

**TTET UNION CORPORATION AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REVIEW REPORT
SEPTEMBER 30, 2023 AND 2022**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

TTET UNION CORPORATION AND SUBSIDIARY
SEPTEMBER 30, 2023 AND 2022 CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REVIEW REPORT
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INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TTET Union Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of TTET Union Corporation and its subsidiary (the “Group”) as at September 30, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the three-month and nine-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2023 and 2022, and of its consolidated financial performance for the three-month and nine-month periods then ended and its consolidated cash flows for the nine-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission.

Yeh, Fang-Ting

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

October 27, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors’ report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,427,540	18	\$ 981,106	13	\$ 986,871	15
1110	Financial assets at fair value	6(2) and 12						
	through profit or loss - current		1,245	-	-	-	28,447	-
1150	Notes receivable, net	6(3)	150,464	2	189,128	3	135,517	2
1170	Accounts receivable, net	6(3)	982,138	13	1,073,335	15	948,800	14
1180	Accounts receivable - related	6(3) and 7						
	parties		106,992	1	141,121	2	108,625	2
1200	Other receivables		4,560	-	32,586	-	12,809	-
130X	Inventory	6(4)	2,986,140	38	3,501,468	47	2,972,989	44
1410	Prepayments		142,420	2	174,626	2	252,601	4
11XX	Total current assets		<u>5,801,499</u>	<u>74</u>	<u>6,093,370</u>	<u>82</u>	<u>5,446,659</u>	<u>81</u>
Non-current assets								
1517	Financial assets at fair value	6(5)						
	through other comprehensive							
	income - non-current		65,361	1	56,819	1	51,182	1
1600	Property, plant and equipment	6(6) and 8	849,403	11	823,356	11	841,418	12
1755	Right-of-use assets	6(7) and 7	1,033,077	13	318,920	4	326,022	5
1780	Intangible assets	6(8)	1,558	-	1,944	-	1,480	-
1840	Deferred income tax assets	6(22)	24,239	-	27,010	-	36,501	1
1920	Guarantee deposits paid		52,789	1	42,986	1	30,445	-
1975	Net defined benefit asset - non-	6(11)						
	current		28,361	-	28,357	1	-	-
1990	Other non-current asset		996	-	639	-	686	-
15XX	Total non-current assets		<u>2,055,784</u>	<u>26</u>	<u>1,300,031</u>	<u>18</u>	<u>1,287,734</u>	<u>19</u>
1XXX	Total assets		<u>\$ 7,857,283</u>	<u>100</u>	<u>\$ 7,393,401</u>	<u>100</u>	<u>\$ 6,734,393</u>	<u>100</u>

(Continued)

TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2023, DECEMBER 31, 2022 AND SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	September 30, 2023		December 31, 2022		September 30, 2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2100	Short-term borrowings	6(9)	\$ 60,265	1	\$ 3,600	-	\$ 5,625	-
2110	Short-term notes and bills payable	6(10)	19,997	-	69,949	1	74,989	1
2120	Financial liabilities at fair value through profit or loss - current	6(2) and 12	-	-	168	-	-	-
2130	Current contract liabilities	6(15)	36,683	-	60,560	1	26,527	-
2150	Notes payable		1,257	-	5,007	-	1,197	-
2170	Accounts payable		769,222	10	814,900	11	591,927	9
2180	Accounts payable - related parties	7	52,897	1	56,074	1	46,426	1
2200	Other payables		400,930	5	419,416	6	355,404	5
2230	Current income tax liabilities	6(22)	233,819	3	337,374	4	273,887	4
2280	Lease liabilities - current	6(7) and 7	54,485	1	46,836	1	44,624	1
21XX	Total current liabilities		<u>1,629,555</u>	<u>21</u>	<u>1,813,884</u>	<u>25</u>	<u>1,420,606</u>	<u>21</u>
Non-current liabilities								
2570	Deferred income tax liabilities	6(22)	13,256	-	13,007	-	19,151	-
2580	Lease liabilities - non-current	6(7) and 7	987,230	13	282,082	4	291,017	5
2640	Net defined benefit liabilities - non-current	6(11)	6,409	-	6,763	-	11,892	-
2645	Guarantee deposits received		14,316	-	6,593	-	4,881	-
25XX	Total non-current liabilities		<u>1,021,211</u>	<u>13</u>	<u>308,445</u>	<u>4</u>	<u>326,941</u>	<u>5</u>
2XXX	Total liabilities		<u>2,650,766</u>	<u>34</u>	<u>2,122,329</u>	<u>29</u>	<u>1,747,547</u>	<u>26</u>
Equity attributable to owners of parent								
Share capital								
3110	Common stock	6(12)	1,599,749	20	1,599,749	22	1,599,749	24
3200	Capital surplus	6(13)	23,784	-	23,784	-	23,784	-
Retained earnings								
3310	Legal reserve	6(14)	1,708,264	22	1,583,042	22	1,583,042	23
3320	Special reserve		5,858	-	5,528	-	5,528	-
3350	Unappropriated retained earnings		1,733,967	22	1,944,461	26	1,670,725	25
Other equity interest								
3400	Other equity interest	6(5)	(8,132)	-	(5,858)	-	(5,238)	-
31XX	Equity attributable to owners of the parent		<u>5,063,490</u>	<u>64</u>	<u>5,150,706</u>	<u>70</u>	<u>4,877,590</u>	<u>72</u>
36XX	Non-controlling interest		<u>143,027</u>	<u>2</u>	<u>120,366</u>	<u>1</u>	<u>109,256</u>	<u>2</u>
3XXX	Total equity		<u>5,206,517</u>	<u>66</u>	<u>5,271,072</u>	<u>71</u>	<u>4,986,846</u>	<u>74</u>
Significant contingent liabilities and unrecognized contract commitments								
3X2X	Total liabilities and equity		<u>\$ 7,857,283</u>	<u>100</u>	<u>\$ 7,393,401</u>	<u>100</u>	<u>\$ 6,734,393</u>	<u>100</u>

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

TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

Items			Three months ended September 30				Nine months ended September 30			
			2023		2022		2023		2022	
			AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15) and 7	\$ 5,838,356	100	\$ 6,054,826	100	\$ 17,707,757	100	\$ 17,687,951	100
5000	Operating costs	6(4)(8)(11)(20)(21) and 7	(5,256,172)	(90)	(5,772,591)	(95)	(15,868,979)	(90)	(15,890,009)	(90)
5900	Net operating margin		<u>582,184</u>	<u>10</u>	<u>282,235</u>	<u>5</u>	<u>1,838,778</u>	<u>10</u>	<u>1,797,942</u>	<u>10</u>
	Operating expenses	6(8)(11)(20)(21) and 7								
6100	Selling expenses		(184,775)	(3)	(161,435)	(3)	(534,889)	(3)	(482,940)	(3)
6200	General and administrative expenses		(61,568)	(1)	(49,333)	(1)	(201,088)	(1)	(196,301)	(1)
6300	Research and development expenses		(2,227)	-	(1,637)	-	(6,998)	-	(7,447)	-
6450	Expected credit losses	12	(3,137)	-	(98)	-	(3,044)	-	(424)	-
6000	Total operating expenses		(<u>251,707</u>)	(<u>4</u>)	(<u>212,503</u>)	(<u>4</u>)	(<u>746,019</u>)	(<u>4</u>)	(<u>687,112</u>)	(<u>4</u>)
6900	Operating profit		<u>330,477</u>	<u>6</u>	<u>69,732</u>	<u>1</u>	<u>1,092,759</u>	<u>6</u>	<u>1,110,830</u>	<u>6</u>
	Non-operating income and expenses									
7100	Interest income	6(16)	2,523	-	900	-	8,954	-	3,385	-
7010	Other income	6(5)(17)	6,163	-	6,243	-	12,039	-	13,809	-
7020	Other gains and losses	6(2)(7)(18) and 12	13,053	-	100,121	2	46,853	-	155,258	1
7050	Finance costs	6(7)(19) and 7	(4,181)	-	(3,058)	-	(9,112)	-	(5,648)	-
7000	Total non-operating income and expenses		<u>17,558</u>	<u>-</u>	<u>104,206</u>	<u>2</u>	<u>58,734</u>	<u>-</u>	<u>166,804</u>	<u>1</u>
7900	Profit before income tax		<u>348,035</u>	<u>6</u>	<u>173,938</u>	<u>3</u>	<u>1,151,493</u>	<u>6</u>	<u>1,277,634</u>	<u>7</u>
7950	Income tax expense	6(22)	(65,079)	(1)	(37,184)	(1)	(239,124)	(1)	(268,161)	(1)
8200	Profit for the period		<u>\$ 282,956</u>	<u>5</u>	<u>\$ 136,754</u>	<u>2</u>	<u>\$ 912,369</u>	<u>5</u>	<u>\$ 1,009,473</u>	<u>6</u>
	Other comprehensive (loss) income									
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(5)	(\$ 4,733)	-	(\$ 2,577)	-	(\$ 2,274)	-	\$ 290	-
8300	Other comprehensive (loss) income for the period		(\$ 4,733)	-	(\$ 2,577)	-	(\$ 2,274)	-	\$ 290	-
8500	Total comprehensive income for the period		<u>\$ 278,223</u>	<u>5</u>	<u>\$ 134,177</u>	<u>2</u>	<u>\$ 910,095</u>	<u>5</u>	<u>\$ 1,009,763</u>	<u>6</u>
	Profit attributable to:									
8610	Owners of the parent		\$ 269,922	5	\$ 124,289	2	\$ 874,908	5	\$ 978,481	6
8620	Non-controlling interest		<u>13,034</u>	<u>-</u>	<u>12,465</u>	<u>-</u>	<u>37,461</u>	<u>-</u>	<u>30,992</u>	<u>-</u>
			<u>\$ 282,956</u>	<u>5</u>	<u>\$ 136,754</u>	<u>2</u>	<u>\$ 912,369</u>	<u>5</u>	<u>\$ 1,009,473</u>	<u>6</u>
	Comprehensive income attributable to:									
8710	Owners of the parent		\$ 265,189	5	\$ 121,712	2	\$ 872,634	5	\$ 978,771	6
8720	Non-controlling interest		<u>13,034</u>	<u>-</u>	<u>12,465</u>	<u>-</u>	<u>37,461</u>	<u>-</u>	<u>30,992</u>	<u>-</u>
			<u>\$ 278,223</u>	<u>5</u>	<u>\$ 134,177</u>	<u>2</u>	<u>\$ 910,095</u>	<u>5</u>	<u>\$ 1,009,763</u>	<u>6</u>
	Earnings per share (in dollars)	6(23)								
9750	Basic		<u>\$ 1.69</u>		<u>\$ 0.78</u>		<u>\$ 5.47</u>		<u>\$ 6.12</u>	
9850	Diluted		<u>\$ 1.69</u>		<u>\$ 0.78</u>		<u>\$ 5.46</u>		<u>\$ 6.11</u>	

