

# Taiwan Fructose Co., Ltd.

## Minutes of 2023 Annual Shareholders' Meeting

(Translation)

**A ∙ Time:** 9:00 a.m., June 21, 2023

**B ∙ Place:** Nankan Factory Administrative Building 1F.

(No.75, Ln.1156 Nanqing Rd., Luzhu Dist., Taoyuan City, Taiwan.)

**C ∙ Type of Meeting:** Physical Meeting

**D ∙ Number of shares represent:**

Total Shares represented by shareholders present are 94,738,078 shares.

Total outstanding shares of Taiwan Fructose Co., Ltd. are 175,868,552 shares.

Percentage of shares held by shareholders present is 53.86%.

The aggregate shareholding of the shareholders present constituted a quorum.

**Attendees:**

Chairman Yung-Ming Kang, Director Chih-Liang Kang, Director Yung-Chien Ma

Director Chin-Chin Lee, Director Ken-Teng Chang,

Independent Director Chin-Jang Chen, Accountant Tsung-Yuan Tsai

Accountant Li-Huang Lee, Lawyer Wei-Yuan Liao

Chairman : Yung-Ming Kang

Recorder : Chih-En Chen

**E ∙ Meeting content:**

**1. Report Items:**

(1) Business Report of 2022.

(2) Audit committee's Review Report on the 2022 Financial Statements.

(3) Report on the Directors' and Employees' Remuneration of 2022.

(4) Report on the 2022 Distribution of Cash Dividend.

(5) Report on the 2022 Directors' remuneration.

**2.Ratification Items:**

**Proposal 1: (Proposed by the Board of Directors)**

Ratification of the 2022 Business Report and Financial Statements.

**Description:**

1. The Business report and financial statements of the Company for the year of 2022 have been approved by the Board of Directors and have been reviewed and determined to be correct and accurate by the Audit Committee
2. The Business Report, Independent Auditors’ Report and Financial Statements please refer to Attachment 1 and Attachment 3.

Shareholders’ Statement: None.

**Resolution:**

Total Shares represented by shareholders present are 94,738,078 shares.

Voting Results	Electronic Votes	Aggregated Votes (Including Electronic Votes)	% of the total Votes
Approval	51,294,690	93,298,359	98.48%
Disapproval	32,495	32,495	0.03%
Invalidation	0	0	0.00%
Abstention/Unvoted	643,285	1,407,224	1.48%

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

**Proposal 2: (Proposed by the Board of Directors)**

Ratification of the 2022 Earnings Distribution.

**Description:**

1. The Distribution Table of 2022 Earnings please refer to Attachment 5.
2. The distribution of cash dividend is NT\$ 61,553,993 (equivalent NT\$0.35 per share) have distributed on May 19, 2023.
3. The distribution of stock dividend is NT\$ 114,314,560 (equivalent NT\$0.65 per share). Upon the approval by the annual shareholders' meeting, it is proposed that the Board of Directors be authorized to resolve the ex-right date, payment date, and other relevant issues.
4. In the event that, the Company transfer or cancellation of treasury stocks or the conversion of domestic convertible corporate bonds results in a change in the number of outstanding shares and thereby affects the shareholder's allotment ratio, the Chairman of the Board of Directors intends to seek authorization from the annual shareholders' meeting to handle the related matters with full authority.
5. The Impact of Allocation of Bonus Shares on the Business Performance, EPS, and Shareholder Return please refer to Appendix 5.

Shareholders' Statement: None.

**Resolution:**

Total Shares represented by shareholders present are 94,738,078 shares.

Voting Results	Electronic Votes	Aggregated Votes (Including Electronic Votes)	% of the total Votes
Approval	51,295,345	93,299,014	98.48%
Disapproval	29,840	29,840	0.03%
Invalidation	0	0	0.00%
Abstention/Unvoted	645,285	1,409,224	1.48%

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

### **3. Discussion Items:**

#### **Proposal 1: (Proposed by the Board of Directors)**

Discussion on the new share issuance through capital increase by issuing new shares from retained earnings.

#### **Description:**

1. In consideration of business development in the future, the Company plans to put aside NTD 114,314,560 from retained earnings to increase capital by issuing 11,431,456 new shares at a par value of NTD 10 per share.
2. The status are as follows:
  - (1) According to the shareholdings indicated on the shareholder register on the record date, about 65 share shall be distributed against one thousand stocks.
  - (2) For fractional shares that are less than one full share, shareholders can register with the Company's share transfer agent within 5 days from the registration date to consolidate their shares. If the consolidated shares are still less than one full share or if the consolidation is not completed by the deadline, the Company will redeem the fractional shares at face value in cash, rounded to the dollar (fractions of a dollar will be disregarded), and the Chairman shall be authorized to designate specific persons for purchase of these by cash at per value.
  - (3) The rights and obligations of the new shares issued for increase of capital are the same as the current outstanding shares. Upon approval by the annual shareholders' meeting and by the competent authority, it is proposed that the Board of Directors be authorized to resolve the ex-right date, payment date, and other relevant issues.
  - (4) In the event that, the Company transfer or cancellation of treasury stocks or the conversion of domestic convertible corporate bonds results in a change in the number of outstanding shares and thereby affects the shareholder's allotment ratio, the Chairman of the Board of Directors intends to seek authorization from the annual shareholders' meeting to handle the related matters with full authority.
  - (5) If the above-motivated matters related to the capital increase are amend by the competent authority or changed due to the needs of the objective environment, the Chairman of the Board of Directors intends to seek authorization from the annual shareholders' meeting to handle the matter with full authority.

Shareholders' Statement: None.

**Resolution:**

Total Shares represented by shareholders present are 94,738,078 shares.

Voting Results	Electronic Votes	Aggregated Votes (Including Electronic Votes)	% of the total Votes
Approval	51,296,428	93,300,097	98.48%
Disapproval	29,918	29,918	0.03%
Invalidation	0	0	0.00%
Abstention/Unvoted	644,124	1,408,063	1.48%

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

**Proposal 2: (Proposed by the Board of Directors)**

Discussion on the amendments to the Articles of Incorporation.

**Description:**

1. Amend according to the Article 26-3 of Securities and Exchange Act and Article 4 of Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors.
2. The Company hereby proposes to amend Article 17 and 29.
3. The comparison table please refer to Attachment 6.
4. The regulation before amendment please refer to Appendix 2.

