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Taiwan Wax Company Ltd

2022
Annual Report

Printed on May 10, 2023

Contents （Page number to be updated）

Letter to Shareholders

Dear Shareholders,

We sincerely thank all shareholders for their love and support for Taiwan Wax Company over the years. In the past year, the global demand for wax products has continued to be sluggish, and the supply side has gradually decreased. Despite the impact of the Russian-Ukrainian conflict and the COVID-19 pandemic on the aquaculture and optoelectronics industries, the cost of equipment acquisition and raw materials prices continue to rise. Nevertheless, all our colleagues remain undaunted by the adverse macro environment and continue to work tirelessly with existing resources. Although our operating performance did not meet expectations, the overall performance of the group remained at the same level as in previous years. We will continue to implement various plans step by step, steadily and solidly achieving various goals to increase revenue. We strive for continuous improvement and breakthroughs, aiming for higher goals. The following is our company's business status report:

I. Operating Performance in 2022:

(I) Business report implementation result：

1. The total annual production, sales volume, and sales revenue are as follows:

Items	Production Volume(tons)	Sales volume(tones)	Sales value (thousands of NT$)
Wax	2,744	9,623	286,173
Rental income	-	-	23,741
Revenue from sales of photovoltaic euipment	-	-	122,061
Revenue from sales of aquatic products	-	-	50,037
Summary			482,012

2. Profit and loss: Generated a gross profit of NT$100,716 thousand dand incurred a net loss of NT$123,635 thousand after taxes for the whole year.

(II) Financial income and analysis of profitability:

Financial Income

Unit:NTD (thousand)

Item	2022	2021
Cash provided by (used in) operating activities	(698,177)	(522,626)
Cash provided by (used in) investing activities	(336,059)	(108,602)
Net cash flows from (used in) financing activies	396,749	390,608

Analysis of Profitability

Item	2022	2021
Return on assets (%)	(4.48)	19.15
Return on equity (%)	(9.33)	33.24
Income before tax to paid-in capital ratio (%)	(12.97)	47.48
Net profit margin (%)	(25.65)	74.52
After-tax EPS	(1.34)	5.16

(III) Budget implementation:

Items	Actual figures of 2022 (NT$1,000)	Budget figures of 2022 (NT$1,000)
Net Sales Revenue	482,012	230,291
Gross Profit (Loss)	100,716	36,656
Net Operating Income (Loss)	(135,169)	6,139
Profit before Tax (Loss)	(121,356)	108,709

Note：Sales of Mainland China seafood will be recognized using the net method for revenue recognition.

II、Business Plan for 2023:

(I)Guideline for management:

In 2022, the world was still under the shadow of the "post-COVID-19 pandemic", although some countries implemented partial lockdown measures and dynamic zero-clearance policies, and some countries and cities were unsealed and opened. However, they were still affected by the Russia-Ukraine war, and international raw materials rose in price due to sluggish demand, resulting in "stagflation". Although various parties predicted that inflation would ease in the second quarter of 2023, prices still remained high. Looking forward to the domestic and foreign economic situation in 2023, our company plans to adopt the following business strategies as countermeasures:

1. Seeking diversification of origins and raw materials to reduce production costs:

Under the "post-COVID-19 pandemic" that has swept the world, although some countries or cities still implement the so-called dynamic zero-clearance policy, most of them have gradually unsealed.

China has the strictest "lockdown" policy, which has a significant impact on our company's procurement of raw materials. Moreover, the "lockdown" has caused shipping delays and increased transportation costs. To reduce risks, our company plans to purchase from Southeast Asian countries (such as Thailand, India, etc.) to diversify risks and reduce procurement costs.

India itself also has a large number of wax manufacturers, but because their production equipment is relatively old, the wax they produce is classified as "refined paraffin wax" according to general market conventions, but their "oil content percentage (Oil Content %)" is around 0.7%, which is lower than our company's products (less than 0.5%), resulting in lower quality and low acceptance in the international market.

Our company plans to purchase Indian wax and refine it through our production process to meet the international requirements of "oil content percentage (Oil Content %)" less than 0.5%, thereby reducing our production costs and increasing competitiveness. (The production sites for refined paraffin wax in Asia are South Korea (less refined paraffin wax), Japan (high price), and Taiwan (high-quality and inexpensive).)

2. Enhance R&D capabilities and develop niche products:

Considering the gradual recovery of consumer spending power as some countries and cities lift COVID-19 restrictions, our company plans to seek cooperation among industry, government, and academia to develop new niche products in personal healthcare and medical aesthetics (such as beauty waxes and cosmetic waxes) as well as casting waxes for the manufacturing industry. This aims to expand our market with high-profit margins and increase production to achieve our established business goals.

3. Streamline production processes and increase production capacity:

In this era of profit squeeze, besides seeking external funding, the other approach is to internalize cost-saving measures. Our company will introduce "big data" analysis technology and use seven quality control techniques (4M/5W2H) to eliminate "bottleneck processes" or "repetitive processes", making production processes smoother and reducing production costs, thus increasing production capacity.

4. Sales of new products to expand into new markets and clients:

   Our company plans to use newly developed niche products to seek out new markets and clients through signing, consignment, or agency sales models. This will increase sales channels, expand the sales market, and achieve the objectives of our business plan.

5. Pursuing opportunities for "zero carbon emissions":

   In recent years, due to the accelerated degree of global warming, all countries have been moving towards the direction of "zero carbon emissions." In addition, our country plans to begin levying a "carbon tax" (NT$300 per ton) in 2024. Furthermore, to meet the goals of "zero carbon emissions" by 2050 and the government's plan to phase out nuclear power by 2026, our country is actively promoting the "green energy (solar, wind)" policy.

   Paraffin wax is an "energy storage" product that can currently be used in electric motorcycle batteries, as well as solar and wind power battery systems. This is a potential huge business opportunity. The ideal paraffin wax for these applications has a lower melting point (approximately below 125°F for our company's product models) and a smaller size (preferably in granular form - our company's product comes in 5kg slab form).

   Therefore, products with models 125F or below, or 180F, will be our company's "niche" products. In addition to expanding production capacity, we will also improve the product form (granular) to meet market demands.

6. In compliance with government regulations, we adopt sustainable business practices:

   Since 2015, our company has been reporting annually on our corporate social responsibility (CSR) in publicly available CSR reports. To further actualize sustainable business practices, we will introduce ESG (Environmental, Social, and Governance) in 2023.

   In recent years, globalization has driven digital transformation in industries, and the ESG wave has also surged along with it. The sudden outbreak of the COVID-19 pandemic has further awakened companies to the need for immediate change. Our company will combine digital technology with ESG management principles to create an innovative concept of the "sustainable new economy." We will evaluate potential risks in the future sustainable market and focus on the core essence of business operations to enhance our competitiveness and confront the digital transformation era.

Looking to the future, although the COVID-19 pandemic is difficult to eliminate and is still raging globally, it is expected to gradually ease. However, regional conflicts between countries continue to occur and may suppress the world's economic recovery, causing global "stagflation" and weakening consumer purchasing power. With the development and widespread distribution of vaccines, it is believed that countries will gradually lift lockdowns and border controls. Under this circumstance, countries will continue to promote incentive measures that favor market recovery, and the strength of global economic recovery will gradually increase.

In 2023, our company will gradually expand our sales market with new products and strategies. We believe that under our existing management and operational capabilities, with a solid foundation of research and development and production equipment, as well as the development of new markets and new clients, we have the ability and methods to face future market challenges and problems and advance towards our established goals.

(II) Research and Development Project:

1.Aesthetic medicine：

In the current booming economy and with the increase in living standards, personal consumption has risen, and there is a growing demand for personal appearance and body whitening in Taiwan. The company plans to develop wax products for the medical and beauty industry in response to the demand from biomedical technology companies.

Currently, the depilatory wax used by domestic beauty and biomedical companies are all imported from foreign countries, and the company plans to develop new products such as depilatory wax and cosmetics by using the 125F/180F refined rock wax and other products with different melting points. However, since this product will be used on the human body, it must comply with relevant US FDA regulations and have a smaller particle size. Our company will improve the production process and wax molding technology to meet US FDA standards and meet domestic demand, as well as expand into the "South Korea" region (the largest demand for beauty products in Southeast Asia).

2. Wine Bottle Sealing Wax:

After Taiwan joined the WTO in 2001 and abolished the tobacco and alcohol monopoly system, private individuals were allowed to establish liquor factories. This led to the gradual resurgence and legalization of privately-owned liquor factories in Taiwan. With the increase in living standards, the consumption of red wine (grape wine) has become popular among Taiwanese people, and the sealing of wine bottles with wax has become a trend in the creative industry, leading to an increase in demand for sealing wax (as shown in Figure 1) in privately-owned liquor factories.

Fig.1

Fig.2

Currently, all "bottle sealing wax (as shown in Figure 2)" in Taiwan is imported and there are no domestically produced products. This wax is not pure and needs to be mixed with other materials. Although the company is the only manufacturer of high-quality refined paraffin wax in Taiwan, it does not have the "mixing and blending" equipment for production. In this project, the company will collaborate with research institutions and academic organizations to jointly develop product formulations, and then seek cooperation with domestic manufacturers for production. Subsequently, the company will gradually establish its own production capacity, and use this product to expand sales to the Mainland China region (the largest red wine production area in Southeast Asia).

3. Emulsifying Wax (used in egg washing and car wash industry):

Amid frequent food safety incidents, the demand for food quality and safety among the Taiwanese people is increasing. In this context, although the government's policy of "comprehensive egg washing" for all eggs by 2020 was postponed due to certain factors, information such as traceability codes printed on each individual egg will continue to be promoted. "We hope that in the future, all eggs on the market will be 100% clean and have traceability codes."

Additionally, when the Food and Drug Administration formulated the "Good Hygiene Practices for Liquid Egg Product Manufacturers," it specified that eggs must be washed and selected before being made into liquid egg products (for steamed eggs, baking, etc.). Therefore, comprehensive "egg washing and selection" is inevitable.

"Selected eggs" are eggs that have been washed with water, but because the protective layer (calcium carbonate) of the eggshell is washed away during the process, the eggs are not easily stored and are prone to spoilage if not protected. The product that provides the protection is "emulsifying wax," which is refined paraffin wax that has been emulsified into a liquid state. Each egg is coated with emulsifying wax, forming a thin protective layer on the surface of the egg, which can extend the shelf life of the egg by about 10 days (as seen in the selected eggs sold in the market).

Currently, all the emulsifying wax used for "selected eggs" in Taiwan is imported, and there is no domestically produced product. The company is the only domestic manufacturer of refined paraffin wax, but lacks the "emulsifying mixing equipment." In this case, the company will first collaborate with research institutions and academic organizations to jointly develop the product formula, and then seek cooperation with domestic manufacturers for production. Subsequently, the company will gradually establish its own production capacity.

Moreover, the newly developed "emulsification technology" can be applied and expanded in new products and markets (such as car wash wax, shampoo, dishwashing liquid, and textile products), providing a foundation for the company's development of niche products in the future.

4. Investment Casting wax:

Industrial metal components (including models) for production are all made using the "lost wax casting", which is the first step in making molds. The required metal raw materials are heated to high temperatures and melted before being poured into the mold to produce metal components, which is called investment casting.

Investment casting wax can currently be divided into three types: iron casting, stainless steel casting, and tungsten steel casting (high precision). Among them, iron casting has a large demand and lower precision requirements, making it the basic threshold for entering the investment casting industry.

Investment casting wax requires stable "volume shrinkage rate" (to maintain casting dimensions). Currently, some iron casting investment casting wax (green wax) samples will seek domestic scientific research or academic units to analyze the formula for subsequent production needs.

(III)Production plan:

With the annual operational plan as the goal and the objective of meeting sales demand, we will utilize big data analysis and apply the seven quality control methods to eliminate "bottlenecks" or "redundant processes" in order to streamline the production process, reduce production costs, and increase production output.

We anticipate producing 5,800 metric tons of finished wax products for the entire year, which represents a 31% increase from the 4,002 metric tons produced in 2022.

(IV)Sales plan：

The projected sales volume of finished wax products for the entire year of 2023 is 5,800 metric tons, a 31% increase from the 4,002 metric tons sold in 2022. The overview is as follows:

(1) New Product Development and Sales:

Sales of new products developed in conjunction with R&D:

A. Wax for aesthetic medicine：

After completing the development of hair removal wax and cosmetic wax, in addition to selling domestically (beauty and skincare industry), it is planned to be sold to the Korean market through existing dealers or traders. It is expected to sell 58 metric tons (10 metric tons domestically and 48 metric tons internationally).

B. Bottle Sealing Wax:

After completing the development of bottle sealing wax, in addition to selling domestically (local liquor manufacturers), it is planned to be sold to the mainland China market through dealers or traders. It is expected to sell 37 metric tons (5 metric tons domestically and 32 metric tons internationally).

C. Emulsifying Wax:

After completing the development of emulsifying wax, it is expected to be sold domestically (Chinyie Eggs, Ruimu Foods, Dachan Foods, CP Foods, etc.), with a forecasted sales volume of 50 metric tons.

(2) Market expansion:

A. Expansion in existing markets:

In addition to maintaining sales in the existing markets, we will develop new industries and applications for our products. We will also expand our market by introducing our newly developed products to new industries or applications.

B. New Market Development:

India Market:

The population of India has grown significantly in recent years, with a population close to surpassing the 1.4 billion of mainland China. In addition, India has gradually become the second "manufacturing powerhouse" in the world, and its industries are thriving.

There are also a considerable number of wax manufacturers in India, but due to their older production equipment, the wax they produce, while classified as "refined wax" according to general market practices, has an oil content percentage of around 0.7%, which is inferior to our company's products (less than 0.5%) and has low acceptance in international markets.

Our company will collaborate with existing distributors, traders, and others to take advantage of this opportunity to expand into the Indian market and increase sales.

North American Market:

Our refined paraffin wax products, in addition to meeting the specifications for refined paraffin wax, are also sent to US laboratories for inspection and can meet the requirements of the US Food and Drug Administration (FDA). We will use the new product that meets FDA requirements (hair removal wax) to develop high-priced markets such as Europe and America, which are popular for hair removal. By entering these markets with "quality and safety" and "value for money" products, we can increase sales and product gross margins in this high-profit industry.

European Market:

Our company used to have distributors selling to the European market (UK, Germany), but most of the products were "Footoil" with few "refined paraffin wax".

Now, due to stricter EU regulations on product quality and safety, products must meet REACH/RoHS or "halogen-free" requirements. Our wax can meet REACH/RoHS or "halogen-free" requirements, and most of them can also meet US FDA regulations. The sales department will use this advantage to seek traders to sell our products to the EU and other countries.

III. Impact of external competition, regulatory environment, and macroeconomic environment on wax products:

(I) Wax market: China is the world's largest producer and exporter of wax products. However, since the outbreak of COVID-19 in 2022, many countries have been affected, especially in mainland China where lockdown and zero-tolerance measures have caused a shortage of production workers, decreased productivity, and a sudden decrease in wax product output. This has also led to a shortage of raw materials and supply chain disruption. In addition, the ongoing Russia-Ukraine war has resulted in a sudden surge in international raw material prices, increasing production costs.

In the second half of 2022, although the pandemic situation has eased and the global economy has gradually recovered, the intermittent lockdowns and zero-tolerance measures in mainland China and the ongoing Russia-Ukraine war have caused the international supply of raw materials to remain scarce, leading to high production costs and higher wax product prices, resulting in a sluggish market demand. In response to this situation, our company not only maintains its consistent high-quality products and timely client service in 2023, but also actively develops special-purpose waxes for the chemical, paper, and biomedical and beauty industries to expand our market and increase the company's revenue.

(II) Our company's refined paraffin wax products adhere to the principles of stable quality, on-time delivery, and service guarantee, earning us a good reputation and establishing the "Taiwan Wax" brand, which has a clear difference from low-priced Chinese waxes in the international market. In particular, our products have completed the EU

REACH registration and comply with high-quality certification standards and management systems such as ISO, RoHS, and USFDA. Particularly our Taiwan Wax products meet US FDA regulations, allowing us to maintain a position in the competitive wax market.

(III) Looking ahead to the global macroeconomic environment in 2023, the overall economic situation remains quite challenging despite the environment being full of instability. Our entire workforce will uphold the spirit of striving for excellence and work towards achieving our various planned objectives to repay our shareholders' support.

IV. The company’s future development strategy:

(I) Wax Business:

Through the reintegration of R&D, production, marketing, and human resources, the efficiency will be improved and the goals of cost reduction and energy conservation and carbon reduction will be achieved, making the product more competitive and stable in the market. In addition to serving and consolidating existing clients, we will actively expand new client sources and new products. Through pragmatic marketing methods and strict quality control requirements, we aim to achieve stable profits.

In the current international and domestic policy environment, "green energy" is required, and paraffin wax is an energy storage product that is essential for textiles, construction, and automotive industries (batteries). It will use the energy of production, government, academia, and research to develop corresponding products and seize this business opportunity.

(II)Expanding business territory:

The company has been actively developing new business projects for five years. Currently, the aquaculture and solar energy businesses have shown initial results. The aquaculture business was affected by the Shanghai lockdown in 2022, which resulted in reduced market demand and revenue. With the expected relaxation of the Shanghai lockdown policy this year, revenue is expected to return to pre-lockdown levels. Meanwhile, the solar energy business is steadily growing.

Currently, wax products, aquaculture, and solar energy are the three main businesses of the company. We will use these as a foundation to actively expand revenue and expand our business horizons. We also continue to be optimistic about the vast Chinese market and consumption capacity. We have established a wholly-owned subsidiary in Shanghai to develop aquaculture business and serve clients nearby. The green energy industry is currently a major government policy, and stable power supply is an important factor for enterprise growth. To actively invest in this industry, we have been building power plants for sale in three locations, including Chiayi, Changhua, and Zhongli, in recent years. We have also developed new energy power plants through cooperation and sales. From the initial planning and design, application review, construction and development to later management and maintenance, our professional team can handle the whole process, aiming to stand firm in the emerging industry.

Finally, we would like to express our sincere gratitude to all shareholders and investors for their long-term support and encouragement of Taiwan Wax Company. We also appreciate the concern and encouragement for our operating performance in 2022 and the valuable suggestions provided by all directors and independent directors. We thank our upstream and downstream partners for their enthusiastic assistance, as well as all employees for their efforts and contributions to the company. We will continue to uphold our consistent diligent and pragmatic spirit, actively innovate and strive for excellence, in order to create maximum benefits and share them with all shareholders.

Wishing you good health and success in all your endeavors.

