TTET UNION CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 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

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements under International Financial Reporting Standards 10. And if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

TTET UNION CORPORATION
February 23, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TTET Union Corporation

Opinion

We have reviewed the accompanying consolidated balance sheets of TTET Union Corporation and its subsidiary (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group’s 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group’s 2023 consolidated financial statements are stated as follows:

Cut-off of inventory in transit

Description

The Group imports soybean from foreign suppliers as raw material. The term of trade is C&F which means the seller delivers the goods at the port of loading. The Group will confirm the information about loading date, quantity, pricing and other details with suppliers. After receiving the bill of lading, invoice, bank debit and other related source documents, the Group can recognize those materials as inventory. However, due to the complexity of the import process and paper work, the source documents may not be received on time which will result in inappropriate inventory recognition. In addition, the goods in transit have significant value. Thus, we considered the cut-off of inventory in transit a key audit matter.

How our audit addressed the matter

We performed the following key audit procedures in respect of the above key audit matter:

1. Understood the process of importing the raw material and checked the source documents as basis of inventory recognition.
2. Tested the purchase transactions that took place after the balance sheet date, by inspecting the bill of lading or bank debit, to ensure the purchase was recognized in the correct reporting period.
3. Confirmed the borrowing amount of loan and the letter of credit with the banks.

Inventory valuation

<u>Description</u>

Refer to Notes 4(9) and 6(4) to the consolidated financial statements for the accounting policy and the details of accounts relating to inventory valuation. As at December 31, 2023, inventory and allowance for market price decline amounted to $3,071,113 thousand and $16,391 thousand, respectively, with the net amount constituting 37% of consolidated total assets.

The Group is engaged in the manufacture, sales and processing of a variety of vegetable oil and fat. The main raw material is soybean and it is usually affected by price changes in international trade. This results in higher risk of loss on market price decline. The inventories are estimated at the lower of cost and net realizable value. As the raw material is usually affected by price changes in international trade and the value of inventories is significant, we considered inventory valuation a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following key audit procedures in respect of the above key audit matter:

1. Evaluated the reasonableness of accounting policy on provision for inventory, and the consistency of process application during the financial reporting period.
2. Tested the details of loss on market price decline, recalculated the net realizable value of the selected inventories, inspected related documents and discussed with management to confirm the adequacy of the provision on inventory market price decline.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of TTET Union Corporation as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance (including audit committee), we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yeh, Fang-Ting

Independent Accountants

Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

February 23, 2024

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
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,583,670	20	$ 981,106	13
1150	Notes receivable, net	6(3)	163,062	2	189,128	3
1170	Accounts receivable, net	6(3)	992,725	12	1,073,335	15
1180	Accounts receivable - related parties	6(3) and 7	111,156	1	141,121	2
1200	Other receivables		15,242	-	32,586	-
130X	Inventory	5(2) and 6(4)	3,054,722	37	3,501,468	47
1410	Prepayments		155,924	2	174,626	2
11XX	**Total current assets**		6,076,501	74	6,093,370	82
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	78,483	1	56,819	1
1600	Property, plant and equipment	6(6)(8) and 8	893,930	11	823,356	11
1755	Right-of-use assets	6(7) and 7	1,017,111	13	318,920	4
1780	Intangible assets	6(6)(8)	1,932	-	1,944	-
1840	Deferred income tax assets	6(22)	23,284	-	27,010	-
1920	Guarantee deposits paid		58,808	1	42,986	1
1975	Net defined benefit asset - non-current	6(11)	29,352	-	28,357	1
1990	Other non-current asset		920	-	639	-
15XX	**Total non-current assets**		2,103,820	26	1,300,031	18
1XXX	**Total assets**		$ 8,180,321	100	$ 7,393,401	100

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

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(9)	$ 5,000	-	$ 3,600	-
2110	Short-term notes and bills payable	6(10)	9,999	-	69,949	1
2120	Financial liabilities at fair value through profit or loss - current	6(2) and 12	8,641	-	168	-
2130	Current contract liabilities	6(15)	16,390	-	60,560	1
2150	Notes payable		5,027	-	5,007	-
2170	Accounts payable		635,475	8	814,900	11
2180	Accounts payable - related parties	7	52,965	1	56,074	1
2200	Other payables		514,793	6	419,416	6
2230	Current income tax liabilities	6(22)	316,870	4	337,374	4
2280	Lease liabilities - current	6(7) and 7	74,008	1	46,836	1
21XX	**Total current liabilities**		1,639,168	20	1,813,884	25
	Non-current liabilities					
2570	Deferred income tax liabilities	6(22)	13,385	-	13,007	-
2580	Lease liabilities - non-current	6(7) and 7	965,004	12	282,082	4
2640	Net defined benefit liabilities-non-current	6(11)	5,029	-	6,763	-
2645	Guarantee deposits received		4,892	-	6,593	-
25XX	**Total non-current liabilities**		988,310	12	308,445	4
2XXX	**Total liabilities**		2,627,478	32	2,122,329	29
	Equity attributable to owners of parent					
	Share capital					
3110	Common stock	6(12)	1,599,749	20	1,599,749	22
3200	Capital surplus	6(13)	23,784	-	23,784	-
	Retained earnings	6(14)				
3310	Legal reserve		1,708,264	21	1,583,042	22
3320	Special reserve		5,858	-	5,528	-
3350	Unappropriated retained earnings		2,064,290	25	1,944,461	26
	Other equity interest					
3400	Other equity interest	6(5)	(3,679)	-	(5,858)	-
31XX	**Equity attributable to owners of the parent**		5,398,266	66	5,150,706	70
36XX	Non-controlling interest		154,577	2	120,366	1
3XXX	**Total equity**		5,552,843	68	5,271,072	71
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	**Total liabilities and equity**		$ 8,180,321	100	$ 7,393,401	100