Shareholders' Statement: None.

**Resolution:**

Total Shares represented by shareholders present are 94,738,078 shares.

Voting Results	Electronic Votes	Aggregated Votes (Including Electronic Votes)	% of the total Votes
Approval	51,296,028	93,299,697	98.48%
Disapproval	30,242	30,242	0.03%
Invalidation	0	0	0.00%
Abstention/Unvoted	644,200	1,408,139	1.48%

**RESOLVED, that the above proposal be and hereby was approved as proposed.**

#### 4. Election Items:

##### Proposal:

Re-election of Directors.

##### Description:

1. The three year term of 9 Directors of the Board will be end on June 22, 2023.  
Accordingly, the Company proposes to re-elect new Board members at this year's annual shareholders' meeting. The shareholders' meeting shall elect 9 Directors (including 3 Independent Directors).
2. According to the Article of Incorporation of the Company, the nomination system is adopted for the election of directors and independent directors. The candidate list of Directors and independent directors please refer to Attachment 7.
3. The Rules for election of Directors please refer to appendix 3.
4. The new Directors and independent directors three year term will start from June 21, 2023 and conclude on June 20, 2026.

##### Results of the election:

Present Position	A/C Number	Name	Shareholding	Votes Received
Independent Director	F10289****	CHEN, CHIN-JANG	0	84,141,929
Independent Director	T10289****	CHIEN, TAI-LANG	0	81,760,131
Independent Director	K10099****	CHAN, I-YAO	0	79,725,754
Director	A10119****	KANG, YUNG-MING	0	101,035,305
Director	207	KANG, CHIH-LIANG	4,232,027	119,237,901
Director	F10010****	CHANG, KEN-TENG	0	97,983,073
Director	5434	MA, YUNG-CHIEN	763,939	94,699,138
Director	F12089****	LEE, CHIN-CHIN	0	91,548,307
Director	6057	Liun Shun Industrial Co. Representative: KANG, LI TSO HUI	35,823,928	88,945,832

#### 5. Questions and Motions: None.

Shareholders' Statement: None.

#### 6. Adjournment: 9:26 a.m.

NOTE: Because of the percentage of approval votes, disapproval votes, invalid votes, abstention votes and no votes held by total votes is calculated rounding down to two decimal places, as result, the total percentage will not be exactly equal to 100.00%.

## **Business Report of 2022**

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!

## A. 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%)

## B. Budget Implementation Status

(Unit: NT\$ thousand dollar)

Item	2022	2022 Budget	Achievement rate (%)
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%

## C. Financial revenue and expenditure as well as profitability analysis.

Analysis Item		Annual	
		2022	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



#### **D. Research and Development Status:**

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%.

#### **E. 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.

**Taiwan Fructose Co., Ltd.**  
**Audit Committee's Review Report**

The Board of Directors have submitted the 2022 Business Report, Financial Statements (including individual and consolidated Finance Statement) and Earnings Distribution Table. The Financial Statements have been audited, and Auditor Report have been issued, by Deloitte Taiwan, who issued an unqualified audit report.

The Business Report, Financial Statements and Earnings Distribution Table have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.  
Please Review.

Respectfully,  
2023 Annual Shareholders' Meeting

Taiwan Fructose Co., LTD  
Convener of Audit Committee : CHEN, CHIH-JANG

March 30, 2023

## **Accountants' Audit Report**

Taiwan Fructose Co., Ltd. Submitted:

### **Audit opinion**

We have completed our review of the Taiwan Fructose Co., Ltd., Parent Company Only Balance Sheet for December 31, 2022 and 2021, and the 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 the 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 the audit opinion**

We carry out audit work in accordance with the Regulations Governing Auditing and the 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 which are subject to standards of independence have maintained detached independence from Taiwan Fructose Co. Ltd., in accordance with the Norms of Professional Ethics for Certified Public Accountants, and have performed other responsibilities under those Norms. 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 the relevant supporting documents and test receipts so as 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 of December 31, 2022 and 2021 were NT\$500,082 thousand and NT\$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, associates, and joint ventures accounted for using the equity method amounted to NT\$4,114 thousand and NT\$4,604 thousand, respectively, accounting for 1.94% and 2.05% of total comprehensive income.

### **Responsibilities of management and the 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 the 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 the 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 the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Form a conclusion 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 of the Company to continue as a going concern. 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 controls that we identify during our audit.

We also provide a statement to those units charged with governance that our personnel which are subject to standards of independence have complied with the statement of independence under the Norms of Professional Ethics for Certified Public Accountants, and we communicate to the units charged with governance all relationships and other matters (including relevant protective measures) that may be considered to have an affect on accountant independence.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the 2022 parent company only financial statements and are therefore key audit matters. We describe these matters in our auditor's report unless the law or regulations 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: NT\$ thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
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	<u>962,651</u>	<u>23</u>	<u>1,030,371</u>	<u>27</u>
	<b>Non-current assets</b>				
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, plants, 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 – non-current (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	<u>3,197,766</u>	<u>77</u>	<u>2,851,917</u>	<u>73</u>
1XXX	Total assets	<u>\$ 4,160,417</u>	<u>100</u>	<u>\$ 3,882,288</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
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	<u>805,519</u>	<u>19</u>	<u>870,277</u>	<u>23</u>
	<b>Non-current liabilities</b>				
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	<u>1,098,901</u>	<u>27</u>	<u>903,359</u>	<u>23</u>
2XXX	Total liabilities	<u>1,904,420</u>	<u>46</u>	<u>1,773,636</u>	<u>46</u>
	<b>Equity (Note 21)</b>				
	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	<u>2,255,997</u>	<u>54</u>	<u>2,108,652</u>	<u>54</u>
	Total liabilities and equity	<u>\$ 4,160,417</u>	<u>100</u>	<u>\$ 3,882,288</u>	<u>100</u>

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



Taiwan Fructose Co. Ltd.