Sincerely,

The Chairman

Corporate profile

One. Date of establishment: August 13th, 1987

Two. Corporate history:

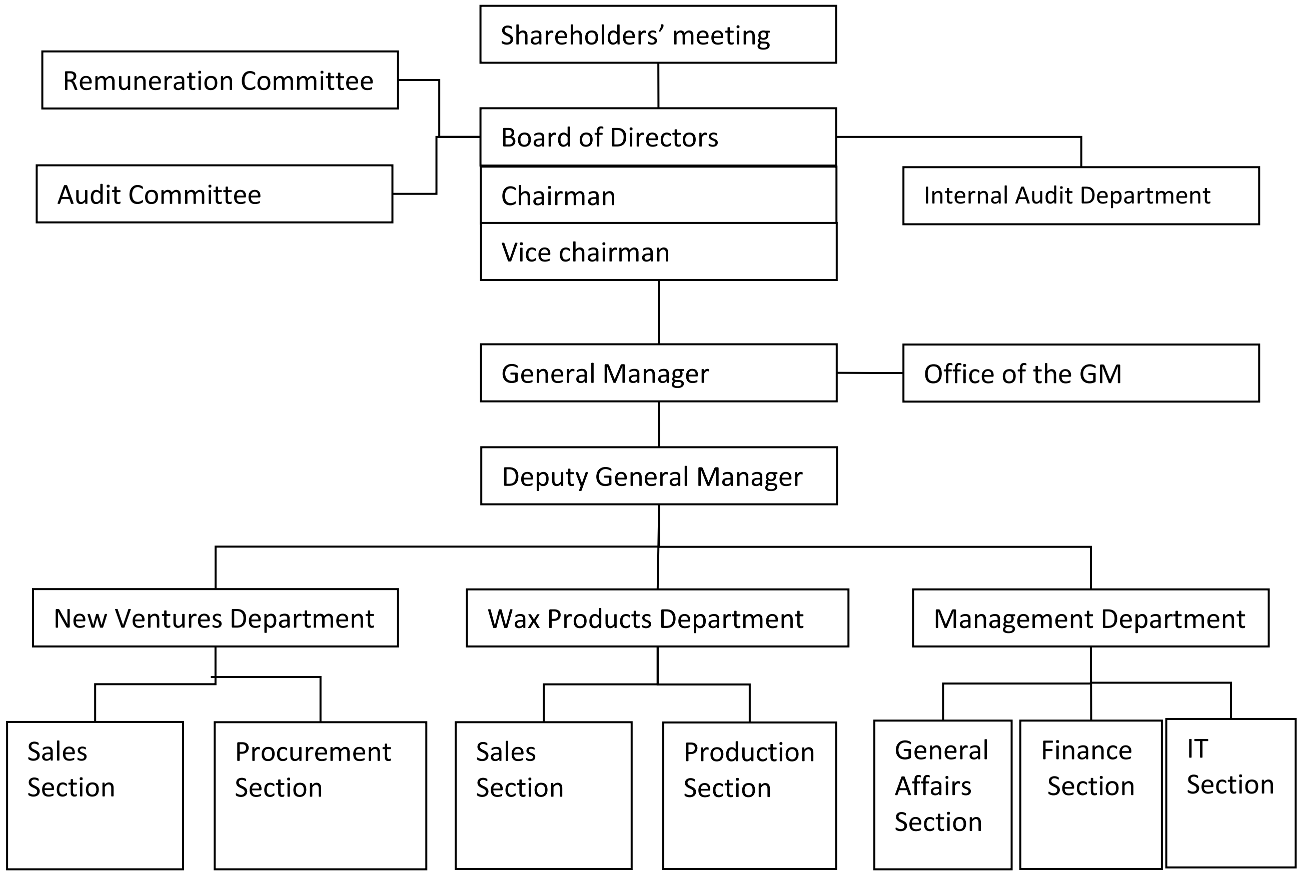
I. Company history

- August 1987: The Company was founded with a paid-in capital of NT$5 millions.
- October 1988: Cash capital increase of NT$145 million, total capital of NT$150 million.
- January 1990: Cash capital increase of NT$45 million, total capital of NT$195 million.
- January 1992: Completion of the construction of Chiayi factory.
- October 1992: Cash and capital surplus reserves were converted to capital, with a total increase of NT$116.85 million. The Securities and Futures Commission approved the public issuance of stocks.
- March 1993: Chiayi factory ceased operation.
- October 1995: Capital reduction of NT$265.072 million, cash capital increase of NT$2 billion.
- April 1996: Cash capital increase of NT$1 billion, total capital of NT$346.778 million.
- August 1996: Resumption of operation at Chiayi factory.
- May 1999: Capital reduction of NT$341.778 million, cash capital increase of NT$194 million, total capital of NT$199 million.
- July 2001: ISO-9001 (2000 version) certification approved.
- June 2003: Approval for stock registration on the Emerging Stock Market from the GreTai Securities Market.
- March 2004: Approval for stock listing on the Taiwan Stock Exchange from the Taiwan Securities Association.
- May 2004: Company's stocks were publicly underwritten and listed on the Taiwan Stock Exchange.
- June 2005: Surplus earnings converted to capital of NT$38.68 million, total capital of NT$237.68 million.
- June 2006: Surplus earnings converted to capital of NT$25.11 million, total capital of NT$262.79 million.
- June 2007: Surplus earnings converted to capital of NT$41.38 million, total capital of NT$304.17 million.
- June 2008: Surplus earnings converted to capital of NT$32.76 million, total capital of NT$336.93 million.
- June 2009: Surplus earnings converted to capital of NT$67.39 million, total capital of NT$404.32 million.
- June 2010: Surplus earnings converted to capital of NT$101.07 million, total capital of NT$505.4 million.
- June 2011: Surplus earnings converted to capital of NT$141.51 million, total capital of NT$646.91 million.
- October 2016: Private placement increased cash capital by NT$75.5 million, bringing the total capital to NT$722.41 million.
- January 2018: Capital reduction of NT$259.41 million, bringing the total capital to NT$463 million.
- May 2018: Private placement increased cash capital by NT$87.5 million, bringing the total capital to NT$550.5 million.
- September 2019: Private placement increased cash capital by NT$165 million, bringing the total capital to NT$715.5 million.
- November 2021: Private placement increased cash capital by NT$100 million, bringing the total capital to NT$815.5 million.
- November 2022: Surplus transferred to capital increased by NT$120.093 million, bringing the total capital to NT$935.593 million.

Company governance report

One. Organization

I. Organizatin chart



II. Major company functions

Department		Functions
Internal Audit Department		Establishment of internal audit system and development and execution of audit plans within the company. Inspecting and evaluating the effectiveness of internal control systems, and providing analysis and recommendations.
Wax Products Department	Sales Section	Responsible for product sales, marketing and research, production and sales strategy planning, client service, and collection of payments. Signing of orders and contracts and controlling the shipment of goods. Developing and executing sales forecasts and marketing plans.
	Production Section	Assisting in various operational activities in compliance with government regulations and requirements. Promoting enterprise risk management and establishing a safety and health management system through systematic procedures to implement and enhance compliance. Performing supervision and management of work safety, environmental protection, fire safety, and energy-related businesses, as well as handling change requests and calculations and declarations of operations. Planning production plans for company products based on sales plans. Collecting, accumulating, and reporting on data on product specifications and production equipment operations. Executing and supervising opening/closing and maintenance work. Coordinating with the production and sales departments to establish inventory control, packaging, shipping and installation, and warehouse management. Operating and supervising decolorization, deodorization equipment, and wax block machines. Handling, sorting, and recording received, stored, and issued materials, as well as packaged finished wax blocks and liquid wax filling and other procurement items. Coordinating with the production plan, developing annual maintenance plans for equipment updates and maintenance, and developing routine equipment maintenance systems. Implementing equipment installation, troubleshooting or modification, engineering construction supervision, and repair work.
Management Department	General Affairs Section	Planning and implementing engineering contracts and procurement related matters. Implementing equipment maintenance, general affairs and asset management, office environment maintenance and beautification, and cleaning within the company. Also handling salary and labor insurance business, employee retirement system planning, planning of education and training, and other personnel administration operations. Preparing and hosting employee-related welfare and retirement system planning.

	Financial Section	Developing annual budget allocation procedures for the company and each unit, assisting in budgeting and summarizing and executing budget controls, tracking and evaluating. Calculation and accounting procedures for production costs, differential analysis, abnormal tracking, and other accounting-related administrative operations. Revision of financial management operating procedures. Calculation and declaration of various taxes and duties. Banking and fund-related business.
	IT Section	Management, maintenance, and promotion of information systems and websites, and planning of information promotion and education and training. Specification, planning, management, and storage of computer software, hardware, and peripheral equipment versions. Handling of computer troubleshooting or technical consultation issues. Distribution management of various operation system passwords.
New Ventures Department	Sales Section	Responsible for product sales, client credit risk assessment, market research, familiarity with company regulations and operational procedures, production and sales strategy planning, client relationship maintenance, and quotation and contract signing based on client needs, among other duties. Develop sales forecasts and marketing plans and execute them.
	Procurement Section	Assess suppliers, establish or update supplier information, purchase based on orders and inventory levels, control and coordinate shipment times, conduct market research, familiarize oneself with company policies and operating procedures, maintain supplier relationships, and perform other related tasks. Regularly perform billing operations, write, review, and manage procurement contracts.

Two. Director, general manager, manager, senior manager, department heads, and branch managers' information.

I. Director’s information:

Directors’ information (I)

April 16, 2023

Job Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%			Title	%			Title	Name	Relation
Chairman	ROC	Yililong Investment Co., Ltd. Rep.: Je Yin Lin	Male 60~69	111.06.21	3	103.6.17	2,610,000 -	3.20% -	8,932,304 982,641	9.55% 1.05%	0 0	0% 0%	0 0	0% 0%	Ching Yun University	Director, TAIWAN COMMERCE DEVELOPMENT CORPORATION	Representative Director of Yililong Investment Co., Ltd.	Zi Jun Lin	Father and daughter
Vice chairman	ROC	Yuan Jin Co., Ltd. Rep.: Wen Zhe Lin	Male 50~59	111.06.21	3	105.11.2	6,741,243 -	8.27% -	14,063,719 0	15.03% 0%	0 0	0% 0%	0 0	0% 0%	Taipei Jinwen High School	President, Homa Union Group Co., LTd President, Homa Fresh Seafood Co., LTD	None	None	None
Director	ROC	Yililong Investment Co., Ltd. Rep.: Zi Jun Lin	Female 30~39	111.06.21	3	108.6.25	2,610,000 -	3.02% -	8,932,304 1,148,880	9.55% 1.23%	0 0	0% 0%	0 0	0% 0%	Indiana University	Chairman, Yuan Jin Co. Chairman, Gong Che Yan Fresh Seafood Co., Ltd Independent Director, Daily Polymer Corp. Independent Director, HOLD JINN ELECTRONICS CO.,LTD.	Representative Director of Yililong Investment Co., Ltd.	Je Yin Lin	父 Father and daughter
Director	ROC	Yuan Jin Co., Ltd. Rep.:Jiu Jeng Lee	Male 50~59	111.06.21	3	105.11.2	6,741,243 -	8.27% -	14,063,719 243,171	15.03% 0.26%	0 0	0% 0%	0 0	0% 0%	Natinal Defense Medical Center	Director, Ensure Global Corp., LTD	None	None	None
Director	ROC	Yuan Jin Co., Ltd. Rep.:Sen Xiang Chiu	Male 60~69	111.06.21	3	108.6.25	6,741,243 -	7.21% -	14,063,719 0	15.03% 0%	0 0	0% 0%	0 0	0% 0%	Institute of Accounting, Chung Yuan University	Adjunct Lecturer, Chung Yuan Unviersity	None	None	None

Job Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%			Title	%			Title	Name	Relation
Director	ROC	Yuan Jin Co., Ltd. Rep.:Yang Zheng Lu	Male 50~59	111.06.21	3	103.06.17	6,741,243 -	7.21% -	14,063,719 0	15.03% 0%	0 0	0% 0%	0 0	0% 0%	Ph.D., Financial Management Group, Institute of Management Science, Chiao Tung Univeristy Director of the Department of Finance and Research Ming Chuan University	Independent Director, EnTrust Securities Co., Limited	None	None	None
Independent Director	ROC	Man Sheng Huang	Male 70~79	111.06.21	3	108.6.25	0	0%	0	0%	0	0%	0	0%	College of Business Administration, Soochow University GM, Bank of Kaohsiung	Independent, Visual Photonics Epitaxy Co., Ltd	None	None	None
Independent Director	ROC	Zhao Wei Pan	Male 40~49	111.06.21	3	103.6.17	0	0%	0	0%	0	0%	0	0%	College of Law, National Taiwan University	Lawyer, Mega Trust International Law Offices	None	None	None
Independent Director	ROC	Zong Yi Chen	Male 30~39	111.06.21	3	111.06.21	0	0%	0	0%	0	0%	0	0%	Department of Electrical Engineering, St. John's Univeristy	Chairman, Chien Yeu Enterprise Co., Ltd Independent Director, Daily Polymer Corp. Independent Director, NewSoft Technology Corporation Independent Director, United Fiber Optic Communication Inc.	None	None	None

Table I: Major shareholders of the institutional shareholders April 16, 2023

Name of Insitutional Shareholders	Major Shareholders
Yililong Investment Co., Ltd.	Zi Jun Lin(35%)、Jia An Lin(35%)、Yi Lien(15%)、Qiu Xiang Lin(15%)
Yuan Jin Co., Ltd.	Je Yin Lin(46.12%)

Table II:：Substantial shareholders in Table I who are legal entities: None

Directors' Information (II)

I. Professional qualifications and independence analysis of directors:

Criteria / Name	Professional qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yililong Investment Co., Ltd. Representative: Je Yin Lin	1. Working experience in business, legal, finance, accounting or company business 2. Working experience: GM, Lian Quan Investment Enterprise Co.; Independent director, Taiwan Commerce Development Corporation	(5)、(6)	None
Yuan Jin Co., Ltd. Representative: Wen Zhe Lin	1. Experience in business, law, finance, accounting or corporate business 2. Working experience: President, Homa Union Group Co., LTd, President, Homa Fresh Seafood Co., LTD	(1)、(3)、(4)、(5)、(6)	None
Yililong Investment Co., Ltd. Representative: Zi Jun Lin	1. Experience in business, law, finance, accounting or company business 2. Working experience: Director, Yuan Jin Co., Chairman, Gong Che Yan Fresh Seafood Co., LTD, Independent Director, Daily Polymer Corp.; Independent Director, Hold Jinn Electronics Co., Ltd	(3)、(5)、(6)	2
Yuan Jin Co., Ltd. Representative: Jiu Jeng Lee	1. Working experience in business, legal, finance, accounting or corporate business 2. Working experience: Director, Ensure Global Corp., LTD	(1)、(3)、(4)、(5)、(6)	None
Yuan Jin Co., Ltd. Representative: Sen Xiang Chiu	1. Working experience in business, law, finance, accounting or corporate business 2. Working experience: Adjunct Lecturer, Chung Yuan Unviersity	(1)、(3)、(4)、(5)、(6)	None
Yuan Jin Co., Ltd. Representative: Yang Zheng Lu	1. Lecturer or above in business, law, finance, accounting or related disciplines required by the company's business in public and private colleges and universities 2. Working experience: Professor, Department of Finance and Finance, Ming Chuan University, and Executive Director, Center for Financial and Financial Studies; Independent Director, Hua Nan Securities Co., Ltd	(1)、(2)、(3)、(4)、(5)、(6)	1
Man Sheng Huang	1. Working experience in business, law, finance, accounting, or corporate business 2. Working experience: Independent, Visual Photonics Epitaxy Co., Ltd	(1)、(2)、(3)、(4)、(5)、(6)	1
Zhao Wei Pan	1. A judge, prosecutor, lawyer, accountant, or other professional and technical personnel who have passed the national examination required for the company's business 2. Working experience: Lawyer, Grand Trust Internation Law offices; Lawyer, Mega Trust International Law Offices	(1)、(2)、(3)、(4)、(5)、(6)	None

Zong Yi Chen	1. Working experience in business, law, finance, accounting or company business 2. Working experience: Chairman, Chien Yeu Enterprise Co., Ltd; Independent Director, Daily Polymer Corp.; Independent Director, NewSoft Technology Corporation; Independent Director, United Fiber Optic Communication Inc.	(1)、(3)、(5)、(6)	3

Note 1: None of the directors have any of the circumstances listed in Article 30 of the Company Act.
Note 2: The independent situation includes the following:
(1) Not an employee of the Company or its affiliates.
(2) Not a director or supervisor of the Company or its affiliates.
(3) Not a natural person shareholder who, together with their spouse, minor children, or shares held in the name of others, holds more than 1% of the total shares issued by the Company or is among the top ten shareholders.
(4) Not a spouse, blood relative within the second degree, or lineal relative within the third degree of any person listed in the preceding three subparagraphs.
(5) Not a director, supervisor, or employee of a company that has a specific relationship with the Company.
(6) Has not received any remuneration for providing legal, financial, accounting or other services to the Company or its affiliates in the past two years.

II. Board Diversity and Independence:

(I) Board Diversity: The Board of Directors of the Company consists of six directors and three independent directors. The members of the Board of Directors are composed of experts in various fields such as industry, finance and accounting, law, etc. In order to achieve the ideal goal of corporate governance, the overall ability and implementation of the Board of Directors are as shown in the table below:

Diversified Core / Name	Basic Composition					Capability that Meets Requirements							
	Nationa	Employee	Gender Age	Independent Director Length of Service		Judgment of Operations	Accounting and Financial Analysis Ability	Management and Operational Ability	Crisis Management Ability	Industry Knowledge	International Market Outlook	Leadership Ability	Decision-Making Ability
				>3 years	<3years								
Yililong Investment Co., Ltd. Representative: Je Yin Lin	ROC	V	Male 60~69			V	V	V	V	V	V	V	V
Yuan Jin Co., Ltd. Representative: Wen Zhe Lin	ROC		Male 50~59			V		V	V	V	V	V	V
Yililong Investment Co., Ltd. Representative: Zi Jun Lin	ROC	V	Female 30~39			V	V	V	V	V	V	V	V
Yuan Jin Co., Ltd. Representative: Jiu Jeng Lee	ROC		Male 50~59			V		V	V		V	V	
Yuan Jin Co., Ltd. Representative: Sen Xiang Chiu	ROC		Male 50~59			V	V	V	V		V	V	
Yuan Jin Co., Ltd. Representative: Yang Zheng Lu	ROC		Male 50~59			V	V	V	V	V	V	V	V
Man Sheng Huang	ROC		Male 70~79		V	V	V	V	V		V		
Zhao Wei Pan	ROC		Male 40~49		V	V		V	V	V	V	V	V
Zong Yi Chen	ROC		Male 30~39	V		V		V	V		V		V

(II) Board Independence: The Company has a total of 9 directors, including 3 independent directors, accounting for 33% of the total. The independent directors do not have any circumstances as stipulated in Article 26-3, paragraph 3, and paragraph 4 of the Securities and Exchange Act. Among the directors of the Company, 2 directors (Je Yin Lin and Zi Jun Lin) have a second-degree relative relationship as father and daughter.
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III. Information on GM, deputy-GM, associate manager and the Management team

April 16, 2023

Job Title	Nationality	Name	Gender	Inauguration Date	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
GM	ROC	Chen Hsiang Fu	Male	110.10.04	229,776	0.25%	0	0%	0	0%	Master of Business Administratin in Technology, Rensselaer Polytechnic Insititue	President, Hwa Hai Crossing International Consulting Co. President, Senhua Technology Co. President, Hua Hai Network Co.	None	None	None	
Deputy-GM	ROC	Zi Jun Lin	Female	112.01.12	1,148,880	1.23%	0	0%	0	0%	Indiana University	Director, Yuan Jin Co., Ltd. President, Gong Che Yan Fresh Seafood Co., Ltd Independent director, DAILY POLYMER CORP. Independent director,HOLD JINN ELECTRONICS CO.,LTD.	Directpr representative, Yililong Investment Co., Ltd.; Independent Director, Hold Jinn Electronics Co., Ltd	Je Yin Lin	Father and daughter	
CFO	ROC	Po Yao Tseng	Male	111.11.03	0	0%	0	0%	0	0%	Graduate School of Accounting, Yunlin University of Science and Technology Certified Public Accountants Examination Manager, PWC	None	None	None	None	

IV. Remuneration of Directors, Supervisors, General Manager, and Managers

(I) Remuneration of Directors (including independent directors)

Unit：NTD$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman of the Board	Yililong Investment Co., Ltd.(Note 1)	0	0	0	0	0	0	0	0	0 0	0 0	0	0	0	0	0	0	0	0	0 0	0 0	None
	Representative: Je Yin Lin (Note 2)	0	0	0	0	0	0	135	135	135 (0.11)	135 (0.11)	2,985	2,985	0	0	0	0	0	0	3,120 (2.52)	3,120 (2.52)	None
Director	Yililong Investment Co., Ltd.	0	0	0	0	0	0	0	0	0 0	0 0	0	0	0	0	0	0	0	0	0 0	0 0	None
	Representative:Zi Jun Lin	0	0	0	0	0	0	135	135	135 (0.11)	135 (0.11)	1,389	1,389	73	73	0	0	0	0	1,597 (1.29)	1,597 (1.29)	None
Deputy Chairman of the Board	Yuan Jin Co., Ltd.	0	0	0	0	0	0	0	0	0 0	0 0	0	0	0	0	0	0	0	0	0 0	0 0	None
	Representative: Wen Zhe Lin	0	0	0	0	0	0	120	120	120 (0.1)	120 (0.1)	0	0	0	0	0	0	0	0	120 (0.1)	120 (0.1)	None
Director	Yuan Jin Co., Ltd.	0	0	0	0	0	0	0	0	0 0	0 0	0	0	0	0	0	0	0	0	0 0	0 0	None
	Representative:Jiu Jeng Lee	0	0	0	0	0	0	100	100	100 (0.08)	100 (0.08)	0	0	0	0	0	0	0	0	100 (0.08)	100 (0.08)	None
	Representative:Sen Xiang Chiu(Note 3)	0	0	0	0	0	0	80	80	80 (0.06)	80 (0.06)	0	0	0	0	0	0	0	0	80 (0.06)	80 (0.06)	None
	Representative: Yang Zheng Lu	0	0	0	0	0	0	130	130	130 (0.11)	130 (0.11)	0	0	0	0	0	0	0	0	130 (0.11)	130 (0.11)	None
	Representative: Yin Zhu Xu(Note 4)	0	0	0	0	0	0	40	40	40 (0.03)	40 (0.03)	0	0	0	00	0	0	0	0	40 (0.03)	40 (0.03)	None

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%))		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Independent Director	Man Sheng Huang	0	0	0	0	0	0	165	165	165 (0.13)	165 (0.13)	0	0	0	0	0	0	0	0	165 (0.13)	165 (0.13)	None
Independent Director	Zong Yi Chen (Note 5)	0	0	0	0	0	0	115	115	115 (0.09)	115 (0.09)	0	0	0	0	0	0	0	0	115 (0.09)	115 (0.09)	None
Independent Director	Zhao Wei Pan	0	0	0	0	0	0	165	165	165 (0.13)	165 (0.13)	0	0	0	0	0	0	0	0	165 (0.13)	165 (0.13)	None

Note 1: A new chairman was elected on June 21, 2022.
Note 2. Company vehicle driver is paid with NT$567,000 as the salary.
Note 3: On June 21, 2022, the Company re-elected the Supervisor's representative to become the Director's representative.
Note 4. Resigned from office due to the June 21, 2022
Note 5. Newly appointed due to the June 21, 2022 election.