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

TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15) and 7	$ 23,560,347	100	$ 24,676,960	100
5000	Operating costs	6(4)(8)(11)(20)(21) and 7	(21,035,103)	(89)	(22,273,195)	(90)
5900	Net operating margin		2,525,244	11	2,403,765	10
	Operating expenses	6(8)(11)(20)(21) and 7				
6100	Selling expenses		(721,878)	(3)	(660,747)	(3)
6200	General and administrative expenses		(269,406)	(1)	(258,148)	(1)
6300	Research and development expenses		(9,315)	-	(9,435)	-
6450	Expected credit losses	12	(3,142)	-	(1,382)	-
6000	Total operating expenses		(1,003,741)	(4)	(929,712)	(4)
6900	Operating profit		1,521,503	7	1,474,053	6
	Non-operating income and expenses					
7100	Interest income	6(16)	13,489	-	5,356	-
7010	Other income	6(5)(17)	16,305	-	16,196	-
7020	Other gains and losses	6(2)(7)(18) and 12	37,413	-	109,872	-
7050	Finance costs	6(7)(19) and 7	(15,117)	-	(9,135)	-
7000	Total non-operating income and expenses		52,090	-	122,289	-
7900	**Profit before income tax**		1,573,593	7	1,596,342	6
7950	Income tax expense	6(22)	(319,852)	(2)	(328,543)	(1)
8200	**Profit for the year**		$ 1,253,741	5	$ 1,267,799	5
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Remeasurements of defined benefit obligation	6(11)	$ 625	-	$ 33,150	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(5)	1,449	-	(330)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	(124)	-	(6,630)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8367	Unrealised gains on valuation of investments in debt instruments measured at fair value through other comprehensive income, net	6(5)	730	-	-	-
8300	**Other comprehensive income for the year**		$ 2,680	-	$ 26,190	-
8500	**Total comprehensive income for the year**		$ 1,256,421	5	$ 1,293,989	5
	Profit attributable to:					
8610	Owners of the parent		$ 1,204,851	5	$ 1,226,205	5
8620	Non-controlling interest		48,890	-	41,594	-
			$ 1,253,741	5	$ 1,267,799	5
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 1,207,410	5	$ 1,251,887	5
8720	Non-controlling interest		49,011	-	42,102	-
			$ 1,256,421	5	$ 1,293,989	5
	Earnings per share (in dollars)	6(23)				
9750	Basic		$	7.53	$	7.66
9850	Diluted		$	7.52	$	7.65

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 YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
				Retained Earnings			Other Equity			
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Year ended December 31, 2022										
Balance at January 1, 2022		$1,599,749	$ 23,784	$1,456,732	$ 7,000	$1,776,932	($ 5,528)	$4,858,669	$ 98,984	$4,957,653
Net income for 2022		-	-	-	-	1,226,205	-	1,226,205	41,594	1,267,799
Other comprehensive income (loss) for 2022	6(5)	-	-	-	-	26,012	(330)	25,682	508	26,190
Total comprehensive income (loss) for 2022		-	-	-	-	1,252,217	(330)	1,251,887	42,102	1,293,989
Distribution of 2021 net income:										
Legal reserve		-	-	126,310	-	(126,310)	-	-	-	-
Cash dividends	6(14)	-	-	-	-	(959,850)	-	(959,850)	-	(959,850)
Reversal of special reserve		-	-	-	(1,472)	1,472	-	-	-	-
Decrease in non-controlling interest		-	-	-	-	-	-	-	(20,720)	(20,720)
Balance at December 31, 2022		$1,599,749	$ 23,784	$1,583,042	$ 5,528	$1,944,461	($ 5,858)	$5,150,706	$ 120,366	$5,271,072
Year ended December 31, 2023										
Balance at January 1, 2023		$1,599,749	$ 23,784	$1,583,042	$ 5,528	$1,944,461	($ 5,858)	$5,150,706	$ 120,366	$5,271,072
Net income for 2023		-	-	-	-	1,204,851	-	1,204,851	48,890	1,253,741
Other comprehensive income for 2023	6(5)	-	-	-	-	380	2,179	2,559	121	2,680
Total comprehensive income for 2023		-	-	-	-	1,205,231	2,179	1,207,410	49,011	1,256,421
Distribution of 2022 net income:										
Legal reserve		-	-	125,222	-	(125,222)	-	-	-	-
Special reserve		-	-	-	330	(330)	-	-	-	-
Cash dividends	6(14)	-	-	-	-	(959,850)	-	(959,850)	-	(959,850)
Decrease in non-controlling interest		-	-	-	-	-	-	-	(14,800)	(14,800)
Balance at December 31, 2023		$1,599,749	$ 23,784	$1,708,264	$ 5,858	$2,064,290	($ 3,679)	$5,398,266	$ 154,577	$5,552,843

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

TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,573,593	$ 1,596,342
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss		8,473	148
Expected credit losses	12	3,142	1,382
(Reversal of allowance) provision for inventory market price decline	6(4)	(38,717)	49,430
Depreciation	6(6)(7)(20)	235,762	210,356
Loss (gain) on disposal of property, plant and equipment	6(18)	777	(122)
Property, plant and equipment recognised as expense	6(6)	14,114	12,867
Loss (gain) on lease modification	6(7)(18)	103	(50)
Amortisation	6(8)(20)	744	675
Dividend income	6(5)(17)	(2,693)	(2,351)
Interest income	6(16)	(13,489)	(5,356)
Finance costs	6(19)	15,117	9,135
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		26,126	(27,601)
Accounts receivable		77,408	(263,374)
Accounts receivable - related parties		29,965	(42,826)
Other receivables		17,344	(2,744)
Inventories		485,463	(1,086,945)
Prepayments		18,702	189,138
Net defined benefit asset - non-current		(370)	4,793
Changes in operating liabilities			
Current contract liabilities		(44,170)	30,155
Notes payable		20	219
Accounts payable		(179,425)	(13,440)
Accounts payable - related parties		(3,109)	(7,553)
Other payables		87,738	8,115
Net defined benefit liabilities - non-current		(1,734)	(5,579)
Cash inflow generated from operations		2,310,884	654,814
Dividends received		2,693	2,351
Interest received		13,489	5,356
Interest paid		(15,065)	(9,190)
Income tax paid		(336,376)	(328,490)
Net cash flows from operating activities		1,975,625	324,841

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TTET UNION CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 19,485)	($ 19,549)
Cash paid for acquisition of property, plant and equipment	6(24)	(236,652)	(144,123)
Proceeds from disposal of property, plant and equipment		450	150
Increase in intangible assets	6(8)	(152)	(1,147)
Increase in guarantee deposits paid		(15,822)	(10,544)
Increase in other non-current assets		(281)	(353)
Net cash flows used in investing activities		(271,942)	(175,566)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in short-term borrowings	6(25)	1,400	(61,916)
Decrease in short-term notes and bills payable	6(25)	(60,000)	-
Repayment of lease principal	6(25)	(66,168)	(55,534)
(Decrease) increase in guarantee deposit received	6(25)	(1,701)	2,175
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		(1,101,119)	(1,095,845)
Net increase (decrease) in cash and cash equivalents		602,564	(946,570)
Cash and cash equivalents at beginning of year	6(1)	981,106	1,927,676
Cash and cash equivalents at end of year	6(1)	$ 1,583,670	$ 981,106

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 YEARS ENDED DECEMBER 31, 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 February 23, 2024.

