	258,855	-	4,827	28,952	8,925	1,570	-	1,318	59,746	364,193
Disposal	(156,200)	-	(7,671)	(37,780)	(11,476)	(726)	-	(2,206)	(594)	(216,653)
Reclassification	66,267	47	853	26,252	8,839	25	-	-	(30,191)	72,092
Effects of Foreign Currency Exchange Differences	38,128	(5,148)	(53,534)	(157,862)	(18,940)	(2,164)	-	(4,737)	(5,002)	(209,259)
Balance on December 31, 2021	$ 940,892	$ 41,968	$ 802,535	$2,130,713	$ 243,422	$ 41,795	$ 9,228	$ 159,866	$ 58,336	$4,428,755
Accumulated depreciation and impairment										
Balance on January 1, 2021	$ -	$ 13,958	$ 347,905	$1,305,761	$ 180,669	$ 31,714	$ 5,837	$ 79,062	$ -	$1,964,906
Disposal	-	-	(6,708)	(37,439)	(11,286)	(717)	-	(2,113)	-	(58,263)
Depreciation expense	-	4,185	35,515	109,739	19,966	2,319	838	11,206	-	183,768
Impairment losses	-	-	38,830	51,836	4,646	1,264	-	10,448	-	107,024
Effects of Foreign Currency Exchange Differences	-	(1,632)	(21,135)	(86,828)	(14,689)	(1,604)	-	(1,736)	-	(127,624)
Balance on December 31, 2021	$ -	$ 16,511	$ 394,407	$1,343,069	$ 179,306	$ 32,976	$ 6,675	$ 96,867	$ -	$2,069,811
Net amount as at December 31, 2021	$ 940,892	$ 25,457	$ 408,128	$ 787,644	$ 64,116	$ 8,819	$ 2,553	$ 62,999	$ 58,336	$2,358,944

Due to the poor sales of the Group's subsidiary Taiwan Fructose (Philippines), Inc. in the market, the Group’s management anticipated reduced future economic benefits from land, mechanical equipment, transportation equipment, office equipment, and other equipment for production. As this would cause recoverable amounts to fall below book value, an impairment loss of TWD 107,024 thousand was recognized for 2021. The impairment loss has been included in the other benefits and losses section of the consolidated comprehensive income statement.

The Group determines the recoverable amount based on fair value, and the relevant fair value is determined by the market method. The main assumption is the estimated sale value, which falls under Level 2 measurement at fair value.

Depreciation expense is accrued on a straight-line basis based on the following numbers of years of asset durability:

Land improvements	5 to 20 years
Buildings	
Primary factory building structures	15 to 50 years
Electromechanical power equipment	20 years
Engineering systems	20 to 30 years
Others	3 to 10 years
Machinery and equipment	
Wastewater engineering	8 to 20 years
Storage tanks	20 to 25 years
Others	5 to 15 years
Transportation equipment	3 to 10 years
Office equipment	3 to 11 years
Other equipment	2 to 20 years
Leasehold improvements	10 years

For property, plant and equipment amounts set as loan guarantees, please refer to Note 32.

XIV. Lease agreements

(I) Right of use assets

	December 31, 2022	December 31, 2021
Right of use assets carrying value		
Land	$ 9,851	$ 11,863
Buildings	41	133
Machinery and equipment	2,174	-
	$ 12,066	$ 11,996

	2022	2021
Addition of right of use assets	$ 2,609	$ 6,209
Depreciation expense of right of use assets		
Land	$ 2,346	$ 1,220
Buildings	93	81
Transportation equipment	435	230
	$ 2,874	$ 1,531

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Lease liability carrying amounts		
Current	$ 9,188	$ 8,577
Non-current	$ 6,010	$ 13,010

The discount rate range for lease liabilities is as follows:

	December 31, 2022	December 31, 2021
Land	1.53%~1.792%	1.53%~1.792%
Buildings	1.41%	1.41%
Transportation equipment	-	1.792%
Machinery and equipment	1.40%	-

(III) Important leasing activities and terms

The Group has leased certain land and buildings as factory buildings and offices, and the lease terms range from 2 to 99 years. Upon termination of the lease terms, the Group has no preferential rights to purchase the leased land and buildings. Furthermore, it agrees that the Group shall not sublease or transfer all or part of the lease subject matter without the consent of the lessor.

In order to revitalize assets and strengthen the financial structure of the Group, real estate located in Taiwan was sold to Founding Construction Development Corp. October 2021 for TWD 595,000 thousand and then leased back for use with a lease term of 32 months, generating a profit of TWD 417,615 thousand. The lease agreement has no terms of renewal or purchase rights and the annual lease payment is TWD 8,525 thousand.

(IV) Other leasing information

	2022	2021
Short-term rental expenses	$ 2,705	$ 2,835
Total cash (outflows) from leases	($ 11,703)	($ 12,657)

The Group elects to apply the recognition exemption to buildings and office equipment that qualify for short-term leases, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

All lease commitments for which the lease term begins after the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Lease commitment	$ 231	$ 1,750

XV. Investment properties

	Land
Costs	
Balance on January 1, 2022	$ 57,836
Separately acquired	174,636
Reclassification	20,000
Effects of Foreign Currency Exchange Differences	3,711
Balance on December 31, 2022	$256,183
Accumulated depreciation and impairment	
Balance on January 1, 2022	$ 9,364
Effects of Foreign Currency Exchange Differences	666
Balance on December 31, 2022	$ 10,030
Net amount as at December 31, 2022	$246,153
Costs	
Balance on January 1, 2021	$ 64,401
Effects of Foreign Currency Exchange Differences	(6,565)
Balance on December 31, 2021	$ 57,836
Accumulated depreciation and impairment	
Balance on January 1, 2021	$ 10,720
Effects of Foreign Currency Exchange Differences	(1,356)
Balance on December 31, 2021	$ 9,364
Net amount as at December 31, 2021	$ 48,472

The Group has investment properties located in Ipoh, Malaysia and Bangkok, Thailand. Due to infrequent transactions in the comparable market and unavailability of reliable alternative fair value estimates, fair value therefore cannot be reliably determined.

The Group has investment properties located in Taiwan. Its fair value has not been evaluated by an independent appraiser and is only measured by the management of the Group using valuation models commonly used by market participants with Level 3 input values. This valuation refers to market evidence of similar real estate transaction prices, and the fair value obtained from the valuation is as follows:

	December 31, 2022
Fair value	$207,649

All investment properties of the Group constitute its own rights and interest.

For investment property amounts set as loan guarantees, please refer to Note 32.

XVI. Other intangible assets

	Computer software costs
Costs	
Balance on January 1, 2022	$ 10,292
Effects of Foreign Currency Exchange Differences	117
Balance on December 31, 2022	$ 10,409
Accumulated amortization and impairment	
Balance on January 1, 2022	$ 7,239
Amortization expense	1,022
Effects of Foreign Currency Exchange Differences	89
Balance on December 31, 2022	$ 8,350
Net amount as at December 31, 2022	$ 2,059
Costs	
Balance on January 1, 2021	$ 9,911
Separately acquired	543
Effects of Foreign Currency Exchange Differences	(162)
Balance on December 31, 2021	$ 10,292
Accumulated amortization and impairment	
Balance on January 1, 2021	$ 6,363
Amortization expense	1,034
Effects of Foreign Currency Exchange Differences	(158)
Balance on December 31, 2021	$ 7,239
Net amount as at December 31, 2021	$ 3,053

Amortization expense is accrued on a straight-line basis based on the following numbers of years of asset durability:

Computer software costs	5 to 10 years

Summary of amortization expenses by function:

	2022	2021
Administrative expenses	$ 1,022	$ 1,034

XVII. Other assets

	December 31, 2022	December 31, 2021
Current		
Prepayments	$166,961	$126,342
Other financial assets - current	3,000	3,000
Others	1,812	2,366
	$171,773	$131,708
Non-current		
Prepaid equipment	$ 58,002	$ 37,740
Prepaid land and buildings	-	20,000
Refundable deposits	29,288	4,455
Others	5,987	4,251
	$ 93,277	$ 66,446

Other assets - non-current primarily constitute stainless steel coils for which the cost and allowance for declines in market value respectively came to TWD 3,127 thousand and TWD 3,420 thousand in December 31, 2022 and 2021 respectively.

Please refer to Note 32 for other financial assets pledged by the Group as loan guarantees.

XVIII. Loans

(I) Short-term borrowings

	December 31, 2022	December 31, 2021
Secured loans		
Bank loans	$ 187,057	$ 140,000
Unsecured loans		
Credit loans	30,000	171,581
Bank remittances payable	400,805	257,784
	$ 617,862	$ 569,365

The interest rate ranges for bank revolving loans on December 31, 2022 and 2021 were 1.43%~6.03% and 0.45%~4.5%.

Please refer to Note 32 for the collateral guarantees provided by the Group for the above-mentioned short-term loans.

(II) Long-term loans

	December 31, 2022	December 31, 2021
Secured loans		
Bank loans	$ 960,594	$ 929,430
Unsecured loans		
Credit loans	190,273	152,091
Less: Portion maturing within 1 year	(106,466)	(96,227)
Long term loans	$1,044,401	$ 985,294

	Material terms	December 31, 2022	December 31, 2021
Secured loans			
Taiwan Business Bank	Long-term borrowings with a credit limit of TWD 52,000 thousand at an interest rate based on the two-year fixed deposit rate plus 0.2% (currently 1.925%) starting from August 2013, with each quarter constituting one installment for a total of 52 installments, with principal repaid on schedule and payment each installment being TWD 1 million.	$ 14,000	$ 18,000
Taiwan Business Bank	Long-term borrowings with a credit limit of TWD 175,000 thousand; in the first year, it was automatically calculated according to the bank's one-year deposit rate plus 0.36% (i.e., 1.2% per annum) and the minimum annual interest rate was to be not less than 1.2%. From the second year onwards, it was to be calculated based on the bank's one-year fixed deposit rate plus 0.46% (i.e., 1.3% per annum) and the minimum annual interest rate shall not be lower than 1.3%. Interest would be paid monthly for the first 24 months starting from the actual appropriation date; and, from April 2, 2023, the principal and interest will be repaid in regular annual installments for a total of 156 installments.	75,000	175,000

(Continued on next page)

(Continued from previous page)

	Material terms	December 31, 2022	December 31, 2021
Shanghai Commercial and Savings Bank	Long-term borrowings of 7 years with a credit limit of TWD 200 million; in the first three years, the interest rate is calculated in accordance with the two-year New Taiwan Dollar fixed postal deposit rate +0.505% and from the fourth year, the rate is calculated based on the two-year New Taiwan Dollar fixed postal deposit rate +0.655% (currently 1.5%) with interest accrued monthly. Following expiration of the principal grace period (24 months), each installment comprises 3 months for a total of 20 principal repayments. Principal repayment began from July 12, 2019.	-	100,000
Shanghai Commercial and Savings Bank	Long-term borrowings of 7 years with a credit limit of TWD 250 million; the interest rate is calculated in accordance with the two-year New Taiwan Dollar fixed postal deposit rate +0.65% (currently 2.12%) with interest accrued monthly. Following expiration of the principal grace period (12 months), each installment comprises 3 months for a total of 24 principal repayments.	$ 250,000	$ -
Taiwan Business Bank	Long-term borrowings of 5 years with a credit limit of TWD 30,000 thousand; the interest rate is based on the one-year fixed deposit rate plus an annual rate of 0.51% (currently 1.925%). The first interest payment date was on January 3, 2019, and the principal was to be amortized monthly from the appropriation date.	6,000	12,000

(Continued on next page)

(Continued from previous page)