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Less than NT$ 1,000,000	Wen Zhe Lin , Jiu Jeng Lee, Yin Zhu Xu, Yang Zheng Lu, Zong De Chen, Man Sheng Huang, Zhao Wei Pan, Sen Xiang Chiu	Wen Zhe Lin , Jiu Jeng Lee, Yin Zhu Xu, Yang Zheng Lu, Zong De Chen, Man Sheng Huang, Zhao Wei Pan, Sen Xiang Chiu	Wen Zhe Lin , Jiu Jeng Lee, Yin Zhu Xu, Yang Zheng Lu, Zong De Chen, Man Sheng Huang, Zhao Wei Pan, Sen Xiang Chiu	Wen Zhe Lin , Jiu Jeng Lee, Yin Zhu Xu, Yang Zheng Lu, Zong De Chen, Man Sheng Huang, Zhao Wei Pan, Sen Xiang Chiu
NT$1,000,000 ~ NT$1,999,999	Zi Jun Lin	Zi Jun Lin	Zi Jun Lin	Zi Jun Lin
NT$2,000,000 ~ NT$3,499,999	Je Yin Lin	Je Yin Lin	Je Yin Lin	Je Yin Lin
NT$3,500,000 ~ NT$4,999,999				
NT$5,000,000 ~ NT$9,999,999				
NT$10,000,000 ~ NT$14,999,999				
NT$15,000,000 ~ NT$29,999,999				
NT$30,000,000 ~ NT$49,999,999				
NT$50,000,000 ~ NT$99,999,999				
Greater than or equal to NT$100,000,000				
Total	10	10	10	10

(II) Remuneration of Supervisors

Unit：NT$ thousands

Title	Name	Remuneration						Ratio of Total Remuneration (A+B+C) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Bonus to Supervisors (B)		Allowances (C)				
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	
Supervisor (Note 1)	Greensummit Co., Ltd.	0	0	0	0	0	0	0 0	0 0	None
	Representative:Yu Sheng Hong	0	0	0	0	40	40	40 (0.03)	40 (0.03)	None
	Representative:Yu Ting Hong	0	0	0	0	40	40	40 (0.03)	160 (0.04)	None
Supervisor (Note 1)	Shangpin Investment Co.	0	0	0	0	0	0	0 0	0 0	None
	Representative:Sen Xiang Chiu	0	0	0	0	40	40	40 (0.03)	160 (0.04)	None

Note 1. Resigned from office due to the June 21, 2022.

Range of Remuneration

Range of Remuneration	Name of Supervisors	
	Total of (A+B+C)	
	The Company	Companies in the consolidated financial statements (D)
Less than NT$ 1,000,000	Yu Sheng Hong、Yu Ting Hong、Sen Xiang Chiu	Yu Sheng Hong、Yu Ting Hong、Sen Xiang Chiu
NT$1,000,000 ~ NT$1,999,999		
NT$2,000,000 ~ NT$3,499,999		
NT$3,500,000 ~ NT$4,999,999		
NT$5,000,000 ~ NT$9,999,999		
NT$10,000,000 ~ NT$14,999,999		
NT$15,000,000 ~ NT$29,999,999		
NT$30,000,000 ~ NT$49,999,999		
NT$50,000,000 ~ NT$99,999,999		
Greater than or equal to NT$100,000,000		
Total	3	3

(III) Remuneration of General Manager and Deputy General Manager

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Chen Hsiang Fu	1,443	1,443	87	87	210	210	0	0	0	0	1,740 (1.41)	1,740 (1.41)	None
CFO	Chen Yuan Liao	1,012	1,012	61	61	120	120	0	0	0	0	1,193 (0.96)	1,193 (0.96)	None

Range of Remuneration

Range of Remuneration	Name of General Manager and Deputy General Manager	
	The Company	Companies in the consolidated financial statements
Less than NT$ 1,000,000		
NT$1,000,000 ~ NT$1,999,999	Chen Hsiang Fu , Chen Yuan Liao	Chen Hsiang Fu , Chen Yuan Liao
NT$2,000,000 ~ NT$3,499,999		
NT$3,500,000 ~ NT$4,999,999		
NT$5,000,000 ~ NT$9,999,999		
NT$10,000,000 ~ NT$14,999,999		
NT$15,000,000 ~ NT$29,999,999		
NT$30,000,000 ~ NT$49,999,999		
NT$50,000,000 ~ NT$99,999,999		
Greater than or equal to NT$100,000,000		
Total	2	2

（IV）Managerial officers with the top five highest remuneration amounts in the Company

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
Chairman	Je Yin Lin	2,523	2,523	0	0	462	462	0	0	0	0	2,985 (2.41)	2,985 (2.41)	None
General Manager	Chen Hsiang Fu	1,443	1,443	87	87	210	210	0	0	0	0	1,740 (1.41)	1,740 (1.41)	None
Associate Manager	Zi Jun Lin	1,179	1,179	73	73	210	210	0	0	0	0	1,462 (1.18)	1,462 (1.18)	None
CFO	Chen Yuan Liao	1,012	1,012	61	61	120	120	0	0	0	0	1,193 (0.96)	1,193 (0.96)	None
CFO	Po Yao Tseng	160	160	10	10	40	40	0	0	0	0	210 (0.17)	210 (0.17)	None

Note 1: Po Yao Tseng was appointed as the Chief Financial Officer on November 05, 2022.

(V)Manager names and allocation status for the 2022 fiscal year employee remuneration distribution.

Unit: NT$ thousands

	Title	Name	Shares	Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Chairman	Je Yin Lin	0	0	0	0
	General Manager	Chen Hsiang Fu				
	Associate Manager	Zi Jun Lin				
	CFO	Po Yao Tseng				

IV. Analysis of the ratio of total remuneration paid to directors, supervisors, general managers, and managers by this company and all consolidated companies in the past two fiscal years as a percentage of the after-tax net income, and an explanation of the policy, standards, and composition of remuneration, the procedures for determining remuneration, and the correlation with operating performance:

(I) The analysis of the ratio of total remuneration paid to directors, supervisors, general managers, and managers as a percentage of after-tax net income is shown in the following table, and all related payments are processed in accordance with the regulations of this company.

Unit: NT$ thousands

Fiscal Year / Position	FY 2022		FY 2021	
	Total Remuneration	% of After-tax Net Income	Total Remuneration	% of After-tax Net Income
Directors	1,185	(0.96)%	7,310	1.96%
Supervisors	120	(0.1)%	530	0.14%
GM and Managers	7,590	(6.14)%	6,530	1.75%

(II) The policy, standards and composition of remuneration, procedures for determining remuneration, and the correlation with operating performance and future risks of remunerating directors, supervisors, general managers, and managers: Directors and supervisors only receive transportation allowances; the salaries of general managers and managers are determined based on industry standards, and the payment of bonuses is subject to the company's earnings and performance.

Three. Implementation of Company Governance

I. Operations of the Board of Directors

(1)Operations of the Board of Directors

A total of 6 (A) meetings of the Board of Directors were held in the previous period. The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Chairman	Yililong Investment Co., Ltd. Representative:Je Yin Lin	4	0	100%	June 21, 2022 - Newly appointed (held 4 meetings during the term of office)

Chairman	Je Yin Lin		2	0	100%	June 21, 2022 - Re-elected (held 2 meetings during the term of office)
Director	Yuan Jin Co., Ltd.	Wen Zhe Lin	6	0	100%	June 21, 2022- Re-elected
		Jiu Jeng Lee	5	1	100%	June 21, 2022- Re-elected
		Sen Xiang Chiu	4	0	100%	June 21, 2022- Newly appointed (held 4 meetings during the term of office)
		Yang Zheng Lu	4	0	100%	June 21, 2022- Newly appointed (held 4 meetings during the term of office)
		Yin Zhu Xu	2	0	100%	June 21, 2022- Re-elected (held 2 meetings during the term of office)
Director	Yililong Investment Co., Ltd. Representative:Zi Jun Lin		6	0	100%	2022.06.21 Re-election
Independent Director	Zong Yi Chen		4	0	100%	June 21, 2022 - Newly appointed (held 4 meetings during the term of office)
Independent Director	Man Sheng Huang		6	0	100%	June.21 2022, Re-election
Independent Director	Zhao Wei Pan		6	0	100%	June.21, 2022 Re-election
Independent Director	Yang Zheng Lu		2	0	100%	2022. 06.21 Re-election of Independent Director,New Corporate Director Representative

Other mentionable items:

I. Matters listed in Article 14-3 of the Securities and Exchange Act, as well as decisions of the board of directors on which independent directors have expressed opposition or reservation with records or written statements, should specify the date and period of the board meeting, the content of the proposal, the opinions of all independent directors, and the company's handling of the independent directors' opinions: None.

II. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

III. Evaluation of the goals to strengthen the functions of the board of directors in the current year and the most recent year (such as setting up an audit committee, enhancing information transparency, etc.) and the implementation status:

(1) Strengthening of functions:

a. The Company has established "Procedural Rules of the Meeting of the Board of Directors," and the operation of the board of directors follows these rules.

(2) Enhancing information transparency: The Company has a spokesperson, and there is a dedicated person responsible for disclosing public information and maintaining the official website.

（2）Implementation Status of Board Evaluation

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items	Evaluation results
Once a year	June 21 to December 31, 2022	Board of Directors	Internal Self-Assessment of the Board of Directors	1. Degree of participation in company operations. 2. Enhancing the quality of board decisions. 3. Board composition and structure. 4. Director selection and continuing education. 5. Internal control.	The overall self-evaluation result of the board of directors' performance is "excellent".
		Functional Members	Self-assessment of Functional Members	Understanding of company goals and tasks. 1. Recognition of director responsibilities. 2. Degree of participation in company operations. 3. Composition of functional committees and member selection. 4. Internal control.	The self-evaluation results of the compensation committee and the audit committee are "excellent".
		Individual Board Members	Internal Self-Assessment of the Board of Directors	1. Mastery of company goals and missions. 2. Recognition of director responsibilities. 3. Degree of participation in company operations. 4. Internal relationship management and communication. 5. Director's expertise and continuing education. 6. Internal control.	The self-evaluation results of board members' performance are in the range of "good" to "excellent".

II. Operation of the Audit Committee or the participation of the Supervisor in the operation of the Board of Directors

1. Operations of the Audit Commitee

A total of 3 (A) Audit Committee meetings were held in the previous period. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Independent director	Zong Yi Chen	3	0	100%	
Independent director	Man Sheng Huang	3	0	100%	
Independent director	Zhao Wei Pan	3	0	100%	

Other mentionable items:
I. If any of the following situations exist in the operation of the Audit Committee, the minutes shall include the date, period, agenda, any objections or reservations by independent directors, significant recommendations, the resolution of the Audit Committee, and the company's response to the opinions of the Audit Committee.
(I) Matters referred to in Article 14-5 of the Securities and Exchange Act
(II) Other resolutions that have not been passed by the Audit Committee but have been approved by more than two-thirds of all directors: None.
II. The execution status of independent directors' recusal from interested party transactions: None.
III. Communication between independent directors, internal audit personnel, and accountants: Please refer to our company website at https://www.wax.com.tw

2.Attendance of Superviros at Board Meetings

A total of 2 (A) meetings of the Board of Directors were held in the previous period. The attendance of supervisors was as follows:

Title	Name	Attendance in Person (B)	Attendance Rate (%) 【B/A】	Remarks
Supervisor	Greensummit Co., Ltd. Representative:Yu Sheng Hong	2	100%	June.21 2022, Re-election
Supervisor	Greensummit Co., Ltd. Representative:Yu Ting Hong	2	100%	June.21 2022, Re-election
Supervisor	Shangpin Investment Co.Representative:Sen Xiang Chiu	2	100%	June.21 2022, Re-election

Other mentionable items:
I.Composition and responsibilities of supervisors:
(I) Communication between the supervisor and company employees and shareholders (such as communication channels, methods, etc.): The interaction between our company and the supervisor is good, and communication channels are unobstructed.
(II) Communication between the supervisor and the internal audit supervisor and accountant (such as communication on company finances, business conditions, methods, results, etc.): The internal audit conducts regular internal control audits, and the supervisor attends the board of directors and issues an audit opinion on the annual financial statements.
II.If the supervisor has any statement opinions when attending the board of directors, the date of the board meeting, the agenda, the board's decision, and the company's handling of the supervisor's statement opinions should be clearly stated: There is no such situation.

III. Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles:

valuation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles and Reasons
	Yes	No	Abstract Illustration	
I. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for the Company?	V		The Company has established its corporate governance guidelines in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", and disclosed them on the Market Observation Post System and the Company's website.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
1. II. Shareholding structure & shareholders' rights				There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(I) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(I) The Company has established a speech system, which is responsible for handling issues related to shareholder suggestions, doubts, disputes, and other related issues.	
(II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(II) The Company has established a stock affairs unit and a stock agency to be able to identify the actual controllers of the Company's major shareholders and the final control list of the Company's major shareholders, and to regularly report changes in shareholdings of directors, supervisors, managers, and shareholders holding more than 10% of shares in accordance with the regulations.	
(III)Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(III) The Company has established measures to control transactions with related parties of affiliated enterprises, endorsements and guarantees, and funding loans. In addition, in accordance with Article 3 of the "Practical Guidelines for Corporate Governance of Listed and OTC Companies," the Company encourages its subsidiaries to establish internal control systems and regularly reviews the design and implementation of the systems to ensure their effectiveness in response to internal and external changes.	
(IV) Does the company establish internal rules against insiders trading with undisclosed information?	V		(IV) To implement corporate governance and protect shareholders' rights, the Company has appointed Ms. Zi Jun Lin, Deputy General Manager, as the head of corporate governance, effective March 21, 2023, as approved by the Board of Directors. Ms. Lin is responsible for all matters related to corporate governance and is the highest-ranking executive in charge. Shareholder services personnel report directly to her. Ms. Lin has over three years of experience in managing finance, shareholding, and meetings for publicly traded compani.	
III. Composition and Responsibilities of the Board of Directors				

valuation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles and Reasons
	Yes	No	Abstract Illustration	
（I）Does the Board develop and implement a diversified policy for the composition of its members?	V		(I) When considering candidates, the company considers the diversity of the Board of Directors' members in various professional fields and objectively evaluates the conditions to ensure diversity.	There is no significant difference from the Corporate Governance Best Practice Principles for Listed and OTC Companies.
（II）Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V		(II) The company has established a "Compensation and Remuneration Committee" and an "Audit Committee" in accordance with legal regulations and will establish other functional committees in the future as required by laws or practices.	
（III）Has the company established a method for evaluating the performance of the Board of Directors and its evaluation criteria, conducted performance evaluations annually and regularly, reported the results of the performance evaluations to the Board of Directors, and applied them to the individual director's compensation and nomination for reappointment?	V		(III) The Company has established the "Board of Directors Performance Evaluation Measures", which are implemented once a year to evaluate the overall performance of the board of directors, individual directors, and functional committees, in order to improve the overall performance of the board of directors.	
（IV）Does the company regularly evaluate the independence of the audit accountants?	V		(IV) The Company regularly evaluates the independence of the audit accountant. Currently, the auditor of the Company is not related to the company or its directors, and there is no doubt about their independence.	
IV. Does the listed company have an adequate number of corporate governance personnel with appropriate qualifications, which includes but not limits to provide the furnishing information required for business execution by directors and supervisors, assist directors and supervisors with legal compliance, handle matters relating to board meetings and shareholders meetings according to laws, and produce minutes of board meetings and shareholders meetings?		V	To implement corporate governance and safeguard shareholder rights, the company has appointed Zi Jun Lin as the Deputy-GM in charge of corporate governance, as decided by the Board of Directors on March 21, 2023. Zi Jun Lin will serve as the top executive responsible for corporate governance-related matters, and will receive direct reports from the shareholder services personnel. With over 3 years of experience in managing financial, shareholder, and procedural matters in publicly traded companies, Zi Jun Lin is well-qualified for this role.	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, clients, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		(I) The company has corresponding windows for business management and operation projects. Stakeholders can make good use of the "Market Observation Post System" to understand relevant information about the company and communicate through the company's spokesperson/representative smoothly. (II) In addition to setting up a spokesperson system for external communication, the company has also set up an email address for reporting and complaints.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

valuation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles and Reasons
	Yes	No	Abstract Illustration	
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The company has appointed Concord Securities Co., Ltd Shareholder Services Department to handle shareholder meeting affairs.	These guidelines are consistent with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
VII. Information Disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance? (II) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (III) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	 V V 	 V	(I) The company has established a website: www.wax.com.tw, which is maintained and discloses relevant information by relevant departments. (II) The company has established a spokesperson system and relevant departments regularly and irregularly declare various related information on the Public Information Observation Station, and publish significant news according to relevant regulations. (III) The company announces its annual financial report (within three months), first, second, and third quarterly financial reports (within 45 days), and monthly operating status (before the 10th of each month) in accordance with Article 36 of the Securities Exchange Act. Due to considering group consolidation, the annual financial report cannot be announced and reported within two months after the end of the accounting year.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of client relations policies, and purchasing insurance for directors and supervisors)?	V		(I) Employee benefits and employee care: The company regards employees as the greatest asset and has a complete plan for employee welfare and work benefits. In addition to establishing an Employee Welfare Committee, it also has a sound education and training system, health care, and restaurant services to provide comprehensive welfare for work and life. (II) Investor relations and stakeholders' rights: The company has established a complete spokesperson system, provides a perfect communication channel with investors, and regularly uploads the company's complete financial and business information to the Market Observation Post System. (III) Supplier relations: The company is closely linked with important suppliers to ensure that important raw materials can be supplied in a timely and sufficient manner. (IV) Training situation of directors and supervisors: The company arranges and encourages directors and supervisors to study relevant professional knowledge after considering the company's business focus and main business direction.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies..

valuation Item	Implementation Status			Deviations from “the Corporate Governance Best-Practice Principles and Reasons
	Yes	No	Abstract Illustration	
			(V) Purchase of liability insurance by directors and supervisors: The company has purchased liability insurance for directors, supervisors, and key employees.	
IX. Regarding the recent annual release of the corporate governance evaluation results by the Corporate Governance Center of Taiwan Stock Exchange Corporation, please explain the progress made in the improved situation, and propose priority strengthening measures for those that have not yet been improved:In the future, to enhance information transparency, we will strengthen the information disclosed on the company's website and continue to increase the disclosure of information in English.				

IV. Composition, Responsibilities and Opeartions of the Remuneration Committee:

(I) Composition of the Compensation Committee: The compensation committee of the company was established on December 23, 2011, and consists of three members.

(II) Responsibilities of the Committee:

(1) Develop and regularly review policies, systems, standards, and structures for evaluating the performance of directors, supervisors, and managers and determining their compensation and rewards.

(2) Regularly evaluate and determine the compensation of directors, supervisors, and managers.

(III) Operating status: The committee shall hold at least two meetings per year. If any member has objections or reservations to the committee's resolutions, and such objections or reservations are recorded or provided in writing, they shall be recorded in the minutes of the meeting.