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®") Accounting Standards 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:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
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 IFRS Accounting Standards 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) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards 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

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", 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").

(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 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:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of the subsidiary begins from the date the Group obtains control of the subsidiary and ceases when the Group loses control of the subsidiary.

(b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiary included in the consolidated financial statements:

	Name of	Business	Ownership (%)		
Name of investor	subsidiary	activities	December 31, 2023	December 31, 2022	Note
TTET Union Corporation	Master Channels Corporation	Wholesale of food	80.27	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) Foreign currency translation

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses are presented in the statement of comprehensive income, within "Other gains and losses".

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
   (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
   (b) Assets held mainly for trading purposes;
   (c) Assets that are expected to be realized within twelve months from the balance sheet date;
   (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
   (a) Liabilities that are expected to be paid off within the normal operating cycle;
   (b) Liabilities arising mainly from trading activities;
   (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
   (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits and commercial paper that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(8) <u>Accounts and notes receivable</u>

A. Accounts and notes receivables entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) <u>Inventories</u>

Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. Inventories are stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. When the cost of inventories exceeds the net realizable value, the amount of any write-down of inventories is recognized as cost of sales during the period; and the amount of any reversal of inventory write-down is recognized as a reduction in cost of sales during the period.

(10) <u>Financial assets at fair value through other comprehensive income</u>

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset expire.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of the financial asset.

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply the cost model. Except for land, other property, plant and equipment are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it is depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Asset	Useful lives
Buildings	2～40 years
Machinery	2～25 years
Transportation equipment	2～12 years
Leasehold improvements	2～13 years
Other equipment	2～19 years

(14) Leasing arrangements (lessee)－right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall remeasure the lease liability. Further, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(15) Intangible assets

Computer software, trademarks and patent are stated at cost and amortized on a straight-line basis over their estimated useful lives of 1～10 years.

(16) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(17) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(18) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(19) Accounts payable

Accounts payable are liabilities for purchases of raw materials, goods or services. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realized the asset and settle the liability simultaneously.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For the defined contribution plan, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

I. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date).

II. Remeasurement arising on the defined benefit plan is recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' and remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the Group calculated the number of shares based on the closing market price at the previous day of the board meeting resolution.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiary, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(25) Revenue recognition

A. Sales of merchandise and finished goods

(a) Sales are recognized when control of the products has transferred, being when the products are delivered to the client, the client has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the client's acceptance of the products.

(b) Revenue from these sales is recognized based on the price specified in the contract, net of the estimated output tax, sales returns, and sales discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 7~45 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(c) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Sales of services

(a) The Group provides processing services. Revenue from processing services is recognized under the percentage-of-completion method when the outcome of services provided can be estimated reliably. The stage of completion of a service contract is measured by the percentage of the actual services performed as of the financial reporting date to the total services to be performed. If the outcome of a service contract cannot be estimated reliably, contract revenue should be recognized only to the extent that contract costs incurred are likely to be recoverable.

(b) Revenue from providing logistics services (such as transfer shipment service of goods) is measured at the fair value of the consideration received or receivable taking into account the value-added tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Logistics service revenue is recognized while delivering goods to destination assigned by customers.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

A. As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to fluctuations in the price of international soybean futures, the Group evaluates the amounts of market price decline due to price fluctuations, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the estimated selling price of the inventory on the measurement date. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2023, the carrying amount of inventories was $3,054,722.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand	$ 4,930	$ 3,744
Checking and demand deposits	534,575	507,669
	539,505	511,413
Cash equivalents:		
Time deposits	400,000	-
Commercial paper	644,165	469,693
	1,044,165	469,693
	$ 1,583,670	$ 981,106

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 December 31, 2023 and 2022.

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

	December 31, 2023	December 31, 2022
Financial liabilities held for trading		
Non-hedging derivative	$ 8,641	$ 168

A. The Group recognized net gain (shown as "Other gains and losses") on financial assets mandatorily measured at fair value amounting to $26,582 and $110,795 for the years ended December 31, 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:

	December 31, 2023		December 31, 2022	
Derivative instruments	Contract amount (notional principal)	Contract period	Contract amount (notional principal)	Contract period
Current liability items:				
Forward foreign exchange contracts	USD 21,000 thousand	2023.12.5 ~2024.2.19	USD 146 thousand	2022.11.9 ~2023.1.5

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

	December 31, 2023	December 31, 2022
Notes receivable	$ 164,382	$ 190,508
Less: Allowance for uncollectible accounts	(1,320)	(1,380)
	$ 163,062	$ 189,128

	December 31, 2023	December 31, 2022
Accounts receivable	$ 999,029	$ 1,079,281
Accounts receivable - related parties	111,156	141,121
	1,110,185	1,220,402
Less: Allowance for uncollectible accounts	(6,304)	(5,946)
	$ 1,103,881	$ 1,214,456

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

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 164,382	$ 1,105,975	$ 190,508	$ 1,216,248
Less than 30 days	-	3,883	-	3,762
31～60 days	-	79	-	164
61～90 days	-	87	-	64
91～over 120 days	-	161	-	164
	$ 164,382	$ 1,110,185	$ 190,508	$ 1,220,402

The above ageing analysis was based on past due date.

B. As at December 31, 2023 and 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 December 31, 2023 and 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 December 31, 2023 and 2022.