	Material terms	December 31, 2022	December 31, 2021
Mega Bank	Long-term borrowings with a credit limit of 12,000 thousand Thai baht and an interest rate of 2.0% and principal repayment at maturity.	-	10,016
First Bank	Long-term borrowings of 5 years with a credit limit of 59,000 thousand pesos; the interest rate is based on the IBCL rate plus 1.5% (currently 3.375%) with interest paid monthly and the principal repaid at maturity.	27,119	28,775
United Overseas Bank	Long-term borrowings with a credit limit of 68,369 thousand Thai baht and an interest rate of 2.75%; interest is to be paid monthly basis and principal repayment begins after one year.	59,904	57,068
O-Bank	Long-term borrowings of 5 years with a credit limit of TWD 552,000 thousand; calculated and paid in accordance with the TAIBOR interest rate plus an annual rate of 2.0638% from January onwards. Principal is to be repaid within 5 years from the first date of use (October 25, 2021) and interest rate will be paid quarterly.	528,571	528,571
Unsecured loans			
O-Bank	Long-term borrowings with a credit limit of TWD 130,000 thousand; interest is automatically calculated and paid according to the interest rate obtained by adding 0.65% to the fixed two-year postal remittance deposit rate and dividing it by 0.946 (currently 2.0041%), and interest is to be paid monthly from the month of borrowing and principal repaid in a lumpsum once due.	71,273	89,091

(Continued on next page)

(Continued from previous page)

	Material terms	December 31, 2022	December 31, 2021
Shin Kong Bank	Long-term borrowings of 3 years with a credit limit of TWD 70,000 thousand; the interest rate is based on one-year TAIBOR 1.7814% (currently 1.4%) with regular adjustment of the applicable interest rate every 12 months starting from the actual borrowing date; with one installment every 3 months starting from August 5, 2021, the principal of TWD 3,500 thousand is to be amortized on schedule and interest paid on a monthly basis, and the remaining principal is to be paid off in one lumpsum on the due date.	$ 49,000	$ 63,000
CTBC	Long-term borrowings of 3 years with a credit limit of TWD 60,000 thousand; interest is calculated and paid at 1.7%, and interest is to be paid monthly from the month of borrowing and principal repaid in a lump sum once due.	20,000	-
Taiwan Cooperative Bank	Long-term borrowings of 2 years with a credit limit of TWD 70,000 thousand; interest is calculated and paid at 1.801%, with interest paid monthly from the month of borrowing and the principal repaid once due.	50,000	-
Less: Portion maturing within 1 year		(106,466)	(96,227)
		$1,044,401	$ 985,294

Please refer to Note 32 for the collateral guarantees provided by the Group for the above-mentioned long-term loans.

XIX. Notes payable and accounts payable

The average credit period for purchasing raw materials of the Group is 15 to 45 days, and no interest is added. The Group has a financial risk management policy to ensure that all accounts payable are repaid within the credit periods agreed beforehand.

XX. Other liabilities

	December 31, 2022	December 31, 2021
Current		
Other payables		
Related party financing	$ 8,941	$ 8,347
Salaries payable	36,738	40,044
Others	83,609	88,263
	$129,288	$136,654
Other liabilities		
Collection	$ 2,262	$ 1,479
Others	2,226	255
	$ 4,488	$ 1,734
Non-current		
Deposits received	$ 1,343	$ 1,275
Others	1,737	1,331
	$ 3,080	$ 2,606

XXI. Retirement benefit plans

(I) Defined contribution plan

As applicable to the Company and to Hoover Can Industrial under the Group, the pension system stipulated by the “Labor Pension Act” constitutes a government-managed defined contribution plan where 6% of an employee's monthly salary is allocated to a personal account under the Bureau of Labor Insurance.

Matters concerning Taiwan Fructose (M) Sdn. Bhd, Sarabati (M) Sdn. Bhd, Taiwan Fructose (Thai) Co., Ltd, Pure Chem Co., Ltd, Taiwan Fructose (Philippines), Inc., Hsinhomei Land Holding Co., Inc. and Hoover Enterprise Co., Ltd. under the Group are handled in accordance with local laws and regulations, and a specific percentage of salary costs must be allocated to the retirement benefit plan to provide funding for the program. The obligation of the Group with respect to this government-operated retirement benefit plan is only to contribute specified amounts.

(II) Defined benefit plan

As handled accordance with Taiwan's "Labor Standards Act", the pension system of the Company and of Hoover Can Industrial under the Group constitutes a government-managed defined benefit plan. The payment of an employee's pension is calculated based on the years of service and the average salary for the six months prior to an approved retirement date. The Company and Hoover Can Industrial allocate 2% of total monthly employee salaries to the pension, handing it over to the Labor Retirement Reserve Supervision Committee for deposit into a special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance in the special account is insufficient to pay workers who are expected to meet retirement conditions within the next year, the difference will be allocated before the end of March of the following year. The special account is entrusted to the Bureau of Labor Funds of the Ministry of Labor to manage, and the Group has no right to influence its investment management strategies.

The defined benefit plan amounts included in the consolidated balance sheets are listed below:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	$ 48,031	$ 51,780
Fair value of plan assets	(78,079)	(69,995)
Allocation of surplus	(30,048)	(18,215)
Net defined benefit assets	($ 30,048)	($ 18,215)

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance on January 1, 2022	$ 51,780	($ 69,995)	($ 18,215)
Service costs			
Expected return on plan assets	-	(334)	(334)
Interest expense	243	-	243
Recognized in profit or loss	243	(334)	(91)
Remeasurement			
Actuarial losses - changes in financial assumptions	(3,446)	-	(3,446)
Actuarial benefits - experience adjustments	(546)	(5,590)	(6,136)
Recognized in other comprehensive income	(3,992)	(5,590)	(9,582)
Employer allocations	-	(2,160)	(2,160)
Balance on December 31, 2022	$ 48,031	($ 78,079)	($ 30,048)
Balance on January 1, 2021	$ 53,591	($ 68,278)	($ 14,687)
Service costs			
Current period service costs	46	-	46
Expected return on plan assets	-	(197)	(197)
Interest expense	155	-	155
Recognized in profit or loss	201	(197)	4
Remeasurement			
Actuarial losses - changes in financial assumptions	(847)	-	(847)
Actuarial benefits - experience adjustments	538	(1,063)	(525)
Recognized in other comprehensive income	(309)	(1,063)	(1,372)
Employer allocations	-	(2,160)	(2,160)
Benefit payments	(1,703)	1,703	-
Balance on December 31, 2021	$ 51,780	($ 69,995)	($ 18,215)

Defined benefit plan amounts recognized in profit or loss are summarized by function as follows:

	2022	2021
Operating costs	($ 62)	($ 1)
Marketing expenses	(6)	-
Administrative expenses	(21)	5
R&D expenses	(2)	-
	($ 91)	$ 4

The Group is exposed to the following risks in association with the pension system of the Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds of the Ministry of Labor invests labor pension funds in domestic and (foreign) equity securities, debt securities, and bank deposits itself and through entrusted operations, whereas the distribution amounts of the Group's plan assets are calculated based on 2-year fixed deposit interest rates among local banks.
2. Interest rate risk: A decrease in government bond interest rates would increase the present value of defined benefit obligations, while the return on debt investments of plan assets would also increase accordingly and the impact of these two factors on net defined benefit liabilities would have a partial offsetting effect.
3. Salary risk: The calculation of present value of defined benefit obligations refers to the future salaries of plan participants. Therefore, an increase in salaries among plan participants would increase the present value of defined benefit obligations.

The present value of defined benefit obligations of the Group is calculated by a qualified actuary, and the material assumptions as of the measurement date are as follows:

	December 31, 2022		December 31, 2021	
	Taiwan Fructose	Hoover Can	Taiwan Fructose	Hoover Can
Discount rate	1.3212%	1.278%	0.469%	0.469%
Expected rate of salary increase	1.50%	1.50%	1.50%	1.50%

If there are reasonable and possible changes in material actuarial assumptions and all other assumptions are held constant, the amounts that would increase (decrease) the present value of defined benefit obligations are as follows:

The Company

	December 31, 2022	December 31, 2021
Discount rate		
Increase of 0.25%	($ 841)	($ 1,022)
Reduction of 0.25%	$ 865	$ 1,053
Expected rate of salary increase		
Increase of 0.25%	$ 848	$ 1,025
Reduction of 0.25%	($ 829)	($ 999)

Hoover Can Industrial

	December 31, 2022	December 31, 2021
Discount rate		
Increase of 0.25%	($ 119)	($ 145)
Reduction of 0.25%	$ 123	$ 151
Expected rate of salary increase		
Increase of 0.25%	$ 120	$ 147
Reduction of 0.25%	($ 117)	($ 142)

Since actuarial assumptions may be correlated and changes in a single assumption are unlikely, the sensitivity analysis described above may not reflect actual changes in determining the present value of benefit obligations.

	December 31, 2022	December 31, 2021
Allocation expected within 1 year	$ 1,389	$ 1,240
Average maturity of defined benefit obligations	8.09~9.80 years	9.04~11.04 years

XXII. Equity

(I) Share capital

Common stock

	December 31, 2022	December 31, 2021
Authorized number of shares (thousand shares)	200,000	200,000
Authorized capital stock	$2,000,000	$2,000,000
Number of issued and fully paid up shares (thousand shares)	175,869	162,091
Issued share capital	$1,758,684	$1,620,907

On June 23, 2022, the shareholders' meeting passed a resolution for the 2021 earnings distribution proposal of the Group, with the distribution of TWD 137,777 thousand in stock dividends and paid-in share capital following the capital increase attaining TWD 1,758,684 thousand. The above capitalization of retained earnings was approved by the Securities and Futures Bureau of the Financial Supervisory Commission with effective registration on July 12, 2022, and with September 5, 2022 approved by a resolution of the Board of Directors as the capital increase record date.

(II) Capital reserves

	December 31, 2022	December 31, 2021
Can be used to make up for losses, distribute cash, or transfer share capital (1)		
Stock issue premiums	$ 7,597	$ 7,597
Treasury share transactions	7,743	7,743
	15,340	15,340
May only be used to make up for losses		
Recognition of changes in ownership interests in subsidiaries (2)	14	14
Gains on disposals of assets	42,060	42,060
Total	$ 57,414	$ 57,414

(1) Such capital reserves can be used to make up for losses, and can also be used for issuance of cash dividends or transfers of share capital

when the Company has no losses. However, transfers of share capital are limited to a certain percentage of paid-in share capital each year.

(2) Such capital reserves refer to when the Group does not actually acquire or dispose of the equity of a subsidiary company due to the impact of equity transactions recognized by changes in the equity of subsidiaries or as the Group adopts the equity method to recognize the adjustment of the subsidiary's capital reserves.

(III) Retained earnings and dividend policy

The Company adopted a resolution to amend the Articles of Incorporation at the shareholders' meeting of July 5, 2021, stipulating that the Company’s Board of Directors is authorized to pass a special resolution for dividends and bonuses to be distributed by means of cash disbursement, and this should be reported to the shareholders’ meeting.

In accordance with the dividend policy stipulated by the Company’s Articles of Incorporation, if there is a surplus in the annual final accounts, taxes should first be paid in accordance with the law and then, after making up for accumulated losses, another 10% should be set aside as legal reserve. However, where such legal reserve amounts to the total paid-in capital of the Company, no further provision shall be made. The remainder shall be set aside or reversed as special reserve in accordance with laws and regulations. Any remaining balance shall be combined with cumulative undistributed earnings and an earnings distribution proposal drafted by the Board of Directors for submission to the shareholders’ meeting for resolution on the distribution of shareholder dividends. For the distribution policy of remuneration of employees, directors, and supervisors stipulated in the Company’s Articles of Incorporation, see Note 24-(8) on employee remuneration and director remuneration.

Regarding the dividend policy of the Company, in order to align with business expansion and consider the Company's capital expenditure and operational turnover needs, a residual dividend policy is adopted at this stage. The future dividend policy shall be based on the principle of being no less than 40% of the distributable earnings for the current year. However, if distributable earnings are less than 2% of paid-in capital, they shall not be distributed. Measurement shall be made of demand for funds according to the

Company's future capital expenditure budget, and shall take the interests of shareholders into account. Earnings distributions can be made in the form of cash dividends or stock dividends, but cash dividends may not be less than the 10% of the total dividends.