(1)Information on Remuneration Committee Members

Criteria / Position	Name	Qualifications and Experiences	Independence Status	Number of directors serving as members of compensation committees of other publicly listed companies
Independent Director	Man Sheng Huang	● Experience in business, legal, financial, accounting, or corporate affairs. ● Independent Director, Visual Photonics Epitaxy Co., Ltd	Compliance with Article 6 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" ● Neither I nor my spouse, nor any second-degree relatives, have served as a director, supervisor, or employee of the Company or its affiliated enterprises; ● Neither I nor my spouse, nor any second-degree relatives (or using another person's name), hold more than one percent of the total issued shares of the Company or are among the top ten natural-person shareholders. ● I have not served as a director, supervisor, or employee of a specific related company of the Company. ● I have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises in the past two years.	0
Independent Director	Zhao Wei Pan	● Legal professionals such as judges, prosecutors, lawyers, accountants, or other specialized professionals who have passed national examinations required for corporate business. ● Lawyer, Grand Trust International Law Offices; Lawyer, Mega Trust International Law Offices	Compliance with Article 6 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange” ● Neither I nor my spouse, nor any second-degree relatives, have served as a director, supervisor, or employee of the Company or its affiliated enterprises; ● Neither I nor my spouse, nor any second-degree relatives (or using another person's name), hold more than one percent of the total issued shares of the Company or are among the top ten natural-person shareholders. ● I have not served as a director, supervisor, or employee of a specific related company of the Company. I have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises in the past two years.	0
Independent Director	Zong Yi Chen	● Experience in business, legal, financial, accounting, or corporate affairs. ● Chairman, Chien Yeu Enterprise Co., Ltd; Independent director, United Fiber Optic Communication Inc.; Independent director, Newsoft Technology Corp.; Independent director, Daily Polymer Corp.	Compliance with Article 6 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange” ● Neither I nor my spouse, nor any second-degree relatives, have served as a director, supervisor, or employee of the Company or its affiliated enterprises; ● Neither I nor my spouse, nor any second-degree relatives (or using another person's name), hold more than one percent of the total issued shares of the Company or are among the top ten natural-person shareholders. ● I have not served as a director, supervisor, or employee of a specific related company of the Company. ● I have not received any compensation for providing business, legal, financial, accounting, or other services to the Company or its affiliated enterprises in the past two years.	3

(2)Addendance of Members at Remuneration Committee Meetings

I. The Compensation Committee of the Company consists of three members.、

II. The term of the current committee is from June 21, 2022 to June 20, 2025. The committee held two meetings in the latest fiscal year (A), and the membership and attendance are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Convener	Zhao Wei Pan	2	0	100%	
Committee Member	Man Sheng Huang	2	0	100%	
Committee Member	Yang Zheng Lu	2	0	100%	
Other mentionable items: I. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None. II. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.					

V. Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Abstract Explanation	
I. Does the company establish a governance framework to promote sustainable development, set up a dedicated unit for promoting sustainable development, and authorizes senior management authorized by the board of directors, as well as supervise by the board of directors?		V	The company has not established a governance framework for promoting sustainable development but implements the sustainable development policy through internal promotion.	There are no significant differences.
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		V	Although the company has not established a policy or system for corporate social responsibility, it has made every effort to fulfill its responsibilities in environmental protection, community improvement, creating social welfare, protecting consumer rights, and promoting harmonious labor relations, and urges its subsidiaries to do the same.	There are no significant differences.
III. Environmental issues （I）Does the company establish proper environmental management systems based on the characteristics of their industries?	V		The company promotes an environmental, safety, and health system to comply with government laws and regulations, such as implementing the ISO-14001 environmental management system. The safety, health, and environmental protection department is responsible for supervising, managing, and implementing safety, health, environmental, and fire-related business.	There are no significant differences.
（II）Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		The company is committed to achieving energy recovery and waste reduction goals to reduce its impact on the environment.	There are no significant differences.
（III）Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		In line with the government's greenhouse gas inventory and registration initiatives, the company carries out VOC inspections of process equipment and reduces wastewater to reduce its impact on the environment.	There are no significant differences.
（IV）Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on	V		1. Please provide the following statistical data, intensity (e.g. calculated per unit of product, service or revenue) and data coverage (e.g. all factories and	There are no significant differences.

energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			subsidiaries) for the past two years: (1) Greenhouse gas emissions: including carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, and others announced by the competent authority, distinguishing direct emissions (Scope 1, emissions directly from owned or controlled sources by the company), energy indirect emissions (Scope 2, emissions from the consumption of purchased electricity, heat or steam), and other indirect emissions (Scope 3, emissions from sources not owned or controlled by the company but related to its activities); (2) Water consumption; (3) Waste: distinguishing between hazardous and non-hazardous waste by total weight. Non-manufacturing companies may not need to distinguish and only disclose the total weight of waste, with explanations on the statistical methods according to the industry characteristics. 2. Describes policies for reducing greenhouse gas emissions, reducing water usage, or managing other waste, including but not limited to baseline data, reduction targets, promotion measures, and achievements. 3. Describes the verification status (valid until the publication date of the annual report) and the scope of coverage for all information.	
IV. Social issues （I） Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The company shall hold regular labor-management meetings as required by law and establish employee work rules and procedures.	There are no significant differences.

（II） Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		1. Describes the employee welfare measures, including but not limited to employee salaries, workplace diversity and equality (including but not limited to the proportion of female employees and senior executives), leave, various allowances, bonuses, and subsidies. 2. Describes how business performance or results are reflected in employee salary policies and their implementation.	There are no significant differences.
（III） Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		The company provides annual health checks for employees and regularly organizes health seminars to help employees understand their health status and acquire knowledge and methods for self-health management.	There are no significant differences.
（IV） Does the company provide its employees with career development and training sessions?	V		The company provides education and training to all employees to develop their work skills and encourages them to continue their education.	There are no significant differences.
（V） Do the company's products and services comply with relevant laws and international standards in relation to client health and safety, client privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		The company has established clear consumer rights policies and consumer complaint procedures, and all client complaints are managed and tracked.	There are no significant differences.
（VI） Does the company establish a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights, and reports on their implementation?？	V		The company has a supplier evaluation system in the ISO-9001 system, and the impact on environment, safety, and society is also one of the evaluation items. The company requires all suppliers to comply with corporate social responsibility and incorporates them into the supplier evaluation scope. Suppliers who fail the evaluation are considered unqualified.	There are no significant differences.
V. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?	V		The company has prepared non-financial disclosure reports, such as sustainability reports, by referring to internationally recognized reporting standards or guidelines and obtained the confirmation of third-party verification units.	There are no significant differences.
VI. If the Company has established its own sustainable development guidelines in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", describes the differences between its implementation and the established guidelines:				

Our company has established the "Sustainable Development Best Practice Principles" and is gradually implementing them in accordance with relevant regulations.
VII. Other important information that contributes to understanding the implementation of sustainable development: Our company has established the "Sustainable Development Best Practice Principles" and we actively engage in related social responsibility activities and encourage employees to participate as a way to give back to society.

VI. Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
I. Establishment of ethical corporate management policies and programs （I）Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(I) The Company has not yet established a policy or system for ethical operation, but the Company strictly requires internal management (management level) to maintain integrity and comply with the law, cares for and empathizes with employees, and maintains relationships with external parties, vendors, and clients based on the principles of transparency, fairness, and integrity to ensure trustworthy operations, and urges subsidiaries to make every effort to implement the same.	There are no significant differences.
（II）Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		(II) The Company strengthens employee integrity through their values and core functions and deeply instills the core concepts of employee work rules in their hearts. The Company also represents employees in fulfilling their work duties in accordance with these rules to prevent dishonest behavior.	
（III）Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(III) The Company regularly holds corporate ethics education and training sessions for directors, supervisors, and employees to comply with relevant laws and regulations, including the Securities and Exchange Act, Company Act, Commercial Accounting Act, or other regulations related to commercial activities, as well as the Company's internal regulations and procedures,	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			and to perform their duties honestly.	
II. Fulfill operations integrity policy （I）Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(I) The company has established employee work rules that promote a culture of integrity, influence the client's business philosophy, and exceed the service quality outlined in the contractual agreement. The company takes responsibility for conducting transactions with clients based on the principle of good faith. The company also avoids conducting transactions with individuals or entities with a history of dishonest behavior and includes provisions in business contracts that require both parties to engage in transactions based on the principle of good faith.	There are no significant differences.
（II）Does the company have a unit responsible for ethical corporate management on a full-time (part-time) basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(II) The company's specific measures to ensure honest business practices include clearly defining job responsibilities, enhancing employee evaluations, regularly conducting audits of major operations and projects through an audit unit, and requiring management to present operational reports to the board of directors.	
（III）Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		(III) The company's independent directors regularly review audit reports to understand situations of conflicting interests and maintain communication channels with stakeholders.	
（IV）Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit	V		(IV) The company's internal audit personnel are responsible for regularly and irregularly conducting audits of the company's operating results. The audit reports are submitted to the chairman, general manager, and independent directors, and the	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?			company's management must improve operational management deficiencies.	
（V）Does the company regularly hold internal and external educational trainings on operational integrity?	V		(V) The company's management periodically participates in external training courses on ethical business practices and social responsibility. The company also periodically provides employee education and training on the principles of ethical business practices.	
III. Operational status of the Company's whistleblower system: （I）Has the Company established a specific whistleblowing and reward system, established convenient whistleblowing channels, and assigned appropriate dedicated personnel to handle reported matters?	V		(I) The company has established the "Procedures for Whistleblowing System" and established a whistleblowing channel.	There are no significant differences.
（II）Has the Company established investigation standard operating procedures for handling reported matters, including follow-up actions to be taken after the investigation is completed, and related confidentiality mechanisms?	V		(II) Relevant operating procedures and confidentiality mechanisms are outlined in the "Procedures for Whistleblowing System."	
（III）Does the Company take measures to protect whistleblowers from being subject to improper treatment?	V		(III) The safety of the whistleblower shall be protected. If the whistleblower is an employee of the company, the company promises that the whistleblower will not be subjected to improper treatment. The personnel responsible for handling whistleblower cases must strictly maintain the confidentiality of the whistleblower's identity and the content of the whistleblowing matter.	
1. IV. Strengthening information disclosure （I）Does the company disclose its ethical corporate management	V		The Company has a website, which discloses information on corporate culture, business policies, and other	There are no significant differences.

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
policies and the results of its implementation on the company’s website and MOPS?			related information. The information and shareholder department is responsible for collecting and publishing all information related to the company.	
V. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: Due to the size and cultural characteristics of the company, no dedicated unit is established to promote integrity management. However, relevant units of the company regularly report to the board of directors, which is sufficient to effectively implement integrity management in the company.				
VI. Other important information that can help understand the operation of the company's integrity management (such as the company's review and revision of its code of conduct for integrity management): The company has established a reputation for integrity management with its business partners, and will invite them to participate in education and training and review related operational methods in the future.				

VII. If the company has established corporate governance codes and related regulations, it shall disclose the means of inquiry: Please refer to the company's website at https://www.wax.com.tw/

VIII. Other important information that can enhance understanding of the company's governance practices may also be disclosed:

The company has established the "Insider Trading Prevention Operation Procedures" and publicly announced its implementation after being approved by the board of directors. The procedures define major news and related management measures for employees, executives, and directors to follow, in order to avoid insider trading violations.

The investor relations section on the company's website provides information on significant news, dividends and stock prices, shareholder meetings and annual reports, and financial reports.

(1) Newly appointed directors, executives, and other internal personnel of the company are distributed with the latest version of the "Over-the-Counter and Emerging Stock Company Insider Equity-related and Precautionary Matters" compiled by the Taiwan Stock Exchange at the time of taking office, for internal personnel to comply with.
(2) Market Observation Post System: http://mops.twse.com.tw/mops/web/index
(3) Company website: http://wax.com.tw

IX. Implementation of the Internal Control System:

(I)Internal Control Statement

Taiwan Wax Company Ltd
Internal Control System Statement

Date: March 21, 2023

We hereby declare that our internal control system for the fiscal year 2022 of the company, based on the results of self-assessment, is as follows:

I. The company is aware that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the board of directors and management. The company has established such a system to achieve the objectives of improving operational effectiveness and efficiency (including profitability, performance, and asset security), ensuring the reliability of financial reporting, and complying with relevant laws and regulations.

II. The internal control system has inherent limitations, and even if it is designed perfectly, it can only provide reasonable assurance for the achievement of the above three objectives. Moreover, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, the company's internal control system has a self-supervision mechanism, and corrective actions will be taken once any deficiencies are identified.

III. The company evaluates the effectiveness of its internal control system based on the judging criteria stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judging criteria used in the "Regulations" divide the internal control system into five components based on the process of management control: 1. Control environment, 2. Risk assessment and response, 3. Control activities, 4. Information and communication, and 5. monitoring. Each component also includes several items. Please refer to the "Regulations" for details.

IV. The company has used the above judging criteria to check the effectiveness of its internal control system's design and execution.

V. Based on the results of the above check, the company believes that its internal control system (including the supervision and management of its subsidiaries) for December 31, 2022, is effective in terms of its design and execution related to achieving the objectives of knowing the effectiveness and efficiency of operations, ensuring the reliability of financial reporting, and complying with relevant laws and regulations.

VI. This statement will be the main content of our annual report and public disclosure, and will be made public. If any false or hidden information is found in the public disclosure, it may involve legal responsibilities under Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.

VII. This statement was approved by the board of directors of the company on March 21, 2023. Of the nine directors present, none objected, and all agreed to the contents of this statement.

Taiwan Wax Company Ltd

Chairman Je Yin Lin

General Manager Chen Hsiang Fu

X. If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, the main shortcomings, and condition of improvement: None.

XI. Important resolutions of the shareholders' meeting and board of directors until the date of printing of this annual report:

(I) Review of important resolutions and implementation of the shareholders' meeting:

Date	Important resolutions	Implementation Review
June.21, 2022	I. Approval of the 2021 annual business report and financial statements. II. Approval of the 2021 profit distribution plan. III. Approval of the company's plan to increase capital by distributing new shares from retained earnings. IV. Approval of the amendment of certain articles of the company's Articles of Incorporation. V. Approval of the amendment of the "Operational Procedures for Acquiring or Disposing of Assets". VI. Approval of the amendment of the "Operational Procedures for Lending Funds to Others". VII. Approval of the amendment of the "Operational Procedures for Endorsement and Guarantee". VIII. Approval of the amendment of the "Director Election Procedures". IX. Approval of the amendment of the "Rules of Procedure for Shareholders' Meetings".	All resolutions of the shareholders' meeting have been executed.

(II) Important resolutions of the board of directors:

Date	Important resolutions
March 16, 2022	I. Approval of the loan contract renewal between the company and Taiwan Business Bank. II. Approval of the 2021 employee remuneration and directors and supervisors' remuneration distribution plan. III. Approval of the 2021 internal control system statement. IV. Approval of the evaluation of the independent auditors' independence and suitability. V. Approval of the private placement of shares and the application for listing on the stock exchange. VI. Approval of the application for credit from the Hua Nan Commercial Bank. VII. Approval of the guarantee for the wholly-owned subsidiary, Guan Da Green Energy Co., Ltd. VIII. Approval of the date, time, place, and other related matters for the 2022 annual shareholders' meeting. IX. Approval of matters related to the proposals submitted by shareholders holding over 1% of the company's shares. X. Approval of matters related to the nomination of director candidates by shareholders holding over 1% of the company's shares, including independent directors. XI. Approval of the amendment of certain articles of the company's Articles of Incorporation. XII. Approval of the amendment of the "Operational Procedures for Acquiring or Disposing of Assets". XIII. Approval of the amendment of the "Operational Procedures for Lending Funds to Others". XIV. Approval of the amendment of the "Operational Procedures for Endorsement and Guarantee".

Date	Important resolutions
March 16, 2022	XV. Approval of the amendment of the "Director Election Procedures". XVI. Approval of the amendment of the "Rules of Procedure for Shareholders' Meetings". XVII. Approval of the amendment of the "Rules of Procedure for Board Meetings". XVIII. Approval of the election of 9 directors (including 3 independent directors) for the 15th term of the board of directors. XIX. Approval of the lifting of the non-compete restriction on the newly appointed directors. XX. Approval of the "Audit Committee Organization Regulations". XXI. Approval of the amendment of the "Layered Responsibility Management Operational Procedures". XXII. Approval of the company's application to have the registered seal kept by a dedicated personnel designated by the Ministry of Economic Affairs.
May 04, 2022	I. Approval of the profit distribution plan for the fiscal year 2021. II. Approval of the plan to increase capital by distributing new shares from retained earnings. III. Proposal to amend other management and control systems of the company in a cyclic manner. IV. Intention to approve the audit detailed report of the company. V. Proposal to revise the audit plan for the fiscal year 2022. VI. Application to request credit from the Hua Nan Commercial Bank. VII. In order to finance the solar power equipment, the company intends to choose the best option between obtaining a loan from Taoyuan Branch of Hua Nan Commercial Bank or Liancheng Branch of the First Commercial Bank. VIII. Addition of reasons for calling the shareholder meeting for the fiscal year 2022. IX. Nomination of candidates for directors (including independent directors) for the fiscal year 2022. X. Revision of the company's articles of incorporation. XI. Revision of the "Asset Acquisition or Disposal Procedure" of the company. XII. The private placement securities approved at the shareholder meeting on July 20th, 2021, will be canceled due to the approaching deadline and unissued quotas. XIII. Proposal to extend the implementation period of the investment subsidiary Jinghai Aquatic Products (Shanghai) Co., Ltd.
July 05, 2022	I. Approval of the appointment of the Chairman and Vice Chairman of the company. II. Approval of the appointment of members of the company's Compensation Committee. III. Approval of the revision of the "Organizational Regulations of the Compensation Committee" of the company. IV. Approval of the renewal of the loan contract between the company and Mega International Commercial Bank.
August 09, 2022	I. Approval of the loan to the subsidiary Guan da Green Energy Co., Ltd., which will be used for 100% reinvestment of capital. II. Approval of the application to Board of Taipei Commercial Bank for credit and external guarantee for the subsidiary Guan da Green Energy Co., Ltd., which is a 100% reinvestment subsidiary. III. Approval of the authorization of the Chairman of the Board to determine the cash dividend distribution and the benchmark date for the issuance of new shares. IV. Approval of the newly established "Internal Important Information Processing Procedure", "Corporate Governance Guidelines", "Risk Management Policy and Operating Procedures", and "Whistleblower System Procedure and Operating Procedures" of the company. V. Approval of the revision of the "Decision-Making Authority Table" and the "Control Operation of System Development and Program Modification" for the information security risk management framework. VI. Approval of the revision of the "Organizational Structure of the Company". VII. Approval of the transfer of 1,488,000 treasury shares that have not yet been transferred to employees for relevant matters of the second repurchase of treasury shares.
September 13, 2022	I. Approval of the revision of the "Employee share transfer plan for the second share buyback" of the company.

Date	Important resolutions
	II. Approval of the transfer of 200,000 shares of the 1,088,000 treasury shares that have not yet been transferred to employees for the second repurchase of treasury shares. III. Approval of the credit limit between the company and King's Town Bank. IV. Approval of the construction and operation of the company's headquarters.
November 03, 2022	I. Approval of the adjustment of the company's spokesperson, financial supervisor, accounting supervisor, and acting spokesperson. II. Approval of the adjustment of the company's audit supervisor. III. Approval of the consolidated financial report for the third quarter of the fiscal year 2021. IV. Approval of the audit plan for the fiscal year 2022. V. Approval of the operating budget for the fiscal year 2022. VI. Adopted amendments to the "Procedural Rules of the Meeting of the Board of Directors" and the "Procedures for Handling Material Inside Information" of the Company. VII. Adopted the newly established "Board of Directors Performance Evaluation Measures" of the Company. VIII. Approved the credit line between the Company and Yuanta Bank. IX. Approved the Company's plan to select the better option of loans from either the Kaohsiung branch of E.SUN Bank or the Liencheng branch of First Commercial Bank, in order to finance the solar power generation equipment. X. Approved the implementation of private placement of stocks, the subsequent public offering, and application for listing on the over-the-counter market.
March 21, 2023	I. Adopt the 2022 Business Report, Consolidated and Individual Financial Statements of the Company. II. Adopt the 2022 Internal Control System Statement of the Company. III. Approve the Evaluation of the Auditor's Independence and Qualification. IV. Approve the Auditor's Fee for the Year 2023. V. Approve the Amendment of the "Corporate Governance Best-Practice Principles" of the Company. VI. Approve the Revision of the "Articles of Corporation" of the Company. VII. Approve the Establishment of the "Sustainability Best Practice Principles" of the Company. VIII. Approve the Extension of Credit Line Application with Hua Nan Commercial Bank of the Company. IX. Approve the Credit Line Application with the Chang Hwa Commercial Bank of the Company. X. Approve the Credit Line Application with the O-Bank of the Company. XI. Approve the Loan Applications with the Taoyuan Branch of Hua Nan Commercial Bank, the Kaohsiung Regional Center (Kaohsiung Branch) of E-Sun Bank, Liancheng Branch of First Commercial Bank, and theQingpu Branch of Chang Hwa Commercial Bank for financing the solar power equipment. XII. Approve the Removal of the Restriction on Competition between the Managers and Directors of the Company. XIII. Approve the Allocation of the 2022 Deficit of the Company. XIV. Approve the Guarantee Matters for the External Loans of the 100% Invested Subsidiary, Guan da Green Energy Co., Ltd., of the Company. XV. Approve the Promotion of the General Manager's Special Assistant to the Deputy General Manager of the Company. XVI. Approve the Establishment of the Corporate Governance Supervisor of the Company. XVII. Approve the Setting of the Date, Time, Location, and Other Related Matters of the 2023 Annual Shareholders Meeting of the Company. XVIII. Accept Matters Related to Shareholders' Proposals Representing over 1% of Total Shares.