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

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

(4) Inventories

	December 31, 2023		
	Cost	Allowance for market price decline	Book value
Merchandise	$ 310,759	($ 6,769)	$ 303,990
Raw materials	421,900	(8,553)	413,347
Raw materials in transit	1,380,511	-	1,380,511
Supplies	18,005	(553)	17,452
Work in process	250,374	-	250,374
Work in process in transit	11,199	-	11,199
Finished goods	678,365	(516)	677,849
	$ 3,071,113	($ 16,391)	$ 3,054,722

	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
	$ 3,556,576	($ 55,108)	$ 3,501,468

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2023	2022
Cost of goods sold	$ 20,707,863	$ 21,900,841
(Reversal of allowance) provision for inventory market price decline (Note)	(38,717)	49,430
Loss on scrapped inventories	593	1,724
Loss (gain) on physical inventory	963	(2,170)
	$ 20,670,702	$ 21,949,825

(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 year ended December 31, 2023.

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

	December 31, 2023	December 31, 2022
Equity instruments		
Listed stocks	$ 67,551	$ 54,402
Unlisted stocks	8,275	8,275
	75,826	62,677
Valuation adjustment	(4,409)	(5,858)
	71,417	56,819
Debt instruments		
Beneficiary certificates	$ 6,336	$ -
Valuation adjustment	730	-
	7,066	-
	$ 78,483	$ 56,819

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 $78,483 and $56,819 as at December 31, 2023 and 2022, respectively.

B. The Group recognized other comprehensive income (loss) in relation to the financial assets at fair value through other comprehensive income (loss) amounting to $2,179 and ($330) for the years ended December 31, 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 and $2,351 for the years ended December 31, 2023 and 2022, respectively.

D. As at December 31, 2023 and 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
January 1, 2023								
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)
	$ 44,244	$ 302,533	$ 331,803	$ 872	$ 1,677	$ 125,391	$ 16,836	$ 823,356
For the year ended December 31, 2023								
At January 1	$ 44,244	$ 302,533	$ 331,803	$ 872	$ 1,677	$ 125,391	$ 16,836	$ 823,356
Additions	-	3,924	45,709	-	321	65,865	128,470	244,289
Transferred after acceptance	-	1,543	43,049	-	-	51,526	(96,118)	-
Depreciation	-	(35,952)	(100,417)	(201)	(874)	(20,350)	-	(157,794)
Disposals－Cost	-	-	(2,217)	-	(348)	(10,378)	-	(12,943)
－Accumulated depreciation	-	-	1,861	-	348	9,507	-	11,716
Reclassified to intangible assets	-	-	-	-	-	-	(580)	(580)
Expensed	-	-	-	-	-	-	(14,114)	(14,114)
At December 31	$ 44,244	$ 272,048	$ 319,788	$ 671	$ 1,124	$ 221,561	$ 34,494	$ 893,930
December 31, 2023								
Cost	$ 44,244	$ 1,125,247	$ 3,612,538	$ 15,152	$ 6,715	$ 321,807	$ 34,494	$ 5,160,197
Accumulated depreciation	-	(853,199)	(3,292,750)	(14,481)	(5,591)	(100,246)	-	(4,266,267)
	$ 44,244	$ 272,048	$ 319,788	$ 671	$ 1,124	$ 221,561	$ 34,494	$ 893,930

	Land	Buildings	Machinery	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress	Total
January 1, 2022								
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)
	$ 44,244	$ 331,542	$ 353,011	$ 1,470	$ 2,409	$ 92,469	$ 27,031	$ 852,176
For the year ended December 31, 2022								
At January 1	$ 44,244	$ 331,542	$ 353,011	$ 1,470	$ 2,409	$ 92,469	$ 27,031	$ 852,176
Additions	-	6,793	48,786	-	-	10,034	71,204	136,817
Transferred after acceptance	-	1,043	27,312	-	-	39,723	(68,078)	-
Depreciation	-	(36,845)	(97,306)	(598)	(732)	(16,807)	-	(152,288)
Disposals－Cost	-	-	(2,079)	-	(1,173)	(15,313)	-	(18,565)
－Accumulated depreciation	-	-	2,079	-	1,173	15,285	-	18,537
Reclassified to intangible assets	-	-	-	-	-	-	(454)	(454)
Expensed	-	-	-	-	-	-	(12,867)	(12,867)
At December 31	$ 44,244	$ 302,533	$ 331,803	$ 872	$ 1,677	$ 125,391	$ 16,836	$ 823,356
December 31, 2022								
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)
	$ 44,244	$ 302,533	$ 331,803	$ 872	$ 1,677	$ 125,391	$ 16,836	$ 823,356

A. The Group's property, plant and equipment are all owner-occupied as at December 31, 2023 and 2022.

B. The Group has not capitalized any interest for the years ended December 31, 2023 and 2022.

C. For more information regarding the Group's property, plant and equipment pledged to others as at December 31, 2023 and 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:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 316,345	$ 31,846
Buildings	614,491	216,552
Transportation equipment	86,252	70,443
Other equipment	23	79
	$ 1,017,111	$ 318,920

	For the years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 5,552	$ 2,092
Buildings	40,096	26,933
Transportation equipment	32,264	28,988
Other equipment	56	55
	$ 77,968	$ 58,068

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $777,242, and $185,752, respectively.

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

	For the years ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 12,006	$ 4,658
Expense on short-term lease contracts	6,197	12,928
Loss (gain) from lease modification	103	(50)

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $84,371 and $73,120, respectively.