Legal reserve shall be appropriated until its balance reaches the total paid-in share capital of the Company. Legal reserve can be used to make up for losses. When the Company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in share capital may be allocated to share capital and distributed in cash.

The Company passed a resolution to amend the Articles of Incorporation at the shareholders' meeting of July 5, 2021 specifying that when the Company sets aside a special reserve for the net amount of other equity deductions accumulated in the previous period, if the undistributed earnings of the previous period are insufficient then the current period's net profit after tax plus items other than the after-tax net profit shall be included in the amount of the current period's undistributed earnings. Prior to the amendment of the Articles of Incorporation, the Company had made provision of undistributed surplus from the previous period in accordance with the law.

The Company's 2021 and 2020 earnings distribution plans were as follows:

	2021	2020
Legal reserve	$ 36,581	$ 15,133
Special reserve	$141,722	$ 36,167
Cash dividends	$ 64,836	$105,359
Stock dividends	$137,777	$ -
Cash dividend per share (TWD)	$ 0.40	$ 0.65
Stock dividend per share	0.85	-

The above cash dividends were distributed by resolution of the Board of Directors on March 28, 2022 and the General Meeting of Shareholders on July 5, 2021. The remaining earnings distribution items were also approved by resolutions of the General Meeting of Shareholders on June 23, 2022 and July 5, 2021.

On March 30, 2023, the Board of Directors of the Company proposed the earnings distribution plan for 2022 as follows:

	2022
Legal reserve	$ 14,821
Special reserve	($ 63,968)
Cash dividends	$ 61,554
Stock dividends	$114,315
Cash dividend per share (TWD)	$ 0.35
Stock dividend per share (TWD)	$ 0.65

Distribution of the above cash dividends were approved by resolution of the Board of Directors, with the remainder pending resolution of the General Meeting of Shareholders that is expected to be held on June 21, 2023.

(IV) Special reserve

	2022	2021
Balance at the beginning of year	$249,619	$213,452
Provision for special reserve		
Deducted items listed under other equity interest	141,722	36,167
Balance at end of year	$391,341	$249,619

(V) Total other equity interest

1. Exchange differences on translation of foreign financial statements

	2022	2021
Balance at the beginning of year	($404,913)	($259,600)
Production in the current year		
Translation differences of foreign operations	63,596	(145,313)
Balance at end of year	($341,317)	($404,913)

2. Unrealized valuation gains (losses) from financial assets measured at fair value through other comprehensive income

	2022	2021
Balance at the beginning of year	$ 13,572	$ 9,981
Production in the current year		
Shares of affiliated enterprises accounted for using equity method	372	3,591
Current year other comprehensive income	372	3,591
Balance at end of year	$ 13,944	$ 13,572

(VI) Non-controlling interests

	2022	2021
Balance at the beginning of year	$811,318	$724,743
Current year net profit	52,519	199,162
Current year other comprehensive income		
Exchange differences on translation of foreign financial statements	43,845	(112,493)
Remeasurement of defined benefit plan	244	(94)
Balance at end of year	$907,926	$811,318

XXIII. Revenue

	2022	2021
Customer contracted revenues		
Product sales revenues	$5,044,450	$4,385,548

Product sales revenues are generated by the manufacture of fructose and by sales of the tinplate trading business. Since the customer has the right to use the product and bears the risk of loss or damage of the product when the product arrives at the location designated by the customer, the Group recognizes revenue and accounts receivable at this point in time.

(I) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable and accounts receivable (Note 9)	$1,153,330	$1,006,742	$ 891,049
Contract liabilities			
Product sales	$ 4,912	$ 28,506	$ 632

Changes in contract liabilities are primarily attributable to differences in the timing of meeting performance obligations and the timing of payment by customers.

(II) Breakdown of revenues from customer contracts

Please refer to Note 36 for revenue breakdown information.

XXIV. Current year net profit

(I) Interest income

	2022	2021
Interest income		
Cash in banks	$ 2,989	$ 3,325

(II) Other income

	2022	2021
Leasing income		
Other operating leases		
Other rent	$ 1,251	$ 551
Dividend income	4,009	2,486
Others	7,692	14,964
	$ 12,952	$ 18,001

(III) Other gains and losses

	2022	2021
Gains (losses) from financial assets and financial liabilities		
Financial assets designated as at fair value through profit or loss	($ 13,280)	$ 17,446
Net foreign currency exchange gain/loss	(5,587)	4,921
Gains from the disposal of property, plant and equipment	1,318	80,507
Sale and leaseback transfer rights and interests (Note 14)	-	417,615
Impairment loss on property, plant and equipment (Note 13)	-	(107,024)
Others	(1,680)	(3,015)
	($ 19,229)	$410,450

(IV) Finance costs

	2022	2021
Bank overdrafts and interest on bank borrowings	$ 34,128	$ 26,985
Interest on borrowings from related parties	408	778
Interest on lease liabilities	20	3
	$ 34,556	$ 27,766

(V) Impairment loss

	2022	2021
Accounts receivable	($ 5,596)	($ 2,980)
Inventories (included in operating costs)	571	6,420
Impairment loss on property, plant and equipment	-	(107,024)
	($ 5,025)	($103,584)

(VI) Depreciation and amortization

	2022	2021
Summary of depreciation expense by function		
Operating costs	$145,630	$153,052
Operating expenses	27,681	32,247
	$173,311	$185,299
Summary of amortization expenses by function		
Operating expenses	$ 1,022	$ 1,034

(VII) Employee benefit expenses

	2022	2021
Short-term employee benefits	$297,978	$302,062
Retirement benefits		
Defined contribution plan	8,421	8,340
Defined benefit plan (Note 21)	(91)	4
	8,330	8,344
Total employee benefit expense	$306,308	$310,406
Summarized by function		
Operating costs	$204,513	$208,129
Operating expenses	101,795	102,277
	$306,308	$310,406

(VIII) Employee remuneration and director remuneration

In accordance with the Articles of Incorporation, the Company allocates no less than 2% to employee remuneration and no more than 2% to director remuneration based on pre-tax profit before deducting the distribution of employee and director remuneration for the current year. Employee remuneration and director remuneration for 2022 and 2021 were approved by resolution of the Board of Directors on March 30, 2023 and March 28, 2022 respectively, as follows:

Estimated proportions

	2022	2021
Employees’ compensation	2%	2%
Director's remuneration	2%	1.5%

Amount

	2022	2021
	Cash bonuses	Cash bonuses
Employees’ compensation	$ 3,268	$ 8,760
Director's remuneration	3,268	6,570

If there are any further changes in the amounts after the publication of the annual consolidated financial statements, then they will be handled as changes in accounting estimates and adjusted and recorded in the following year.

There were no differences between the actual distribution amounts of employee remuneration and director remuneration in 2021 and 2020 versus the amounts recognized in the consolidated financial statements for 2021 and 2020.

For information on employee remuneration and director remuneration as approved by resolution of the Company's Board of Directors, please inquire at the “Market Observation Post System” of the Taiwan Stock Exchange.

(IX) Foreign currency exchange gains and losses

	2022	2021
Total amount of foreign currency exchange gains	$ 10,870	$ 30,198
Total amount of foreign currency exchange losses	(16,457)	(25,277)
Net profit or loss	($ 5,587)	$ 4,921

XXV. Income taxes

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	2022	2021
Current income tax		
Current year production	$ 86,046	$133,401
Prior year adjustments	(16,546)	(960)
Deferred income taxes		
Current year production	19,980	8,492
Income tax expense recognized in profit or loss	$ 89,480	$140,933

The reconciliation of accounting income and income tax expense is as follows:

	2022	2021
Net profit before tax	$280,874	$704,435
Income tax expense calculated at the statutory tax rate on net profit before tax (20%)	$ 56,175	$140,887
Non-deductible expense losses	2,545	463
Undistributed surplus earnings	17,053	873
Tax on land appreciation	-	21,017
Unrecognized deductible temporary differences/investment write-offs/loss deductions	30,274	107,976
Tax-free income	(1,880)	(145,191)
Foreign withholding tax	483	12,687
Effect of different tax rates applicable to consolidated entity	1,376	3,181
Adjustment of income tax expense for prior years in the current year	(16,546)	(960)
Income tax expense recognized in profit or loss	$ 89,480	$140,933

(II) Tax assets and liabilities for the current period

	111年12月31日	110年12月31日
Tax assets for the current period		
Tax refund receivable	$ 391	$ -
Tax liabilities for the current period		
Income tax payable	$ 52,996	$ 77,550

(III) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2022

Deferred tax assets	Balance at the beginning of year	Recognized in profit or loss	Balance at end of year
Temporary differences			
Impairment losses	$ 603	$ -	$ 603
Losses on inventory declines in market value	347	1,162	1,509
Investment gains and losses recognized by the equity method	41,927	1,400	43,327
Allowance for uncollectable accounts	582	-	582
Profit and loss from valuation of financial instruments	10,588	(328)	10,260
Unrealized foreign exchange gain/loss	316	(316)	-
	54,363	1,918	56,281
Loss write-off	754	(494)	260
	$ 55,117	$ 1,424	$ 56,541

Deferred tax liabilities	Balance at the beginning of year	Recognized in profit or loss	Balance at end of year
Temporary differences			
Unrealized foreign exchange gain/loss	($ 327)	($ 93)	($ 420)
Investment gains and losses recognized by the equity method	(116,695)	(18,015)	(134,710)
Defined benefit plan	(5,349)	(379)	(5,728)
Tax differences in depreciation of property, plant and equipment	(37,857)	(2,672)	(40,529)
Unrealized gains from the disposal of assets between affiliated enterprises	(33)	(245)	(278)
	(160,261)	(21,404)	(181,665)
Provision for tax on land appreciation	(51,992)	-	(51,992)
	($212,253)	($ 21,404)	($233,657)

2021

Deferred tax assets	Balance at the beginning of year	Recognized in profit or loss	Balance at end of year
Temporary differences			
Impairment losses	$ 603	$ -	$ 603
Losses on inventory declines in market value	1,770	(1,423)	347
Investment gains and losses recognized by the equity method	24,008	17,919	41,927
Allowance for uncollectable accounts	582	-	582
Profit and loss from valuation of financial instruments	10,197	391	10,588
Unrealized foreign exchange gain/loss	1,877	(1,561)	316
	39,037	15,326	54,363
Loss write-off	20,861	(20,107)	754
	$ 59,898	($ 4,781)	$ 55,117

Deferred tax liabilities	Balance at the beginning of year	Recognized in profit or loss	Balance at end of year
Temporary differences			
Unrealized foreign exchange gain/loss	$ -	($ 327)	($ 327)
Investment gains and losses recognized by the equity method	(107,748)	(8,947)	(116,695)
Defined benefit plan	(4,988)	(361)	(5,349)
Tax differences in depreciation of property, plant and equipment	(43,799)	5,942	(37,857)
Unrealized gains from the disposal of assets between affiliated enterprises	(15)	(18)	(33)
	(156,550)	(3,711)	(160,261)
Provision for tax on land appreciation	(51,992)	-	(51,992)
	($208,542)	($ 3,711)	($212,253)

(IV) Deductible temporary differences not recognized as deferred tax assets in the consolidated balance sheets

	December 31, 2022	December 31, 2021
Deductible temporary differences	$219,651	$212,651

(V) Income tax verification

Declarations before 2020 have been approved by the tax collection agency.