XII. Record of Dissenting Opinions by Directors or Supervisors Regarding Important Resolutions Passed by the Board of Directors in the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report: None.

XIII. Summary of Resignations or Dismissals of the Company's Chairman, General Manager, Chief Accountant, Chief Financial Officer, Chief Internal Auditor, and R&D Manager during the Most Recent Fiscal Year and up to the Date of Publication of the Annual Report:

Title	Name	Date of Appointment	Date of Resignation or Dismissal	Reason for Resignation or Dismissal
Accounting Supervisor, Accounting Supervisor	Chen Yuan Liao	August 10, 2018	November 03, 2022	Job adjustment
Audit Supervisor	Yun Juan Zhao	October 19, 2018	November 03, 2022	Job adjustment

Four Information on Audit Fee

I. Audit Fee

Unit: NT$ thousands

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remark
Benison Associated CPAs' Firm	Xinyuan Wang	Yizhi Chiu	2022	1,200	275	1,475	

II. In case of a change of accounting firm with a decrease in audit fees paid in the current fiscal year compared to the previous fiscal year, the amount and percentage of the decrease in audit fees, as well as the reasons for such decrease, shall be disclosed: No change of accounting firm occurred.

III. If the decrease in audit fees is greater than 10% compared to the previous fiscal year, the amount and percentage of the decrease in audit fees, as well as the reasons for such decrease, shall be disclosed: Less than 10 percent.

Five. Information on the change of accounting firm: None.

Six. The Chairman, General Manager, and the manager responsible for finance or accounting have been employed in the accounting firm or its related enterprises during the past year: None

Seven. Holding or Disposal of the Company's Share by Subsidiaries of the Company in the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report

I. Changes in Shareholding of Directos, Managers, and Major Shareholders

Uniit: Shares

Title	Name	2022		As of April 16, 2023	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Yililong Investment Co., Ltd. Representative Je Yin Lin	5,673,424 (9,706,359)	0	648,880 269,00	0 0
Vice Chairman	Yuan Jin Co., Ltd. Representative Wen Zhe Lin	7,322,476 0	0	0 0	0 0
Director	Yililong Investment Co., Ltd. Representative Zi Jun Lin	5,673,424 148,880	0	648,880 0	0 0
Director	Yuan Jin Co., Ltd. Representative Jiu Jeng Lee	7,322,476 31,511	0	0 0	0 0
Director	Yuan Jin Co., Ltd. Representative Sen Xiang Chiu	7,322,476 0	0	0 0	0 0
Director	Yuan Jin Co., Ltd. Representative Yang Zheng Lu	7,322,476 0	0	0 0	0 0
Independent Director	Zong Yi Chen	0	0	0	0
Independent Director	Man Sheng Huang	0	0	0	0
Independent Director	Zhao Wei Pan	0	0	0	0
CFO	Po Yao Tseng	0	0	0	0

II. Information on equity transfer: The relative persons of directors, supervisors, managers, and major shareholders who have changed their equity holdings are not related parties, so this does not apply.

III. Information on equity pledge: The relative persons of directors, supervisors, managers, and major shareholders who have pledged their equity holdings are not related parties, so this does not apply.

Eight. Information on the shareholding proportions among the top ten shareholders, who are related parties or relatives within the second degree of kinship, and their relationships with each other:

Relationship among the Top Ten Shareholders

Name	Current Shareholding		Spouse's /minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degree		Remarks
	Shares	%	Shares	%	Shares	%	Title (Name)	Relationship	
Yuan Jin Co., Ltd.Representative: Zi Jun Lin	14,063,719	15.03	0	0	0	0	None	None	
Yililong Investment Co., Ltd. Representative: Yi Lien	8,932,304	9.55	0	0	0	0	None	None	
Shangpin Investment Co., Ltd. Representative: Caisheng Yang	8,631,592	9.23	0	0	0	0	None	None	
Zongyuan Huang	6,477,385	6.92	0	0	0	0	Zuorong Huang、Lingru HuangLingru Huang	Second degree relative	
Chi Lung Lin	4,547,703	4.86	0	0	0	0	None	None	
Zuorong Huang	2,875,646	3.07	0	0	0	0	Zongyuan Huang、Lingru Huang	Second degree relative	
Lingru Huang	2,849,222	3.05	0	0	0	0	Zongyuan Huang、Zuorong Huang	Second degree relative	
Lian Quan Investment Enterprise Co. Representative: Qiu Xiang Lin	2,815,844	3.01	0	0	0	0	None	None	
Yu Gong Zhang	1,866,930	2.00	0	0	0	0	None	None	
Demin Huang	1,738,255	1.86	0	0	0	0	None	None	

Nine. Ownershp of Shares in Affiliated Enterprise

April 16, 2023

Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
TAI WAX HOLDING Co.,Ltd	3,730,000	100%	0	0%	3,730,000	100%
TAI WAX(THAILAND) Co.,Ltd	60,000	100%	0	0%	60,000	100%
Guan Da Green Energy Co., Ltd.		100%		0%		100%
Gong Che Yan Fresh Seafood Co., Ltd		100%		0%		100%
Jinghai Aquatic Products (Shanghai) Co., Ltd.		100%		0%		100%

Note: This pertains to an equity method investment adopted by the company.

Capital Overview

One. Capital and Shares

I. Source of Capital

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Source of Capital (NT$ thousands)	Capital Increased by Assets Other than Cash	Other
88.05	10	500,000	5,000	500,000	5,000	Reduction of capital by NT$ 341,778 thousand	None	Note 1
88.05	10	19,900,000	199,000	19,900,000	199,000	Cash capital increase of NT$ 194,000 thousand	None	Note 2
94.06	10	23,767,910	237,679	23,767,910	237,679	Capitalization of retained earnings of NT$ 38,679 thousand	None	Note 3
95.06	10	26,279,062	262,791	26,279,062	262,791	Capitalization of retained earnings of NT$ 25,112 thousand	None	Note 4
96.06	10	30,416,673	304,167	30,416,673	304,167	Capitalization of retained earnings of NT$ 41,376 thousand	None	Note 5
97.06	10	33,692,982	336,930	33,692,982	336,930	Capitalization of retained earnings of NT$ 32,763 thousand	None	Note 6
98.06	10	50,000,000	500,000	40,431,578	404,316	Capitalization of retained earnings of NT$ 67,386 thousand	None	Note 7
99.06	10	200,000,000	2,000,000	50,539,472	505,395	Capitalization of retained earnings of NT$ 101,079 thousand	None	Note 8
100.06	10	200,000,000	2,000,000	64,690,524	646,905	Capitalization of retained earnings of NT$ 141,510 thousand	None	Note 9
105.10	10	200,000,000	2,000,000	72,240,524	722,405	Private placement cash capital increase of NT$ 75,500 thousand	None	Note 10
107.01	10	200,000,000	2,000,000	46,300,000	463,000	Reduction of capital by NT$ 259,405 thousand	None	Note 11
107.05	10	200,000,000	2,000,000	55,050,000	550,500	Private placement cash capital increase of NT$ 87,500 thousand	None	Note 12
108.09	10	200,000,000	2,000,000	71,550,000	715,500	Private placement cash capital increase of NT$ 165,000 thousand	None	Note 13
110.11	10	200,000,000	2,000,000	81,550,000	815,500	Private placement cash capital increase of NT$ 100,000 thousand	None	Note 14
111.11	10	200,000,000	2,000,000	93,559,300	935,593	Capitalization of retained earnings NT$ 120,093 thousand	None	Note 15

Note 1: Approved by Taiwan-Financial-Securities-VI No. 39038 dated May 5, 1999 by the MOF
Note 2: Approved by Taiwan-Financial-Securities-VI No. 39037 dated May 5, 1999 by the MOF
Note 3: Approved by Taiwan-Financial-Securities-VI No. 0940132637 dated August 10, 2005 by the MOF.
Note 4: Approved by No. Financial-Supervisory-Securities-Auditing- 0950134013 dated August 2, 2006 by the FSC.
Note 5: Approved by No. Financial-Supervisory-Securities-Auditing- 0960041740 dated August 7, 2007 by the FSC.
Note 6: Approved by No. Financial-Supervisory-Securities-Auditing- 0970041404 dated August 14, 2008 by the FSC.
Note 7: Approved by No. Financial-Supervisory-Securities-Auditing- 0980045492 dated September 8, 2009 by FSC.
Note 8: Approved by No. Financial-Supervisory-Securities-Auditing- 0990039877 issued on July 30, 2010 by the FSC.
Note 9: Approved by No. Financial-Supervisory-Securities-Auditing- 1000031952 issued on July 11, 2011 by the FSC.
Note 10: Approved by No. Financial-Supervisory-Securities-Auditing- 10501250200 issued on October 27, 2016 by the FSC.
Note 11: Approved by No. Financial-Supervisory-Securities-Auditing- 1060047030 issued on December 12, 2017 by the FSC.
Note 12: Approved by No. Financial-Supervisory-Securities-Auditing- 10701098960 issued on August 6, 2018 by the FSC.
Note 13: Approved by No. Financial-Supervisory-Securities-Auditing- 10801122720 issued on September 9, 2019 by the FSC.
Note 14: Approved by No. Financial-Supervisory-Securities-Auditing- 11001194430 issued on November 1, 2021 by the FSC.
Note 15: Approved by No. Financial-Supervisory-Securities-Auditing- 11101206530 issued on November 4, 2022 by the FSC.

Share Type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total Shares	
Common stock	93,559,300	106,440,700	200,000,000	TPEx
Total	93,559,300	106,440,700	200,000,000	

Shelf Registration statement related information: None.

II. Structure of Shareholdings

April 16, 2023

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Tresury shares	Total
Number of Shareholders	0	0	135	12,269	11	1	12,416
Shareholding (shares)	0	0	35,138,607	57,312,844	219,849	888,000	93,559,300
Percentage	0.00%	0.00%	37.56%	61.26%	0.23%	0.95%	100.00%

III. Shareholding Distribution Status

Common Shares：

April 16, 2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	10,299	407,592	0.44%
1,000 ~ 5,000	1,370	2,985,924	3.19%
5,001 ~ 10,000	309	2,204,846	2.36%
10,001 ~ 15,000	159	1,902,263	2.03%
15,001 ~ 20,000	56	1,001,006	1.07%
20,001 ~ 30,000	78	1,887,602	2.02%
30,001 ~ 40,000	24	851,768	0.91%
40,001 ~ 50,000	25	1,128,830	1.21%
50,001 ~ 100,000	33	2,260,890	2.42%
100,001 ~ 200,000	12	1,810,626	1.94%
200,001 ~ 400,000	22	5,893,089	6.30%
400,001 ~ 600,000	5	2,584,841	2.76%
600,001 ~ 800,000	6	4,173,798	4.46%
800,001 ~ 1,000,000	2	1,870,641	2.00%
1,000,001 or over	16	62,595,584	66.90%
Total	12,416	93,559,300	100.00%

Preferred shares: The Company has not issued any preferred shares

IV. List of Major Shareholders

List all shareholders with a stake of 5 percent or greater and also list all shareholders who rank in the top 10 in shareholding percentage and specify the number of shares and stake held by each shareholder on the list:

April 16, 2023

Major shareholders name \ Shares	Shares	Percentage
Yuan Jin Co., Ltd.	14,063,719	15.03%
Yililong Investment Co., Ltd.	8,932,304	9.55%
Shangpin Investment Co.	8,631,592	9.23%
Zongyuan Huang	6,477,385	6.92%
Chi Lung Lin	4,547,703	4.86%
Zuorong Huang	2,875,646	3.07%
Lingru Huang	2,849,222	3.05%
Lien Chuan Investment Enterprise Co.	2,815,844	3.01%
Yu Gong Zhang	1,866,930	2.00%
Demin Huang	1,738,255	1.86%

V. Per-share market price, net worth, earnings, and dividends of the two recent years

Items \ Fiscal Year			2021	2022	01/01/2022~04/16/2023
Market Price per Share (Note 1)	Highest Market Price		24.70	23.60	16.3
	Lowest Market Price		14.95	13.90	14.3
	Average Market Price		18.66	19.39	15.26
Net Worth per Share (Note 2)	Before Distribution		17.00	13.51	13.8
	After Distribution		17.00	Undistributed	Undistributed
Earnings per Share	Weighted Average Shares (thousand shares)		72,226,384	92,288,834	92,288,834
	Earnings per Share (Note 3)	Before adjustment	5.16	(1.34)	0.27
		After adjustment	4.49	Undistributed	－
Dividends per Share	Cash Dividends		0.1985	－	－
	Stock Dividends	Dividends from Retained Earnings	1.4888	－	－
		Dividends from Capital Surplus	0	－	－
	Accumulated Undistributed Dividends (Note4)		0	－	－
Return on Investment	P/E Ratio (Note5)		3.62	3.18	－
	P/D Ratio (Note6)		18.86	-	－
	Cash Dividend Yield Rate (Note7)		1.06%	-	－

＊In the event of a stock dividend issued through earnings or capital surplus increase, the market price and cash dividend information retroactively adjusted based on the number of shares distributed should be disclosed.

Note 1: The highest and lowest market prices of common stock for each year should be listed, and the average market price for each year should be calculated based on the trading volume and value for that year.

Note 2: The number of shares issued at the end of the year should be used, and the distribution determined by the board of directors or the next year's shareholders' meeting should be filled in.

Note 3: If adjustments need to be made due to the issuance of bonus shares, etc., the earnings per share before and after the adjustment should be listed.

Note 4: If there are provisions in the conditions of equity securities issuance that the accumulated unpaid dividends for the year not yet distributed should be accumulated and distributed in a profitable year, the accumulated unpaid dividends up to the end of that year should be disclosed separately.

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

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

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

Note 8: The data for earnings per share and net asset value per share should be based on the most recent quarter verified (reviewed) by an accountant up to the printing date of the annual report; the data for other columns should be based on the information for the current year up to the printing date of the annual report.

VI. Dividend Policy and Implementation Status

(I) Dividend Policy:

Taking into account the industry environment and the growth stage of the company, and in response to future funding needs and long-term financial planning, the dividend payout ratio of the proposed earnings distribution plan for shareholders is based on a minimum of one percent of the total shareholder dividends for the current year. However, in the event that the company has significant investment projects, major operational changes, capacity expansions, or other major capital expenditures, and funding is difficult to obtain externally, or if the cash dividend per share is less than 0.1 yuan, all dividends will be distributed in the form of stock dividends.

(II) Proposed Distribution of Dividend:

On March 21, 2023, the Board of Directors of the Company proposed to withhold the distribution of dividends for the fiscal year 2022 and submitted it to the shareholders' meeting for approval..

VII. The effect of the proposed free-gratis stock allotment at the shareholders' meeting on the Company's operating results and earnings per share: Financial forecast information is not applicable as the company has not disclosed it.

VIII. Remuneration of Employees, Directors and Supervisor:

(I) Information Relating to Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:

The company proposes to allocate a total amount of remuneration by deducting the pre-tax net profit before the distribution of employee and director/supervisor remuneration for the year, and distribute as follows:

(1) Director and supervisor remuneration shall be set at no more than 3%.

(2) Employee remuneration shall be set within a range of no less than 1%.

(II) The accounting treatment for any differences between the estimated amount of employee, director, and supervisor remuneration for the current period, the calculation basis for stock-based employee remuneration, and the actual distribution amount shall be determined:

(1) 1% of the pre-tax profit is estimated as employee compensation and 2% is estimated as director remuneration for this period.

(2) If there are still changes in the amounts after the release of the annual consolidated financial statements, they will be processed based on accounting estimates and adjusted in the next fiscal year.

(III) Approval of remuneration distribution by the board of directors:

The Board of Directors of our company has resolved on May 9, 2023, that no employee or director remuneration will be distributed.

(IV) Actual distribution of remuneration to employees, directors, and supervisors in the previous year (including the number of shares, amount, and share price), any differences between actual distribution and recognition of remuneration should be explained, along with the reasons and handling.

The Company will distribute a total of NT$3,549,777 for employee compensation and NT$7,099,553 for director and supervisor remuneration for the 2022. The estimated amount of NT$73,777 will also be included, with a projected distribution date in the 2023.

IX. Buy-back of Treasury Stock: None.

Buyback times	Second
Purpose of buyback	Transfer of shares to employees
Buyback period	March 14 ~ May 13, 2020
Buyback interval price	NT$ 12.92~25.93
Types and quantities of buybackd shares	1,488,000 common shares
Amount of buybackd shares	NT$ 28,093,950
Percentage of buybackd shares to the planned buyback quantity (%)	49.60%
Quantity of shares canceled and transferred	transferred to employees on September 8, 2022 200,000 shares were transferred to employees on September 26, 2022
Accumulated number of shares held by the Company	888,000 shares
Percentage of accumulated number of shares held by the Company to the total issued shares (%)	0.95 %

Two Issuance of corporate bonds, preferred stocks, overseas depositary receipts, employee stock options, restricted employee stock grants, and issuance of new shares for mergers, acquisitions, or equity transfers of other companies: None.

Three Financing Plans and Implementatin

I. Finance plans:

For each uncompleted public issue or private placement of securities, and for such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits: None.

II. Implementation status: Not applicable.

Operation Highlights

One. Business Activities

I. Business Scope

(1) The major business operations of the Company are as follows:

A. Manufacturing, trading, and import/export of various types of soft waxes, hard waxes, petrolatum raw materials, and finished products.

B. Development, manufacturing, trading, and import/export of various types of formula waxes and special chemicals for wax production.

C. Acting as an agent for domestic and foreign manufacturers for product quotation, bidding, and distribution business.

D. Wholesale of seafood products.

E. Construction and sale of solar energy photovoltaic equipment.

(2) Business ratio of the Company's major products

Unit: NT$ thousands

Fiscal Year / Main Products	2022	
	Revenue	Percentage
Refind Paraffin Wax and Microcrystalline Wax	286,173	59.37%
Aquatic products	50,037	10.38%
Lease income	23,741	4.93%
Photovoltaic equipment	122,061	25.32%
Total	482,012	100.00%

(3) Product (Service) Categories:

A.125ºF Refined Paraffin Wax: oil content below 1.5%
B.135ºF Refined Paraffin Wax: oil content below 0.5%
C.140ºF Refined Paraffin Wax: oil content below 0.5%
D.145ºF Refined Paraffin Wax: oil content below 0.5%
E.156ºF Refined Semi-microcrystalline Wax: oil content below 1.0%
F.160ºF Refined Semi-microcrystalline Wax: oil content below 1.0%
G.180ºF Refined Semi-microcrystalline Wax: oil content below 1.0%
H. Wax for fishery paper boxes.
I.Wine bottle sealing Wax (Sed Wax)
J. PE Wax (Polyethylene Wax)
K.Chloride Wax (Chloride Wax)
L. Aquatic products: wholesale and retail of various aquatic products.
M. Solar Energy: construction and sale of solar photovoltaic equipment.