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

TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent									
Retained Earnings						Other Equity			
						Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings				
<u>For the nine-month period ended September 30, 2022</u>									
	\$ 1,599,749	\$ 23,784	\$ 1,456,732	\$ 7,000	\$ 1,776,932	(\$ 5,528)	\$ 4,858,669	\$ 98,984	\$ 4,957,653
	-	-	-	-	978,481	-	978,481	30,992	1,009,473
6(5)	-	-	-	-	-	290	290	-	290
	-	-	-	-	978,481	290	978,771	30,992	1,009,763
Distribution of 2021 net income:									
	-	-	126,310	-	(126,310)	-	-	-	-
6(14)	-	-	-	-	(959,850)	-	(959,850)	-	(959,850)
	-	-	-	(1,472)	1,472	-	-	-	-
	-	-	-	-	-	-	-	(20,720)	(20,720)
	\$ 1,599,749	\$ 23,784	\$ 1,583,042	\$ 5,528	\$ 1,670,725	(\$ 5,238)	\$ 4,877,590	\$ 109,256	\$ 4,986,846
<u>For the nine-month period ended September 30, 2023</u>									
	\$ 1,599,749	\$ 23,784	\$ 1,583,042	\$ 5,528	\$ 1,944,461	(\$ 5,858)	\$ 5,150,706	\$ 120,366	\$ 5,271,072
	-	-	-	-	874,908	-	874,908	37,461	912,369
6(5)	-	-	-	-	-	(2,274)	(2,274)	-	(2,274)
	-	-	-	-	874,908	(2,274)	872,634	37,461	910,095
Distribution of 2022 net income:									
	-	-	125,222	-	(125,222)	-	-	-	-
	-	-	-	330	(330)	-	-	-	-
6(14)	-	-	-	-	(959,850)	-	(959,850)	-	(959,850)
	-	-	-	-	-	-	-	(14,800)	(14,800)
	\$ 1,599,749	\$ 23,784	\$ 1,708,264	\$ 5,858	\$ 1,733,967	(\$ 8,132)	\$ 5,063,490	\$ 143,027	\$ 5,206,517

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

TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		For the nine-month periods ended September 30,	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,151,493	\$ 1,277,634
Adjustments			
Adjustments to reconcile profit (loss)			
Gain on financial assets at fair value through profit or loss		(1,413)	(28,467)
Expected credit losses	12	3,044	424
(Reversal of allowance) provision for inventory market price decline	6(4)		
Depreciation	6(6)(7)(20)	21,839	66,154
Loss (gain) on disposal of property, plant and equipment	6(18)	169,138	156,398
Property, plant and equipment recognised as expense		356	(122)
Loss on lease modification	6(6)	8,359	9,786
Amortisation	6(7)(18)	70	112
Dividend income	6(8)(20)	538	490
Interest income	6(5)(17)	(2,693)	(2,351)
Finance costs	6(16)	(8,954)	(3,385)
Changes in operating assets and liabilities	6(19)	9,112	5,648
Changes in operating assets			
Notes receivable		38,768	26,022
Accounts receivable		88,049	(137,893)
Accounts receivable - related parties		34,129	(10,330)
Other receivables		28,026	17,033
Inventories		537,167	(575,190)
Prepayments		32,206	111,163
Net defined benefit asset - non-current		(4)	-
Changes in operating liabilities			
Current contract liabilities		(23,877)	(3,878)
Notes payable		(3,750)	(3,591)
Accounts payable		(45,678)	(236,413)
Accounts payable - related parties		(3,177)	(17,201)
Other payables		(18,206)	(55,580)
Net defined benefit liabilities - non-current		(354)	(450)
Cash inflow generated from operations		1,970,510	596,013
Dividends received		2,693	2,351
Interest received		8,954	3,385
Interest paid		(9,027)	(5,663)
Income tax paid		(339,659)	(328,312)
Net cash flows from operating activities		1,633,471	267,774

(Continued)

TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		For the nine-month periods ended September 30,	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 10,816)	(\$ 13,292)
Cash paid for acquisition of property, plant and equipment	6(24)	(151,610)	(120,129)
Proceeds from disposal of property, plant and equipment		-	150
Increase in intangible assets	6(8)	(152)	(952)
(Increase) decrease in guarantee deposits paid		(9,803)	1,997
Increase in other non-current assets		(357)	(400)
Net cash flows used in investing activities		(172,738)	(132,626)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase (decrease) in short-term borrowings	6(25)	56,665	(59,891)
(Decrease) increase in short-term notes and bills payable	6(25)	(50,000)	5,000
Repayment of lease principal	6(25)	(54,037)	(40,955)
Increase in guarantee deposit received	6(25)	7,723	463
Payment of cash dividends	6(14)	(959,850)	(959,850)
Decrease in non-controlling interest		(14,800)	(20,720)
Net cash flows used in financing activities		(1,014,299)	(1,075,953)
Net increase (decrease) in cash and cash equivalents		446,434	(940,805)
Cash and cash equivalents at beginning of period	6(1)	981,106	1,927,676
Cash and cash equivalents at end of period	6(1)	\$ 1,427,540	\$ 986,871

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

TTET UNION CORPORATION AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

- (1) TTET Union Corporation (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on May 24, 1982. The Company and its subsidiary (the “Group”) are primarily engaged in the manufacture, sales, processing, import and export of a variety of vegetable oils and engaged in cogeneration plant business, wholesale and retailing of oils, etc.
- (2) The common shares of the Company have been listed on the Taiwan Stock Exchange since February 1996.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on October 27, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

- (1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board (IASB)</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Disclosure of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendment to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Except for the compliance statement, basis of preparation, basis of consolidation, and applicable part of interim financial statements, the other principal accounting policies are in agreement with Note 4 of the consolidated financial statements for the year ended December 31, 2022. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Group have been prepared in accordance with the 'Regulations Governing the Preparation of Financial Reports by Securities Issuers' and IAS 34, 'Interim Financial Reporting' that came into effect as endorsed by the FSC.
- B. The consolidated financial statements should be read together with the consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income measured at fair value.
 - (c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”), requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:

The basis for preparation of these consolidated financial statements is consistent with those for the preparation of consolidated financial statements for the year ended December 31, 2022.

- B. Subsidiary included in the consolidated financial statements:

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Business activities</u>	<u>Ownership (%)</u>		<u>Note</u>
			<u>September 30, 2023</u>	<u>December 31, 2022</u>	
TTET Union Corporation	Master Channels Corporation	Wholesale of food	80.27	80.27	—

<u>Name of investor</u>	<u>Name of subsidiary</u>	<u>Business activities</u>	<u>Ownership (%)</u>		<u>Note</u>
			<u>September 30, 2022</u>		
TTET Union Corporation	Master Channels Corporation	Wholesale of food	80.27		—

- C. Subsidiaries not included in the consolidated financial statements: None.

- D. Adjustments for subsidiaries with different balance sheet dates: None.

- E. Significant restrictions: None.

- F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Employee benefits

Defined benefit plans

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant

market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

(5) Income tax

- A. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.
- B. If a change in tax rate is enacted or substantively enacted in an interim period, the Group recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

There have been no significant changes during the period. Refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash:			
Cash on hand	\$ 4, 275	\$ 3, 744	\$ 2, 985
Checking and demand deposits	<u>653, 898</u>	<u>507, 669</u>	<u>457, 581</u>
	<u>658, 173</u>	<u>511, 413</u>	<u>460, 566</u>
Cash equivalents:			
Time deposits	200, 000	–	1, 700
Commercial paper	<u>569, 367</u>	<u>469, 693</u>	<u>524, 605</u>
	<u>769, 367</u>	<u>469, 693</u>	<u>526, 305</u>
	<u>\$ 1, 427, 540</u>	<u>\$ 981, 106</u>	<u>\$ 986, 871</u>

- A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.
- B. The Group has no cash and cash equivalents pledged to others as of September 30, 2023, December 31, 2022 and September 30, 2022.