XXVI. Earnings per share

Unit: TWD per share

	2022	2021
Basic earnings per share	$ 0.79	$ 2.07
Diluted earnings per share	$ 0.79	$ 2.06

The impact of stock dividends has been adjusted retrospectively in calculating earnings per share, and the record date of the stock dividends was set at September 5, 2022. Changes in basic and diluted earnings per share for 2021 due to retrospective adjustments were as follows:

Unit: TWD per share

	Before retrospective adjustment	After retrospective adjustment
	2021	2021
Basic earnings per share	$ 2.25	$ 2.07
Diluted earnings per share	$ 2.24	$ 2.06

The earnings and the weighted average number of common shares used to calculate EPS are as follows:

Current year net profit

	2022	2021
Net profit attributable to owners of the Company	$138,875	$364,340
Net income used to calculate basic earnings per share	$138,875	$364,340
Net income used to calculate diluted earnings per share	$138,875	$364,340

Number of shares

Unit: thousand shares

	2022	2021
Weighted average number of common shares used to calculate basic earnings per share	175,869	175,869
Effect of potentially dilutive ordinary shares:		
Employees' compensation	251	635
Weighted average number of common shares used to calculate diluted earnings per share	176,120	176,504

If the Group chooses issuance of employee remuneration in shares or in cash, then when calculating diluted earnings per share it is assumed that employee remuneration will be issued in the form of shares; furthermore, when these potential common shares have a dilutive effect, this will be incorporated into the weighted average number of shares outstanding to calculate diluted earnings per share. When calculating the diluted earnings per share before deciding on the number of shares issued for employee remuneration in the following year, the dilutive effect of these potential common shares will also continue to be considered.

XXVIII. Cash flows

Non-cash transactions

Except as disclosed in other notes, the Group conducted the following non-cash investment activities in 2022 and 2021:

(I) The Group transferred prepaid equipment payments of TWD 2,247 thousand and TWD 5,825 thousand to property, plant and equipment in 2022 and 2021 respectively. (See Note 13)

(II) In 2022, the Group transferred TWD 20,000 thousand for prepaid land and buildings to investment property. (See Note 15)

(III) In 2021, the Group transferred TWD 66,267 thousand in prepaid land and buildings to property, plant and equipment. (See Note 13)

XXIX. Capital risk management

The Group conducts capital management to ensure that each company in the Group can continue to operate and maximize shareholder returns by optimizing the balance of debt and equity.

The capital structure of the Group consists of the net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., share capital, capital reserves, retained earnings, and total other equity interest) of the Group.

XXX. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

The Group's management believes that the fair values of financial assets and financial liabilities not measured at fair value are approximated by their carrying amounts.

(II) Fair value information - financial instruments measured at fair value based on repeatability

1. Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed/over-the-counter and emerging market stocks	$ 28,602	$ -	$ -	$ 28,602
Foreign listed/over-the-counter stocks	1,118	-	-	1,118
Total	$ 29,720	$ -	$ -	$ 29,720
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 419	$ -	$ 419

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed/over-the-counter and emerging market stocks	$ 36,305	$ -	$ -	$ 36,305
Foreign listed/over-the-counter stocks	2,323	-	-	2,323
Total	$ 38,628	$ -	$ -	$ 38,628
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 323	$ -	$ 323

There were no transfers between Level 1 and Level 2 measurements at fair value in 2022 and 2021.

2. Valuation techniques and input values for Level 2 measurement at fair value

Financial instrument category	Valuation technique and input values
Derivative instruments - forward foreign exchange contracts	Discounted cash flow method: Future cash flows are estimated according to the observable forward exchange rate and the end of period contractual exchange rate and discounted at a rate that reflects

the credit risk of each counterparty.

(III) Financial instrument categories

	December 31, 2022	December 31, 2021
Financial assets		
Fair value through profit or loss		
Financial assets designated as at fair value through profit or loss	$ 29,720	$ 38,628
Financial assets measured at amortized cost (Note 1)	1,803,496	1,934,320
Financial liabilities		
Fair value through profit or loss		
Held for trading	419	323
Measured at amortized cost (Note 2)	2,172,852	2,033,985

Note 1: The balance includes financial assets measured at cost after amortization such as cash and cash equivalents, debt instrument investments, notes receivable, accounts receivable, other receivables, other financial assets, and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost such as short-term borrowings, notes payable, accounts payable, other payables, long term borrowings, and deposits received.

(IV) Financial risk management objectives and policies

The main financial instruments of the Group include equity and debt instrument investments, accounts receivable, accounts payable, borrowings, and lease liabilities. The Financial Management Department of the Group provides services for each business unit, engages in overall planning and coordination of entry into domestic and international financial market operations, and monitors and manages financial risks related to the operations of the Group by analyzing internal risk reports according to the degree and breadth of the risk. Such risks encompass market risk (including exchange rate risk, interest rate risk, and other market price risk), credit risk, and liquidity risk.

1. Market risk

The main financial risk exposures of the Group's operating activities include exchange rate risk (see (1) below), interest rate risk (see (2) below) and other market price risk (see (3) below).

There was no change in the Group's exposure to financial instrument market risk and the way it manages and measures such exposure.

(1) Exchange rate risk

The Group is engaged in sales and purchase transactions denominated in foreign currencies, thus exposing the Company to exposure to exchange rate changes.

For the Group’s carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date, and its carrying amounts of derivative instruments with exchange rate risk exposure, please refer to Note 34.

Sensitivity analysis

The Group is mainly affected by exchange rate volatility of the US Dollar.

The following table details the sensitivity analysis of the Group when the exchange rate of the New Taiwan Dollar (functional currency) increases and decreases by 1% against each relevant foreign currency. This 1% change represents the sensitivity rate used when reporting exchange rate risk to senior management within the Group, and it also represents management's assessment of the range of reasonably possible changes in foreign currency exchange rates. Sensitivity analysis only includes outstanding monetary items in foreign currencies and those forward exchange contracts designated as cash flow hedging, and the translation at the end of the year is adjusted by a 1% change in exchange rates. The positive numbers in the table below represent the amount that would reduce after-tax net profit or equity when the New Taiwan Dollar appreciates by 1% relative to the relevant currencies; the effect would be negative by the same amount.

	US Dollar impact	
	2022	2021
Profit or loss	($ 400)	($ 236)

This is mainly derived from the US Dollar currency denominated receivables and payables of the Group that are still outstanding as of the balance sheet date and that do not have cash flow hedging.

(2) Interest rate risk

Interest rate risk arises because entities within the Group borrow funds at both fixed and floating rates.

The carrying amounts of financial assets and financial liabilities of the Group subject to interest rate exposure as of the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Bearing cash flow interest rate risk		
- Financial assets	$ 614,826	$ 916,945
- Financial liabilities	1,768,729	1,650,886

Sensitivity analysis

Interest rate risk is the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The interest rate risk of the Group mainly comes from floating rate loans. If interest rates increased by 1% and assuming all other variables remained constant, the after-tax net profit of the Group in 2022 and 2021 would have decreased by TWD 9,231 thousand and TWD 5,872 thousand. If interest rates decreased by 1%, their effects on after-tax net profit or equity would have been negative by the same amounts.

(3) Other market price risk

The Group has equity price risk due to investments in listed and over-the-counter equity securities.

Sensitivity analysis

The following sensitivity analysis is based on equity price risk at the balance sheet date.

If the prices of equities rose or fell by 1% in 2022 and 2021, corresponding net profit before tax would have increased or decreased by TWD 297 thousand and TWD 386 thousand due to the increase or decrease of fair value of financial assets measured by fair value through profit or loss.

2. Credit risk

Credit risk refers to the risk that a counterparty defaults in its contractual obligations and causes financial losses to the Group. As of the balance sheet date, the maximum credit risk exposure of the Group due to the counterparty failures to perform mainly reflected the carrying amounts of financial assets recognized in the consolidated balance sheets.

The Group continuously monitors credit risk and the credit ratings of counterparties, and controls credit risk through the credit line limits of counterparties that are reviewed and approved by a dedicated team assigned by management every year. In addition, the Group reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that unrecoverable receivables have been allocated to the appropriate impairment losses.

The counterparties of derivative financial instruments are banks with high credit ratings granted by international credit rating agencies; the associated credit risk is therefore limited.

3. Liquidity risk

Schedule of liquidity and interest rate risk of non-derivative financial liabilities

The analysis of the remaining contract maturity of non-derivative financial liabilities (including principal and estimated interest) is prepared on the basis of undiscounted cash flows of financial liabilities based on the earliest date on which the Group may be required to repay. Therefore, the bank loans that the Group can be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the bank's immediately enforcing these rights. The maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment dates.

For interest cash flows paid at floating rates, the undiscounted interest amounts are derived from the yield curve at the balance sheet date.

December 31, 2022

	Weighted average effective interest rate (%)	Less than 1 year	1 to 3 years	Over 3 years
Non derivative financial liabilities				
Short-term borrowings	4.862	$ 647,902	$ -	$ -
Notes payable		55,162	-	-
Accounts payable		218,330	-	-
Other payables		129,288	-	-
Long term loans	1.98	108,575	303,715	761,380
Deposits received		1,343	-	-
		$1,160,600	$ 303,715	$ 761,380

December 31, 2021

	Weighted average effective interest rate (%)	Less than 1 year	1 to 3 years	Over 3 years
Non derivative financial liabilities				
Short-term borrowings	0.83	$ 574,091	$ -	$ -
Notes payable		53,043	-	-
Accounts payable		192,127	-	-
Other payables		136,654	-	-
Long term loans	1.56	97,728	217,186	783,479
Deposits received		1,275	-	-
		$1,054,918	$ 217,186	$ 783,479

The Group manages and maintains sufficient cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The Group's management supervises the use of bank financing facilities and ensures compliance with the terms of the loan contracts.

Bank borrowings are an important source of liquidity for the Group. As of December 31, 2022 and 2021, the unused bank facilities of the Group totaled TWD 1,005,209 thousand and TWD 1,860,996 thousand respectively.

XXXI. Related party transactions

Transactions, account balances, income, and expenses among the Company and its subsidiaries (constituting related parties of the Company) are all eliminated upon consolidation, so they are not disclosed in these Notes. Transactions between the Group and other related parties are as follows.

(I) Name and relationship of related party

Name of related party	Relationship with the Group
Kang Kuo-Feng	Senior management:
Kang Pin-Jou	Senior management:

(II) Borrowings from related parties (accounting for other payables)

Name of related party	December 31, 2022	December 31, 2021
Kang Kuo-Feng	$ 8,941	$ 8,347

Interest expense

Related Party Category/Name	2022	2021
Senior management:	$ 408	$ 778

The loan interest rates of the Group borrowings from related parties are equivalent to the market interest rates, and these constitute unsecured loans.