Parent Company Only Statements of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand, except for earnings per share in NT\$

Code		2022		2021	
		Amount	%	Amount	%
	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	<u>207,497</u>	<u>12</u>	<u>230,707</u>	<u>15</u>
	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	( <u>104,916</u> )	( <u>6</u> )	( <u>108,662</u> )	( <u>7</u> )
6900	Operating profit	<u>102,581</u>	<u>6</u>	<u>122,045</u>	<u>8</u>
	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 companies, and joint ventures using the equity method	<u>78,669</u>	<u>4</u>	<u>220,051</u>	<u>14</u>
7000	Total non-operating income and expenses	<u>54,275</u>	<u>3</u>	<u>300,622</u>	<u>19</u>
7900	Net profit before tax	156,856	9	422,667	27
7950	Income tax expense (Notes 4 and 24)	( <u>17,981</u> )	( <u>1</u> )	( <u>58,327</u> )	( <u>4</u> )
8200	Current year net profit	<u>138,875</u>	<u>8</u>	<u>364,340</u>	<u>23</u>

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Code		2022		2021	
		Amount	%	Amount	%
	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 companies, 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 companies, and joint ventures using the equity method	<u>372</u>	<u>-</u>	<u>3,591</u>	<u>-</u>
8300	Current year other comprehensive income	<u>73,306</u>	<u>4</u>	<u>( 140,256 )</u>	<u>( 9 )</u>
8500	Current year total comprehensive income	<u>\$ 212,181</u>	<u>12</u>	<u>\$ 224,084</u>	<u>14</u>
	Earnings per share (Note 25)				
9710	Basic	<u>\$ 0.79</u>		<u>\$ 2.07</u>	
9810	Diluted	<u>\$ 0.79</u>		<u>\$ 2.06</u>	

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

Taiwan Fructose Co. Ltd.  
Parent Company Only Statements of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

Code		Share capital		Retained earnings			Total other equity interest		Total equity	
		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
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	<u>175,869</u>	<u>\$ 1,758,684</u>	<u>\$ 57,414</u>	<u>\$ 218,209</u>	<u>\$ 391,341</u>	<u>\$ 157,722</u>	<u>( \$ 341,317 )</u>	<u>\$ 13,944</u>	<u>\$ 2,255,997</u>

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

Taiwan Fructose Co. Ltd.  
Parent Company Only Statements of Cash Flows  
January 1 to December 31, 2022 and 2021

Unit: NT\$ 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 companies, and joint ventures using the equity method	( 78,669 )	( 220,051 )
A22500	Gains from the disposal of property, plants, 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	<u>9,263</u>	<u>212,416</u>
	Cash flows from investing activities		

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Code		2022	2021
B00040	Acquisition of financial assets measured at amortised 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, plants, and equipment	( 25,290 )	( 17,543 )
B02800	Prices on disposal of property, plants, 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 associates	17,637	79,633
B07600	Other dividends received	4,009	1,545
B09900	Collection of capital reduction and return of shares from subsidiaries and associates	-	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.

## **Accountants' Audit Report**

Taiwan Fructose Co., Ltd. Submitted:

### **Audit opinion**

We have completed our review of the Taiwan Fructose Co., Ltd., and Subsidiaries (Taiwan Fructose Group) Consolidated Balance Sheet for December 31, 2022 and 2021, as well as the 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the 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 the audit opinion**

We carry out audit work in accordance with the Regulations Governing the 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 which are subject to standards of independence have maintained detached independence from Taiwan Fructose Group in accordance with the Norms of Professional Ethics for Certified Public Accountants, and have performed other responsibilities under those Norms. 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 our 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:

### Sales revenue recognition from a portion of major customers

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 the relevant supporting documents and test receipts so as 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 of December 31, 2022 and 2021 were NT\$804,961 thousand and NT\$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 NT\$204,409 thousand and NT\$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 opinions on the above-mentioned consolidated financial statements, the corresponding investments accounted for using the equity method and the profits and losses of associates and joint

ventures accounted for using the equity method are recognized in accordance with the audit reports of other accountants. The balances of investments accounted for using the equity method as of December 31, 2022 and 2021 were NT\$88,741 thousand and NT\$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, loss, and share of other comprehensive income from associates and joint ventures accounted for using the equity method amounted to NT\$683 thousand and NT\$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 the 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, or SIC Interpretations endorsed by the Financial Supervisory Commission, and to maintain the necessary internal controls in connection with the preparation of the consolidated financial statements, so as 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 the 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal 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. Form a conclusion 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 of the Company to continue as a going concern. 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 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 a statement to those units charged with governance that our personnel which are subject to the standards of independence have complied with the statement of independence under the Norms of Professional Ethics for Certified Public Accountants, and we communicate to the units charged with governance all relationships and other matters (including relevant protective measures) that may be considered to have an affect on accountant independence.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the 2022 consolidated financial statements and are therefore key audit matters. We describe these matters in our auditor's report unless the law or regulations 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: NT\$ thousand

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	<b>Current assets</b>				
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	<u>2,642,115</u>	<u>47</u>	<u>2,640,226</u>	<u>50</u>
	<b>Non-current assets</b>				
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, plants, and equipment (Notes 4, 13, and 32)	2,431,832	43	2,358,944	45
1755	Right of use assets (Notes 4 and 14)	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	<u>3,008,067</u>	<u>53</u>	<u>2,657,013</u>	<u>50</u>
1XXX	Total assets	<u>\$5,650,182</u>	<u>100</u>	<u>\$5,297,239</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term borrowings (Note 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	<u>1,199,111</u>	<u>21</u>	<u>1,164,106</u>	<u>22</u>
	<b>Non-current liabilities</b>				
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	<u>1,287,148</u>	<u>23</u>	<u>1,213,163</u>	<u>23</u>
2XXX	Total liabilities	<u>2,486,259</u>	<u>44</u>	<u>2,377,269</u>	<u>45</u>
	<b>Equity attributable to owners of the Company (Notes 4 and 22)</b>				
	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	<u>2,255,997</u>	<u>40</u>	<u>2,108,652</u>	<u>40</u>
36XX	Non-controlling interest (Note 22)	907,926	16	811,318	15
3XXX	Total equity	<u>3,163,923</u>	<u>56</u>	<u>2,919,970</u>	<u>55</u>
	Total liabilities and equity	<u>\$5,650,182</u>	<u>100</u>	<u>\$5,297,239</u>	<u>100</u>

The attached notes form part of this consolidated financial report.