(2) Financial assets and liabilities at fair value through profit or loss – current

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Financial assets mandatorily measured at fair value through profit or loss			
Non-hedging derivative	<u>\$ 1,245</u>	<u>\$ –</u>	<u>\$ 28,447</u>
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Financial liabilities held for trading			
Non-hedging derivative	<u>\$ –</u>	<u>\$ 168</u>	<u>\$ –</u>

- A. The Group recognized net gain (shown as “Other gains and losses”) on financial assets mandatorily measured at fair value amounting to \$16,567, \$101,159, \$37,294 and \$154,491 for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively.
- B. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	<u>September 30, 2023</u>		<u>September 30, 2022</u>	
	Contract amount		Contract amount	
<u>Derivative instruments</u>	<u>(Notional principal)</u>	<u>Contract period</u>	<u>(Notional principal)</u>	<u>Contract period</u>
Current asset item:				
Forward foreign	USD 10,611	2023. 9. 21	USD 33,012	2022. 7. 27
exchange contracts	<u>thousand</u>	<u>~2023. 11. 3</u>	<u>thousand</u>	<u>~2022. 11. 25</u>

There was no such situation as of December 31, 2022.

	<u>December 31, 2022</u>	
	Contract amount	
<u>Derivative instruments</u>	<u>(Notional principal)</u>	<u>Contract period</u>
Current liability item:		
Forward foreign	USD 146	2022. 11. 9
exchange contracts	<u>thousand</u>	<u>~2023. 1. 5</u>

There was no such situation as of September 30, 2023 and 2022.

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of import proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

- C. Information relating to credit risk of financial assets and liabilities at fair value through profit or loss is provided in Note 12(2).

(3) Notes and accounts receivable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	\$ 151,740	\$ 190,508	\$ 136,885
Less: Allowance for uncollectible accounts	(1,276)	(1,380)	(1,368)
	<u>\$ 150,464</u>	<u>\$ 189,128</u>	<u>\$ 135,517</u>
	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Accounts receivable	\$ 991,210	\$ 1,079,281	\$ 953,851
Accounts receivable - related parties	106,992	141,121	108,625
	<u>1,098,202</u>	<u>1,220,402</u>	<u>1,062,476</u>
Less: Allowance for uncollectible accounts	(9,072)	(5,946)	(5,051)
	<u>\$ 1,089,130</u>	<u>\$ 1,214,456</u>	<u>\$ 1,057,425</u>

A. The ageing analysis of notes receivable and accounts receivable is as follows:

	<u>September 30, 2023</u>		<u>December 31, 2022</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 151,740	\$ 1,091,839	\$ 190,508	\$ 1,216,248
Less than 30 days	–	3,108	–	3,762
31~60 days	–	1,717	–	164
61~90 days	–	1,477	–	64
91~over 120 days	–	61	–	164
	<u>\$ 151,740</u>	<u>\$ 1,098,202</u>	<u>\$ 190,508</u>	<u>\$ 1,220,402</u>

	<u>September 30, 2022</u>	
	<u>Notes receivable</u>	<u>Accounts receivable</u>
Not past due	\$ 136,885	\$ 1,058,547
Less than 30 days	–	3,796
31~60 days	–	18
61~90 days	–	21
91~over 120 days	–	94
	<u>\$ 136,885</u>	<u>\$ 1,062,476</u>

The above ageing analysis was based on past due date.

- B. As at September 30, 2023, December 31, 2022 and September 30, 2022, notes and accounts receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to \$1,077,461.
- C. As at September 30, 2023, December 31, 2022 and September 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable were its book value.

D. The Group holds certificates of time deposit and land as security for accounts receivable as of September 30, 2023, December 31, 2022 and September 30, 2022.

E. The Group has no notes and accounts receivable pledged to others as at September 30, 2023, December 31, 2022 and September 30, 2022.

F. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2).

(4) Inventories

	September 30, 2023		
	Cost	Allowance for market price decline	Book value
Merchandise	\$ 299,033	(\$ 6,770)	\$ 292,263
Raw materials	381,685	(3,929)	377,756
Raw materials in transit	1,459,045	(16,215)	1,442,830
Supplies	18,153	(385)	17,768
Work in process	222,374	–	222,374
Work in process in transit	14,991	–	14,991
Finished goods	624,128	(5,970)	618,158
	<u>\$ 3,019,409</u>	<u>(\$ 33,269)</u>	<u>\$ 2,986,140</u>

	December 31, 2022		
	Cost	Allowance for market price decline	Book value
Merchandise	\$ 342,927	(\$ 6,535)	\$ 336,392
Raw materials	495,736	–	495,736
Raw materials in transit	1,612,832	–	1,612,832
Supplies	21,994	(53)	21,941
Work in process	278,842	–	278,842
Finished goods	804,245	(48,520)	755,725
	<u>\$ 3,556,576</u>	<u>(\$ 55,108)</u>	<u>\$ 3,501,468</u>

	September 30, 2022		
	Cost	Allowance for market price decline	Book value
Merchandise	\$ 301,091	(\$ 5,755)	\$ 295,336
Raw materials	434,528	(2,081)	432,447
Raw materials in transit	1,066,513	(23,265)	1,043,248
Supplies	26,570	(135)	26,435
Work in process	302,739	–	302,739
Finished goods	913,380	(40,596)	872,784
	<u>\$ 3,044,821</u>	<u>(\$ 71,832)</u>	<u>\$ 2,972,989</u>

The cost of inventories recognized as expense for the period:

	For the three-month periods ended September 30,	
	2023	2022
Cost of goods sold	\$ 5, 150, 142	\$ 5, 621, 976
Provision for inventory market price decline	7, 641	66, 302
Loss on scrapped inventories	377	782
Gain on physical inventory	—	(1)
	<u>\$ 5, 158, 160</u>	<u>\$ 5, 689, 059</u>
	For the nine-month periods ended September 30,	
	2023	2022
Cost of goods sold	\$ 15, 624, 173	\$ 15, 580, 336
(Reversal of allowance) provision for inventory market price decline (Note)	(21, 839)	66, 154
Loss on scrapped inventories	604	1, 064
Loss (gain) on physical inventory	984	(6)
	<u>\$ 15, 603, 922</u>	<u>\$ 15, 647, 548</u>

(Note) The Group recognized gain from price recovery as the increase in the international prices of raw materials led to a recovery in inventory net realizable value for the nine-month period ended September 30, 2023.

(5) Financial assets at fair value through other comprehensive income – non-current

	September 30, 2023	December 31, 2022	September 30, 2022
Equity instruments			
Listed stocks	\$ 65, 218	\$ 54, 402	\$ 48, 145
Unlisted stocks	<u>8, 275</u>	<u>8, 275</u>	<u>8, 275</u>
	73, 493	62, 677	56, 420
Valuation adjustment	(8, 132)	(5, 858)	(5, 238)
	<u>\$ 65, 361</u>	<u>\$ 56, 819</u>	<u>\$ 51, 182</u>

- A. The Group has elected to classify equity investments that are considered to be strategic investments and have steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to \$65,361, \$56,819 and \$51,182 as at September 30, 2023, December 31, 2022 and September 30, 2022, respectively.
- B. The Group recognized other comprehensive (loss) income in relation to the financial assets at fair value through other comprehensive (loss) income amounting to (\$4,733), (\$2,577), (\$2,274) and \$290 for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively.
- C. The Group recognized dividend income in relation to the financial assets at fair value through other comprehensive income amounting to \$2,693, \$2,351, \$2,693 and \$2,351 for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively.

- D. As at September 30, 2023, December 31, 2022 and September 30, 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the book value.
- E. The Group has no financial assets at fair value through other comprehensive income pledged to others.
- F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(6) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress	Total
<u>January 1, 2023</u>								
Cost	\$ 44,244	\$ 1,119,780	\$ 3,525,997	\$ 15,152	\$ 6,742	\$ 214,794	\$ 16,836	\$ 4,943,545
Accumulated depreciation	—	(817,247)	(3,194,194)	(14,280)	(5,065)	(89,403)	—	(4,120,189)
	<u>\$ 44,244</u>	<u>\$ 302,533</u>	<u>\$ 331,803</u>	<u>\$ 872</u>	<u>\$ 1,677</u>	<u>\$ 125,391</u>	<u>\$ 16,836</u>	<u>\$ 823,356</u>
<u>For the nine-month period ended September 30, 2023</u>								
At January 1	\$ 44,244	\$ 302,533	\$ 331,803	\$ 872	\$ 1,677	\$ 125,391	\$ 16,836	\$ 823,356
Additions	—	3,791	35,377	—	—	1,984	110,141	151,293
Transferred after acceptance	—	1,542	28,937	—	—	—	(30,479)	—
Depreciation	—	(27,146)	(74,738)	(168)	(662)	(13,817)	—	(116,531)
Disposals — Cost	—	—	(2,216)	—	(90)	(2,252)	—	(4,558)
— Accumulated depreciation	—	—	1,860	—	90	2,252	—	4,202
Expensed	—	—	—	—	—	—	(8,359)	(8,359)
At September 30	<u>\$ 44,244</u>	<u>\$ 280,720</u>	<u>\$ 321,023</u>	<u>\$ 704</u>	<u>\$ 1,015</u>	<u>\$ 113,558</u>	<u>\$ 88,139</u>	<u>\$ 849,403</u>
<u>September 30, 2023</u>								
Cost	\$ 44,244	\$ 1,125,113	\$ 3,588,095	\$ 15,152	\$ 6,652	\$ 214,526	\$ 88,139	\$ 5,081,921
Accumulated depreciation	—	(844,393)	(3,267,072)	(14,448)	(5,637)	(100,968)	—	(4,232,518)
	<u>\$ 44,244</u>	<u>\$ 280,720</u>	<u>\$ 321,023</u>	<u>\$ 704</u>	<u>\$ 1,015</u>	<u>\$ 113,558</u>	<u>\$ 88,139</u>	<u>\$ 849,403</u>