(III) Remuneration of senior management

	2022	2021
Salary	$ 7,311	$ 6,702
Bonus	1,958	2,338
Professional practice expenses	2,400	2,160
Earnings distributions	7,854	4,649
	$ 19,523	$ 15,849

Remuneration of directors and other senior management is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXXII. Pledged assets

The following assets of the Group have been provided as collateral for financing loans and security deposits for litigation cases:

	December 31, 2022	December 31, 2021
Pledged certificates of deposit (recorded under financial assets measured at amortized cost - current)	$ -	$ 2,000
Pledged certificates of deposit (recorded under financial assets measured at amortized cost - non-current)	2,000	-
Pledged certificates of deposit (recorded under other financial assets - current)	3,000	3,000
Restricted bank deposits (recorded under financial assets measured at amortized cost - non-current)	45,350	6,712
Property, plant and equipment - land	734,550	627,698
Property, plant and equipment - houses and buildings	$ 282,722	$ 285,818
Property, plant and equipment －mechanical equipment	22,895	23,762
Investment property - land	26,544	24,780
	$1,117,061	$ 973,770

XXXIII. Material contingent liabilities and unrecognized contractual commitments

In addition to what has been stated elsewhere in Notes, the Group has the following material commitments and contingencies as of the balance sheet date as follows:

TWD thousand/USD

	December 31, 2022	December 31, 2021	
Deposits and payables of guarantee notes	$ 616,000	$ 600,000	Bank loans
Deposits and receivables of guarantee notes	2,670	2,670	Engineering performance bond
Opened unused amount	USD1,075,875	USD2,886,075	Raw material purchases

XXXIV. Foreign currency assets and liabilities having material impact

The following information is aggregated in foreign currencies other than the functional currencies of each entity of the Group, and the disclosed exchange rates refer to the exchange rates of such foreign currencies converted to the functional currency. Foreign currency assets and liabilities having material impact as follows:

December 31, 2022

	Foreign currency	Exchange Rate	Carrying value
Foreign currency asset			
Monetary items			
USD	$ 16,476	30.71 (USD:TWD)	$505,986
USD	5,275	34.3474 (USD:THB)	161,984
USD	348	4.5843 (USD:MYR)	10,685
USD	155	56.4211 (USD:PHP)	4,751
			$683,406
Financial liabilities			
Monetary items			
USD	13,760	30.71 (USD:TWD)	$422,560
USD	61	34.3474 (USD:THB)	1,885
USD	1,016	4.5843 (USD:MYR)	31,215
USD	5,789	56.4211 (USD:PHP)	177,773
			$633,433

December 31, 2021

	Foreign currency	Exchange Rate	Carrying value
Foreign currency asset			
Monetary items			
USD	$ 10,615	27.68 (USD:TWD)	$293,819
USD	2,589	33.1616 (USD:THB)	71,667
USD	1,844	4.3556 (USD:MYR)	51,047
USD	650	51.7093 (USD:PHP)	18,001
			$434,534
Financial liabilities			
Monetary items			
USD	9,982	27.68 (USD:TWD)	$276,292
USD	177	33.1616 (USD:THB)	4,898
USD	213	4.3556 (USD:MYR)	5,893
USD	4,262	51.7093 (USD:PHP)	117,967
			$405,050

The realized and unrealized foreign currency exchange gains and losses of the Group in 2022 and 2021 constituted a loss of TWD 5,587 thousand and a gain of TWD 4,921 thousand respectively. Due to the variety of foreign currency transactions and entity functional currencies, it is not possible disclose exchange gains and losses in foreign currencies that had material impact.

XXXV. Other disclosures

(I) Material transactions:

1. Loans of funds to others. (Schedule 1)
2. Guarantees and endorsements for other parties. (Schedule 2)
3. Securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises, and joint ventures). (Schedule 3)
4. Individual securities acquired or disposed of with an accumulated amount exceeding the lower of TWD 300 million or 20% of capital stock. (None)
5. Acquisition of individual real estate with amount exceeding the lower of TWD 300 million or 20% of capital stock. (None)
6. Disposal of individual real estate with amount exceeding the lower of TWD 300 million or 20% of capital stock. (None)
7. Related party transactions for purchases and sales with amounts exceeding the lower of TWD 100 million or 20% of capital stock. (None)
8. Receivables from related parties with amounts exceeding the lower of TWD 100 million or 20% of capital stock. (None)
9. Trading in derivative instruments. (Note 7)
10. Other: Business relationships, important intercompany transactions, and amounts between the parent company and subsidiaries and among subsidiaries. (Schedule 5)

(II) Information on investees. (Schedule 4)

(III) Information on investment in Mainland China:

1. Name of Mainland China investee company, major operating items, paid-in capital amount, investment method, capital remittance in and out, shareholding ratio, investment gains and losses, investment book amount at the end of the period, repatriated investment gains and losses, and investment limit in Mainland China. (None)

2. Material transactions, prices, payment terms, and unrealized gains and losses with mainland investee companies either directly or indirectly through a third region: (None)
   (1) Purchase amount and percentage, and the closing balance and percentage of associated payables.
   (2) Sales amount and percentage, and the closing balance and percentage of associated receivables.
   (3) Property transaction amounts and resulting profit or loss.
   (4) Ending balance of bill endorsement guarantee or provision of collateral and its purpose.
   (5) The maximum balance of financing, the ending balance, the interest rate range, and the total amount of interest for the current period.
   (6) Other transactions having material impact on current profit or loss or financial status, such as the provision or receipt of labor services, etc.

(IV) Major shareholder information: Names of shareholders with a shareholding ratio of 5% or more, shareholding amounts, and proportions. (Schedule 6)

XXXVI. Departmental information

Information provided to the Chief Operating Decision Maker for allocation of resources and evaluation of departmental performance, focusing on each type of product or service delivered or provided. The reporting departments of the Group are as follows:

Fructose Department: Engaged in the processing and manufacturing of fructose, maltose, glucose, and starch.

Tinplate Department: Engaged in the trading and manufacturing of tin cans and plastic drums.

(I) Segment revenue and operating results

The revenues and operating results of the Group are analyzed in accordance with the reportable departments as follows:

	Department revenues		Department profit or loss	
	2022	2021	2022	2021
Fructose Department	$4,994,062	$4,331,347	$ 342,088	$ 321,206
Tinplate Department	270,310	247,475	24,538	23,832
Adjustments and write-offs	(219,922)	(193,274)	(28,696)	(29,382)
Consolidated revenues	$5,044,450	$4,385,548	$ 337,930	$ 315,656
Share of profits and losses of affiliated enterprises accounted for using the equity method			$ 311	$ 618
Rental income			1,251	551
Interest income			2,989	3,325
Dividend income			4,009	2,486
Miscellaneous income			7,692	14,964
Gains from the disposal of property, plant and equipment			1,318	80,507
Sale and leaseback transfer rights and interests			-	417,615
Net gain/loss from foreign exchange			(5,587)	4,921
Net gain/loss from valuation of financial instruments			(13,280)	17,446
Headquarters management costs and directors' remuneration			(19,523)	(15,849)
Impairment losses			-	(107,024)
Finance costs, net			(34,556)	(27,766)
Miscellaneous expenditures			(1,680)	(3,015)
Net profit before tax			$ 280,874	$ 704,435

The departmental revenues reported above are all generated from transactions with external customers. There were no interdepartmental sales in 2022 and 2021.

Departmental interest refer to the profits earned by each department and does not include headquarters management costs, director remuneration, share of profit and loss from affiliated enterprises accounted for using the equity method, rental income, interest income, profit and loss from disposals of property, plant and equipment, net gain or loss from foreign currency exchange, profit and loss from financial instrument valuation, finance costs, and income tax expense. This measure is provided to Chief Operating Decision Maker to allocate resources to departments and evaluate their performances.

(II) Total assets by department

Departmental assets	December 31, 2022	December 31, 2021
Fructose Department	$2,176,165	$2,048,996
Tinplate Department	636,386	456,689
Adjustments and write-offs	(5,162)	(5,863)
Total departmental assets	2,807,389	2,499,822
Add: Current assets	2,642,115	2,640,226
Investments accounted for using the equity method	88,741	88,058
Other intangible assets	2,059	3,053
Deferred tax assets	56,541	55,117
Financial assets measured at amortized cost - non-current	47,350	6,712
Other non-current assets	5,987	4,251
Total consolidated assets	$5,650,182	$5,297,239

(III) Revenues from main products and services

Revenue analysis of the main products and services of continuing operations of the Group are as follows:

	2022	2021
Fructose	$ 2,343,297	$ 2,169,812
Maltose	908,689	944,469
Maltodextrin	229,515	183,310
Creamer	200,280	160,449
Tinplate	201,078	197,814
Sorbitol	655,747	423,927
Others	505,844	305,767
	$ 5,044,450	$ 4,385,548

(IV) Region information

The Group operates primarily in four regions; namely, Taiwan, Thailand, Malaysia, and the Philippines.

The Group's revenues from continuing operations of external customers are classified by business location and non-current assets by asset location, as presented below:

	Revenues from external customers		Non-current assets	
	2022	2021	December 31, 2022	December 31, 2021
Taiwan	$1,858,405	$1,550,113	$1,143,648	$ 668,130
Thailand	1,939,161	1,746,071	870,591	1,143,568
Malaysia	1,071,085	950,166	376,418	352,083
Philippines	175,799	139,198	365,442	320,675
	$5,044,450	$4,385,548	$2,756,099	$2,484,456

Non-current assets exclude financial assets measured at cost after amortization, equity-method investments, deferred tax assets, net defined benefit assets and refundable deposits.

(V) Major customers

Sales revenues of fructose in 2022 and 2021 came to TWD thousand and TWD 2,266,021 thousand respectively; and TWD thousand and TWD 103,062 thousand originated from the largest customer of the Group.

Taiwan Fructose Co., Ltd., and Subsidiaries

Loans of funds to others

January 1 to December 31, 2022

Schedule 1

Unit: TWD thousand

Number	Company lending funds	Name of borrower	Associated project	Whether a related party	Highest balance in the current period	Ending balance	Actual usage amount during the period	Interest rate	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short term financing	Provision made for allowance for uncollectable accounts	Collateral		Funding loans and limits for individual counterparties	Funding loans and total limits	Remarks
													Name	Value			
1	Taiwan Fructose Co. Ltd.	TAIWAN FRUCTOSE (PHILIPPINES), INC.	Other receivables	Y	$ 85,875	$ -	$ -	4%	Short-term financing	$ -	Operating turnover	$ -	—	$ -	$ 676,799	$ 902,399	
2	TAIWAN FRUCTOSE (PHILIPPINES), INC.	HSINHOMEI LAND HOLDING CO., INC	Other receivables	Y	13,063	13,063	13,063	4.5%	Short-term financing	-	Operating turnover	-	—	-	91,739	122,319	

Note: In accordance with the Taiwan Fructose Co., Ltd. Operational Procedures for Loaning Funds to Others, the limit is calculated as follows:

Individual counterparty lending limit: 30% of the Company's net worth: 2,255,997 x 30% = 676,799

Total lending limit: 40% of the Company's net worth: 2,255,997 x 40% = 902,399

The limits of Taiwan Fructose (Philippines), Inc.'s lending of funds to others are calculated as follows:

Individual counterparty lending limit: 30% of the Company's net worth: 305,797 x 30% = 91,739

Total lending limit: 40% of the Company's net worth: 305,797 x 40% = 122,319

Taiwan Fructose Co., Ltd., and Subsidiaries

Guarantees and endorsements for other parties

January 1 to December 31, 2022

Schedule 2

Unit: TWD thousand unless otherwise specified

Number	Endorsement/ guarantee company name	Counterparty of guarantee and endorsement		Limit of endorsement/ guarantee for a single enterprise (Note 3)	Highest endorsement/ guarantee balance in the current period	Endorsement/ guarantee ending balance	Actual usage amount during the period	Amount of endorsement/ guarantee secured by assets	The ratio of the accumulated endorsement/ guarantee amount to the net value of the latest financial statements (%)	Endorsement/guarantee maximum limit (Note 3)	Constituting endorsements/ guarantees provided by the parent company for subsidiaries	Constituting endorsements/ guarantees provided by subsidiaries for the parent company	Endorsements/ guarantees extended to the mainland region	Remarks
		Company name	Relationship (Note 2)											
0	Taiwan Fructose Co. Ltd.	TAIWAN FRUCTOSE (PHILIPPINES), INC.	2	$ 902,399	$ 61,640	$ 61,640	$ 61,640	$ -	2.72	$ 1,127,999	Y	N	N	

Note 1: Description of the number column is as follows:

(1) Fill in 0 for the issuer.

Note 2: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into six types:

(1) Companies with business relationships.

(2) Subsidiaries that directly hold more than 50% of equity in the form of common shares.

(3) An investee company whose parent company and subsidiaries jointly hold more than 50% of equity in the form of common shares.

(4) Parent companies that directly or indirectly hold more than 50% of common share equity through subsidiaries.

(5) Based on the needs of contracting projects, companies in the same industry providing mutual insurance according to the contract.

(6) Companies that are endorsed/guaranteed by each contributing shareholder in accordance with its shareholding ratio due to a joint investment relationship.

Note 3: The maximum limit of endorsement/guarantee is net value of 2,255,997 × 50% = 1,127,999; and the limit for endorsement/guarantee for a single enterprise is net value of 2,255,997 × 40% = 902,399.