Taiwan Fructose Co., Ltd., and Subsidiaries  
Consolidated Statements of Comprehensive Income  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand, except for earnings per share in NT\$

Code		2022		2021	
		Amount	%	Amount	%
	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	<u>635,593</u>	<u>13</u>	<u>602,589</u>	<u>14</u>
	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	( <u>317,186</u> )	( <u>6</u> )	( <u>302,782</u> )	( <u>7</u> )
6900	Operating profit	<u>318,407</u>	<u>7</u>	<u>299,807</u>	<u>7</u>
	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 associates and joint ventures accounted for using the equity method	<u>311</u>	<u>-</u>	<u>618</u>	<u>-</u>
7000	Total non-operating income and expenses	( <u>37,533</u> )	( <u>1</u> )	<u>404,628</u>	<u>9</u>
7900	Net profit before tax	280,874	6	704,435	16
7950	Income tax expense (Notes 4 and 25)	( <u>89,480</u> )	( <u>2</u> )	( <u>140,933</u> )	( <u>3</u> )

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Code		2022		2021	
		Amount	%	Amount	%
8200	Current year net profit	<u>191,394</u>	<u>4</u>	<u>563,502</u>	<u>13</u>
8310	Other comprehensive income 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 associates and joint ventures accounted for using the equity method	<u>372</u>	<u>-</u>	<u>3,591</u>	<u>-</u>
8300	Current year total other comprehensive income	<u>117,395</u>	<u>2</u>	<u>( 252,843 )</u>	<u>( 6 )</u>
8500	Current year total comprehensive income	<u>\$ 308,789</u>	<u>6</u>	<u>\$ 310,659</u>	<u>7</u>
	Net profit attributable to:				
8610	Owners of the Company	\$ 138,875	3	\$ 364,340	8
8620	Non-controlling interests	<u>52,519</u>	<u>1</u>	<u>199,162</u>	<u>5</u>
8600		<u>\$ 191,394</u>	<u>4</u>	<u>\$ 563,502</u>	<u>13</u>
	Comprehensive income attributable to:				
8710	Owners of the Company	\$ 212,181	4	\$ 224,084	5
8720	Non-controlling interests	<u>96,608</u>	<u>2</u>	<u>86,575</u>	<u>2</u>
8700		<u>\$ 308,789</u>	<u>6</u>	<u>\$ 310,659</u>	<u>7</u>
	Earnings per share (Note 26)				
9710	Basic	<u>\$ 0.79</u>		<u>\$ 2.07</u>	
9810	Diluted	<u>\$ 0.79</u>		<u>\$ 2.06</u>	

The attached notes form part of this consolidated financial report.

Taiwan Fructose Co., Ltd., and Subsidiaries  
Consolidated Statements of Changes in Equity  
January 1 to December 31, 2022 and 2021

Unit: NT\$ thousand

		Equity attributable to owners of the Company						Total other equity interest				
		Share capital		Retained 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
Code		Number of shares (thousand shares)	Amount	Capital reserves	Legal reserve	Special reserve	Undistributed earnings					
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.

Taiwan Fructose Co., Ltd., and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to December 31, 2022 and 2021

Unit: NT\$ 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	Loss (gain) 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 associates and joint ventures accounted for using the equity method	( 311 )	( 618 )
A22500	Gains from the disposal of property, plants, and equipment	( 1,318 )	( 498,122 )
A23700	Impairment loss on property, plants, 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	<u>6,451</u>	<u>449,520</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets measured at amortised cost	( 40,638 )	( 2,000 )

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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, plants, and equipment	( 164,159 )	( 364,193 )
B02800	Prices on disposal of property, plants, 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	<u>4,009</u>	<u>2,486</u>
BBBB	Net cash inflows (outflows) from investing activities	( <u>418,614</u> )	<u>389,159</u>
	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	( <u>64,836</u> )	( <u>105,359</u> )
CCCC	Net cash inflows (outflows) from financing activities	<u>45,077</u>	( <u>307,061</u> )
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>26,329</u>	( <u>147,509</u> )
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	<u>908,233</u>	<u>524,124</u>
E00200	Cash and cash equivalents balance at the end of the year	<u>\$ 567,476</u>	<u>\$ 908,233</u>

The attached notes form part of this consolidated financial report.



## 2022 Directors' remuneration

Job title	name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 8)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A) (Note 2)		Retirement pay and pension (B)		Director profit-sharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pay and pension (F)		Employee profit-sharing compensation (G) (Note 6)						
		The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company	All consolidated entities (Note 7)	The Company		All consolidated entities (Note 7)		The Company	All consolidated entities	
															Amount in cash	Amount in stock	Amount in cash	Amount in stock				
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 Director	CHAN, I-YAO	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

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.

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

Note 2: This refers to director base compensation in 2022. (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: The amount of director profit-sharing compensation approved by the board of directors for distribution in 2022.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

\*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

<b>Taiwan Fructose Co. Ltd</b>	
<b>2022 Earnings Distribution Table</b>	
	Unit: NT\$
Unappropriated Retained Earnings of Previous Year	9,509,132
Add:	
Net profit after tax (net income)	138,874,914
Other consolidated income after tax	9,338,327
Add:	
Special surplus reserves for long-term investment foreign exchange losses as required by law	63,967,934
Subtract:	
Legal Reserve	(14,821,324)
Retained Earnings in Available for Distribution	206,868,983
Distribution item:	
cash dividend (NT\$0.35 per share)*175,868,552 (share)	(61,553,993)
Stock dividend ( NT\$0.65 per share)*175,868,552 (share)	(114,314,560)
Unappropriated Retained Earnings at the end of period	31,000,430

## Taiwan Fructose Co., Ltd.

### Comparison Table for the Articles of Incorporation

After Amendments	Before Amendments	Explanation
<p><b>Article 17</b> The Company shall have a total of 9 Directors (including <u>more than 3 independent Directors</u>), who shall be elected by the shareholders' meeting from those with disposing capacity for a term of 3 years. Directors shall be elected by adopting candidate nomination systems as specified in Article 192-1 of the Company Act.</p>	<p><b>Article 17</b> The Company shall have a total of 9 Directors (including 3 independent Directors), who shall be elected by the shareholders' meeting from those with disposing capacity for a term of 3 years. Directors shall be elected by adopting candidate nomination systems as specified in Article 192-1 of the Company Act.</p>	including more than 3 independent Directors
<p><b>Article 29</b> These Articles were enacted on June 27, 1984. The 1<sup>st</sup> amendment was made on July 17, 1984. ... The 30th amendment was made on June 23, 2022. <u>The 30th amendment was made on June 21, 2023.</u></p>	<p><b>Article 29</b> These Articles were enacted on June 27, 1984. The 1<sup>st</sup> amendment was made on July 17, 1984. ... The 30th amendment was made on June 23, 2022.</p>	Add amendment date