	Land	Buildings	Machinery	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress	Total
<u>January 1, 2022</u>								
Cost	\$ 44,244	\$ 1,111,944	\$ 3,451,978	\$ 15,152	\$ 7,915	\$ 180,350	\$ 27,031	\$ 4,838,614
Accumulated depreciation	–	(780,402)	(3,098,967)	(13,682)	(5,506)	(87,881)	–	(3,986,438)
	<u>\$ 44,244</u>	<u>\$ 331,542</u>	<u>\$ 353,011</u>	<u>\$ 1,470</u>	<u>\$ 2,409</u>	<u>\$ 92,469</u>	<u>\$ 27,031</u>	<u>\$ 852,176</u>
<u>For the nine-month period ended September 30, 2022</u>								
At January 1	\$ 44,244	\$ 331,542	\$ 353,011	\$ 1,470	\$ 2,409	\$ 92,469	\$ 27,031	\$ 852,176
Additions	–	6,060	40,579	–	–	9,718	56,149	112,506
Transferred after acceptance	–	1,043	16,531	–	–	39,723	(57,297)	–
Depreciation	–	(27,552)	(72,637)	(461)	(518)	(12,282)	–	(113,450)
Disposals — Cost	–	–	(2,079)	–	(1,172)	(14,113)	–	(17,364)
— Accumulated depreciation	–	–	2,079	–	1,172	14,085	–	17,336
Expensed	–	–	–	–	–	–	(9,786)	(9,786)
At September 30	<u>\$ 44,244</u>	<u>\$ 311,093</u>	<u>\$ 337,484</u>	<u>\$ 1,009</u>	<u>\$ 1,891</u>	<u>\$ 129,600</u>	<u>\$ 16,097</u>	<u>\$ 841,418</u>
<u>September 30, 2022</u>								
Cost	\$ 44,244	\$ 1,119,047	\$ 3,507,009	\$ 15,152	\$ 6,743	\$ 215,678	\$ 16,097	\$ 4,923,970
Accumulated depreciation	–	(807,954)	(3,169,525)	(14,143)	(4,852)	(86,078)	–	(4,082,552)
	<u>\$ 44,244</u>	<u>\$ 311,093</u>	<u>\$ 337,484</u>	<u>\$ 1,009</u>	<u>\$ 1,891</u>	<u>\$ 129,600</u>	<u>\$ 16,097</u>	<u>\$ 841,418</u>

- A. The Group's property, plant and equipment are all owner-occupied as at September 30, 2023, December 31, 2022 and September 30, 2022.
- B. The Group has not capitalized any interest for the nine-month periods ended September 30, 2023 and 2022.
- C. For more information regarding the Group's property, plant and equipment pledged to others as at September 30, 2023, December 31, 2022 and September 30, 2022, refer to Note 8, "Pledged assets".

(7) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings and transportation equipment. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land	\$ 320,192	\$ 31,846	\$ 32,370
Buildings	627,268	216,552	223,884
Transportation equipment	85,580	70,443	69,675
Other equipment	37	79	93
	<u>\$ 1,033,077</u>	<u>\$ 318,920</u>	<u>\$ 326,022</u>

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 644	\$ 526
Buildings	12,654	8,529
Transportation equipment	8,192	6,997
Other equipment	14	14
	<u>\$ 21,504</u>	<u>\$ 16,066</u>

	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Land	\$ 1,705	\$ 1,568
Buildings	27,318	19,601
Transportation equipment	23,542	21,737
Other equipment	42	42
	<u>\$ 52,607</u>	<u>\$ 42,948</u>

- C. For the three-month and nine-month periods ended September 30, 2023 and 2022, the additions to right-of-use assets were \$745,310, \$159,840, \$767,358, and \$177,734, respectively.

D. The information on income and expense accounts relating to lease contracts is as follows:

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 3,788	\$ 1,796
Expense on short-term lease contracts	604	1,476
Loss (gain) from lease modification	33 (	4)
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 6,489	\$ 3,296
Expense on short-term lease contracts	6,253	10,008
Loss from lease modification	70	112

E. For the nine-month periods ended September 30, 2023 and 2022, the Group's total cash outflow for leases were \$66,779 and \$54,259, respectively.

(8) Intangible assets

	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2023</u>			
Cost	\$ 14,745	\$ 778	\$ 15,523
Accumulated amortization	(13,439)	(140)	(13,579)
	<u>\$ 1,306</u>	<u>\$ 638</u>	<u>\$ 1,944</u>
<u>For the nine-month period ended September 30, 2023</u>			
At January 1	\$ 1,306	\$ 638	\$ 1,944
Additions — Acquired separately	152	—	152
Amortization charge	(484)	(54)	(538)
At September 30	<u>\$ 974</u>	<u>\$ 584</u>	<u>\$ 1,558</u>
<u>At September 30, 2023</u>			
Cost	\$ 14,897	\$ 778	\$ 15,675
Accumulated amortization	(13,923)	(194)	(14,117)
	<u>\$ 974</u>	<u>\$ 584</u>	<u>\$ 1,558</u>

	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
<u>At January 1, 2022</u>			
Cost	\$ 13,458	\$ 464	\$ 13,922
Accumulated amortization	(12,828)	(76)	(12,904)
	<u>\$ 630</u>	<u>\$ 388</u>	<u>\$ 1,018</u>
<u>For the nine-month period ended September 30, 2022</u>			
At January 1	\$ 630	\$ 388	\$ 1,018
Additions — Acquired separately	638	314	952
Amortization charge	(444)	(46)	(490)
At September 30	<u>\$ 824</u>	<u>\$ 656</u>	<u>\$ 1,480</u>
<u>At September 30, 2022</u>			
Cost	\$ 14,096	\$ 778	\$ 14,874
Accumulated amortization	(13,272)	(122)	(13,394)
	<u>\$ 824</u>	<u>\$ 656</u>	<u>\$ 1,480</u>

Details of amortization on intangible assets are as follows:

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	\$ 11	\$ 11
Selling expenses	69	69
Administrative expenses	99	83
	<u>\$ 179</u>	<u>\$ 163</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	\$ 32	\$ 32
Selling expenses	207	138
Administrative expenses	299	320
	<u>\$ 538</u>	<u>\$ 490</u>

(9) Short-term borrowings

	<u>September 30, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank unsecured borrowings	<u>\$ 60,265</u>	1.96%~6.48%	None
	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank unsecured borrowings	<u>\$ 3,600</u>	5.18%	None
	<u>September 30, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank unsecured borrowings	<u>\$ 5,625</u>	3.96%	None

For interest expense recognized in profit or loss for the three-month and nine-month periods ended September 30, 2023 and 2022, refer to Note 6(19).

(10) Short-term notes and bills payable

	<u>September 30, 2023</u>	<u>Interest rate range</u>	<u>Collateral</u>
Commercial paper payable	\$ 20,000	1.62%	None
Less: Unamortized discount	(3)		
	<u>\$ 19,997</u>		
	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Commercial paper payable	\$ 70,000	1.32%~1.80%	None
Less: Unamortized discount	(51)		
	<u>\$ 69,949</u>		
	<u>September 30, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Commercial paper payable	\$ 75,000	1.08%~1.44%	None
Less: Unamortized discount	(11)		
	<u>\$ 74,989</u>		

- A. The above commercial papers were issued and secured by Mega Bills Finance Co., Ltd. and others for short-term financing.
- B. For interest expense recognized in profit or loss for the three-month and nine-month periods ended September 30, 2023 and 2022, refer to Note 6(19).

(11) Pensions

- A. The Group has defined benefit pension plans in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Group contributes monthly an amount equal to 2%~4% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the independent retirement fund committee. Also, the Group would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Group will make contribution for the deficit by next March. The information on the Group's defined benefit pension plan is as follows:
- (a) The pension cost under the aforementioned defined benefit pension plans of the Group for the three-month and nine-month periods ended September 30, 2023 and 2022 were \$380, \$387, \$1,161, and \$1,273, respectively.
- (b) The Group's expected contributions under the defined benefit pension plans for the year ending December 31, 2023 amount to \$2,032.

B. Effective July 1, 2005, the Group has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Group contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Group for the three-month and nine-month periods ended September 30, 2023 and 2022 were \$4,800, \$4,217, \$13,742 and \$12,091, respectively.