II. Industry Overview:

(I)Wax Products：

(1) Industry Status and Development

Industry Status

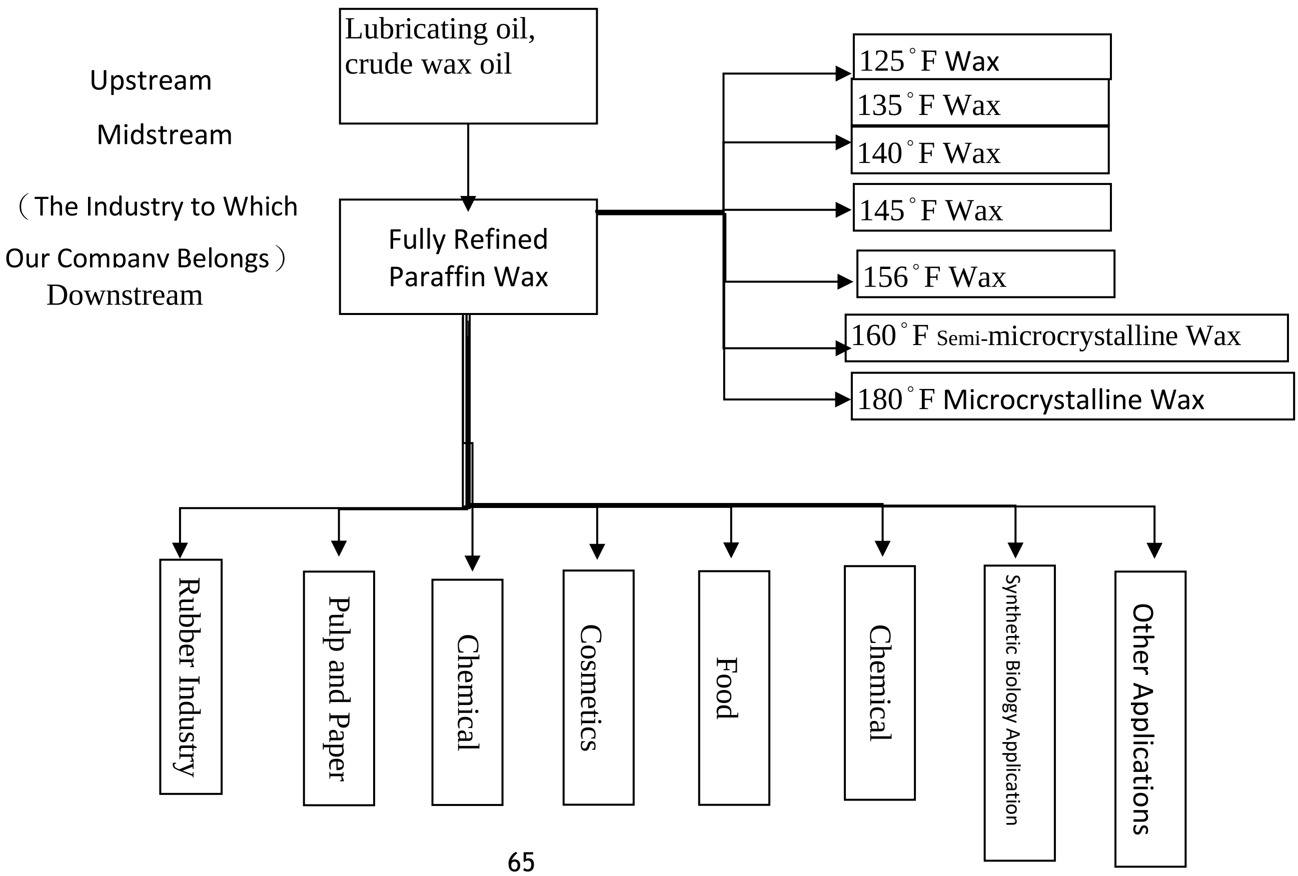
Petroleum wax can be used in a wide range of applications, including candles, moisture-proof coatings for cardboard boxes, crayons, additives for PVC, rubber, resin, and other materials, thickening agent for chewing gum, sealing agent for dry cell battery carbon rods, and insulation for high-end electronic products. Its application scope is quite extensive, and therefore its industry development is closely related to the needs of various industries, including papermaking, chemical, cosmetics, food, chemical synthesis, biotechnology, and other industrial applications.

The production of the US petroleum wax market has been declining in recent years, mainly due to the competition from low-cost wax from China, which has caused many wax plants in North America to close down and adopt an import strategy. In addition, in recent years, with the improvement of light oil cracking technology, new refining plants have abandoned the traditional solvent dewaxing process at the end, and instead use cracking or isomerization processes that can produce higher value-added products. Furthermore, in response to environmental factors, traditional markets have gradually decreased the demand for candles. Therefore, although the production of traditional wax has shown a decreasing trend over the years, it still presents a "supply exceeds demand" phenomenon, which has made the competition for the wax market increasingly fierce, leading to price declines and negative impacts on global wax manufacturers.

Based on our company's sales experience in the domestic market in recent years, the domestic demand for wax is about 25,000 tons per year, and the market share of Chinese wax in the domestic market is about 30%, while our company's market share is about 60%, and the remaining 10% is held by Japan's precision wax due to exchange rate advantages.

Petroleum wax is the basic raw material for the wax industry. In addition to being used in combination with other animal and plant waxes, it can also replace some functions of these waxes, and its price is more competitive than other waxes. In the future, wax manufacturers will focus on reducing production costs and producing high value-added products that meet client needs in order to enhance the profitability of the wax industry. Therefore, the development of wax products in the future will be towards industrial and leisure and entertainment products.

(2) Relationship between the upstream, midstream, and downstream of the industry



Upstream: The main raw material for fully refined petroleum wax is crude wax oil, which is a by-product of lubricant production.

˙Midstream: Petroleum wax is refined from crude oil and can be divided into macrocrystalline and microcrystalline wax, commonly known as paraffin wax and microcrystalline wax. It can be further subdivided into petroleum grease, liquid wax, soft wax, macrocrystalline wax, semi-microcrystalline wax, microcrystalline wax, and special purpose wax. Various types of petroleum wax can be mixed and blended with each other to meet various physical function requirements based on their chemical properties. They can also react with several resins to produce different types of formulated wax to meet specific requirements.

˙Downstream: Applications of paraffin wax and microcrystalline wax include:

①Paper industry – immersion, coating, lamination, and glue application.

②Chemical industry – polish wax, candles, and medicine.

③Cosmetics industry – solid fragrance, snowflake cream, general maintenance ointment, and beauty products.

④Food industry – plants, fruits, food, poultry, and tree seedling diseases.

⑤Biosynthesis – proteins, organic acids.

⑥Other applications – rubber, precision casting, refractory ceramics, electricity, flower arrangement, modeling, etc.

(3) Various product development trend

Since the global use of wax products is largely limited to the candle industry, accounting for about 60%; special industrial applications account for 35%; and other applications account for 5%, the overall unit price of wax products has limited room for growth. In Europe, the United States, Japan, and other countries, the high cost of labor makes it impossible to compete with China's low labor costs, leading many to close their factories and fill the domestic demand gap through imports. In the future, wax manufacturers will focus on how to reduce production costs and introduce products that are both high-quality and affordable to meet client needs.

In addition, the development trend of wax products can be divided into two objectives: high-margin industrial formula wax and high-priced leisure and entertainment candles.

(4) Competitive situation

The main competitors of the company's petroleum wax products are:

(A) Mainland China:

Due to its high content of paraffin wax in crude oil, it is easy to extract wax, and its annual export of petroleum wax to the world is about 1 million tons, accounting for one-third of the total global production of petroleum wax. Because of its large production scale and low labor costs, it dominates the global wax product market. Our company is the only petroleum wax producer in the country and faces no domestic competition. However, we face competition pressure from China due to their large-scale dumping of low-priced wax products. Our company has developed a set of production and marketing strategies to respond to this competition. We will continue to improve our production technology and product quality control to ensure that our product quality is superior to that of China. By gaining the trust of clients in terms of service quality and delivery time management, we will actively develop industrial formula wax, move towards diversification and high value-added products, and increase production scale to lower production costs. By doing so, our company can gradually get rid of the entanglement of cheap wax products from China through our quality advantages and product differentiation.

(B)Japanese refined wax:

A few domestic chemical industry clients originally used it due to its formula. However, due to the "devaluation of the Japanese yen" caused by Prime Minister Abe's economic policy, domestic agents have more room for price reduction, thereby eroding our traditional wax candle market. However, this market has always been a "price market," so our company not only responds by lowering the price of corresponding products (due to reduced production costs), but also produces our own products through "processing" imported low-priced products from China to compete with them in the traditional wax candle market. We have already achieved good results in this regard.

(II) Overview and Outlook of the Aquaculture Market:

As Chinese residents' dietary consumption continues to upgrade and food becomes more refined, seafood, with its high protein and low-fat content, is becoming increasingly popular. It is estimated that by 2026, the total consumption of seafood products will reach 72.13 million tons, a 6.6% increase from the base period. By 2031, the total consumption is expected to reach 74.16 million tons, a 9.6% increase from the base period, with an average annual growth rate of 0.9%, which is faster than the production growth rate.

In terms of imports, fresh and chilled salmon is priced higher than frozen salmon, and Atlantic salmon is priced higher than corresponding prices for other fish species such as Coho salmon. China imports approximately 80,000 tons of salmon per year, with Atlantic salmon being the primary type. From 2015 to 2021, China's salmon imports showed a fluctuating trend, with a rapid increase in imports from 2016 to 2019, reaching a peak in 2019, and a compound annual growth rate of 31% from 2016 to 2019.

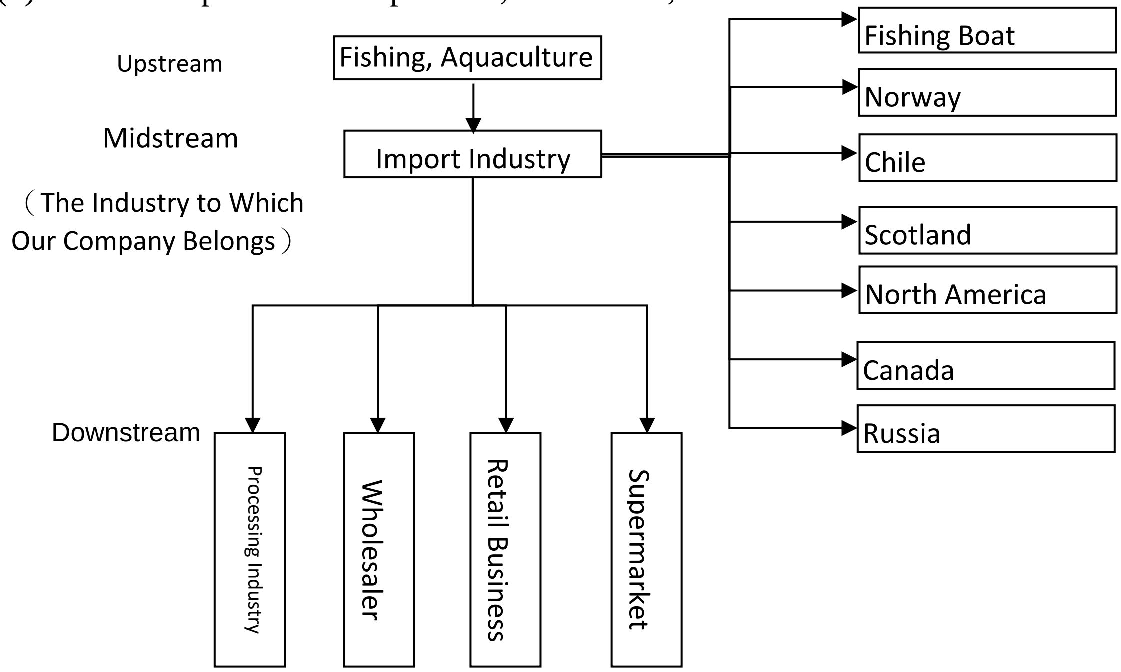
In 2020, due to the impact of the pandemic, consumption plummeted, and the discovery of COVID-19 on the chopping board of imported salmon in the Beijing market in June further exacerbated the situation. Although there was no scientific evidence linking salmon and virus transmission, the incident resulted in almost a complete halt to the import of fresh salmon for one or two months, with imports dropping to 40,600 tons, the first negative growth since 2015.

In 2021, with the gradual improvement of the pandemic situation, imports slightly rebounded, reaching 53,300 tons, a 31.23% year-on-year increase. As the global pandemic situation improved, the restaurant industry in Europe and the United States returned to normal in 2021, and demand for salmon products continued to rise, with prices beginning to rebound in the second half of the year. In the first half of 2022, the fluctuation of the pandemic situation directly affected restaurants and markets throughout China, but consumption still achieved growth year-on-year. At the same time, the international environment was complex and severe, with factors such as rising costs and reduced production on the supply side, causing the price of salmon to rise by 41.3%, the highest in nearly a decade.

In 2022, despite the global supply chain disruptions caused by China's pandemic lockdown policies and the conflict between Russia and Ukraine, our company continued to source fresh seafood products from the aquaculture market for sale to China. Our main purchasing countries were Norway in Europe and Chile in South America. Our major products were fresh and frozen salmon, with a total procurement volume of 3,700.71 metric tons, an increase of more than 60% compared to 2021. Our total procurement amount for cod, trout, shrimp, and shellfish was 1,724.66 metric tons, with a total procurement value of over US $61.41 million. We will continue to invest in and expand this market.

Overall, at present, China imports about 20,000 to 30,000 units of salmon per week, which is only 25% to 30% of the peak import volume before the pandemic in 2019, which was about 80,000 to 90,000 units per week. This indicates that there is still significant room for growth. We believe that as China gradually relaxes its pandemic control measures, we are not far from returning to the pre-pandemic economic activity levels. Therefore, we must be prepared and ready to seize opportunities for growth when they arise.

(2) Relationships between Upstream, Midstream, and Downstream in the Salmon Market:



- Upstream: Refers to the process of salmon production from scratch, such as catching or farming.
- Midstream: Refers to the process of salmon from producers to agents or importers, such as our company's industry.
- Downstream: Refers to the providers of salmon products, either directly (fresh salmon) or indirectly (processing industries such as sashimi or canned salmon).

(3) Development Trends of Salmon Products:

Salmon contains nutrients such as protein, Omega-3 fatty acids, calcium, iron, B vitamins, vitamin D, and vitamin E. Salmon is high in fat, with 55% monounsaturated fatty acids and essential fatty acids EPA and DHA, which have effects such as clearing blood, lowering cholesterol, preventing vision loss, activating brain cells, and preventing cardiovascular disease. In addition, vitamin B in salmon can eliminate fatigue, and vitamin D can help absorb calcium, making it a highly nutritious food.

As the global population continues to grow, the demand for food supply becomes increasingly strong, and protein is an essential source of nutrition for humans. Therefore, the ease of capturing fishery products, the ability to farm, and the richness of fish in protein will make human dependence on the fishing industry increasingly high. According to the United Nations Food and Agriculture Organization (FAO), the average fish product consumption per person per year worldwide will increase from 16.7 kilograms currently to 19-20 kilograms by 2030, showing the close relationship between the yield, development, and future demand for fishery products.

(4) Competitive Situation:

Mainland China accounts for about 5% of global salmon consumption, importing approximately 80,000 tons of salmon from Chile, Norway, Faroe Islands, Australia, and Canada annually. Mainland China imports salmon mainly in two ways, fresh and frozen. Fresh salmon is transported by sea, while frozen salmon is transported by air. Norwegian salmon is transported to mainland China through fresh shipping, while frozen salmon in the mainland market mostly comes from Chile.

Our company mainly imports salmon from Norway, and although our company's imported Norwegian salmon has deep roots in the mainland Chinese market, after China joined the World Trade Organization (WTO), competitors such as Chile and Faroe Islands emerged, which inevitably affected our company's market share in mainland China and subsequently impacted our business revenue.

(III) Installation of Solar Photovoltaic System:

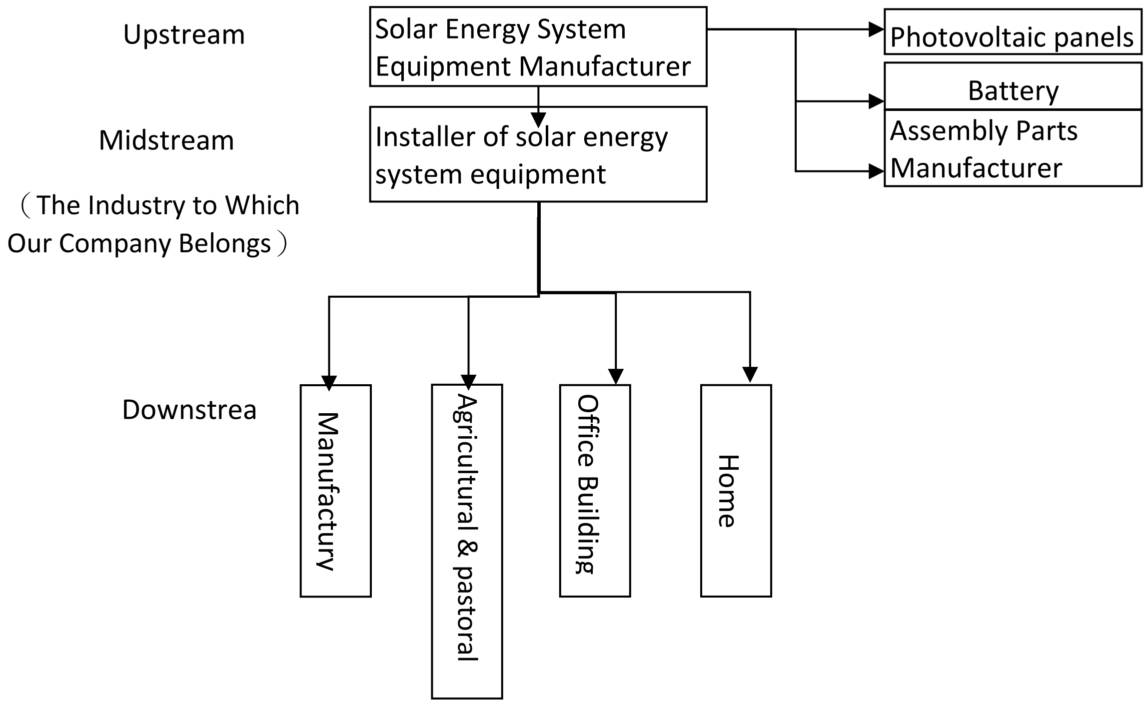
(1) Current Situation and Development of Taiwan's Industry:

Energy transformation is an important policy goal of the current government and is related to Taiwan's transformation path for the next 30 years. This is a very difficult challenge, and in the past six years, the government has continued to integrate the efforts of all sectors and public-private partnerships to accelerate the "2050 net-zero transition" using a stable foundation. 2022 was the most "prosperous" year for green energy development. The installed capacity of solar photovoltaics has reached 9.06GW, an increase of more than 7 times compared to 2016. In recent years, many domestic companies have joined the RE100 trend and responded to the industry's urgent demand for green electricity. The government has announced the roadmap for net-zero emissions and successively proposed "12 key strategies" to integrate resources across departments and continue to invest in forward-looking technology research and development to develop various other green energies, including hydrogen, geothermal, ocean energy, and bioenergy. This indicates that the green energy and renewable industry will continue to play an important role in the economic development process. In 2022, the company assisted clients in completing 9 renewable energy solar power plants at 9 locations throughout Taiwan, with a total capacity of 2,963.53Kw, which have been delivered to clients for power generation and sales. Currently under construction are 7 additional plants with a total capacity of up to 4,196.72Kw, which are actively being built and are expected to be completed successively in 2023.

In addition to the aforementioned sales and installation projects, the company also uses its own land and factories or leases them to build renewable energy plants in areas such as Chiayi, Changhua, and Taoyuan, which are currently generating stable power sales and increasing the group's revenue. We hope to catch up with the trend and occupy a place in this wave of green energy industry development. However, we are not satisfied with the current situation and will continue to develop clients, seek self-construction or cooperate with partners to build power plants. The 2050 net-zero transition is a cross-generational, cross-sectoral, and international transformation project. Starting from 2023, the government will require all enterprises to disclose greenhouse gas inventory data, expecting carbon reduction to become a new driving force for industry upgrading and economic development. In order to maintain power supply stability, increase the pace of renewable energy installation, and move towards the goal of net-zero transition, the government will continue to increase the pace of renewable energy installation every year and continue to move towards a circular approach to reduce carbon emissions and air pollution, in step with the global 2050 net-zero movement.

(2) Relationship between the upstream, midstream, and downstream in the market:

The solar energy system equipment industry is divided into upstream, midstream, and downstream, with upstream consisting of system equipment manufacturers, midstream consisting of system equipment installers, and downstream consisting of system equipment users. Our company belongs to the midstream as a solar energy system equipment installer, with a business focus on setting up solar photovoltaic systems and finding suitable installation sites. ◦



- Upstream: Solar system equipment manufacturers such as solar panels or batteries.
- Midstream: Solar system equipment installation companies such as the company itself.
- Downstream: Direct users of solar system equipment, such as households, office buildings, factories, and agricultural and pastoral industries.

For end manufacturers, solar photovoltaic equipment provides a stable annual return on investment, so manufacturers who build and sell equipment do not need to worry about finding clients.

(3) Solar development trends:

Taiwan is a densely populated country with few plains and many mountains, and the 20GW solar photovoltaic target urgently requires installation space. The 1GW currently installed has been completed on land with the most suitable sun exposure, so the government is taking stock to find suitable and potential new land space for use.

For ground-mounted systems, the key to development lies in land. Agricultural land sinking zones, salt industry land, polluted land, closed landfills, and land sinking zones along high-speed railways can be flexibly used to set up ground-mounted solar power plants. Currently, the land inventory for solar photovoltaics is as follows: 803 hectares of salt land excluding national wetland protection areas, 1,253 hectares of land sinking zones in 18 areas opened by the Council of Agriculture, 2,721 hectares of detention basins and reservoirs, and 2,633 hectares of landfills and polluted land.