## Candidate List of Directors and Independent Directors

Present Position	Name	Education	Major Experience	Current Position	Shareholding (shares)	Government or Legal Representative	Reasons for continuing to nominate the independent director who has served three consecutive terms:
Independent Director	CHEN, CHIN-JANG	Department of Law, Soochow University	(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) Independent Director of Taiwan Fructose Co., LTD. (2) Director of Soochow University (3) Director of Feng Chia University	0	N/A	Note
Independent Director	CHIEN, TAI-LANG	Department of Sociology, National Chung Hsing University	(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. (3) Independent Director of Taiwan Fructose Co., LTD.	0	N/A	N/A
Independent Director	CHAN, I-YAO	Taiwan University EMBA Finance Group	(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. (3) Independent Director of Taiwan Fructose Co., LTD.	0	N/A	N/A

Present Position	Name	Education	Major Experience	Current Position	Shareholding (shares)	Government or Legal Representative	Reasons for nominate as independent directors for over three consecutive terms
Director	KANG, YUNG-MING	Department of Business Administration, Tatung University	(1) Director and General Manager of Taiwan Fructose Co., LTD. (2) Director of Hoover Can Industrial Co., LTD.	(1) Chairman of Taiwan Fructose Co., LTD. (2) Director of Hoover Can Industrial Co., LTD.	0	N/A	N/A
Director	KANG, CHIH-LIANG	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.	(1) Director and General Manager of Taiwan Fructose Co., LTD. (2) Chairman of Hoover Can Industrial Co., LTD. (3) Liun Shun Industrial Co., LTD.	4,232,027	N/A	N/A
Director	CHANG, KEN-TENG	Department of Economics, National Chung Hsing University	Chairman of Hong sheng Construction Co., LTD.	Director of Taiwan Fructose Co., LTD.	0	N/A	N/A
Director	MA, YUNG-CHIEN	Fu Jen University Master of Finance	(1) Director of Taiwan Fructose Co., LTD. (2) Chairman of Junsheng Investment Co., Ltd.	(1) Director of Taiwan Fructose Co., LTD. (2) Chairman of Junsheng Investment Co., Ltd.	763,939	N/A	N/A
Director	LEE, CHIN-CHIN	Paul Hsu Senior High School	(1) Director of Taiwan Fructose Co., LTD. (2) Director of Tokyo Vacation Co., LTD.	(1) Director of Taiwan Fructose Co., LTD. (2) Director of Tokyo Vacation Co., LTD.	0	N/A	N/A
Director	KANG, LI TSO HUI	Daojiang High School of Commerce	Director of Taiwan Fructose Co., LTD.	Director of Taiwan Fructose Co., LTD	35,823,928	Liun Shun Industrial Co., LTD	N/A

Note : Independent Director CHEN,CHIN-JANG has served as independent directors for over three consecutive terms, due to his abundant experience in management and expertise in corporate governance, as well as his familiarity with relevant laws and regulations, which will significantly benefit our company, the Board have decided to include CHEN,CHIN-JANG as one of the independent director candidates. This will enable him to utilize his expertise in carrying out his responsibilities as an independent director and provide professional opinions for the supervision of the Company.

## **Taiwan Fructose Co., Ltd.**

### **Rules and Procedures of Shareholders' Meeting**

#### **Article 1**

The rules and procedures for Shareholders' Meeting of the Company, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

#### **Article 2**

The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

#### **Article 3**

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

### **Article 3-1**

To convene a virtual shareholders meeting, the Company shall include the follow particulars in the shareholders' meeting notice:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - B. Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
  - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

### **Article 4**

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the



virtual meeting platform.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding 1% or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.

Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

## **Article 5**

With regard to the authorization proxy to attend the Meeting, shareholders may follow the regulations of Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and the Company Act.

## **Article 6**

The shareholders' meeting shall be chaired by the chairperson. When the chairperson is on leave or for any reason unable to exercise the power of the chairperson, the chairperson shall appoint one of the managing directors to act as a chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as a chair.

It is advisable that shareholders' meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.

## **Article 7**

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

## **Article 8**

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceeding of the shareholders' meeting, and the voting and vote counting procedures.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the

party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

### **Article 9**

The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 4.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

### **Article 10**

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including

extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

### **Article 11**

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

### **Article 12**

Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

**Article 13**

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

**Article 14**

After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

**Article 15**

When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

**Article 16**

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

**Article 17**

When a meeting is in progress, the chair may announce a break based on time considerations.

**Article 18**

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders

who have registered to attend the meeting online in accordance with Article 4 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### **Article 19**

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

#### **Article 20**

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

#### **Article 21**

A shareholder shall be entitled to one vote for each share held. At the time of a vote, for each proposal, the chair or a person designed by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

#### **Article 22**

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual

shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

### **Article 23**

In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

## **Article 24**

When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

## **Article 25**

In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders



meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

#### **Article 26**

When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

#### **Article 27**

The rules and any amendments hereto shall be implemented after being approved by the shareholders' meeting.

These rules were enacted on June 29, 1991.

The 1<sup>st</sup> amendment was made on June 24, 1995.

The 2<sup>nd</sup> amendment was made on December 12, 1988.

The 3<sup>rd</sup> amendment was made on May 30, 2002.

The 4<sup>th</sup> amendment was made on June 5, 2012.

The 5<sup>th</sup> amendment was made on June 35, 2013.

The 6<sup>th</sup> amendment was made on June 25, 2015.

The 7<sup>th</sup> amendment was made on June 22, 2017.

The 8<sup>th</sup> amendment was made on June 23, 2020.

The 9<sup>th</sup> amendment was made on July 5, 2021.

The 10<sup>th</sup> amendment was made on June 23, 2022.

## **Taiwan Fructose Co., Ltd.**

### **Articles of Incorporation**

#### **Chapter 1 General Provisions**

##### **Article 1**

The Company is incorporated as a company limited by shares under the Company Act, and its name is Taiwan Fructose Co., Ltd.