Taiwan Fructose Co., Ltd., and Subsidiaries

Securities held at the end of the period

December 31, 2022

Schedule 3

Unit: TWD thousand unless otherwise specified

Name of holder	Category and name of security (Note 1)	Relationship with securities issuer	Account title	Ending balance				Remarks
				Number of shares	Book value (Note 2)	Percentage of shareholding	Fair value	
Taiwan Fructose Co. Ltd.	Domestic listed/over-the-counter common shares							
	President Securities Corporation	None	Financial assets at fair value through profit or loss - current	141,200	$ 2,210	-	$ 2,210	
	Taiwan Cement Corporation	〃	〃	40,000	1,346	-	1,346	
	Cathay Financial Holding Co., Ltd.	〃	〃	35,000	1,400	-	1,400	
	Yuanta Financial Holding Co., Ltd.	〃	〃	63,860	1,386	-	1,386	
	Capital Securities Corporation	〃	〃	75,000	814	-	814	
	Nan Ya Plastics Corporation	〃	〃	5,000	355	-	355	
	Innolux Corporation	〃	〃	71,495	790	-	790	
	Asia Cement Corporation	〃	〃	10,000	410	-	410	
	Horizon Securities Corp.	〃	〃	554,600	4,864	-	4,864	
	China Steel Corporation	〃	〃	88,000	2,622	-	2,622	
	Grand Fortune Securities Co., Ltd.	〃	〃	148,000	1,487	-	1,487	
	Shin Kong Financial Holding Co., Ltd.	〃	〃	190,000	1,666	-	1,666	
	Ruentex Industries Limited	〃	〃	107,000	696	-	696	
	Concord Securities Co., Ltd.	〃	〃	708,000	6,853	-	6,853	
	Yang Ming Marine Transport Corporation	〃	〃	26,000	1,703	-	1,703	
					28,602		28,602	
	Foreign listed/over-the-counter common shares							
	ICON ENERGY LIMITED	None	Financial assets at fair value through profit or loss - current	9,000,000	1,118	1.17%	1,118	
					$ 29,720		$ 29,720	

(Continued on next page)

(Continued from previous page)

Name of holder	Category and name of security (Note 1)	Relationship with securities issuer	Account title	Ending balance				Remarks
				Number of shares	Book value (Note 2)	Percentage of shareholding	Fair value	
	Domestic non-listed shares							
	Shang Ye Wang Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	13,524	$ -	0.54%	$ -	Note 3
	Advanced Green Biotechnology Inc.	〃	〃	579,179	-	3,73%	-	Note 3
					$ -		$ -	

Note 1: For the purposes of this table, marketable securities refer to stocks, bonds, beneficiary certificates, and securities derived from the above items that fall within the scope of IFRS 9 “Financial Instruments”.

Note 2: For those measured at fair value, please fill in the carrying amount after adjustment to fair value valuation and deduction of allowance loss in column B; if not measured at fair value, please fill in the carrying amount of amortized cost in column B (deducting allowance for uncollectable accounts).

Note 3: Non-current financial assets at fair value through other comprehensive income fully set aside as allowance for uncollectable accounts.

Note 4: For information on invested subsidiaries and affiliated enterprises, please refer to Schedule 4.

Taiwan Fructose Co., Ltd., and Subsidiaries

Investee Company Information, Locations, and Other Related Information

January 1 to December 31, 2022

Schedule 4

Unit: TWD thousand unless otherwise specified; thousand shares

Investing company name	Investee company name	Locations	Major business items	Original investment amount		Holdings at the end of the period			Profit and loss of the investee company for the period	Recognized investment gains and losses for the period	Remarks
				Ending balance for the period	Prior year end	Number of shares	ratio	Carrying value			
Taiwan Fructose Co. Ltd.	Hoover Can Industrial Co., Ltd.	Taiwan	Tin can manufacturing	$ 109,309	$ 109,309	8,818	65.32	$ 402,783	$ 1,996	$ 1,286	
	TAIWAN FRUCTOSE (M) SDN. BHD.	Malaysia	Fructose manufacturing	792,146	792,146	85,258	100.00	798,336	49,596	49,596	
	TAIWAN FRUCTOSE (THAI) CO., LTD	Thailand	Import and export trading business and various investments	114,098	114,098	12	48.00	469,013	84,999	32,278	
	TAIWAN FRUCTOSE (PHILIPPINES), INC.	Philippines	Manufacture of sorbitol and crystalline glucose	830,464	654,300	13,000	100.00	305,797	(12,997)	(12,997)	
	PURE CHEM CO., LTD.	Thailand	Manufacture of sorbitol and crystalline glucose	46,290	46,290	960	8.00	95,379	101,163	8,093	
	HSINHOMEI LAND HOLDING CO., INC	Philippines	Land holding and development	5,656	5,656	80	40.00	8,558	255	102	
	Tokyo Holiday Enterprise Co., Ltd.	Taiwan	General hotel industry	22,045	22,045	3,750	25.00	88,741	1,243	311	
Hoover Can Industrial Co., Ltd.	HOOVER ENTERPRISE CO.,LTD.	Thailand	Manufacturing and trading of tin cans	32,673	66,273	297	99.00	31,624	4,254	4,211	
TAIWAN FRUCTOSE (THAI) CO., LTD.	PURE CHEM CO., LTD.	Thailand	Manufacture of sorbitol and crystalline glucose	293,486	293,486	3,804	80.07	963,457	101,650	86,125	
TAIWAN FRUCTURE (M) SDN. BHD	SARABATI (M) SDN. BHD.	Malaysia	Land holding and development	46,388	46,388	1,223	100.00	36,189	127	127	

Taiwan Fructose Co., Ltd., and Subsidiaries

Business relationships, important intercompany transactions, and amounts between the parent company and subsidiaries and among subsidiaries

January 1 to December 31, 2022

Schedule 5

Unit: TWD thousand

Number (Note 1)	Transaction party name	Name of counter party	Relationship with transaction party (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of consolidated total revenue or total assets (Note 3)
0	Taiwan Fructose Co. Ltd.	PURE CHEM CO., LTD	1	Cost of goods sold	$ 74,747	Note 4	1
1	PURE CHEM CO., LTD	TAIWAN FRUCTOSE (M) SDN. BHD.	3	Sales revenue	70,169	Note 4	1
2	TAIWAN FRUCTOSE (PHILLIPPINE) INC	HSINHOMEI LAND HOLDING., LTD	3	Right of use assets	50,682	Note 4	1
		HSINHOMEI LAND HOLDING., LTD	3	Other receivables	13,063	Note 5	-

Note 1: Business transaction information between the parent company and its subsidiaries should be indicated in the number column. The method of filling in the number is as follows:

1. Enter 0 for the parent company.
2. Subsidiaries are numbered sequentially by company starting from the Arabic numeral 1.

Note 2: There are three types of transaction party relationships, with categories indicated as follows:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: In the calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset-liability account it shall be calculated based on the balance at the end of the period as a percentage of the total consolidated assets. If it is a profit and loss account, it shall be calculated based on the cumulative amount in the period as a percentage of the consolidated total revenue.

Note 4: There are no material differences between the prices agreed by the parties and those for general customers.

Note 5: There are no material differences between the credit periods agreed by the parties and those for general customers.

Note 6: Important inter-company transactions in this form may be listed by the Company according to the principle of materiality.

Taiwan Fructose Co. Ltd.

Information on principal shareholders

December 31, 2022

Schedule 6

Name of major shareholders	Shares	
	Number of shares held	Percentage of shareholding
Liun Shun Industrial Co., Ltd.	35,823,928	20.37%
Kang Kuo-Feng	18,432,083	10.48%

Note 1: Information of major shareholders in this table is calculated by Taiwan Depository & Clearing Corporation as of the last business day of the quarter and comprise shareholders holding more than 5% of the Company's common shares and preferred shares that have completed delivery without physical registration (including treasury shares). The share capital recorded in the Company's consolidated financial statements and the actual number of shares that have completed delivery without physical registration may reflect differences or discrepancies due to different bases of preparation and calculation.

6.6. Impact on the Company's financial status from financial difficulties of the Company and affiliated enterprises: None

VII. Review, Analysis, and Risk Management of Financial Status and Operating Results

7.1. Financial Status

Unit: TWD thousand

Year / Item	2021	2022	Difference	
			Amount	%
Current assets	1,030,371	962,651	(67,720)	(6.57%)
Property, plant and equipment	655,203	634,093	(21,110)	(3.22%)
Non-current liabilities	2,851,917	3,197,766	345,849	12.13%
Total assets	3,882,288	4,160,417	278,129	7.16%
Current liabilities	870,277	805,519	(64,758)	(7.44%)
Non-current liabilities	903,359	1,098,901	195,542	21.65%
Total liabilities	1,773,636	1,904,420	130,784	7.37%
Share capital	1,620,907	1,758,684	137,777	8.50%
Capital reserves	57,414	57,414	0	0.00%
Retained earnings	821,672	727,672	(94,000)	(11.44%)
Other equity interest	(391,341)	(327,373)	63,968	(16.35%)
Total shareholders' equity	2,108,652	2,255,997	147,345	6.99%
Changes between the prior and subsequent period of more than 20% and where the change amount amounted to TWD 10 million 1. Non-current liabilities: Mainly due to an increase in the long-term borrowings in 2022.				

7.2. Financial performance

7.2.1. Comparative analysis of business results

Unit: TWD thousand

Item \ Year	2021		2022		Increase/decrease amount	Change (%)
	Subtotal	Total	Subtotal	Total		
Net operating revenue amount	1,554,933		1,733,143		178,210	11.46%
Less: Sales returns and allowances	(3,524)		(3,370)		154	(4.37%)
Net operating revenue		1,551,409		1,729,773	178,364	11.50%
Operating costs		(1,320,702)		(1,522,276)	(201,574)	15.26%
Operating margin		230,707		207,497	(23,210)	(10.06%)
Net realized profit among affiliated companies		0		0	0	0.00%
Realized operating margin		230,707		207,497	(23,210)	(10.06%)
Operating expenses		(108,662)		(104,916)	3,746	(3.45%)
Operating profit		122,045		102,581	(19,464)	(15.95%)
Non-operating income and expenses		300,622		54,275	(246,347)	(81.95%)
Net profit before tax from continuing operations		422,667		156,856	(265,811)	(62.89%)
Income tax expense		(58,327)		(17,981)	40,346	(69.17%)
Net profit after tax from continuing operations		364,340		138,875	(225,465)	(61.88%)

1. Operating profit: Mainly due to the increase in operating costs in 2022.
2. Operating revenue and expenses: Mainly due to the increase in the share of profits and losses of subsidiaries, affiliated companies, and joint ventures using the equity method in 2022.
3. Net profit before tax from continuing operations: Mainly due to the increase in the share of profits and losses of subsidiaries, affiliated companies, and joint ventures using the equity method in 2022.
4. Income tax expenses: Mainly due to the increase in pre-tax profit and loss in 2022 and the consequent increase in income tax expense.

7.2.2. Analysis of changes in operating gross profit margin

Gross profit margin of the Company was 12.00% in 2022 and 15.00% in 2021, marking a decrease of 3% from the prior year, mainly due to an increase in the cost of goods sold in 2022.

7.3. Cash Flows

7.3.1. Liquidity analysis for the most recent two years

Item \ Year	2021.12.31	2022.12.31	Increase/decrease ratio
Cash flow ratio	24.40%	1.14%	(95.33%)
Cash flow adequacy ratio	107.66%	58.92%	(45.27%)
Cash reinvestment ratio	3.98%	(1.87%)	(146.98%)

Analysis and explanation of increases and decreases in ratios:
1 Cash flow ratio: Mainly due to net cash inflows from operating activities in 2022.
2 Cash reinvestment ratio: Mainly due to net cash inflows from operating activities in 2022.
3 Cash reinvestment ratio: Mainly due to net cash inflows from operating activities in 2022.