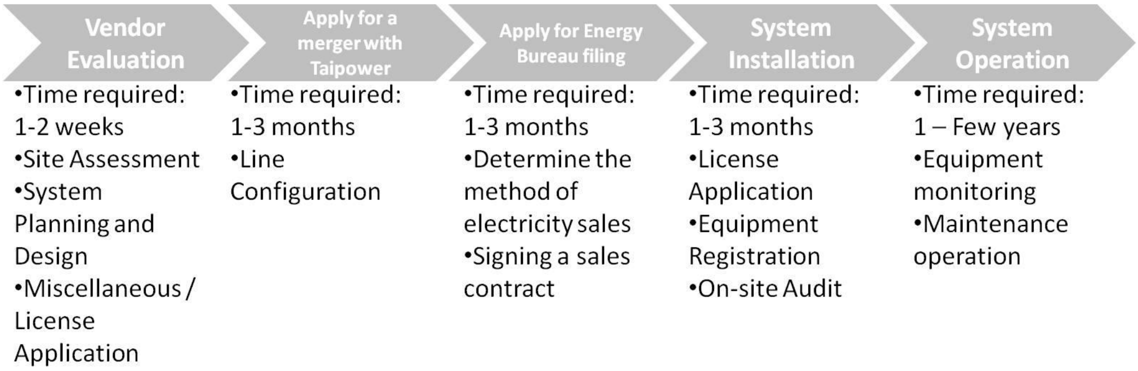
For rooftop systems, the focus is on central public rooftops, industrial plants, agricultural greenhouses, and other rooftops (local public rooftops, residential, commercial). Considering the expansion of solar photovoltaic policies and the safety of the solar photovoltaic system structure, illegal rooftop buildings can be reviewed and relevant permits and licenses obtained according to the autonomous regulations of local governments. For example, the "Kaohsiung City Building Installation of Solar Photovoltaic Facilities Measures" has relaxed the height limit for solar photovoltaic installations to below 4.5 meters, exempted from calculating the area of protruding roofs and building height, but miscellaneous permits must still be obtained according to regulations.

(4) Competition situation:

The solar energy industry has become one of the green energy technology projects under the government's 5+2 industrial innovation plan. When installing solar systems, formal applications must be submitted to the government, and the application process involves contacting multiple government agencies, which can take months. In addition, after the solar system is successfully operational, the lifespan of electronic products, the depreciation and obsolescence of components, and regular maintenance must all be considered, which will increase costs. These additional costs are also factors that need to be considered when setting up a solar energy system.

Due to the government's emphasis on green energy policies and subsidies, many companies have invested in the installation of solar system equipment. However, this industry requires high investment and has a longer payback period (purchasing system equipment, finding installation sites, compliance with regulations, etc.), making it more difficult for companies to allocate funds and achieve shareholder returns.

The equipment investment and construction schedule are shown in the following figure.:



III. Technical and R&D Overview

The main products of technical research and development are waxes, while aquatic and solar photovoltaic systems are purchased, built and then sold.

Technical and R&D Overview

a. Our finished waxes 120°F、135°F、140°F、145°F、156°F、165°F and 180°F have passed the US FDA regulatory annual inspection this year.

b.To comply with European Union regulations and facilitate the smooth entry of products into the European market, the company's three types of substances, paraffin wax, microcrystalline wax, and intermediate crude wax, were analyzed by SGS and all passed the testing of 161 items under the European Union SVHC.

c. As the only domestic raw material supplier has ceased production, crude wax is currently imported from abroad. To expand and diversify sources, suitable Slack waxes will be purchased from companies such as Thai Lube, IRPC, Sepahan, TonenGeneral, and Pertamina. In addition, other foreign Slack wax samples will continue to be obtained through channels to establish analysis data and evaluate applicability for future procurement decisions.

d. Strengthen cooperation between industry, academia, and research and development projects to increase product value and diversify applications, discover new business opportunities, and evaluate the feasibility of launching new business projects.

IV. Long- and Short-Term Business Development Plans

(1) Marketing Strategy

A. Short-term Plan

Develop new high value-added products through planned marketing strategies to avoid competing with low-priced waxes from the mainland in the traditional candle market.

B. Long-term Plan

Establish a sound after-sales service system to provide professional technical consultation to enhance client satisfaction with the company's products and improve service quality.

(2) Production and Product Strategy

A. Short-term Plan

Reintegrate existing production lines, retire inefficient machinery and actively promote energy-saving and waste-reduction programs to reduce production costs and improve process operation stability.

B. Long-term Plan

By leveraging the research and development capabilities of academic institutions, we actively develop non-paraffin products, namely, the second product of Taiwan wax, and move towards the high value-added industry.

(3) Financial Strategy

A. Short-term Plan

① In line with the company's overall operational objectives, we seek diversified sources of funding to facilitate the smooth completion of business expansion plans, and share the profits with shareholders.

② Strengthen the company's financial structure by reducing inventory and accounts receivable collection days, improving financial ratios, and reducing funding and operating costs.

B. Long-term Plan 長

Raise funds for the company's long-term development through capital markets to expand operations and return long-term investment returns to shareholders.

(4) Business Management Strategy

A. Short-term Plan

① Combine management information computerization, simplify the operation process, and enhance departmental management performance.

② Strengthen internal audit operations and establish a sound system.

B. Long-term Plan

① Master the product market trends, expand sources of industry information, and formulate integrated product and marketing strategies.

② Combine human resource training goals, establish career planning for colleagues, consolidate colleagues' cohesion and ambition, pursue the company's and colleagues' common growth, and achieve the company's vision.

Two. Market and Sales Overview

I. Market Analysis

(A)Wax Products

(1) Sales Regions of Main Products

Our company is the only professional manufacturer of refined wax domestically, mainly for domestic sales. The export regions are mainly in Asia and the Americas. The sales amount by region in 2021 and 2022 are as follows:

Unit: NT$ thousands

Fiscal / Items		2021		2022	
		Amount	%	Amount	%
Domestic Sales		156,224	77.84	252,571	88.26
Direct/Indirect International Sales	Asia	38,570	19.22	28,958	10.12
	America	5,911	2.94	4,644	1.62
	Subtotal	44,481	22.16	33,602	11.74
Total		200,705	100.00	286,173	100.00

(2) Market Share and Future Supply-Demand Status and Growth

A. Market Share

Our company's main product, refined paraffin wax, is mostly for domestic sales, with a market share of about 60%.

B. Future Supply Status of the Market

Petroleum wax manufacturers will focus on improving research and development technology in the future, and develop high value-added products such as industrial-use formula wax and leisure and entertainment-use wax, to meet the needs of users in different fields globally.

C. Future Demand Status of the Market

In recent years, petroleum wax sales have generally shown a stable growth trend. As the application scope of petroleum wax gradually expands, and petroleum wax manufacturers accelerate the development of formula wax basic technology, it will meet the needs of more users in various fields. Therefore, if petroleum wax manufacturers can focus on the research and development of formula wax technology in the future, with the continuous expansion of the application scope of petroleum wax, the demand for petroleum wax in the market is expected to continue to increase.

D. Future Growth Potential

Our company has a upstream position in the wax industry and is a key player in the future overall wax industry system. We can play a leading role and enter the international market.

(3) Niche competition

A. Excellent product quality.
B. Strong production capacity and highly automated production lines.
C. Continuously developing niche products.

(4)Favorable factors for future development

A. The global wax market for petroleum will continue to grow, with huge potential markets.
B. Effective cooperation with foreign industry on technology, to master information and technical sources.
C. Good stability in product quality, deeply appreciated by clients.
D. Integration of production and supply chain capabilities, to effectively reduce production costs.

(5)Adverse factors and corresponding strategies for future development

A. Facing competition from Chinese low-cost and Japanese high-quality waxes due to exchange rate fluctuations.

Response strategy: To avoid price competition effectively, actively play to its advantages in petroleum wax production technology, continuously research and develop high-value-added products such as industrial wax formulations, and develop profitable products for product types that are currently not widely available in the market, to establish market differentiation. Furthermore, strengthen after-sales service to establish good cooperative relationships with clients.

B. Difficulty in finding research and development talents in the field of petroleum wax.

Response strategy:

a. Collaborate with domestic and foreign research and development units to expand research and development reach, and enhance product development capabilities.
b. Continuously introduce automated production equipment, strengthen employee professional training to improve employee production efficiency, and devote efforts to improving production technology and processes, so that equipment production capacity can be fully utilized.

(B) Aquaculture

(1) The aquaculture department of Taiwan Wax Company currently focuses mainly on salmon, with less production of flatfish, king crabs, and shrimp. However, the total sales volume of salmon accounts for only 0.1% of the world's total production. With the increasing demand for aquatic protein worldwide, Taiwan Wax Company has room for growth.

(2) The world's population is constantly increasing, but ocean resources are dwindling. The demand for aquatic protein is on the rise. Mainland China's consumption of aquatic protein is only one-sixteenth of the world's, so there is great potential for development.

(C) Solar Photovoltaic

(1) With the government aiming to reach a 20GW solar photovoltaic system installation capacity by 2025, the target of 5GW is expected to be achieved by the end of this year. The market is optimistic about the next five years, which could bring in 15GW of business opportunities worth around 750 billion.

(2) However, due to the Agricultural Committee's policy changes regarding using farmland for solar energy, all farmland are currently ineligible for installation, which is a major disadvantage in the market.

II. Main Product Uses and Manufacturing Processes

(1) Main Products:

①Wax products:

Refined paraffin wax

A. 52/54°C (125°F) Refined Paraffin Wax
B. 56/58°C (135°F) Refined Paraffin Wax
C. 58/60°C (140°F) Refined Paraffin Wax
D. 61/63°C (145°F) Refined Paraffin Wax
E. 68/69°C (156°F) Refined Paraffin Wax
F. 70/72°C (160°F) Refined Paraffin Wax
G. 81/83°C (180°F) Refined Paraffin Wax

Slack wax

A. SW120-------- Used for candles and emulsions
B. SW180-------- Used for fireplace wood wax and racecourse wax
C. SW6501-------Used for blending wax

Formulation Wax

A. SW1220
B. SW2581
C. Composite Microcrystalline Wax

Light Oil Wax—Used for mechanical processing

Emulsion Wax

② Aquatic Products:

Salmon, flatfish, king crab, large shrimp species

③ Solar Energy:

Construction and sale of solar photovoltaic equipment

(2) Important uses of main products

① Wax products:

Main products	Uses of the main products
Refined Paraffin Wax	Candle making, moisture-proof coating for paper boxes, wax crayons, PVC, rubber grease additives, chewing gum thickening agents, battery encapsulants, and insulation for electronic products.
Footoil	Raw materials for lubricating grease, cutting oils, fuel additives.

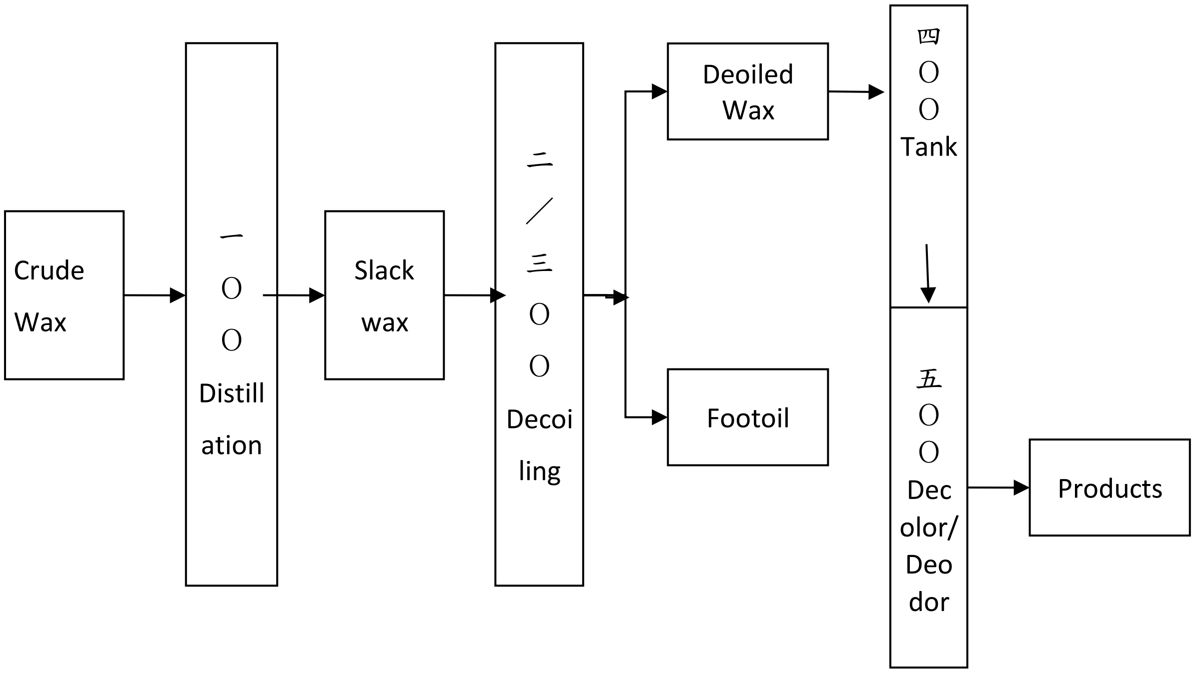
②Aquatic products: can be directly consumed or processed into finished products.

③Solar energy: photovoltaic equipment mainly for power generation, with end clients being Taiwan Power Company.

(3) Production processes of main products

A. Paraffin wax

Taiwanese wax factories mainly use crude wax as raw material, and produce various refined paraffin waxes with different melting points, as well as by-product Footoiles, through a series of distillation, freezing, filtration, steam distillation, separation and other process units. The operation functions of this factory are divided into the following areas:



III. Supply status of Main Raw Materials

(1) Wax Products: The main raw material for wax production is crude wax. In 2020, our company mainly imported raw materials from Asian countries and other regions.

(2) Aquatic Products: We mainly purchase aquatic products from Norway, Chile, Canada, Iceland, Russia, and other countries.

(3) Large Solar Photovoltaics: The main raw materials for solar photovoltaic modules are supplied by major manufacturers such as AUO or TSMC, while the inverters are supplied by leading companies such as Delta Electronics, Huawei, and Yingzheng.

IV. Clients who accounted for more than 10% of the purchase (sales) in any one of the most recent two fiscal years

(1) The names of suppliers who accounted for more than 10% of the purchases in any one of the past two years, along with their purchase amount and proportion:

Unit: NT$ thousands

(Number of Individuals)

No.	2021				2022				As of the end of the first quarter of 2023			
	Name	Amount	Percentage of net purchase amount for the whole year 〔%〕	Relation with Issuer	Name	Amount	Percentage of net purchase amount for the whole year 〔%〕	Relation with Issuer	Name	Amount	Percentage of net purchase amount for the whole year 〔%〕	Relation with Issuer
1	Company A	177,239	48.19	None	Company A	91,954	35.90	None	Company A	19,761	50.11	None
2	Company B	91,010	24.75	None	Company B	82,346	32.15	None	Company B	8,090	20.51	None
3	Company C	53,687	14.6	None	Company C	38,618	15.08	None	Company C	5,397	13.68	None
4					Company D	32,201	12.57	None				
	Other	45,820	12.46	None	Other	11,051	4.3	None	Other	6,190	15.70	None
Purchase amount		243,900	100.00		Purchase amount	256,170	100.00		Purchase amount	39,438	100.00	

(2) The name(s) and sales amount percentage of client(s) that accounted for 10% or more of the total sales in either of the most recent two fiscal years:

Unit: NT$ thousands

Item	2021				2022				As of the end of the first quarter of 2023			
	Name	Amount	Percentage of net purchase amount for the whole year 〔%〕	Relation with Issuer	Name	Amount	Percentage of net purchase amount for the whole year 〔%〕	Relation with Issuer	Name	Amount	Percentage of net purchase amount for the whole year 〔%〕	Relation with Issuer
1	Company E	84,659	16.92	None	Company E	118,555	24.60	None	Company E	20,341	19.51	None
2	Company F	83,351	16.65	None	Company F	79,270	16.45	None	Company F	17,696	16.98	None
3									Company G	13,650	13.10	None
	Other	332,454	66.43	None	Other	284,187	58.95	None	Other	52,550	50.41	None
Sales amount		500,464	100.00		Sales amount	482,012	100.88		Sales amoun	104,237	100.00	

(Number of Individuals)

V. Production in the Most Two Fiscal Years

Output / Fiscal Year / Major Products	2021			2022		
	Capacity (Tons)	Quantity (Tons)	Amount (Thousands)	Capacity (Tons)	Quantity (Tons)	Amount (Thousands)
Refined Paraffin Wax	21,000	4,520	181,786	21,000	2,765	143,206
Slack wax & Footoil	40,715	(34)	(960)	40,715	(21)	(577)
Total	61,715	4,486	180,826	61,715	2,744	142,629

VI. Sales Volumn and Value in the Most Two Fiscal Years

Sales / Fiscal Year / Major Products	2021				2022			
	Local		Export		Local		Export	
	Quantity (Tons)	Amount (Thousands)	Quantity (Tons)	Amount (Thousands)	Quantity (Tons)	Amount (Thousands)	Quantity (Tons)	Amount (Thousands)
Refined Paraffin Wax	3,527	155,056	882	43,930	2,484	133,195	503	31,468
Slack wax & Footoil	19	806	26	913	6,586	119,376	49	2,134
Rental receipt		20,449				23,741		
Service Revenue		0						
Photoelectric Revenue		189,136				122,061		
Aquatic Products Revenue		0		90,174				50,037
Total	3,546	365,447	908	135,017	9,070	398,373	552	83,639

(Number of consolidations)

Three. Employee Statistics for the Most Recent Two Fiscal Years up to the Annual ReportPublication Date

March, 2023

Fiscal Year		2021	2022	As of March of the current fiscal year 2023
Number of employees	Staff	17	18	18
	Employee	10	10	10
	Total	27	26	28
Average age		49.1	49.5	47.9
Average years of service		12.46	12.56	11.68
Education distribution percentage (%)	Ph D.	0 %	0 %	0 %
	Master's degree	11.1 %	11.5 %	14.3%
	College	66.7%	69.2%	64.3%
	Senior high school	18.5%	11.6%	17.9%
	Below senior high school	3.7%	7.7%	3.6%

Four. Disclosure of Environmental Information

I. Total amount of losses (including compensation) and disposal due to environmental pollution incurred in the most recent fiscal year and up to the date of printing this annual report, as well as future response measures (including improvement measures) and potential expenses (including estimated amounts of losses, disposal, and compensation that may occur if response measures are not taken, and if it is not possible to estimate the amount reasonably, it shall be stated that the fact cannot be reasonably estimated): None.

Five. Labor Relations

Since its establishment, the Company has been committed to promoting harmonious labor relations, caring for and respecting employees, and working together with them to achieve common goals. To strengthen labor relations, safeguard employee rights and benefits, and promote a sense of unity and mutual prosperity between employees and the Company, the following systems and measures have been established.

I. Employee benefits, training and education programs, retirement system and its implementation status, as well as labor-management agreements

(I) Employee welfare measures and rights protection:

The Company provides employee bonuses according to the law, and contributes to the National Health Insurance, labor insurance, group insurance, retirement funds, as well as employee welfare funds, which are set aside based on a certain proportion of the Company's operating income and capital.

Other benefits include annual bonuses, employee health checkups, marriage, funeral, and childbirth subsidies, hospitalization comfort money, marriage subsidies, annual paid leave, and employee uniforms. The Company has established an employee welfare committee in accordance with the law, which is composed of elected representatives from all employees. The committee holds regular meetings, elects committee members, and sets annual plans for activities, including festival gifts and bonuses, celebration of life events, social club activities, birthday bonuses, and various travel and social events.

(II) Employee education and training system:

The Company has established the "Employee Education and Training Management Operating Procedures" to effectively assist in improving work knowledge and completing tasks assigned by the Company, allowing employees to grow and innovate with new ideas. Regular on-the-job training, outsourced professional training courses, and new employee training activities are held as needed. Various employee training programs are carried out in accordance with the "Annual Training Plan." The training and education activities for 2022 are as follows::

Item	Shift	Total number of people	Total hours	Total cost
1. New employee training	2	2	7.0	-
2. Professional skills training	14	16	66.5	23,435
3. Supervisor talent training	1	1	12.0	8,000
4. General education training	-	-	-	-
5. Self-development training	-	-	-	-
Total	17.0	19	85.5	31,435

(III) Retirement system

The company has fully settled all pre-June 30, 2005, employment-based old pension plan liabilities by providing the entitled service-related benefits to the retired employees. The "Retirement Reserve Account" has been duly accounted for and closed.

For employees who joined after July 1, 2005, the retirement pension system under the Labor Retirement Pension Act applies, and 6% of their monthly salary is allocated to their personal retirement pension account with the Labor Insurance Bureau.