(12) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows (in thousands of shares):

	For the nine-month periods ended September 30,	
	2023	2022
Beginning and ending balance	159, 975	159, 975

B. As of September 30, 2023, the Company’s authorized capital was \$1,778,000 and the paid-in capital was \$1,599,749, consisting of 159,975 thousand shares of ordinary stock, with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(13) Capital surplus

Pursuant to the Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital reserves should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Movements in the Company’s capital reserves for the nine-month periods ended September 30, 2023 and 2022 are as follows:

	For the nine-month period ended September 30, 2023		
	Share premium	Treasury share transactions	Total
Beginning and ending balance	\$ 154	\$ 23, 630	\$ 23, 784

	For the nine-month period ended September 30, 2022		
	Share premium	Treasury share transactions	Total
Beginning and ending balance	\$ 154	\$ 23, 630	\$ 23, 784

(14) Retained earnings

- A. Pursuant to the Company Act, the current year's after-tax earnings should set aside 10% of the remaining earnings as legal reserve until the balance of legal reserve is equal to that of paid-in capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- B. According to the Company's Articles of Incorporation, 10% of the annual net income, after offsetting any loss of prior years and paying all taxes and dues, shall be set aside as legal reserve, and set aside or reverse special reserve. The remaining net income and the unappropriated retained earnings from prior years can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the stockholders' meeting. Of the amount to be distributed by the Company, stockholders' dividends shall comprise 50% to 100% of the unappropriated retained earnings. Since the Company is in a changeable industry environment and the life cycle of the Company is in a stable growth, the appropriation of earnings should consider fund requirements and capital budgets to decide how much earnings will be kept or distributed and how much cash dividends will be distributed. The percentage of stock dividends shall not be more than 50% of dividends distributed.
- C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- D. For the nine-month periods ended September 30, 2023 and 2022, the Company recognized dividends distributed to owners both amounting to \$959,850 (\$6 (in dollars) per share as cash dividend).

(15) Operating revenue

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	<u>\$ 5, 838, 356</u>	<u>\$ 6, 054, 826</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers	<u>\$ 17, 707, 757</u>	<u>\$ 17, 687, 951</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

For the three-month period ended September 30, 2023			
	TTET Union Corporation	Master Channels Corporation	Total
Sales revenue	\$ 4,307,333	\$ 1,398,302	\$ 5,705,635
Processing revenue	114,689	–	114,689
Logistics service revenue	–	18,032	18,032
	<u>\$ 4,422,022</u>	<u>\$ 1,416,334</u>	<u>\$ 5,838,356</u>
Timing of revenue recognition			
At a point in time	\$ 4,307,333	\$ 1,398,302	\$ 5,705,635
Over time	114,689	18,032	132,721
	<u>\$ 4,422,022</u>	<u>\$ 1,416,334</u>	<u>\$ 5,838,356</u>
For the three-month period ended September 30, 2022			
	TTET Union Corporation	Master Channels Corporation	Total
Sales revenue	\$ 4,643,682	\$ 1,280,910	\$ 5,924,592
Processing revenue	114,208	–	114,208
Logistics service revenue	–	16,026	16,026
	<u>\$ 4,757,890</u>	<u>\$ 1,296,936</u>	<u>\$ 6,054,826</u>
Timing of revenue recognition			
At a point in time	\$ 4,643,682	\$ 1,280,910	\$ 5,924,592
Over time	114,208	16,026	130,234
	<u>\$ 4,757,890</u>	<u>\$ 1,296,936</u>	<u>\$ 6,054,826</u>
For the nine-month period ended September 30, 2023			
	TTET Union Corporation	Master Channels Corporation	Total
Sales revenue	\$ 13,287,697	\$ 4,021,754	\$ 17,309,451
Processing revenue	348,445	–	348,445
Logistics service revenue	–	49,861	49,861
	<u>\$ 13,636,142</u>	<u>\$ 4,071,615</u>	<u>\$ 17,707,757</u>
Timing of revenue recognition			
At a point in time	\$ 13,287,697	\$ 4,021,754	\$ 17,309,451
Over time	348,445	49,861	398,306
	<u>\$ 13,636,142</u>	<u>\$ 4,071,615</u>	<u>\$ 17,707,757</u>

	For the nine-month period ended September 30, 2022		
	TTET Union Corporation	Master Channels Corporation	Total
Sales revenue	\$ 13,912,029	\$ 3,406,273	\$ 17,318,302
Processing revenue	328,831	–	328,831
Logistics service revenue	–	40,818	40,818
	<u>\$ 14,240,860</u>	<u>\$ 3,447,091</u>	<u>\$ 17,687,951</u>
Timing of revenue recognition			
At a point in time	\$ 13,912,029	\$ 3,406,273	\$ 17,318,302
Over time	328,831	40,818	369,649
	<u>\$ 14,240,860</u>	<u>\$ 3,447,091</u>	<u>\$ 17,687,951</u>

B. Contract liabilities

- (a) As of September 30, 2023, December 31, 2022, September 30, 2022 and January 1, 2022, the Group has recognized the revenue-related liabilities amounting to \$36,683, \$60,560, \$26,527 and \$30,405, respectively.
- (b) Revenue recognized that was included in the contract liabilities balance at the beginning of 2023 and 2022 amounted to \$60,005 and \$30,145, respectively.

(16) Interest income

	For the three-month periods ended September 30,	
	2023	2022
Interest income from bank deposits	\$ 780	\$ 316
Other interest income	1,743	584
	<u>\$ 2,523</u>	<u>\$ 900</u>
	For the nine-month periods ended September 30,	
	2023	2022
Interest income from bank deposits	\$ 2,234	\$ 1,122
Other interest income	6,720	2,263
	<u>\$ 8,954</u>	<u>\$ 3,385</u>

(17) Other income

		For the three-month periods ended September 30,	
		2023	2022
Dividend income	\$	2,693	\$ 2,351
Other income		3,470	3,892
	\$	<u>6,163</u>	<u>\$ 6,243</u>
		For the nine-month periods ended September 30,	
		2023	2022
Dividend income	\$	2,693	\$ 2,351
Other income		9,346	11,458
	\$	<u>12,039</u>	<u>\$ 13,809</u>

(18) Other gains and losses

		For the three-month periods ended September 30,	
		2023	2022
Net gain on financial assets and liabilities at fair value through profit or loss	\$	16,567	\$ 101,159
Net currency exchange loss	(	3,286)	(1,185)
(Loss) gain on disposal of property, plant and equipment	(	195)	143
(Loss) gain from lease modification	(	33)	4
	\$	<u>13,053</u>	<u>\$ 100,121</u>
		For the nine-month periods ended September 30,	
		2023	2022
Net gain on financial assets and liabilities at fair value through profit or loss	\$	37,294	\$ 154,491
Net currency exchange gain		9,985	1,589
(Loss) gain on disposal of property, plant and equipment	(	356)	122
Loss from lease modification	(	70)	(112)
Other losses		–	(832)
	\$	<u>46,853</u>	<u>\$ 155,258</u>

(19) Finance costs

	For the three-month periods ended September 30,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 378	\$ 1,074
Interest expense on lease liabilities	3,788	1,796
Other interest expense	15	188
	<u>\$ 4,181</u>	<u>\$ 3,058</u>
	For the nine-month periods ended September 30,	
	2023	2022
Interest expense:		
Bank borrowings	\$ 2,528	\$ 2,083
Interest expense on lease liabilities	6,489	3,296
Other interest expense	95	269
	<u>\$ 9,112</u>	<u>\$ 5,648</u>

(20) Expenses by nature

	For the three-month period ended September 30, 2023		
	Operating cost	Operating expense	Total
Employee benefit expenses	<u>\$ 25,757</u>	<u>\$ 149,002</u>	<u>\$ 174,759</u>
Depreciation	<u>\$ 30,880</u>	<u>\$ 29,701</u>	<u>\$ 60,581</u>
Amortization	<u>\$ 11</u>	<u>\$ 168</u>	<u>\$ 179</u>
	For the three-month period ended September 30, 2022		
	Operating cost	Operating expense	Total
Employee benefit expenses	<u>\$ 20,604</u>	<u>\$ 126,034</u>	<u>\$ 146,638</u>
Depreciation	<u>\$ 30,543</u>	<u>\$ 24,102</u>	<u>\$ 54,645</u>
Amortization	<u>\$ 11</u>	<u>\$ 152</u>	<u>\$ 163</u>
	For the nine-month period ended September 30, 2023		
	Operating cost	Operating expense	Total
Employee benefit expenses	<u>\$ 82,109</u>	<u>\$ 463,358</u>	<u>\$ 545,467</u>
Depreciation	<u>\$ 91,882</u>	<u>\$ 77,256</u>	<u>\$ 169,138</u>
Amortization	<u>\$ 32</u>	<u>\$ 506</u>	<u>\$ 538</u>
	For the nine-month period ended September 30, 2022		
	Operating cost	Operating expense	Total
Employee benefit expenses	<u>\$ 87,848</u>	<u>\$ 419,406</u>	<u>\$ 507,254</u>
Depreciation	<u>\$ 90,533</u>	<u>\$ 65,865</u>	<u>\$ 156,398</u>
Amortization	<u>\$ 32</u>	<u>\$ 458</u>	<u>\$ 490</u>