(8) Intangible assets

	Computer software	Others	Total
At January 1, 2023			
Cost	$ 14,745	$ 778	$ 15,523
Accumulated amortization	(13,439)	(140)	(13,579)
	$ 1,306	$ 638	$ 1,944
For the year ended December 31, 2023			
At January 1	$ 1,306	$ 638	$ 1,944
Additions－Acquired separately	152	-	152
Transferred from property, plant and equipment	580	-	580
Amortization charge	(672)	(72)	(744)
At December 31	$ 1,366	$ 566	$ 1,932
At December 31, 2023			
Cost	$ 15,477	$ 778	$ 16,255
Accumulated amortization	(14,111)	(212)	(14,323)
	$ 1,366	$ 566	$ 1,932

	Computer software	Others	Total
At January 1, 2022			
Cost	$ 13,458	$ 464	$ 13,922
Accumulated amortization	(12,828)	(76)	(12,904)
	$ 630	$ 388	$ 1,018
For the year ended December 31, 2022			
At January 1	$ 630	$ 388	$ 1,018
Additions－Acquired separately	833	314	1,147
Transferred from property, plant and equipment	454	-	454
Amortization charge	(611)	(64)	(675)
At December 31	$ 1,306	$ 638	$ 1,944
At December 31, 2022			
Cost	$ 14,745	$ 778	$ 15,523
Accumulated amortization	(13,439)	(140)	(13,579)
	$ 1,306	$ 638	$ 1,944

Details of amortization on intangible assets are as follows:

	For the years ended December 31,	
	2023	2022
Operating costs	$ 88	$ 43
Selling expenses	265	207
Administrative expenses	391	425
	$ 744	$ 675

(9) Short-term borrowings

	December 31, 2023	Interest rate range	Collateral
Bank unsecured borrowings	$ 5,000	2.334%	None

	December 31, 2022	Interest rate range	Collateral
Bank unsecured borrowings	$ 3,600	5.18%	None

For interest expense recognized in profit or loss for the years ended December 31, 2023 and 2022, refer to Note 6(19).

(10) Short-term notes and bills payable

	December 31, 2023	Interest rate range	Collateral
Commercial paper payable	$ 10,000	1.40%～1.62%	None
Less: Unamortized discount	(1)		
	$ 9,999		

	December 31, 2022	Interest rate range	Collateral
Commercial paper payable	$ 70,000	1.32%～1.80%	None
Less: Unamortized discount	(51)		
	$ 69,949		

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 years ended December 31, 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%～2.5% 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 amounts recognized in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 236,148)	($ 238,404)
Fair value of plan assets	260,471	259,998
	$ 24,323	$ 21,594
Net defined benefit liability	($ 5,029)	($ 6,763)
Net defined benefit assets	29,352	28,357
	$ 24,323	$ 21,594

(b) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
For the year ended December 31, 2023			
Balance at January 1	($ 238,404)	$ 259,998	$ 21,594
Past service cost	498	-	498
Current service cost	(820)	-	(820)
Interest (expense) income	(2,862)	3,144	282
	(241,588)	263,142	21,554
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	2,395	2,395
Change in financial assumptions	(892)	-	(892)
Experience adjustments	(878)	-	(878)
	(1,770)	2,395	625
Pension fund contribution	-	2,144	2,144
Paid pension	7,210	(7,210)	-
Balance at December 31	($ 236,148)	$ 260,471	$ 24,323

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset/liability
For the year ended December 31, 2022			
Balance at January 1	($ 261,259)	$ 248,917	($ 12,342)
Current service cost	(1,346)	-	(1,346)
Interest (expense) income	(1,803)	1,726	(77)
	(264,408)	250,643	(13,765)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	19,193	19,193
Change in financial assumptions	10,909	-	10,909
Experience adjustments	3,048	-	3,048
	13,957	19,193	33,150
Pension fund contribution	-	2,209	2,209
Paid pension	12,047	(12,047)	-
Balance at December 31	($ 238,404)	$ 259,998	$ 21,594

(c) The Bank of Taiwan was commissioned to manage the Fund of the Group's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less then the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Group has no right to participate in managing and operating that fund and hence the Group is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2023	2022
Discount rate	1.20%	1.25%
Future salary increases	2.00%~3.00%	2.00%~3.00%

For the years ended December 31, 2023 and 2022, assumptions regarding future mortality experience are set based on actuarial advice in accordance with Taiwan Life Insurance Industry 6th Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 4,390)	$ 4,520	$ 4,466	($ 4,361)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 4,720)	$ 4,867	$ 4,812	($ 4,691)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $2,020.

(f) As of December 31, 2023, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 16,937
2-5 years	61,100
Over 6 years	180,155
	$ 258,192

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 years ended December 31, 2023 and 2022 were $18,615 and $16,154, 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 years ended December 31,	
	2023	2022
Beginning and ending balance	159,975	159,975

B. As of December 31, 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 years ended December 31, 2023 and 2022 are as follows:

	For the year ended December 31, 2023		
	Share premium	Treasury share transactions	Total
Beginning and ending balance	$ 154	$ 23,630	$ 23,784

	For the year ended December 31, 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 years ended December 31, 2023 and 2022, the Company recognized dividends distributed to owners both amounting to $959,850 ($6 (in dollars) per share as cash dividend). On February 23, 2024, the Board of Directors proposed for the distribution of dividends from 2023 earnings in the amount of $1,055,834 at $6.6 (in dollars) per share.

(15) Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 23,560,347	$ 24,676,960

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 year ended December 31, 2023		
	TTET Union Corporation	Master Channels Corporation	Total
Sales revenue	$ 17,678,457	$ 5,347,843	$ 23,026,300
Processing revenue	466,748	-	466,748
Logistics service revenue	-	67,299	67,299
	$ 18,145,205	$ 5,415,142	$ 23,560,347
Timing of revenue recognition			
At a point in time	$ 17,678,457	$ 5,347,843	$ 23,026,300
Over time	466,748	67,299	534,047
	$ 18,145,205	$ 5,415,142	$ 23,560,347

	For the year ended December 31, 2022		
	TTET Union Corporation	Master Channels Corporation	Total
Sales revenue	$ 19,436,548	$ 4,731,207	$ 24,167,755
Processing revenue	452,971	-	452,971
Logistics service revenue	-	56,234	56,234
	$ 19,889,519	$ 4,787,441	$ 24,676,960
Timing of revenue recognition			
At a point in time	$ 19,436,548	$ 4,731,207	$ 24,167,755
Over time	452,971	56,234	509,205
	$ 19,889,519	$ 4,787,441	$ 24,676,960

B. Contract liabilities

(a) As of December 31, 2023, December 31, 2022 and January 1, 2022, the Group has recognized the revenue-related liabilities amounting to $16,390, $60,560 and $30,405, respectively.

(b) Revenue recognized that was included in the contract liabilities balance at the beginning of 2023 and 2022 amounted to $60,372 and $30,241, respectively.