##### **Article 2**

The Company is engaged in the following businesses:

1. Manufacturing, processing and trading of starch, maltose, glucose, fructose, and new compound syrup;
2. Manufacturing, processing and trading of dairy products, ice products, confectionery, biscuits, frozen foods, and dehydrated foods;
3. Manufacturing, processing and trading of canned foods, fruit juices, jams, fruits, vegetables, and quail foods;
4. CA02060 Metal Containers Manufacturing;
5. CC01060 Wired Communication Equipment and Apparatus Manufacturing;
6. CC01070 Telecommunication Equipment and Apparatus Manufacturing;
7. CC01080 Electronic Parts and Components Manufacturing;
8. CD01030 Automobiles and Parts Manufacturing;
9. Import and export trading business of previous products and raw materials (excluding futures).
10. Operation of farms, fishing farms, playgrounds, supermarkets, and hotel restaurants.
11. A102060 Grain Commerce
12. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

##### **Article 3**

The aggregate total of outward investment by the Company is free of the 40% of the Company's paid-in capital as set forth under Article 13 of the Company Act.

#### **Article 4**

The Company applies for external guarantees and endorsements of bills to the company organization, and is limited to the business needs of the Company and the invested company's operating projects, or the inter-bank guarantee business.

#### **Article 5**

The corporation shall have its head office in Taoyuan city, and may have branches or offices established abroad appropriate as resolved by the Board of Directors.

### **Chapter 2 Shares**

#### **Article 6**

Public announcements of the Corporation shall be duly made according to related laws.

#### **Article 7**

The total capital of the Company is NT\$2,000,000,000 (consisting of 200,000,000 shares at NT\$10 per share). The shares are issued in installments.

#### **Article 8**

Stocks issued by the Company are not required to be printed. However the corporation shall contact the securities depository and custodian institution for registration of the share certificates.

#### **Article 9**

The Company's shareholder services shall performed according to the Criteria Governing Handling of Stock Affairs by Public Stock Companies law and related laws.

#### **Article 10**

Transfer of title for stocks shall be suspended within sixty days prior to the regular shareholder's meeting; or within thirty days prior to the special shareholder's meeting; or within five days prior to the base date determined for the distribution of dividends, bonus, or other benefits.

## **Chapter 3 Shareholder's Meeting**

### **Article 11**

Shareholders' meeting shall be of two types: regular meeting and special meeting.

Regular meeting shall be convened within six months after the close of each fiscal year. Special meeting shall be convened in accordance with the related laws if necessary.

### **Article 11-1**

The shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

### **Article 12**

In case a shareholder is unable to attend a shareholders' meeting, the shareholder may issue a proxy form to appoint a proxy on his/her behalf to attend such meeting in accordance with Article 177 of the Company Act. Any other matters should be handled in accordance with the Regulations Governing the use of Proxies for Attendance at shareholder Meeting of Public Companies.

### **Article 13**

Each share of stock shall be entitled to one vote.

### **Article 14**

Any resolution at a shareholders' meeting shall be adopted if voted in favor by the majority of votes at a shareholders' meeting at which shareholders of more than one-half of the total issued and outstanding shares are present.

### **Article 15**

The chairperson of the shareholders' meeting shall preside in accordance with Article 128-1 and Article 208 of the Company Act.

### **Article 16**

The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed by the chairperson of the meeting, then distributed to every shareholder within 20 days after the meeting. The distributed can be made by way of public announcement. The minutes must detail the date and venue of the meeting, the name of the chairperson and the summary and results of meeting agendas. The minutes must be retained indefinitely. Shareholders' attendance sheets and proxy forms shall be retained as required by the relevant Laws.

## **Chapter 4 Directors and the Audit Committee**

### **Article 17**

The Company shall have a total of 9 Directors (including 3 independent Directors), who shall be elected by the shareholders' meeting from those with disposing capacity for a term of 3 years.

Directors shall be elected by adopting candidate nomination systems as specified in Article 192-1 of the Company Act.

### **Article 17-1**

In accordance with Article 14-4 of the Securities and Exchange Act, Taiwan Fructose Co. may establish the independent Board Committee organized by the Independent Directors. Duties, meeting rules, and other matters to be complied with the audit committee should be handled in accordance with relevant laws and the procedures of the audit committee should be established by the Board of Directors.

### **Article 18**

The resolutions of the Board, unless otherwise required by The Company Act, shall be resolved by a simple majority of the Directors at a Board meeting attended by at least 50% of all the Directors. If the Chairperson absence for reasons can't attend to the shareholders' meeting, the Chairperson of the Board of Directors need to appoint a representative chairperson to convene the shareholders' meeting.

### **Article 19**

In case the Chairperson of the Board of Directors absence for reasons can't attend to the shareholders' meeting to exercise his power and authority for any cause, a designate shall be selected according to Article 208 of the Company Act.

### **Article 20**

The Board of Directors exercises the following authorities:

1. Drafts the Company's business strategies and plans.
2. Drafts the Company's earnings appropriation proposals.
3. Decides the increase/decrease of raised capital.
4. Approval of major policies within The Company.
5. Dismissal of company managers and important personnel.
6. Subsidiaries setting and abolition.
7. Preparation of budget review and final accounts.
8. Other legally mandated rules and authority conferred by the shareholders' meeting.

## **Article 21**

(Deleted)

## **Article 22**

Over half of the Directors shall attend a Board of Directors meeting unless otherwise provided by the Company Act, and consent shall be passed by the majority of the attending Directors. If a Director cannot attend, the Director shall issue a power of attorney and list the scope or authorization for the convening matter to entrust other Directors to attend by proxy. However, one proxy may only attend on behalf of one absentee.

## **Article 23**

(Deleted)

## **Article 24**

Where all Directors attend the Company's duties, the Company shall pay them with remuneration disregarding whether the Company operates at a profit or loss. The amount of the remuneration shall be duly determined with reference to the extent of their contribution and also with reference to the rate normally prevalent in the horizontal trades.

## **Article 25**

The Company may set up managerial officers who shall be duly appointed, discharged and paid in accordance with Article 29 of the Company Act.

## **Chapter 5 Accounting**

### **Article 26**

The fiscal year of the Company shall be from January 1 to December 31 of each year. After the end of each fiscal year, the following reports shall be prepared by the Board of Directors, which deliver the same to the Audit Committee for 30 days before the convention of the general shareholders' meeting, and such documents, as well as the audit report made by the Audit Committee, shall be submitted to the general shareholders' meeting for acceptance.