(21) Employee benefit expense

For the three-month period ended September 30, 2023			
	Operating cost	Operating expense	Total
Wages and salaries	\$ 23,163	\$ 129,579	\$ 152,742
Labor and health insurance expenses	1,458	9,035	10,493
Pension costs	640	4,540	5,180
Other personnel expenses	496	5,848	6,344
	<u>\$ 25,757</u>	<u>\$ 149,002</u>	<u>\$ 174,759</u>
For the three-month period ended September 30, 2022			
	Operating cost	Operating expense	Total
Wages and salaries	\$ 17,966	\$ 109,058	\$ 127,024
Labor and health insurance expenses	1,449	7,373	8,822
Pension costs	684	3,920	4,604
Other personnel expenses	505	5,683	6,188
	<u>\$ 20,604</u>	<u>\$ 126,034</u>	<u>\$ 146,638</u>
For the nine-month period ended September 30, 2023			
	Operating cost	Operating expense	Total
Wages and salaries	\$ 74,333	\$ 403,720	\$ 478,053
Labor and health insurance expenses	4,368	29,244	33,612
Pension costs	1,911	12,992	14,903
Other personnel expenses	1,497	17,402	18,899
	<u>\$ 82,109</u>	<u>\$ 463,358</u>	<u>\$ 545,467</u>
For the nine-month period ended September 30, 2022			
	Operating cost	Operating expense	Total
Wages and salaries	\$ 79,950	\$ 365,784	\$ 445,734
Labor and health insurance expenses	4,333	25,762	30,095
Pension costs	2,038	11,326	13,364
Other personnel expenses	1,527	16,534	18,061
	<u>\$ 87,848</u>	<u>\$ 419,406</u>	<u>\$ 507,254</u>

- A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration.
- B. For the three-month and nine-month periods ended September 30, 2023 and 2022, employees' compensation was accrued at \$6,100, \$3,100, \$21,640, and \$25,090, respectively; while directors'

and supervisors' remuneration was accrued at \$4,560, \$2,320, \$16,240, and \$18,820, respectively. The aforementioned amounts were recognized in salary expenses and accrued based on the distributable net profit of current period and the percentage prescribed under the Articles of Incorporation of the Company. The actual amount resolved by the Board of Directors for employees' compensation and directors' and supervisors' remuneration for 2022 was \$54,472, which is different from the estimated amount recognized in the 2022 financial statements of \$54,600, by (\$128). Such difference was recognized in profit and loss in 2023 and the employees' compensation and directors' and supervisors' remuneration were distributed in the form of cash. Information about employees' compensation and directors' and supervisors' remuneration of the Company as proposed by the board of directors and resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense

Components of income tax expense:

	<u>For the three-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Current tax:		
Current tax on profits for the period	\$ 68,693	\$ 44,781
Deferred tax:		
Origination and reversal of temporary differences	(3,614)	(7,597)
Income tax expense	<u>\$ 65,079</u>	<u>\$ 37,184</u>
	<u>For the nine-month periods ended September 30,</u>	
	<u>2023</u>	<u>2022</u>
Current tax:		
Current tax on profits for the period	\$ 226,353	\$ 265,288
Tax on undistributed earnings	8,341	8,921
Prior year income tax under estimation	1,410	766
Total current tax	<u>236,104</u>	<u>274,975</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>3,020</u>	(6,814)
Income tax expense	<u>\$ 239,124</u>	<u>\$ 268,161</u>

B. As of October 27, 2023, the Company's income tax returns through 2021 have been assessed by the Tax Authority, and there were no disputes existing between the Company and the Tax Authority.

(23) Earnings per share

	<u>For the three-month period ended September 30, 2023</u>		
		Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)
	<u>Amount after tax</u>	<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 269, 922</u>	<u>159, 975</u>	<u>\$ 1. 69</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 269, 922	159, 975	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>160</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 269, 922</u>	<u>160, 135</u>	<u>\$ 1. 69</u>
	<u>For the three-month period ended September 30, 2022</u>		
		Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)
	<u>Amount after tax</u>	<u>(shares in thousands)</u>	
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 124, 289</u>	<u>159, 975</u>	<u>\$ 0. 78</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 124, 289	159, 975	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	<u>—</u>	<u>169</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 124, 289</u>	<u>160, 144</u>	<u>\$ 0. 78</u>

<u>For the nine-month period ended September 30, 2023</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 874,908	159,975	\$ 5.47
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 874,908	159,975	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	209	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 874,908	160,184	\$ 5.46
<u>For the nine-month period ended September 30, 2022</u>			
	<u>Amount after tax</u>	<u>Weighted average number of ordinary shares outstanding (shares in thousands)</u>	<u>Earnings per share (in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 978,481	159,975	\$ 6.12
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 978,481	159,975	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	—	210	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 978,481	160,185	\$ 6.11

(24) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the nine-month periods ended September 30,	
	2023	2022
Purchase of property, plant and equipment	\$ 151,293	\$ 112,506
Add: Opening balance of payable on equipment (listed under "Other payables")	317	7,623
Cash paid for the acquisition of property, plant and equipment	<u>\$ 151,610</u>	<u>\$ 120,129</u>

B. Operating activities with no cash flow effects:

	For the nine-month periods ended September 30,	
	2023	2022
Write-off of allowance for doubtful accounts	<u>\$ 22</u>	<u>\$ 301</u>

(25) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2023	\$ 3,600	\$ 69,949	\$ 328,918	\$ 6,593	\$ 409,060
Increase in lease liabilities	-	-	767,358	-	767,358
Decrease in lease liabilities	-	-	(524)	-	(524)
Changes in cash flow from financing activities	56,665	(50,000)	(54,037)	7,723	(39,649)
Changes in unamortized discounts	-	48	-	-	48
At September 30, 2023	<u>\$ 60,265</u>	<u>\$ 19,997</u>	<u>\$ 1,041,715</u>	<u>\$ 14,316</u>	<u>\$ 1,136,293</u>

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2022	\$ 65,516	\$ 69,995	\$ 208,239	\$ 4,418	\$ 348,168
Increase in lease liabilities	-	-	177,734	-	177,734
Decrease in lease liabilities	-	-	(9,377)	-	(9,377)
Changes in cash flow from financing activities	(59,891)	5,000	(40,955)	463	(95,383)
Changes in unamortized discounts	-	(6)	-	-	(6)
At September 30, 2022	<u>\$ 5,625</u>	<u>\$ 74,989</u>	<u>\$ 335,641</u>	<u>\$ 4,881</u>	<u>\$ 421,136</u>

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Uni-President Enterprises Corp.	Key management individuals
Great Wall Enterprise Co., Ltd.	"
Tai Hwa Oil Industrial Co., Ltd.	"
May Lan Lei Co., Ltd.	An entity controlled by key management individuals
Total Nutrition Technologies Co., Ltd.	"
Ton-Yi Industrial Corp.	"
President Chain Store Corp.	"
Nanlien International Corp.	"
President Nisshin Corp.	"
President Kikkoman Inc.	"
President Transnet Corp.	"
Uni-President Superior Commissary Corp.	"
Mister Donut Taiwan Co., Ltd.	"
Mech-President Corporation	"
Uni-President Oven Bakery Corp.	"
President Tokyo Corp.	"
Uni-President Vender Corp.	"
Tung-Che Corp.	"
Presco Netmarketing, Inc.	"
President Pharmaceutical Corporation	"
Tung-Ho Development Co., Ltd.	"
Tung-Xian Corp.	"
Capital Marketing Consultant Corp.	"
Uni-President Cold Chain Corp.	"
Tait Marketing & Distribution Co., Ltd.	"
21Century Co., Ltd.	"
Uni-President Organics Corp.	"
Zhong Yi Food Company Ltd.	"
Saboten Co., Ltd.	"
An Hsin Chiao Chu Co., Ltd.	"
Oriental Best Foods Co., Ltd.	"
Xiang Cheng Co., Ltd.	"
Kouchan Mill Co., Ltd.	"
Weiluh Food Industrial Co., Ltd.	Investee of key management individual accounted for under the equity method
Guan-Chan Enterprises Co., Ltd.	"
Benli Xin Yeh Corp.	"
JinHui Food Co., Ltd.	"

(2) Significant transactions and balances with related parties

A. Sales and processing revenue

	For the three-month periods ended September 30,	
	2023	2022
Sales of merchandise and finished goods:		
— An entity controlled by key management individuals	\$ 117,918	\$ 103,245
— Key management individuals	61,460	99,267
— Investee of key management individual accounted for under the equity method	1,321	605
	<u>180,699</u>	<u>203,117</u>
Processing revenue:		
— May Lan Lei Co., Ltd.	85,973	86,550
— Tai Hwa Oil Industrial Co., Ltd.	25,309	23,438
— Other entities controlled by key management individuals	3,321	3,947
— Other key management individuals	87	273
	<u>114,690</u>	<u>114,208</u>
	<u>\$ 295,389</u>	<u>\$ 317,325</u>
	For the nine-month periods ended September 30,	
	2023	2022
Sales of merchandise and finished goods:		
— An entity controlled by key management individuals	\$ 405,328	\$ 375,640
— Key management individuals	228,598	308,287
— Investee of key management individual accounted for under the equity method	5,963	5,015
	<u>639,889</u>	<u>688,942</u>
Processing revenue:		
— May Lan Lei Co., Ltd.	266,960	250,786
— Tai Hwa Oil Industrial Co., Ltd.	70,905	66,244
— Other entities controlled by key management individuals	10,275	11,204
— Other key management individuals	305	597
	<u>348,445</u>	<u>328,831</u>
	<u>\$ 988,334</u>	<u>\$ 1,017,773</u>

The collection period for related parties was 7~45 days after sales of goods, 10~45 days for sales to regular customers. The price was the same for related and third parties. The terms of providing processing services to related parties were the same with regular customers. The above related parties close their accounts at the end of each month and made payments within 15 days after. The

pricing depends on the contract and management methods.