(16) Interest income

	For the years ended December 31,	
	2023	2022
Interest income from bank deposits	$ 4,599	$ 1,546
Other interest income	8,890	3,810
	$ 13,489	$ 5,356

(17) Other income

	For the years ended December 31,	
	2023	2022
Dividend income	$ 2,693	$ 2,351
Other income	13,612	13,845
	$ 16,305	$ 16,196

(18) Other gains and losses

	For the years ended December 31, 2023	For the years ended December 31, 2022
Net gain on financial assets and liabilities at fair value through profit or loss	$ 26,582	$ 110,795
Net currency exchange gain	11,711	81
(Loss) gain on disposal of property, plant and equipment	(777)	122
(Loss) gain from lease modification	(103)	50
Other losses	-	(1,176)
	$ 37,413	$ 109,872

(19) Finance costs

	For the years ended December 31, 2023	For the years ended December 31, 2022
Interest expense:		
Bank borrowings	$ 2,985	$ 4,076
Interest expense on lease liabilities	12,006	4,658
Other interest expense	126	401
	$ 15,117	$ 9,135

(20) Expenses by nature

	For the year ended December 31, 2023		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 113,598	$ 610,693	$ 724,291
Depreciation	$ 123,200	$ 112,562	$ 235,762
Amortization	$ 88	$ 656	$ 744

	For the year ended December 31, 2022		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 116,689	$ 557,953	$ 674,642
Depreciation	$ 121,131	$ 89,225	$ 210,356
Amortization	$ 43	$ 632	$ 675

(21) Employee benefit expense

	For the year ended December 31, 2023		
	Operating cost	Operating expense	Total
Wages and salaries	$ 103,150	$ 532,643	$ 635,793
Labor and health insurance expenses	5,848	38,605	44,453
Pension costs	2,564	16,091	18,655
Other personnel expenses	2,036	23,354	25,390
	$ 113,598	$ 610,693	$ 724,291

	For the year ended December 31, 2022		
	Operating cost	Operating expense	Total
Wages and salaries	$ 106,107	$ 486,938	$ 593,045
Labor and health insurance expenses	5,821	33,388	39,209
Pension costs	2,730	14,847	17,577
Other personnel expenses	2,031	22,780	24,811
	$ 116,689	$ 557,953	$ 674,642

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 years ended December 31, 2023 and 2022, employees’ compensation was accrued at $30,360 and $31,200, respectively; while directors’ remuneration was accrued at $22,840 and $23,400, 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. On February 23, 2024, the employees’ compensation and directors’ remuneration as resolved by the Board of Directors were $30,308 and $22,731, respectively, and the employees’ compensation will be distributed in the form of cash. The actual amount resolved by the Board of Directors for employees’ compensation and directors’ 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’ remuneration were distributed in the form of cash. Information about employees’ compensation and directors’ 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

(a) Components of income tax expense:

	For the years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 309,823	$ 328,953
Tax on undistributed earnings	8,341	8,921
Prior year income tax (over) under estimation	(2,292)	766
Total current tax	315,872	338,640
Deferred tax:		
Origination and reversal of temporary differences	3,980	(10,097)
Income tax expense	$ 319,852	$ 328,543

(b) The income tax charge relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2023	2022
Remeasurement of defined benefit obligations	$ 124	$ 6,630

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 354,492	$ 353,105
Effects from items disallowed by tax regulation	(40,689)	(34,249)
Tax on undistributed earnings	8,341	8,921
Prior year income tax (over) under estimation	(2,292)	766
Income tax expense	$ 319,852	$ 328,543

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	For the year ended December 31, 2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
Deferred tax assets:				
Allowance for doubtful accounts	$ 1,042	$ 622	$ -	$ 1,664
Unrealized loss on inventory market value decline	11,022	(7,743)	-	3,279
Unrealized expense	2,631	706	-	3,337
Unrealized loss on financial assets and liabilities	34	1,694	-	1,728
Depreciation expense	2,113	1,062	-	3,175
Pensions	10,168	(95)	28	10,101
	$ 27,010	($ 3,754)	$ 28	$ 23,284
Deferred tax liabilities:				
Pensions	($ 13,007)	($ 226)	($ 152)	($ 13,385)
	$ 14,003	($ 3,980)	($ 124)	$ 9,899

	For the year ended December 31, 2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
Deferred tax assets:				
Allowance for doubtful accounts	$ 1,042	$ -	$ -	$ 1,042
Unrealized loss on inventory market value decline	1,136	9,886	-	11,022
Unrealized expense	3,360	(729)	-	2,631
Unrealized loss on financial assets and liabilities	4	30	-	34
Depreciation expense	1,052	1,061	-	2,113
Pensions	16,257	(103)	(5,986)	10,168
	$ 22,851	$ 10,145	($ 5,986)	$ 27,010
Deferred tax liabilities:				
Pensions	($ 12,308)	($ 55)	($ 644)	($ 13,007)
Unrealized exchange gain	(7)	7	-	-
	($ 12,315)	($ 48)	($ 644)	($ 13,007)
	$ 10,536	$ 10,097	($ 6,630)	$ 14,003

D. As of February 23, 2024, 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

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,204,851	159,975	$ 7.53
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,204,851	159,975	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	260	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,204,851	160,235	$ 7.52

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,226,205	159,975	$ 7.66
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,226,205	159,975	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	262	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,226,205	160,237	$ 7.65

(24) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31, 2023	2022
Purchase of property, plant and equipment	$ 244,289	$ 136,817
Add: Opening balance of payable on equipment (listed under "Other payables")	317	7,623
Less: Ending balance of payable on equipment (listed under "Other payables")	(7,954)	(317)
Cash paid for the acquisition of property, plant and equipment	$ 236,652	$ 144,123

B. Operating and investing activities with no cash flow effects:

	For the years ended December 31, 2023	2022
(1) Write-off of allowance for doubtful accounts	$ 2,844	$ 352

	For the years ended December 31, 2023	2022
(2) Property, plant and equipment reclassified to intangible asset	$ 580	$ 454