1. Business Report.
2. Financial statement.
3. Earnings distribution or loss reimbursement proposal.

## **Article 27**

If the Company makes profits for current year, over 2% shall be set aside as compensation for employees, and less than 2% as compensation for Directors.

1. The resolution shall be adopted by a majority vote at a meeting of the Board of Directors attend by at least two-third of the total number of Directors and submitted to the shareholders' meeting.
2. The employee remuneration issuance results shall be reported to the shareholders' meeting.
3. Employees may be compensated in shares or in cash. Employees who qualify for compensation may include those of the Company's subsidiaries who meet specific criteria.

## **Article 27-1**

After paying taxes in accordance with the law and making up for the accumulated losses, 10% will be added to the statutory surplus reserve, and the special surplus reserve shall be set aside or reverted to the special surplus reserve in accordance with Article 41 of the Securities and Exchange Law.

If there is a balance, the same shall be accumulated after undistributed surplus, the board of directors drafts a surplus distribution plan; when dividends and bonuses are distributed by issuing new shares, they should be distributed after the resolution of the shareholders' meeting; when dividends and bonuses are distributed by cash, in accordance with Article 240, Item 5 of the Company Act, It is required to authorize the board of directors to attend the meeting of more than two-thirds of the directors and the resolutions of more than half of the directors present and then report to the annual shareholders' meeting.

The company's dividend policy, in order to cope with business expansion and consider the company's capital expenditures and operating turnover needs, a residual dividend policy is adopted. The future dividend policy is based on the principle that not less than 40% of the distributable surplus of the current year is the principle, but the distributable surplus is less than 2% of the paid-in share capital will not be distributed; the company's future capital expenditure budget will measure the capital needs and take into account For the interests of shareholders, the distribution of surpluses can be made in the form of cash dividends or stock dividends, in which the cash dividends shall not be less than 10% of the total dividends.

## **Chapter 6 Additional Rules**

### **Article 28**

For matters not specified in the Articles, all must comply with the Company Act.

### **Article 29**

These Articles were enacted on June 27, 1984.

The 1<sup>st</sup> amendment was made on July 17, 1984.

The 2<sup>nd</sup> amendment was made on April 18, 1987.

The 3<sup>rd</sup> amendment was made on October 24, 1987.

The 4<sup>th</sup> amendment was made on November 28, 1989.

The 5<sup>th</sup> amendment was made on July 24, 1990.

The 6<sup>th</sup> amendment was made on June 29, 1991.

The 7<sup>th</sup> amendment was made on May 26, 1992.

The 8<sup>th</sup> amendment was made on June 24, 1995.

The 9<sup>th</sup> amendment was made on December 12, 1995.

The 10<sup>th</sup> amendment was made on June 22, 1996.

The 11<sup>th</sup> amendment was made on December 12, 1998.

The 12<sup>th</sup> amendment was made on June 15, 2000.

The 13<sup>th</sup> amendment was made on June 22, 2001.

The 14<sup>th</sup> amendment was made on May 30, 2002.

The 15<sup>th</sup> amendment was made on June 12, 2003.

The 16<sup>th</sup> amendment was made on June 15, 2006

The 17<sup>th</sup> amendment was made on January 16, 2007.

The 18<sup>th</sup> amendment was made on June 11, 2008.

The 19<sup>th</sup> amendment was made on June 26, 2009.

The 20<sup>th</sup> amendment was made on June 15, 2010.

The 21<sup>st</sup> amendment was made on June 15, 2011

The 22<sup>nd</sup> amendment was made on June 5, 2012.

The 23<sup>rd</sup> amendment was made on June 25, 2013.

The 24<sup>th</sup> amendment was made on June 16, 2014.

The 25<sup>th</sup> amendment was made on June 25, 2015.

The 26<sup>th</sup> amendment was made on June 24, 2016.

The 27<sup>th</sup> amendment was made on June 27, 2019.

The 28<sup>th</sup> amendment was made on June 23, 2020.

The 29<sup>th</sup> amendment was made on July 5, 2021.

The 30<sup>th</sup> amendment was made on June 23, 2022.



## **Taiwan Fructose Co., Ltd.**

### **Rules for Election of Directors**

#### **Article 1**

The rules are adopted pursuant to Article 21 and 41 of the Corporate Governance Best-Practice Principles of the Company.

#### **Article 2**

The elections of the Company's Directors shall be conducted in accordance with these Rules. Any matters not provided in these Rules shall be handled in accordance with relevant Laws.

#### **Article 3**

The cumulative voting method shall be used for election of the Company's Directors. Each will have voting rights in number equal to the Directors to be elected, and may be cast for a single candidate or split among multiple candidates. Shareholder numbers or attendance and numbers printed on the ballots may be used instead of recording the names of voting shareholders.

#### **Article 4**

At the beginning of the election, the Chairman shall appoint several scrutineers each to check and record the ballots. The scrutineers to check the ballots may be appointed from among the shareholders present.

The ballot box used for voting shall be prepared by the Board of Directors and checked in public by the scrutineers before voting.

#### **Article 5**

Ballots, numbered in light of the shareholder account number or attendance card number, shall be prepared and issued by the Board of Directors with the number of voting rights specified thereon.

#### **Article 6**

In case a candidate is a shareholder, a voter shall fill in the candidate's account name and shareholder account number in the "candidate" column of the ballot.

For a

non-shareholder candidate, a voter shall fill in the candidate's name and ID card number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name of their representative should be filled in the column.

When there are multiple representatives, the names of each individual representative shall be entered.

### **Article 7**

In the election of Directors of the Company, candidates who acquire more votes should win seats of Directors. If two or more persons acquire the same number of votes and the number of such persons exceeds the specified seats available, such persons acquiring the same votes shall draw lots to decide who should win the seats available, and the Chairman shall draw lots on behalf of the candidate who is not present.

### **Article 8**

A ballot under any of the following circumstances shall be null and void:

- (1) The ballot was not prepared by the Board of Directors.
- (2) A blank ballot is placed in the ballot box.
- (3) Other words or marks are entered in addition to the candidate's account name (title or name) or shareholder account number (ID number/UBN) and the number of voting rights allotted.
- (4) The writing is unclear and indecipherable or has been altered.
- (5) The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and ID number/UBN do not match.
- (6) The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or ID number/UBN is provided in the ballot to identify such individual.