B. Purchases

	For the three-month periods ended September 30,	
	2023	2022
An entity controlled by key management individuals	\$ 117,006	\$ 121,433
Key management individuals	24,505	28,960
Investee of key management individual accounted for under equity method	46	—
	<u>\$ 141,557</u>	<u>\$ 150,393</u>
	For the nine-month periods ended September 30,	
	2023	2022
An entity controlled by key management individuals	\$ 367,244	\$ 352,754
Key management individuals	145,673	78,381
Investee of key management individual accounted for under equity method	46	—
	<u>\$ 512,963</u>	<u>\$ 431,135</u>

The terms of purchases and payments are made in 15~30 days after receipt to related parties which were the same with third party suppliers, except for an entity controlled by key management individuals, wherein payments are made in 12~25 days after receipt. The price was the same for related and third parties.

C. Accounts receivable

	September 30, 2023	December 31, 2022	September 30, 2022
An entity controlled by key management individuals	\$ 81,504	\$ 69,245	\$ 79,422
Key management individuals	25,488	71,876	29,203
	<u>\$ 106,992</u>	<u>\$ 141,121</u>	<u>\$ 108,625</u>

D. Accounts payable

	September 30, 2023	December 31, 2022	September 30, 2022
An entity controlled by key management individuals	\$ 48,847	\$ 51,858	\$ 43,346
Key management individuals	4,026	4,216	3,080
Investee of key management individual accounted for under equity method	24	—	—
	<u>\$ 52,897</u>	<u>\$ 56,074</u>	<u>\$ 46,426</u>

E. Lease transactions—lessee

(a) The Group leases commercial vehicle from President Tokyo Corp. Rental contracts are typically made for periods of 1 to 6 years. Rents are paid monthly.

(b) Acquisition of right-of-use assets:

	For the three-month periods ended September 30,	
	2023	2022
An entity controlled by key management individuals	\$ 17,722	\$ 14,940
	For the nine-month periods ended September 30,	
	2023	2022
An entity controlled by key management individuals	\$ 38,097	\$ 30,593

As of September 30, 2023, December 31, 2022 and September 30, 2022, the lease liability balance was \$82,458, \$66,372 and \$65,788, respectively. Interest expense recognized amounted to \$334, \$249, \$909, and \$779 (shown as “Finance costs”) for the three-month and nine-month periods ended September 30, 2023 and 2022, respectively.

(3) Key management compensation

	For the three-month periods ended September 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 8,056	\$ 7,072
	For the nine-month periods ended September 30,	
	2023	2022
Salaries and other short-term employee benefits	\$ 89,611	\$ 86,488

8. PLEDGED ASSETS

The Group’s assets pledged as collateral were as follows:

Assets pledged	Book Value			Purpose of collateral
	September 30, 2023	December 31, 2022	September 30, 2022	
Land (Note 1)	\$ 44,244	\$ 44,244	\$ 44,244	(Note 2)
Buildings, net (Note 1)	74,109	80,440	82,829	”
	<u>\$ 118,353</u>	<u>\$ 124,684</u>	<u>\$ 127,073</u>	

(Note 1) Recognized as “Property, plant, and equipment”.

(Note 2) The associated debt has been repaid but the designation of ‘Property, plant, and equipment’ as collateral has not yet been removed.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of September 30, 2023, December 31, 2022 and September 30, 2022, the unused letters of credit

amounted to \$1,436,850, \$1,315,612 and \$1,617,893, respectively.

(2) Capital expenditures contracted for but not yet incurred

	September 30, 2023	December 31, 2022	September 30, 2022
Property, plant and equipment	\$ 122,870	\$ 42,443	\$ 60,993

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders, and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

Details of financial instruments by category of the Group are described in Note 6.

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and financial performance.

(b) Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's and the subsidiary's operating units.

(c) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

(i) Some purchases and sales are valued in US dollars, therefore the fair value changes with market exchange rate.

(ii) Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets and liabilities at fair value through profit or loss

are provided in Note 6(2).

- (iii) The Group's businesses involve some non-functional currency operations (the Company's and the subsidiary's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

September 30, 2023			
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 375	32.32	\$ 121,124
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	1,246	32.32	40,265
December 31, 2022			
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 67	30.76	\$ 2,073
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	117	30.76	3,600
September 30, 2022			
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 3,576	31.80	\$ 113,703
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : NTD	177	31.80	5,625

- (iv) As of September 30, 2023 and 2022, if the NTD:USD exchange rate appreciates / depreciates by 1% with all other factors remaining constant, the after-tax profit for the nine-month periods ended September 30, 2023 and 2022, would increase/decrease by

\$226 and \$865, respectively.

- (v) The unrealized exchange (loss) gain arising from significant foreign exchange variation on monetary items held by the Group for the three-month and nine-month periods ended September 30, 2023 and 2022, amounted to (\$25), \$6,117, (\$25) and \$6,117, respectively.

II. Price risk

The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group has set various stop loss points to ensure that the Group is not exposed to significant market risks.

The Group invests in listed stocks and unlisted stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 2% with all other variables held constant, other components of equity for the nine-month periods ended September 30, 2023 and 2022 would have increased/decreased by \$1,307 and \$1,024, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

III. Cash flow and fair value interest rate risk

If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, there is no significant effect on after-tax profit for the nine-month periods ended September 30, 2023 and 2022.

(b) Credit risk

- I. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.
- II. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a certain rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.
- III. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a

significant increase in credit risk on that instrument since initial recognition.

- IV. The Group adopts the assumption under IFRS 9, whereby the default occurs when the contract payments are past due over 90 days.
- V. The Group wrote-off financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- VI. The Group classifies customer's accounts receivable in accordance with credit risk on trade. The Group applies the simplified approach using the provision matrix to estimate expected credit loss. The Group uses the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of accounts receivable, and the expected loss rate ranged from 0.3% to 100%. Movements in relation to the Group applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the nine-month period ended September 30, 2023		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 1,380	\$ 5,946	\$ 7,326
(Reversal) provision for impairment	(104)	3,148	3,044
Write-off of allowance for doubtful accounts	<u>-</u>	<u>(22)</u>	<u>(22)</u>
At September 30	<u>\$ 1,276</u>	<u>\$ 9,072</u>	<u>\$ 10,348</u>
	For the nine-month period ended September 30, 2022		
	Notes receivable	Accounts receivable	Total
At January 1	\$ 1,398	\$ 4,898	\$ 6,296
(Reversal) provision for impairment	(30)	454	424
Write-off of allowance for doubtful accounts	<u>-</u>	<u>(301)</u>	<u>(301)</u>
At September 30	<u>\$ 1,368</u>	<u>\$ 5,051</u>	<u>\$ 6,419</u>

(c) Liquidity risk

- I. Cash flow forecasting is performed by the Finance Division of the Group. Finance division monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- II. For the forward exchange agreement which the Group is engaged in, the expected cash outflow amounted to US\$10,611 thousand. There is no significant risk because the rate of forward exchange agreement had already been confirmed.

III. The Group has the following undrawn borrowing facilities:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Floating rate:			
Expiring within one year	<u>\$ 6,187,738</u>	<u>\$ 6,075,450</u>	<u>\$ 6,094,386</u>

IV. The table below analyses the Group's non-derivative financial liabilities and gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>September 30, 2023</u>	<u>Less than 1 year</u>	<u>Between 1 and 2 years</u>	<u>Between 2 and 5 years</u>	<u>More than 5 years</u>
Non-derivative financial liabilities:				
Short-term borrowings	\$ 60,302	\$ –	\$ –	\$ –
Short-term notes and bills payable	20,000	–	–	–
Notes payable	1,257	–	–	–
Accounts payable (including related parties)	822,119	–	–	–
Other payables	400,930	–	–	–
Lease liabilities (including current and non-current portion)	64,417	68,495	159,224	749,799
Guarantee deposits received	–	12,934	–	1,382

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 3,600	\$ –	\$ –	\$ –
Short-term notes and bills payable	70,000	–	–	–
Notes payable	5,007	–	–	–
Accounts payable (including related parties)	870,974	–	–	–
Other payables	419,416	–	–	–
Lease liabilities (including current and non-current portion)	57,600	51,277	77,659	144,511
Guarantee deposits received	–	6,593	–	–
Derivative liabilities:				
Forward foreign exchange contracts	168	–	–	–
September 30, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	\$ 5,626	\$ –	\$ –	\$ –
Short-term notes and bills payable	75,000	–	–	–
Notes payable	1,197	–	–	–
Accounts payable (including related parties)	638,353	–	–	–
Other payables	355,404	–	–	–
Lease liabilities (including current and non-current portion)	60,026	53,894	93,232	166,107
Guarantee deposits received	–	4,881	–	–

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the

entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in forward foreign exchange contracts is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including related parties), other payables and guarantee deposits received) are based on their book value which approximates fair value.