(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	-	-	777,242	-	777,242
Decrease in lease liabilities	-	-	(980)	-	(980)
Changes in cash flow from financing activities	1,400	(60,000)	(66,168)	(1,701)	(126,469)
Changes in unamortized discounts	-	50	-	-	50
At December 31, 2023	$ 5,000	$ 9,999	$ 1,039,012	$ 4,892	$ 1,058,903

	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	-	-	185,752	-	185,752
Decrease in lease liabilities	-	-	(9,539)	-	(9,539)
Changes in cash flow from financing activities	(61,916)	-	(55,534)	2,175	(115,275)
Changes in unamortized discounts	-	(46)	-	-	(46)
At December 31, 2022	$ 3,600	$ 69,949	$ 328,918	$ 6,593	$ 409,060

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
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.	"
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.	"
Duskin Serve Taiwan Co., Ltd.	"
President Pharmaceutical Corporation	"
Uni-President Vender Corp.	"

Names of related parties	Relationship with the Group
Zhong Yi Food Company Ltd.	An entity controlled by key management individuals
Saboten Co., Ltd.	"
An Hsin Chiao Chu Co., Ltd.	"
Oriental Best Foods Co., Ltd.	"
Xiang Cheng Co., Ltd.	"
Kouchan Mill Co., Ltd.	"
Weilih Food Industrial Co., Ltd.	Investee of key management individual accounted for under the equity method
Guan-Chan Enterprises Co., Ltd.	"
JinHui Food Co., Ltd.	"

(2) Significant transactions and balances with related parties

A. Sales and processing revenue

	For the years ended December 31,	
	2023	2022
Sales of merchandise and finished goods:		
—An entity controlled by key management individuals	$ 545,720	$ 524,009
—Key management individuals	291,250	432,566
—Investee of key management individual accounted for under the equity method	6,910	7,623
	843,880	964,198
Processing revenue:		
—May Lan Lei Co., Ltd.	359,609	346,084
—Tai Hwa Oil Industrial Co., Ltd.	92,999	91,257
—Other entities controlled by key management individuals	13,748	14,989
—Other key management individuals	392	641
	466,748	452,971
	$ 1,310,628	$ 1,417,169

The collection period for related parties was 7~45 days after sales of goods, and 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 years ended December 31,	
	2023	2022
An entity controlled by key management individuals	$ 499,145	$ 493,894
Key management individuals	279,598	110,186
Investee of key management individual accounted for under equity method	75	44
	$ 778,818	$ 604,124

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

	December 31, 2023	December 31, 2022
An entity controlled by key management individuals	$ 87,806	$ 69,245
Key management individuals	22,357	71,876
Investee of key management individual accounted for under equity method	993	–
	$ 111,156	$ 141,121

D. Accounts payable

	December 31, 2023	December 31, 2022
An entity controlled by key management individuals	$ 49,348	$ 51,858
Key management individuals	3,596	4,216
Investee of key management individual accounted for under equity method	21	–
	$ 52,965	$ 56,074

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 years ended December 31,	
	2023	2022
An entity controlled by key management individuals	$ 46,877	$ 35,333

As of December 31, 2023 and 2022, the lease liability balance was $82,934 and $66,372, respectively. Interest expense recognized amounted to $916 and $1,053 (shown as "Finance costs") for the years ended December 31, 2023 and 2022, respectively.

(3) Key management compensation

	For the years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 97,503	$ 94,731

8. PLEDGED ASSETS

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

	Book Value		
Assets pledged	December 31, 2023	December 31, 2022	Purpose of collateral
Land (Note 1)	$ -	$ 44,244	(Note 2)
Buildings, net (Note 1)	-	80,440	〃
	$ -	$ 124,684	

(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 December 31, 2023 and 2022, the unused letters of credit amounted to $1,154,033 and $1,315,612, respectively.

(2) Capital expenditures contracted for but not yet incurred

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 96,752	$ 42,443

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:

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 110	30.755	$ 3,397

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 67	30.76	$ 2,073
Financial liabilities			
Monetary items			
USD : NTD	117	30.76	3,600

(iv) As of December 31, 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 years ended December 31, 2023 and 2022, would increase/decrease by $27 and $12, respectively.

(v) The unrealized exchange (loss) gain arising from significant foreign exchange variation on monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to $－.

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 years ended December 31, 2023 and 2022 would have increased/decreased by $1,570 and $1,136, 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 years ended December 31, 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 year ended December 31, 2023		
	Notes receivable	Accounts receivable	Total
At January 1	$ 1,380	$ 5,946	$ 7,326
(Reversal) provision for impairment	(60)	3,202	3,142
Write-off of allowance for doubtful accounts	-	(2,844)	(2,844)
At December 31	$ 1,320	$ 6,304	$ 7,624

	For the year ended December 31, 2022		
	Notes receivable	Accounts receivable	Total
At January 1	$ 1,398	$ 4,898	$ 6,296
(Reversal) provision for impairment	(18)	1,400	1,382
Write-off of allowance for doubtful accounts	-	(352)	(352)
At December 31	$ 1,380	$ 5,946	$ 7,326

(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$21,000 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:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 6,143,876	$ 6,075,450

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.

December 31, 2023	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	$ 5,002	$ -	$ -	$ -
Short-term notes and bills payable	10,000	-	-	-
Notes payable	5,027	-	-	-
Accounts payable (including related parties)	688,440	-	-	-
Other payables	514,793	-	-	-
Lease liabilities (including current and non-current portion)	74,154	66,456	159,781	738,853
Guarantee deposits received	-	3,510	-	1,382
Derivative liabilities:				
Forward foreign exchange contracts	8,641	-	-	-

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	-	-	-

(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:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities - non-current	$ 70,142	$ -	$ 1,275	$ 71,417
Beneficiary certificates	7,066	-	-	7,066
	$ 77,208	$ -	$ 1,275	$ 78,483
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contract	$ -	$ 8,641	$ -	$ 8,641

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities - non-current	$ 55,544	$ -	$ 1,275	$ 56,819
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contract	$ -	$ 168	$ -	$ 168

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 years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following is the movement of level 3 for the years ended December 31, 2023 and 2022:

	Equity Securities
For the the year ended December 31, 2023	$ 1,275

	Equity Securities
For the the year ended December 31, 2022	$ 1,275

G. For the the years ended December 31, 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 year ended December 31, 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 year ended December 31, 2023	TTET Union Corporation	Master Channels Corporation	Total
Segment revenue	$ 18,488,138	$ 5,415,142	$ 23,903,280
Revenue from internal customers	342,933	-	342,933
Revenue from external customers	18,145,205	5,415,142	23,560,347
Segment income	1,263,351	310,242	1,573,593
Depreciation and amortization	140,147	96,359	236,506
Segment assets	5,463,225	2,717,096	8,180,321

For the year ended December 31, 2022	TTET Union Corporation	Master Channels Corporation	Total
Segment revenue	$ 20,217,008	$ 4,787,441	$ 25,004,449
Revenue from internal customers	327,489	-	327,489
Revenue from external customers	19,889,519	4,787,441	24,676,960
Segment income	1,332,568	263,774	1,596,342
Depreciation and amortization	139,697	71,334	211,031
Segment assets	5,530,252	1,863,149	7,393,401

(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.

(4) Information on products and services

Revenue from external customers is mainly from sales and processing of vegetable oil, edible oil, cigarette, alcohol and articles for daily use and logistics service revenue.

Details of revenue are as follows:

	For the years ended December 31,	
	2023	2022
Sales revenue of finished goods	$ 17,678,457	$ 19,436,548
Sales revenue of merchandise	5,347,843	4,731,207
Processing revenue	466,748	452,971
Logistics service revenue	67,299	56,234
	$ 23,560,347	$ 24,676,960

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 22,840,373	$ 1,913,893	$ 23,989,920	$ 1,144,859
Malaysia	358,853	–	66,636	–
Japan	70,790	–	473,334	–
Others	290,331	–	147,070	–
	$ 23,560,347	$ 1,913,893	$ 24,676,960	$ 1,144,859

(6) Major customer information

The Group's revenues from each customer for the years ended December 31, 2023 and 2022 are less than 10% of the amount of operating revenue on the consolidated statement of comprehensive income.

TTET Union Corporation and Subsidiary

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

December 31, 2023

Table 1

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Note
				Number of shares	Book value	Ownership	Fair value	
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	15,776	–	15,776	–
	Taiwan Secom Co., Ltd.	–	Financial assets at fair value through other comprehensive income - non-current	100,000	11,700	–	11,700	–
	Far Eastern New Century Corporation	–	Financial assets at fair value through other comprehensive income - non-current	530,000	16,536	–	16,536	–
	The Shanghai Commercial & Savings Bank, Ltd.	–	Financial assets at fair value through other comprehensive income - non-current	228,796	10,707	–	10,707	–
	Formosa Plastics Corporation	–	Financial assets at fair value through other comprehensive income - non-current	165,000	13,068	–	13,068	–
	TTFB Company Limited	–	Financial assets at fair value through other comprehensive income - non-current	10,000	2,355	–	2,355	–
	Beneficiary Certificates:							
	Yuanta AAA-A Corporate Bond ETF	–	Financial assets at fair value through other comprehensive income - non-current	200,000	7,066	–	7,066	–

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 year ended December 31, 2023

Table 2 Expressed in thousands of NTD

			Description of transaction				Description and reasons for difference in transaction terms compared to non-related party transactions		Notes or accounts receivable/(payable)		
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)	($ 250,545)	(1%)	15 days after sales	$ -	(Note 1)	$ 14,350	2%	—
	Tai Hwa Oil Industrial Co., Ltd	The director of the Company	Purchases	113,176	1%	15 days after delivery	-	(Note 2)	-	-	—
	Master Channels Corporation	An investee company accounted for under the equity method	(Sales)	(342,933)	(2%)	Closes its accounts each half month, notes due in 20 days	-	(Note 1)	37,973	6%	—
	Ton-Yi Industrial Corp.	An investee company of Uni-President Enterprises Corp. accounted for under the equity method	Purchases	347,313	2%	30 days after acceptance	-	(Note 2)	(30,319)	(22%)	—
	Total Nutrition Technologies Co., Ltd.	An investee company of Great Wall Enterprise Co., Ltd. accounted for under the equity method	(Sales)	(151,736)	(1%)	10 days after sales	-	(Note 1)	15,731	2%	—

			Description of transaction				Description and reasons for difference in transaction terms compared to non-related party transactions		Notes or accounts receivable/(payable)		
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	May Lan Lei Co., Ltd.	An investee company of Great Wall Enterprise Co., Ltd. accounted for under the equity method	(Sales)	($ 185,078)	(1%)	10 days after sales	$ -	(Note 1)	$ 3,151	-	—
			(Processing revenue)	(359,609)	(77%)	Closes its accounts 15 days after the end of each month	-	(Note 1)	30,997	4%	—
Master Channels Corporation	TTET Union Corporation	The Company	Purchases	342,933	8%	Closes its accounts each half month, notes due in 20 days	-	—	(37,973)	(6%)	—

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 year ended December 31, 2023

Table 3

Expressed in thousands of NTD

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction terms: General ledger account	Transaction terms: Amount	Transaction terms: Transaction terms	Transaction terms: Percentage of total consolidated revenues or total assets (Note 3)
0	TTET Union Corporation	Master Channels Corporation	1	Sales	(\$ 342,933)	Closes its accounts each half month, notes due in 20 days	(1%)
				Accounts receivable	37,973	—	—

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 year ended December 31, 2023

Table 4

Expressed in thousands of NTD

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Note
TTET Union Corporation	Master Channels Corporation	Taiwan	Wholesale of food	$ 138,585	$ 138,585	24,079,998	80.27	$ 628,750	$ 247,756	$ 198,865	Subsidiary

TTET Union Corporation and Subsidiary

Information on investments in Mainland China

For the year ended December 31, 2023

Table 5 Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Book value of investments as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Beijing FoodChina Online Information and Technology Ltd.	Program planning, System design, etc.	$ 43,057	(2)	$ 7,381	$ -	$ -	$ 7,381	($ 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	$ 7,381	$ 7,381	$ 3,331,706

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 1:30.755

TTET Union Corporation and Subsidiary

Major shareholders information

December 31, 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.	26,623,706	-	16.40%	—
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.