### **Article 9**

The ballots shall be counted immediately after the poll. The result, including the list of elected Directors and the total number of voting rights, shall be announced immediately in the meeting by the Chairman, or by the master of ceremonies, as instructed by the Chairman.

The election ballots, as described in the preceding paragraph, shall be sealed and signed by the scrutineers for safekeeping and shall be kept for at least one year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the ballots shall be held until the conclusion of the lawsuit.

### **Article 10**

The Board of Directors shall issue notifications to the persons elected as Directors, and have Director elects sign their consent to appointment.

### **Article 11**

The overall composition of the Board of Directors shall be taken into

consideration in the selection of the Company’s Directors. The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on operations, operating dynamics and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- (1) Basic requirements and values: Gender, age, nationally, and culture.
- (2) Professional knowledge and skills: A professional back background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

All members of the Board shall have the necessary knowledge, skills, and experience to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

- (1) Ability to make operational judgments.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Industrial Knowledge.
- (6) An international market perspective.
- (7) Leadership ability.
- (8) Decision-making ability.

Unless otherwise permitted by competent authorities, more than half of the total seats of Directors of the Company must not have a spousal relationship nor a relationship within the second degree of kinship with any other Director.

**Article 12**  
(Deleted)

**Article 13**  
The qualifications for Independent Directors shall comply with Article 2, 3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election for Independent Directors shall comply with Article 5, 6, 7, 8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and shall be conducted in accordance with Article 24 of the Corporation Governance Best-Practice Principles of the Company.

**Article 14**  
Election of Directors at the Company shall be conduct in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The candidate nomination system shall be expressly stated in the

Article of Incorporation of the Company, and the shareholders shall elect Directors from among those listed in the slate of Director candidates. Regarding review of Director candidate qualifications, education, experience, circumstances in Article 30 of the Company Act exists, documentary proof of other qualifications cannot be additionally listed without completing the appropriate procedures. Review results shall be presented to the shareholders as a basis for the consideration and election of suitable Directors.

Where the number of Board of Directors falls below 5 persons due to the release or resignation of Directors for any reason, a by-election shall be held at the next shareholders' meeting.

Where the number of Directors falls short by one-third of the total number prescribed by the articles of incorporation, the Company shall convene a special shareholders' meeting to hold a by-election within sixty days from the date of such occurrence.

Where the number of Independent Directors falls below the minimum specified in the proviso under Article 14-2, Paragraph 1 of the Securities and Exchange Act and fails to satisfy the provisions in the Taiwan Stock Exchange Corporation Rules Governing Review of Securities Listings, a by-election shall be held at the next shareholders' meeting. In the event that all the Independent Directors have been released or resigned, the Company shall convene a special shareholders' meeting to hold a by-election within sixty days from the date of such occurrence.

Where the number of Audit Committee members falls below the minimum specified in the Company's Article of Incorporation, a by-election shall be held at the next shareholders' meeting. In the event that all the Audit Committee members have been released or resigned, the Company shall convene a special shareholders' meeting to hold a by-election within sixty days from the date of such occurrence.

## **Article 15**

The rules and any amendments hereto shall be implemented after being approved by shareholders' meeting.

The rules were enacted on June 29, 1991.

The 1<sup>st</sup> amendment was made on May 30, 2002.

The 2<sup>nd</sup> amendment was made on June 25, 2015.

The 3<sup>rd</sup> amendment was made on June 23, 2020.

## Shareholdings of Directors

- (1) The Company has a paid-up capital of \$2,000,000,000; issued in 175,868,552 shares.
- (2) The minimum shareholding of the Company's Board of Directors is 10,552,113 shares (6%).
- (3) The shareholding of the Directors in the shareholder registry on the cut-off date of the shareholders' meeting are as follows:

April 30, 2023

Title	Name	Election date	Term	Shareholding	Shareholding percentage (%)
Chairman	KANG,YUNG-MING	109.06.23	3 years	0	0
Director	KANG,CHIH-LIANG	109.06.23	3 years	4,232,027	2.41%
Director	LEE, CHIN-CHIN	109.06.23	3 years	0	0
Director	Liun Shun Industrial Co., Ltd. Representative: KANG, LI TSO HUI	109.06.23	3 years	35,823,928	20.37%
Director	MA, YUNG-CHIEN	109.06.23	3 years	763,939	0.43%
Director	CHANG, KEN-TENG	109.06.23	3 years	0	0
Independent Director	CHAN, I-YAO	109.06.23	3 years	0	0
Independent Director	CHEN, CHIN-JANG	109.06.23	3 years	0	0
Independent Director	CHIEN,TAI-LANG	109.06.23	3 years	0	0
Total shares held by Directors				40,819,894	23.21%

- (4) The Shareholdings of Directors of the Company in compliance with the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies".

## The Impact of Stock Dividend Issuance on the Business Performance, EPS, and Shareholder Return Rate

Item	Year	2023 (Estimated)
Initial paid-up capital		1,758,685,520
Stock and Cash dividends allocations (Note 1)	Cash dividend per share	0.35
	Stock dividend per share from capital increase by retained earnings	0.65
	Stock dividend per share from capital increase by capital surplus	-
Change in operating performance	Operating income	Not Applicable (Note 2)
	Percentage of increase (decrease) in operating income compared to the same period of last year.	
	Net income after tax	
	Percentage of increase (decrease) in net income after tax compared to the same period of last year.	
	Earnings per share	
	Percentage of increase (decrease) in EPS compared to the same period of last year.	
	Annual average ROI (reciprocal of annual average PE ratio)	
Pro forma EPS and PE	If all dividends from capital increase by surplus are distributed in cash	Pro forma EPS
		Pro forma annual average ROI
	If no capital increase from capital surplus is implemented	Pro forma EPS
		Pro forma annual average ROI
	If no capital increase from capital surplus is implemented and all dividends from capital increase by surplus are distributed in cash	Pro forma EPS
		Pro forma annual average ROI

Note 1: Increase capital by issuing new shares from retained earnings of the Company hasn't approve by the annual shareholders' meeting.

Note 2: The Company does not publish any 2022 financial forecast. Therefore, it is not required to disclose 2023 forecast information.