C. The related information on financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

<u>September 30, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward foreign exchange contract	\$ <u> – </u>	\$ <u> 1, 245 </u>	\$ <u> – </u>	\$ <u> 1, 245 </u>
Financial assets at fair value through other comprehensive income				
Equity securities - non-current	\$ <u> 64, 086 </u>	\$ <u> – </u>	\$ <u> 1, 275 </u>	\$ <u> 65, 361 </u>
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities - non-current	\$ <u> 55, 544 </u>	\$ <u> – </u>	\$ <u> 1, 275 </u>	\$ <u> 56, 819 </u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contract	\$ <u> – </u>	\$ <u> 168 </u>	\$ <u> – </u>	\$ <u> 168 </u>

<u>September 30, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Forward foreign exchange contract	\$ <u>–</u>	\$ <u>28,447</u>	\$ <u>–</u>	\$ <u>28,447</u>
Financial liabilities at fair value through other comprehensive income				
Equity securities - non-current	\$ <u>49,907</u>	\$ <u>–</u>	\$ <u>1,275</u>	\$ <u>51,182</u>

D. The methods and assumptions the Group used to measure fair value are as follows:

The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

E. For the nine-month periods ended September 30, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following is the movement of level 3 for the nine-month periods ended September 30, 2023 and 2022:

	<u>Equity Securities</u>
For the nine-month period ended September 30, 2023	\$ <u>1,275</u>
	<u>Equity Securities</u>
For the nine-month period ended September 30, 2022	\$ <u>1,275</u>

G. For the nine-month periods ended September 30, 2023 and 2022, there was no transfer into or out from Level 3.

H. Finance division is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the nine-month period ended September 30, 2023.

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiary, associates and joint ventures): Refer to table 1.

- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Refer to table 2.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2), "Financial assets and liabilities at fair value through profit or loss - current".
- J. Significant inter-company transactions during the reporting periods: Refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Refer to table 6.

14. SEGMENT INFORMATION

(1) General information

The management of the Group has identified the operating segments based on information provided to the Group's chief operating decision maker in order to make strategic decisions. The components of the Group and the basis for identification and measurement of segment information had no significant changes in this period.

(2) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

For the nine-month period ended September 30, 2023	TTET Union Corporation	Master Channels Corporation	Total
Segment revenue	\$ 13,891,072	\$ 4,071,615	\$ 17,962,687
Revenue from internal customers	254,930	–	254,930
Revenue from external customers	13,636,142	4,071,615	17,707,757
Segment income	915,196	236,297	1,151,493
Depreciation and amortization	104,662	65,014	169,676
Segment assets	5,214,989	2,642,294	7,857,283

For the nine-month period ended September 30, 2022	TTET Union Corporation	Master Channels Corporation	Total
Segment revenue	\$ 14,477,444	\$ 3,447,091	\$ 17,924,535
Revenue from internal customers	236,584	–	236,584
Revenue from external customers	14,240,860	3,447,091	17,687,951
Segment income	1,083,290	194,344	1,277,634
Depreciation and amortization	104,722	52,166	156,888
Segment assets	5,024,780	1,709,613	6,734,393

(3) Reconciliation for segment income and segment assets

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The amounts provided to the chief operating decision-maker with respect to segment income and segment assets are measured consistent with that of the financial statements.

TTET Union Corporation and Subsidiary

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

September 30, 2023

Table 1

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of September 30, 2023				
				Number of shares	Book value	Ownership	Fair value	Note
TTET Union Corporation	Stock:							
	FOOD CHINA INC.	—	Financial assets at fair value through other comprehensive income - non-current	400,000	\$ 1,275	1.08%	\$ 1,275	—
	Taiwan Mobile Co., Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	160,000	15,136	—	15,136	—
	TAIWAN SECOM CO., LTD.	—	Financial assets at fair value through other comprehensive income - non-current	100,000	10,650	—	10,650	—
	Far Eastern New Century Corporation	—	Financial assets at fair value through other comprehensive income - non-current	530,000	15,238	—	15,238	—
	The Shanghai Commercial & Savings Bank, Ltd.	—	Financial assets at fair value through other comprehensive income - non-current	228,796	9,895	—	9,895	—
	Formosa Plastics Corporation	—	Financial assets at fair value through other comprehensive income - non-current	165,000	13,167	—	13,167	—

TTET Union Corporation and Subsidiary

Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more

For the nine-month period ended September 30, 2023

Table 2

Expressed in thousands of NTD

							Description and reasons for difference in transaction terms compared to non-related party transactions		Notes or accounts receivable/(payable)		
			Description of transaction								
Purchase/sale company	Counterparty	Relationship with the counterparty	Purchases /(sales)	Amount	Percentage of total purchases /(sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Note
TTET Union Corporation	Uni-President Enterprises Corp.	The investor of the Company	(Sales)	(\$ 188,106)	(1%)	15 days after sales	\$ -	(Note 1)	\$ 16,506	3%	—
	Master Channels Corporation	An investee company accounted for under the equity method	(Sales)	(254,930)	(2%)	Closes its accounts each half month, notes due in 20 days	-	(Note 1)	25,358	4%	—
	Ton-Yi Industrial Corp.	An investee company of Uni-President Enterprises Corp. accounted for under the equity method	Purchases	260,354	2%	30 days after acceptance	-	(Note 2)	(27,832)	(11%)	—
	Total Nutrition Technologies Co.,Ltd.	An investee company of Great Wall Enterprise Co., Ltd. accounted for under the equity method	(Sales)	(107,475)	(1%)	10 days after sales	-	(Note 1)	11,045	2%	—
	May Lan Lei Co., Ltd.	An investee company of Great Wall Enterprise Co., Ltd. accounted for under the equity method	(Sales)	(142,913)	(1%)	10 days after sales	-	(Note 1)	7,607	1%	—
			(Processing revenue)	(266,960)	(77%)	Closes its accounts 15 days after the end of each month	-	(Note 1)	29,627	5%	—
Master Channels Corporation	TTET Union Corporation	The Company	Purchases	254,930	8%	Closes its accounts each half month, notes due in 20 days	-	—	(25,358)	(4%)	—

Note 1: The collection period for third parties was 10~45 days after sales of goods.

Note 2: Payments to third parties were made in 12~30 days after receipt of goods.

TTET Union Corporation and Subsidiary
Significant inter-company transactions during the reporting period
For the nine-month period ended September 30, 2023

Table 3

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction terms				Percentage of total consolidated revenues or total assets (Note 3)
				General ledger account	Amount	Transaction terms		
0	TTET Union Corporation	Master Channels Corporation	1	Sales	($\$$ 254, 930)	Closes its accounts each half month, notes due in 20 days		(1%)
				Accounts receivable	25, 358	—		—

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice.)

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated revenues or total assets, it is computed based on period-end balance of transaction to consolidated assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

TTET Union Corporation and Subsidiary
Information on investees (not including investees in China)
For the nine-month period ended September 30, 2023

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at September 30, 2023			Net profit (loss) of the investee for the nine-month period ended September 30, 2023	Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2023	Note
				Balance as at September 30, 2023	Balance as at December 31, 2022	Number of shares	Ownership	Book value			
TTET Union Corporation	Master Channels Corporation	Taiwan	Wholesale of food	\$ 138,585	\$ 138,585	24,079,998	80.27	\$ 580,544	\$ 188,608	\$ 151,148	Subsidiary

TTET Union Corporation and Subsidiary
Information on investments in Mainland China
For the nine-month period ended September 30, 2023

Table 5

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note)	Amount remitted from Taiwan to			Accumulated amount of remittance from Taiwan to Mainland China as of September 30, 2023	Net income of investee for the nine-month period ended September 30, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the nine-month period ended September 30, 2023	Book value of investments as of September 30, 2023	Accumulated amount of investment income remitted back to Taiwan as of		Note
				Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Mainland China/ Amount remitted back to Taiwan for the nine-month period ended September 30, 2023	Remitted back to Taiwan						September 30, 2023	September 30, 2023	
Beijing FoodChina Online Information and Technology Ltd.	Program planning, System design, etc.	\$ 45,248	(2)	\$ 7,757	\$ -	\$ -	\$ 7,757	(\$ 6)	1.08%	\$ -	\$ 1,275	\$ -	-	-

Note : Investment methods are classified into the following three categories:

- (1) Directly invest in a company in Mainland China.
- (2) Indirect investment in PRC through the existing company (FOOD CHINA INC.) located in the third area.
- (3) Others

Company name	Accumulated investment balance from Taiwan to Mainland China	Amount approved by MOEA	Ceiling amount of investments in Mainland China imposed by MOEA (Note 1)
TTET Union Corporation	\$ 7,757	\$ 7,757	\$ 3,123,910

Note 1: The ceiling amount is 60% of consolidated net worth.

Note 2: Foreign currencies were translated into New Taiwan Dollars using the exchange rate as of balance sheet date as follows: USD:NTD 1:32.32.

TTET Union Corporation and Subsidiary

Major shareholders information

September 30, 2023

Table 6

Expressed in shares

Name of major shareholders	Number of shares held		Ownership	Note
	Common shares	Preferred shares		
Uni-President Enterprises Corp.	61,594,201	—	38.50%	—
Tai Hwa Oil Industrial Co., Ltd.	27,005,706	—	16.88%	—
Great Wall Enterprise Co., Ltd.	15,416,960	—	9.63%	—
Kai Yu Investment Co., Ltd.	12,225,730	—	7.64%	—

Note : The major shareholders information was calculated by Taiwan Depository & Clearing Corporation in accordance with the common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter.

The share capital which was recorded on the financial statements might be different from the number of shares held in dematerialised form because of the different calculation basis.