7.3.2. Analysis of cash liquidity in the coming year

Beginning cash balance	Annual net cash flow from operating activities	Annual cash outflow	Cash balance	Remedial measures for cash shortages	
				Investment plan	Financing plan
216,513	124,245	27,737	244,250	--	--

1. Analysis of the changes in cash flows for the current year:
   (1) Operating activities: The main cash inflows for the year were net profit after tax and depreciation, and the main cash outflows were inventory increases and interest expenses; this resulting in a net cash inflow from operating activities of TWD 124,245 thousand.
   (2) Investing activities: No outbound investment plans were expected for the year, resulting in a cash inflow of TWD 35,240 thousand.
   (3) Financing activities: An expected reduction in long-term borrowings for the year resulted in a cash outflow of TWD 61,268 thousand for the year overall.
2. Remedial measures and liquidity analysis for expected cash shortages: None.

7.4. The impact of material capital expenditures in the past year on financial and business matters

7.4.1. Usage of material capital expenditures and sources of funds: None.

7.4.2 Anticipated potential benefits: None.

7.5. Reinvestment policy in the most recent year and main reasons for its profit or loss, and its improvement plan and investment plan for the following year

7.5.1. Reinvestment policy in the most recent year:
The Company reinvested for the purpose of integrating diversified business activities in related industries.

7.5.2. Reinvestment profit analysis:
The Company's foreign investments in 2022 showed a total profit of TWD 169,132 thousand mainly due to the stable operating efficiency of the Thai and Malaysian subsidiaries. As for the Philippine subsidiary, it has been severely affected by the COVID-19 pandemic and benefits have not yet emerged.

7.5.3. Investment plan for the coming year:

Significant Subsidiary PURE CHEM CO., LTD will construct a third factory, the land, buildings, and equipment with a total of cost of THB$600,000,000.

7.6. Risk matter analysis and assessment

7.6.1. The impact of interest rates, exchange rate changes, and inflation on the Company's profit and loss and future countermeasures: No material effect as there are significant changes in exchange rates. The Company adopts forward foreign exchange and foreign exchange option hedging methods to avoid the risk of exchange rate changes.

7.6.2. Policies, main reasons for profit or loss, and future countermeasures for engaging in high risk and high leverage investments, loans of funds to others, endorsements/guarantees, and derivatives transactions: The Company is not engaged in high-risk investments, and all investments are carried out after careful evaluation. In addition, loans of funds to others and endorsements/guarantees are handled in accordance with relevant regulations. Derivative operations are mainly to avoid risks, and all operations have been carefully implemented by considering risk conditions.

7.6.3. Future R&D plans and estimated R&D expenses:
In 2023, it is estimated that TWD 8 million will be invested in R&D.

Item	R&D year	Projected investment amount
Successfully developed isomalto-oligosaccharide purification technology	2023~2024	TWD 8 million

7.6.4. The impact of important domestic and foreign policies and legal changes on the Company's financial and business matters and corresponding measures:
The Company adheres to the principle of ethical corporate management. In addition to carrying out business in accordance with current regulations, and pay close attention to the important domestic and foreign policy and legal changes related to the Company's business and formulates corresponding measures. As of the date of publication of the annual report, the financial and business matters of the Company have not been affected.

7.6.5. The impact of technological changes (including information security risks) and industrial changes on the Company's financial and business matters and corresponding measures:
The Company pays close attention to industrial changes and technological development trends, technological changes and industries have positive benefits to the Company's financial business. In terms of information security risks, the Company's Information Technology Office is responsible for planning and promoting computer operations, formulating relevant information security systems, and establishing an information security risk management framework. As of the date of publication of the annual report, the financial and business matters of the Company have not been affected.

7.6.6. The impact of corporate image change on corporate crises, and countermeasures: None.

7.6.7. Expected benefits and possible risks of mergers and acquisitions and countermeasures: None.

7.6.8. Expected benefits and possible risks of plant expansion and countermeasures: None.

7.6.9. Risks and countermeasures in response to purchasing or sales concentration: None.

7.6.10. The influence and risk of the transfer of a large volume of shares or of the replacement of the Directors or major shareholders holding more than 10% of the shares issued by the Company, and the response: None.

7.6.11. The impact, risks, and countermeasures of a change of management rights on the Company: None.

7.6.12. In respect to litigation or non-litigation events, listing should be made of material litigation or non-litigation events or administrative disputes confirmed or still being adjudicated of the Company and its Directors, President, principals in charge, major shareholders holding more than 10% of shares, and affiliated companies. If the outcome may have a material impact on shareholders' equity or the price of securities, then the facts in dispute, the amount involved, the start date of the lawsuit, the main parties involved in the lawsuit, and the handling situation as of the publication date of the annual report shall be disclosed: None.

7.6.13. Other important risks and countermeasures: None.

7.7. Other important matters: None

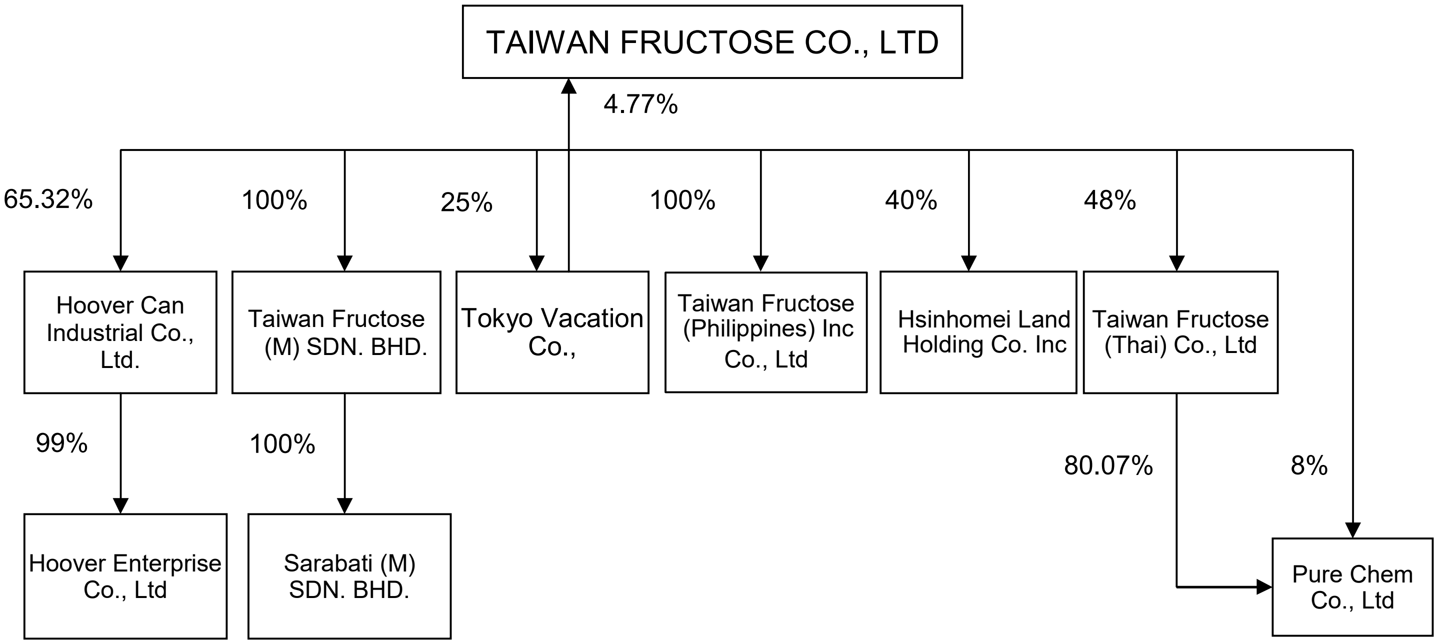
VIII. Special Disclosure

8.1. Related information of affiliated companies

8.1.1. Overview of affiliated companies

1. Organization chart of affiliated companies:

December 31, 2022



Shareholding statement of affiliated companies

December 31, 2022

Affiliated company name	Mutual shareholding relationship	Percentage of shareholding	Number of shares invested (thousand shares)	Investment amount (TWD thousand)
Hoover Can Industrial Co., Ltd.	Taiwan Fructose holdings of Hoover Can Industrial (invested affiliate)	65.32%	8,818	109,309
	Hoover Can Industrial holdings of Taiwan Fructose shareholders' equity	None	None	-
TAIWAN FRUCTOSE (M) SDN. BHD.	Taiwan Fructose holdings of invested affiliates	100.00%	85,258	792,146
	Invested affiliates holdings of shareholders' equity in Taiwan Fructose	None	None	-
Tokyo Vacation Co., Ltd.	Taiwan Fructose holdings of invested affiliates	25.00%	3,750	22,045
	Invested affiliates holdings of shareholders' equity in Taiwan Fructose	4.77%	8,381	86,311
TAIWAN FRUCTOSE (THAI) CO., LTD	Taiwan Fructose holdings of invested affiliates	48.00%	12	114,098
	Invested affiliates holdings of shareholders' equity in Taiwan Fructose	None	None	-
PURE CHEM CO., LTD	Taiwan Fructose holdings of invested affiliates	8.00%	960	46,290
	Invested affiliates holdings of shareholders' equity in Taiwan Fructose	None	None	-
TAIWANFRUCTOSE (PHILIPPINES) INC.	Taiwan Fructose holdings of invested affiliates	100.00%	13,000	830,464
	Invested affiliates holdings of shareholders' equity in Taiwan Fructose	None	None	-
HSINHOMEI LAND HOLDING CO.INC	Taiwan Fructose holdings of invested affiliates	40.00%	80	5,656
	Invested affiliates holdings of shareholders' equity in Taiwan Fructose	None	None	-

2. Basic information of each affiliated company:

December 31, 2022

Company name	Date of establishment	Address	Paid-in capital amount	Major business or production items
HOOVER CAN INDUSTRIAL CO., LTD.	1985.04.17	No. 5, Minquan St., Tucheng Dist., New Taipei City 236044, Taiwan (R.O.C.)	TWD 135,000 thousand	Metal Containers Manufacturing, Industrial Plastic Products Manufacturing, International Trade
TAIWAN FRUCTOSE (M) SDN. BHD.	2001.01.30	Lot 17287 Jalan Bidor, 35600 Sungkai, Perak, Darul Ridzuan West Malaysia	MYR 74,297 thousand	Fructose, maltose
TOKYO VACATION CO., Ltd.	2005.07.01	1F., No. 163, Xinzhuang Rd., Xinzhuang Dist., New Taipei City 242001, Taiwan (R.O.C.)	TWD 150,000 thousand	General hotel industry; residential and building development leasing and sales
TAIWAN FRUCTOSE (THAI) CO., LTD	2008.01.03	Building 18D, Village 12, No. 96/947, Bangna-Trand Area, Bangkok, Thailand	THB 246,000 thousand	Maltose, fructose, sorbitol, dextrin, crystalline glucose
PURE CHEM CO., LTD	1978.04.27	65 Mull, Soi Vilalail, Bangna-trad Road Km20, T.Bangchalong,A Bangplee,Samutprakam 10540,Tailand	THB 600,000 thousand	Maltose, fructose, sorbitol, dextrin, crystalline glucose
TAIWANFRUCTOSE (PHILIPPINES) INC.	2013.05.08	Lot 2-B-4 Phase 1B, R.S. Diaz Ave., FPIP, Bgy. Pantay Bata, Tanauan City, Batangas Philippines	PHP 1,300,000 thousand	Production and trading of types of maltose and fructose
HSINHOMEI LAND HOLDING CO.INC	2013.05.08	Unit 2105-C, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, 1605 Philippines	PHP 20,000 thousand	Land leasing

3. Industries covered by affiliated business operations as a whole:
   Taiwan Fructose: The main business is the manufacturing, processing and trading of fructose, maltose, glucose and starch.
   HOOVER CAN INDUSTRIAL CO., LTD.: The main business is the manufacturing, processing, and trading of tin cans.
   TAIWAN FRUCTOSE (M) SDN. BHD: Fructose, maltose.
   TOKYO VACATION CO., Ltd: General hotel industry; residential and building development leasing and sales.
   TAIWAN FRUCTOSE (THAI) CO., LTD: Maltose, fructose, sorbitol, dextrin, crystalline glucose.
   PURE CHEM CO., LTD: Maltose, fructose, sorbitol, dextrin, crystalline glucose.
   TAIWANFRUCTOSE (PHILIPPINES) INC: Production and trading of types of maltose and fructose.
   HSINHOMEI LAND HOLDING CO.INC: Land leasing.
   HOOVER ENTERPRISE CO., LTD: Plastic can.
   SARABATI (M) SDN. BHD: Land leasing.

4. Information of identical shareholders presumed to have a control and subsidiary relationship

December 31, 2022

Presumed cause	Name or designation	Shares held		Date of establishment	Address	Paid-in capital amount	Major business items
		Shares	%				
Controlling company	TFT	12,000	48%	2008.1.3	Building 18D, Village 12, No. 96/947, Bangna-Trand Area, Bangkok, Thailand	THB 246,000 thousand	Powdered and liquid sugar
Affiliated company	PURE CHEM CO., LTD	960,000	8%	1978.4.27	65 Mull, Soi Vilalail, Bangna-trad Road Km20, T.Bangchalong, A Bangplee, Samutprakam 10540,Tailand	THB 600,000 thousand	Powdered and liquid sugar
Controlling company	TAIWAN FRUCTOSE (PHILLIPINES) CO., LTD	13,000,000	100.00%	2013.5.8	Lot 2-B-4 Phase 1B, R.S. Diaz Ave., FPIP, Bgy. Pantay Bata, Tanauan City, Batangas Philippines	PHP 1,300,000 thousand	Production and trading of types of maltose and fructose
Controlling company	HSINHOMEI LAND HOLDING CO. INC	80,000	40.00%	2013.5.8	Unit 2105-C, West Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City, Metro Manila, 1605 Philippines	PHP 20,000 thousand	Land leasing
Controlling company	Hoover Enterprise CO.,LTD	297,000	99.00%	2013.10.29	65/7 Moo 11 Bangna Trad, Bangchalong, Bangplee, Samutprakarn 10540,Tailand	THB 30,000 thousand	Plastic bucket
Controlling company	SARABATI (M) SDN. BHD	1,223,000	100.00%	1987.10.08	41, Jalan Medan Ipoh 6,Bandar Baru Medan Ipoh, '31400 Ipoh, Perak	MYR 1,223 thousand	Land leasing

5. Information on Directors, supervisors and General Managers of affiliated companies

Company name	Title	Name or representative	Shares held	
			Number of shares	%
HOOVER CAN INDUSTRIAL CO., LTD.	Chairman	Kang Chih-Liang	0	0
	Director	Taiwan Fructose Co., Ltd. Corporate representative:Kang Yung-Ming	8,818,326	65.32%
	Director	Taiwan Fructose Co., Ltd. Corporate representative:Chiu Hao-Hsiang	8,818,326	65.32%
	Director	Taiwan Fructose Co., Ltd. Corporate representative: Cheng Cheng-Chi	8,818,326	65.32%
	Director	Taiwan Fructose Co., Ltd. Corporate representative: Lee Chin-Chin	8,818,326	65.32%
	Supervisor	Lee Chao-Han	0	0.00%
TAIWAN FRUCTOSE (M)SDN. BHD.	General Manager	Taiwan Fructose Co., Ltd. Corporate representative: Kang Chih-Liang	85,257,908	100.00%
	Director	Taiwan Fructose Co., Ltd. Corporate representatives: Kang Yung-Ming, Kang Yao-Chung, Wang Lee-Hua	85,257,908	100.00%
TOKYO VACATION CO., Ltd.	Chairman	Wu Ming-Feng	1,112,500	7.42%
	Director	Lee Chin-Chin	0	0.00%
	Director	Kang Chih-Liang	0	0.00%
	Director	Wu Ming-Chuan	1,312,500	8.75%
	Director	Hsueh Shih-Wei	1,250,000	8.33%
	Director	Wang Tung-Mao	750,000	5.00%
	Director	Lin Hsin-Yi	0	0.00%
	Director	Kang Ying-Yun	0	0.00%
	Director	Chiu Hao-Hsiang	0	0.00%
	Supervisor	Wu Hsing-Chung	1,250,000	8.33%
TAIWAN FRUCTOSE (THAI) CO., LTD	Director/ General Manager	Ying-Chin-Kang	300	1.22%
	Director	K.Sasipa Saelao	3,196	12.99%
	Director	Wen-Sheng-Lee	300	1.22%
PURE CHEM CO., LTD	Director/ General Manager	Ying-Chin-Kang	511,714	4.26%
	Director	Kuo-Fung-Kang	440,002	3.67%
	Director	K.Sasipa Saelao	380,000	3.17%
	Director	Li-Sheng Yu	0	0.00%
TAIWAN FRUCTOSE (PHILIPPINES) INC.	Director	Kang Kuo-Feng	1	0.00%
	Director	Kang Yung-Ming	1	0.00%
	Director	Feng Yao-Hsuan	1	0.00%
	Director	Yang Pai-Chun	1	0.00%
	Director	Kang Ying-Yun	1	0.00%
HSINHOMEI LAND HOLDING CO.INC	Director	Kang Chih-Liang	1	0.00%
	Director	Chang Tsung-Ching	1	0.00%

8.1.2. Operations overview of affiliated companies

Affiliated company code	Company name	Paid-in capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit/loss for the current period (after tax)	Earnings per share (TWD/after tax)
4207	Taiwan Fructose	1,758,684	4,160,417	1,904,420	2,255,997	1,729,773	102,581	138,875	0.79
42070001	Hoover Can Industrial Co., Ltd.	135,000	751,347	132,236	619,111	231,066	20,131	1,996	0.15
42070002	Taiwan Fructose (Malaysia) Sdn. Bhd.	792,146	857,765	85,828	771,937	1,071,085	61,842	49,723	0.58
42070004	Tokyo Vacation Co., Ltd.	150,000	355,218	256	354,962	0	(2,783)	1,243	0.08
42070005	Taiwan Fructose (Thailand) (Subsidiary)	238,706	1,021,224	9,226	1,011,998	0	(1,359)	84,999	2,073.15
42070006	Pure Chem Co., Ltd., (Sub-subsidiary)	578,072	1,628,833	375,738	1,253,095	2,012,536	142,353	101,650	8.47
42070007	Taiwan Fructose (Philippines), Inc.	654,300	524,859	223,946	300,913	178,232	(10,387)	(14,000)	(1.08)
42070008	HSINHOMEI LAND HOLDING CO. INC	14,140	64,338	42,943	21,395	5,053	3,160	255	1.28
42070009	Hoover Can Industrial (Thailand) Co., Ltd.	66,273	33,872	2,938	31,944	39,243	4,408	4,254	14.32
42070010	Taiwan Fructose (Malaysia) Sdn. Bhd. (Subsidiary)	8,600	28,960	2,560	26,400	0	(127)	(127)	(0.10)

8.1.3. Consolidated financial statements of affiliated companies: Please refer to “VI. Financial Overview 6.5. Consolidated financial statements of the parent company and subsidiaries audited and certified by CPAs for the most recent year”.

8.1.4. Relationship report

1.Overview of the relationship between the subsidiary company and the controlling company:

Affiliated company name	Reasons for control	Shareholding and pledge of the controlling company			Circumstances in which personnel are appointed as Directors, supervisors or managers by the controlling company	
		Number of shares held	Percentage of shareholding	Pledge	Position	Name
Hoover Can Industrial Co., Ltd.	Reinvestments	8,818,000	65.32%	None	Chairman	Kang Chih-Liang
					Director corporate representative	Kang Yung-Ming
					Director corporate representative	Chiu Hao-Hsiang
					Director corporate representative	Cheng Cheng-Chi
					Director corporate representative	Lee Chin-Chin
Taiwan Fructose (Malaysia) Sdn. Bhd.	Reinvestments	85,258,000	100.00%	None	Director corporate representative and President	Kang Chih-Liang
					Director corporate representative	Kang Yung-Ming
					Director corporate representative	Kang Yao-Chung
					Director corporate representative	Wang Li-Hua
Tokyo Vacation Co., Ltd.	Reinvestments	3,750,000	25.00%	None	Chairman	Wu Ming-Feng
Taiwan Fructose (Thailand)	Reinvestments	12,000	48.00%	None	Director corporate representative and President	Kang Ying-Chin
					Director corporate representative	Kang Ying-Chin
Pure Chem Co., Ltd.,	Reinvestments	960,000	8.00%	None	Director	Kang Kuo-Feng
					Director corporate representative and President	Kang Ying-Chin
					Director	Yu Li-Sheng
Taiwan Fructose (Philippines), Inc.	Reinvestments	13,000,000	100.00%	None	Director	Kang Kuo-Feng
					Director	Kang Yung-Ming
					Director	Feng Yao-Hsuan
					Director	Yang Pai-Chun
					Director	Kang Ying-Yun
HSINHOMEI LAND HOLDING CO. INC	Reinvestments	80,000	40.00%	None	Director	Kang Chih-Liang
					Director	Chang Tsung-Ching

8.1.5. Intercompany transactions

1. Purchase and sale transactions:

Unit: TWD thousand

Transactions with affiliated companies				Trading terms with affiliated companies		General trading terms		Reasons for differences	Accounts and notes receivable (payable)		Overdue accounts receivable			Remarks
Purchases (sales)	Amount	Contribution to total purchases (sales)	Gross profit on sales	Unit price (TWD)	Credit period	Unit price (TWD)	Credit period		Balance	Contribution to total accounts and notes receivable (payable)	Amount	Action taken	Amount of allowance for uncollectable accounts	
Purchase of goods	27,713	2.26%	-	General	1 month EOM	53	1-3 months EOM	None	2,336	0.85%	-	-		Hoover Can
Sales	-	-	-	General	2 month EOM	General	2 month EOM	None	0	-	-	-	-	Taiwan Fructose (M)
Purchase of goods	-	-	-	General	2 month EOM	General	2 month EOM	None	0	-	-	-	-	Taiwan Fructose (M)
Sales	-	-	-	General	2 month EOM	General	2 month EOM	None	0	-	-	--	-	Taiwan Fructose (T)
Purchase of goods	-	-	-	-	L/C or T/T	-	L/C or T/T	None	0	-	-	-	-	Taiwan Fructose (T)
Sales	-	-	-	General	2 month EOM	General	2 month EOM	None	0	-	-	-	-	PURE CHEM
Purchase of goods	90,883	7.43%	-	-	L/C or T/T	-	L/C or T/T	None	15,791	5.77%	-	-	-	PURE CHEM

2. Property transactions:
   No material property transactions.

3. Financing:
   As of the end of 2022:

Unit: TWD thousand

Company lending funds	Name of borrower	Amount
TAIWAN FRUCTOSE (PHILIPPINES), INC.	HSINHOMEI LAND HOLDING CO., INC.	13,063

4. Asset leasing:
   The Pitou Plant leased a portion of its facilities to Hoover Can Industrial for TWD 200,000 per month in order to facilitate the development of central and southern markets by adding production equipment.

5. Other important transactions: None.

8.1.6. Endorsements/guarantees:

As of the end of 2022:

Unit: TWD thousand

Endorsement/guarantee company name	Counterparty of guarantee and endorsement	Amount
TAIWAN FRUCTOSE CO., LTD	TAIWAN FRUCTOSE (PHILIPPINES), INC.	61,640

8.1.7 Other matters having material impact on finance and business: None.

8.2. Handling of privately placed securities in the most recent year and as of the date of publication of the annual report: None.

8.3. Status of holding or disposing of the Company's shares by subsidiaries in the most recent year and as of the date of publication of the annual report: None.

8.4. Other necessary supplementary explanations: None.

8.5. In the most recent year and as of the printing date of the annual report, the occurrence of matters that have a significant impact on shareholders' equity or securities prices: None.

Taiwan Fructose Co., Ltd.

Chairman:Kang Yung-Ming