(IV) Labor-management agreements:

In accordance with Article 83 of the Labor Standards Act, there is a "Labor-Management Conference Implementation Measures" for both labor and management to follow. Since its implementation, labor and management have worked harmoniously, and all matters have been handled in accordance with the "Labor-Management Conference Implementation Measures."

(V) Maintenance of various employee rights and benefits:

Adhering to the principle of co-existence and mutual prosperity with employees, the company places great emphasis on employee welfare policies. A "Employee Welfare Committee" has been established to plan a series of welfare measures, and a "Labor-Management Relations Committee" has been set up to hold regular meetings to communicate and discuss company management systems and operational objectives with employees. An employee suggestion box has also been established to provide various channels to promote communication between labor and management, protect employee rights and interests, and maintain harmonious labor-management relations.

II. Total amount of losses incurred in the past two fiscal years and up to the date of printing this annual report due to labor disputes, estimated amounts of potential losses in the future, and response measures:

Our company has a low-pollution, automated production process with streamlined personnel, and has actively implemented and improved welfare and safety measures. As a result, there have been no major adverse labor disputes, and the probability of future labor disputes is not high.

Six. Information Communication Security Management:

（I）Describe the information and security risk management framework, security policies, specific management plans, and resources invested in security management:

To strengthen the company's Information Communication Security Management and ensure the security of data, systems, and networks, we have established an information security department responsible for coordinating information security and related matters. The internal control procedures related to information security are developed by the audit department and internal audits are conducted regularly. As information systems and internet applications become increasingly advanced, we will establish Information Communication Security Management policies as the basis for all employees to follow information security. In terms of resources invested in security management, the company implements firewalls to further block virus intrusion attacks. For the user side, we keep Windows up-to-date and patch vulnerabilities in a timely manner to prevent viruses and hackers from attacking through Windows vulnerabilities. The company will periodically assess the likelihood of information security risks causing losses, commission vendors to build and maintain important information systems, and take out appropriate insurance to reduce the amount of losses if necessary.

（II）List the losses incurred due to significant security incidents up to the date of printing this annual report in the most recent fiscal year, potential impacts, and response measures taken. If it is not possible to estimate the losses reasonably, it shall be stated that the fact cannot be reasonably estimated: None.

Seven. Important Contracts:

Name of contract	Parties	Beginning and end dates of contract	Major content	Restrictive clauses
Contract of representation	Three D Group Ltd.3DV	September 15, 2014 ~ September 30, 2024	Acquisition of exclusive distribution rights for sales products.	None

Financial Information

One. Fve-Year Financial Summary

I. Condensed Balance Sheet and Consolidated Income Statement Information

Consolidated Condensed Balance Sheet – Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years					As of March 31 2023 of this annual report
		2018	2019	2020	2021	2022	
Current assets		647,936	1,028,236	985,000	1,692,842	1,883,129	2,011,549
Property, Plant and Equipment		296,089	259,193	341,955	541,840	559,334	597,389
Intangible assets		—	—	—	—	—	—
Other assets		172,954	208,866	249,089	170,391	182,138	204,770
Total assets		1,116,979	1,496,295	1,576,044	2,405,413	2,624,601	2,813,708
Current liabilities	Before distribution	498,205	509,692	591,470	833,619	1,210,708	1,377,869
	After distribution	498,205	509,692	591,470	833,619	Undistributed	Undistributed
Non-current liabilities		42,015	95,028	126,822	185,845	149,601	144,417
Total liabilities	Before distribution	540,220	604,720	718,292	1,019,464	1,360,309	1,522,286
	After distribution	540,220	604,720	718,292	1,360,309	Undistributed	Undistributed
Equity attributable to shareholders of the parent		576,759	891,575	857,752	1,385,949	1,264,292	1,291,422
Capital stock		550,500	715,500	715,500	815,500	935,593	935,593
Capital collected in advance		—	—	—	—	—	—
Capital surplus		23,080	107,236	107,230	164,036	165,098	165,098
Retained earnings	Before distribution	8,356	62,242	55,667	428,625	168,885	194,267
	After distribution	8,356	62,242	55,667	428,625	Undistributed	Undistributed
Other equity interest		6,257	6,597	7,457	5,896	11,496	13,244
Treasury stock		(11,434)	—	(28,108)	(28,108)	(16,780)	(16,780)
Non-controlling interest		—	—	—	—	—	—
Total equity	Before distribution	576,759	891,575	857,752	1,385,949	1,264,292	1,291,422
	After distribution	576,759	891,575	857,752	1,385,949	Undistributed	Undistributed

Note: The consolidated financial statements for the fiscal year 2022 have been audited and certified by the accountant. The consolidated financial statements for the first quarter of the fiscal year 2023 have been reviewed by the accountant.

Consolidated Condensed Statement of Comprehensive Income – Based on IFRS

Unit: NT$ thousands

Year / Item	Financial Summary for The Last Five Years					As of March 31 2023 of this annual report
	2018	2019	2020	2021	2021	
Operating revenue	423,811	439,510	333,591	500,464	482,012	104,237
Gross profit	(31,788)	101,880	60,106	95,669	100,716	51,400
Income from operations	(75,218)	64,736	22,364	14,558	(135,169)	30,075
Non-operating income and expenses	(25,668)	(11,404)	(28,939)	372,629	13,813	(4,693)
Income before tax	(100,886)	53,332	(6,575)	387,187	(121,356)	25,382
Profit (loss) from continuing operations	(100,886)	53,332	(6,575)	372,958	(123,635)	25,382
Loss from discontinued operations	—	—	—	—	—	—
Net income (Loss)	(100,886)	53,332	(6,575)	372,958	(123,635)	25,382
Other comprehensive income (income after tax)	10,647	894	860	(1,561)	5,600	1,748
Total comprehensive income	(90,239)	54,226	(5,715)	371,397	(118,035)	27,130
Net income attributable to shareholders of the parent	(100,886)	53,332	(6,575)	372,958	(123,635)	25,382
Net income attributable to non-controlling interest	—	—	—	—	—	—
Comprehensive income attributable to Shareholders of the parent	(90,239)	54,226	(5,715)	371,397	(118,035)	27,130
Comprehensive income attributable to non-controlling interest	—	—	—	—	—	—
Earnings per share	(1.93)	0.88	(0.09)	5.16	(1.34)	0.27

Note: The consolidated financial statements for the fiscal year 2022 have been audited and certified by the accountant. The consolidated financial statements for the first quarter of the fiscal year 2023 have been reviewed by the accountant.

Consolidated Condensed Balance Sheet – Based on IFRS (Individual)

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years					As of March 31 2023 of this annual report
		2018	2019	2020	2021	2021	
Current assets		598,904	968,227	622,499	1,256,447	1,686,967	Not Applicable
Property, Plant and Equipment		296,089	256,046	337,090	538,145	553,494	
Intangible assets		—	—	—	—	—	
Other assets		172,954	208,866	248,038	166,701	415,324	
Total assets		1,103,713	1,485,055	1,544,448	2,380,940	2,655,785	
Current liabilities	Before distribution	484,939	498,452	560,048	809,146	1,242,833	
	After distribution	484,939	498,452	560,048	尚未決議	Undecided	
Non-Current liabilities		42,015	95,028	126,648	185,845	148,660	
Total liabilities	Before distribution	526,954	593,480	686,696	994,991	1,391,493	
	After distribution	526,954	593,480	686,696	尚未決議	Undecided	
Equity attributable to shareholders of the parent		576,759	891,575	857,752	1,385,949	1,264,292	
Capital stock		550,500	715,500	715,500	815,500	935,593	
Capital surplus		23,080	107,236	107,236	164,036	165,098	
Retained earnings	Before distribution	8,356	62,242	55,667	428,625	168,885	
	After distribution	8,356	62,242	55,667	尚未決議	Undecided	
Other equity interest		6,257	6,597	7,457	5,896	11,496	
Treasury stock		(11,434)	—	(28,108)	(28,108)	(16,780)	
Non-controlling interest		—	—	—	—	—	
Total equity	Before distribution	576,759	891,575	857,752	1,385,949	1,264,292	
	After distribution	576,759	891,575	857,752	尚未決議	Undecided	

Note: The individual financial statements for the year 2022 have been audited and signed off by the accountant.

Consolidated Condensed Statement of Comprehensive Income – Based on IFRS (Individual)

Unit: NT$ thousands

Year / Item	Financial Summary for The Last Five Years					As of March 31 2023 of this annual report
	2018	2019	2020	2021	2021	
Operating revenue	411,284	384,815	167,155	331,975	345,059	Not Applicable
Gross profit	(32,459)	100,582	53,493	33,434	97,785	
Income from operations	(75,444)	66,834	24,826	(14,770)	48,150	
Non-operating income and expenses	(25,442)	(13,502)	(31,401)	393,006	(169,515)	
Income before tax	(100,886)	53,332	(6,575)	378,236	(121,365)	
Profit (loss) from continuing operations	(100,886)	53,332	(6,575)	372,958	(123,635)	
Loss from discontinued operations	—	—	—	—	—	
Net income (Loss)	(100,886)	53,332	(6,575)	372,958	(123,635)	
Other comprehensive income (income after tax)	10,647	894	860	(1,561)	5,600	
Total comprehensive income	(90,239)	54,226	(5,715)	371,397	(118,035)	
Net income attributable to shareholders of the parent	—	—	—	—		
Net income attributable to non-controlling interest	—	—	—	—		
Comprehensive income attributable to Shareholders of the parent	—	—	—	—		
Comprehensive income attributable to non-controlling interest	—	—	—	—		
Earnings per share	(1.93)	0.88	(0.09)	5.16	(1.34)	

Note: The individual financial statements for the year 2022 have been audited and signed off by the accountant.

II. Auditors' Opinions in the Most Recent Five Fiscal Years:

Auditors' Opinions in the Most Recent Five Fiscal Years:

Year	Accounting Firm	CPA	Audit Opinion
2018	Benison Associated CPAs' Firm	Xianzhang Lin / Xinyuan Wang	Unqualified opinion
2019	Benison Associated CPAs' Firm	Xianzhang Lin / Xinyuan Wang	Unqualified opinion
2020	Benison Associated CPAs' Firm	Xianzhang Lin / Xinyuan Wang	Unqualified opinion
1st~3rd seasons in 2021	Benison Associated CPAs' Firm	Xianzhang Lin / Xinyuan Wang	Unqualified opinion
4th seasons in 2021	Benison Associated CPAs' Firm	Xinyuan Wang/Yizhi Chiu	Unqualified opinion
2022	Benison Associated CPAs' Firm	Xinyuan Wang/Yizhi Chiu	Unqualified opinion

Two. Five-Year Financial Analysis

Consolidated Financial Analysis

Item		Financial Analysis for the Last Five Years 2018	2019	2020	2021	2022	As of March 31 2023 of this annual report
Financial structure %	Debt Ratio	48.36	40.41	45.58	42.38	51.83	54.10
	Ratio of long-term capital to property, plant and equipment	208.98	377.42	287.93	290.08	252.78	240.35
Solvency %	Current ratio	130.05	201.74	166.53	203.07	155.54	145.99
	Quick ratio	97.55	147.11	143.25	187.92	150.70	141.91
	Interest earned times	(19.63)	8.13	0.01	38.69	(7.92)	4.88
Operating performance	Accounts receivable turnover (times)	8.75	5.93	8.46	19.60	7.56	3.78
	Average collection period	41.70	61.55	43.14	18.62	48.28	96.56
	Inventory turnover (times)	2.22	4.77	1.89	3.09	4.19	0.95
	Accounts payable turnover (times)	19.14	34.62	33.07	311.14	1106.81	374.73
	Average days in sales	164.41	76.51	193.12	118.12	87.11	384.21
	Property, plant and equipment turnover (times)	1.59	4.11	1.11	1.13	0.88	0.18
	Total assets turnover (times)	0.43	0.88	0.22	0.25	0.19	0.04
Profitability	Return on total assets (%)	(9.81)	4.54	(0.08)	19.15	(4.48)	1.13
	Return on stockholders' equity (%)	(17.56)	7.26	(0.75)	33.24	(9.33)	1.99
	Pre-tax income to paid-in capital (%)	(18.33)	7.45	(0.92)	47.48	(12.97)	2.71
	Profit ratio (%)	(23.80)	4.65	(1.97)	74.52	(25.64)	24.35
	Earnings per share (NT$)	(1.93)	0.88	(0.09)	5.16	(1.34)	0.27
Cash flow	Cash flow ratio (%)	-	-	42.18	-	-	-
	Cash flow adequacy ratio (%)	-	-	-	-	-	-
	Cash reinvestment ratio (%)	-	-	14.43	-	-	-
Leverage	Operating leverage	0.92	1.14	1.38	2.06	0.84	1.15
	Financial leverage	0.94	1.13	1.42	3.40	0.91	1.28

Explanation of reasons for financial ratio changes of over 20% in the most recent two years are as follows:

1. Increase in debt-to-asset ratio: mainly due to a greater increase in short-term borrowing than in assets.
2. Decrease in current ratio: mainly due to a larger increase in short-term borrowing than in current assets.
3. Decrease in interest coverage ratio: mainly due to higher pre-tax, pre-interest income in the previous year from land sales.
4. Decrease in accounts receivable turnover and increase in average collection days: mainly due to increased accounts receivable from the sale of oil and wax.
5. Increase in inventory turnover and decrease in average sales days: mainly due to decreased inventory from the sale of oil and wax.
6. Decrease in profitability: due to the recognition of expected credit losses under IFRS 9 resulting in a loss in the current period.
7. Decrease in operating leverage and financial leverage: mainly due to the recognition of inventory recovery benefits as operating income in the current period.

Individual Financial Analysis

Item		Financial Analysis for the Last Five Years: 2018	2019	2020	2021	2022	As of March 31 2023 of this annual report
Financial structure %	Debt Ratio	47.74	39.96	44.46	41.79	52.39	Not Applicable
	Ratio of long-term capital to property, plant and equipment	208.98	382.02	292.03	292.08	255.28	
Solvency %	Current ratio	123.50	194.25	111.15	155.28	135.74	
	Quick ratio	90.11	140.95	87.07	142.11	133.66	
	Interest earned times	(19.63)	8.17	0.00	38.33	(7.95)	
Operating performance	Accounts receivable turnover (times)	8.98	5.61	4.39	16.70	5.43	
	Average collection period	40.65	65.12	83.08	21.85	67.22	
	Inventory turnover (times)	2.16	4.66	0.83	2.50	3.81	
	Accounts payable turnover (times)	19.69	34.29	15.55	879.35	738.13	
	Average days in sales	168.98	78.33	439.76	146.00	95.80	
	Property, plant and equipment turnover (times)	1.54	3.93	0.56	0.76	0.63	
	Total assets turnover (times)	0.42	0.84	0.11	0.17	0.14	
Profitability	Return on total assets (%)	(9.81)	4.58	(0.09)	19.42	(4.48)	
	Return on stockholders' equity (%)	(17.56)	7.26	(0.75)	33.24	(9.33)	
	Pre-tax income to paid-in capital (%)	(18.33)	7.45	(0.92)	46.38	(12.97)	
	Profit ratio (%)	(24.52)	4.89	(3.93)	112.34	(35.83)	
	Earnings per share (NT$)	(1.93)	0.88	(0.09)	5.16	(1.34)	
Cash flow	Cash flow ratio (%)	-	-	58.94	-	-	
	Cash flow adequacy ratio (%)	-	-	-	-	-	
	Cash reinvestment ratio (%)	-	-	19.15	-	-	
Leverage	Operating leverage	0.91	1.16	1.49	(0.15)	1.41	
	Financial leverage	0.94	1.13	1.36	0.59	1.39	

Explanation of reasons for financial ratio changes of over 20% in the most recent two years are as follows:

1. The ratio of liabilities to assets has increased, mainly due to a larger increase in short-term borrowing than in assets.
2. The interest coverage ratio has decreased, primarily due to higher pre-tax interest earnings from the sale of land in the previous period.
3. The accounts receivable turnover and average collection days have increased, mainly due to an increase in accounts receivable at the end of the period.
4. The inventory turnover has increased, mainly due to an increase in revenue and interest expenses.
5. The average days sales outstanding has decreased, mainly due to a decrease in inventory at the end of the period resulting from the sale of oil and wax.
6. The profitability has decreased, as a result of recognizing expected credit losses in accordance with IFRS 9, leading to a loss in the current period.
7. Both the operating leverage and financial leverage have decreased, primarily due to recognizing inventory recovery gains in the current period, resulting in operating income.

＊ If the Company prepares individual financial statements, it should also prepare a ratio analysis of the individual financial statements of the Company.

＊If the financial data based on International Financial Reporting Standards (IFRS) is less than five years, the financial data based on the financial accounting standards of Taiwan should be separately prepared and presented in Table (2).

Note 1: The year without an auditor's review should be indicated.

Note 2: Listed companies or those whose stocks are traded in securities firms should include financial data up to the end of the previous quarter before the publication of the annual report in the analysis.

Note 3: The calculation formula should be listed at the end of this table as follows:

1. Financial Structure
   (1) Debt Ratio = Total Liabilities / Total Assets。
   (2)Ratio of long-term capital to property, plant and equipment＝（Total Equity＋Non-Current liabilities）／ Net Property, Plant and Equipment
2. Solvency
   (1) Current ratio＝Current assets／Current liabilities
   (2) Quick ratio＝（Current assets－Inventory - Prepayments）／Current liabilities
   (3) Interest earned times＝Earnings Before Interest and Taxes (EBIT) / Interest Expenses
3. Operating performance
   (1) Accounts receivable turnover (Including accounts receivable and notes receivable generated from operations) ＝Net Sales / Average Accounts Receivable Balance (Including accounts receivable and notes receivable generated from operations)
   (2) Average collection period＝365／Receivables Turnover Ratio
   (3) Inventory turnover＝Cost of Goods Sold／Average Inventory
   (4) Accounts payable turnover (Including accounts payable and notes payable generated from operations) = Cost of Goods Sold / Average Accounts Payable Balance (Including accounts payable and notes payable generated from operations)
   (5) Average days in sales＝365／Inventory turnover。
   (6) Property, Plant and Equipment turnover＝Net Sales / Average Net Property, Plant and Equipment
   (7) Total assets turnover＝Net Sales／Average total assets。
4. Profitability
   (1) Return on total assets＝〔Net Income + Interest Expenses ×（１－Tax Rate）〕／ Average Total Assets
   (2) Return on stockholders' equity＝Net Income After-tax/ Average Total Equity
   (3) Profit ratio＝Net Income / Net Sales
   (4) Earnings per share＝（Net Income Attributable to the Parent Company－Preferred Dividends）／Weighted Average Number of Issued Shares (Note 4)
5. Cash flow
   (1) Cash flow ratio＝Operating Cash Flow／Current liabilities。
   (2) Cash flow adequacy ratio＝Operating Cash Flow for the past five years／the Most recent five years (Capital Expenditures + Increase in Inventory + Cash Dividends)
   (3) Cash reinvestment ratio＝(Operating Cash Flow - Cash Dividends)／(Gross Property, Plant and Equipment + Long-term Investments＋Other non-Current assets＋Working capital). (Note 5)
6. Leverage:
   (1)Operating leverage＝(Net operating revenue - Variable operating costs and expenses) / Operating income (Note 6).
   (2) Financial leverage＝Operating income / (Operating income - Interest expense).

Note 4: In calculating the formula for earnings per share above, the following should be noted:
1. Weighted average of common stocks outstanding should be used, rather than year-end issued shares.
2. For companies with cash increases or treasury stock transactions, the weighted average number of shares should be calculated taking into account their circulation period.
3. For companies with earnings or capital surplus increases, the increase ratio should be retroactively adjusted when calculating earnings per share for past years and semi-annual periods, without considering the issuance period of the increase.

4. If the preferred shares are non-convertible cumulative preferred shares, their dividends for the current year (whether paid or not) should be deducted from or added to net profit after tax. If the preferred shares are non-cumulative, in the case of net profit, the preferred share dividend should be deducted from net profit after tax; if there is a loss, no adjustment is necessary.

Note 5: When conducting cash flow analysis, the following should be noted:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refer to the cash outflows for capital investment each year.
3. The increase in inventory should only be included if the ending balance is greater than the beginning balance. If inventory decreases at the end of the year, it should be calculated as zero.
4. Cash dividends include cash dividends for both common and preferred shares.
5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before deducting accumulated depreciation.

Note 6: The issuer should categorize each operating cost and expense as fixed or variable according to its nature. If there are estimates or subjective judgments involved, their reasonableness should be noted and maintained consistently.

Note 7: For foreign companies, the ratio of paid-in capital should be calculated using the ratio of net assets.

Three. Audit Committee's Report for the Most Recent Year

Taiwan Wax Company Limited

Audit Committee's Review Report

The Board of Directors submitted 2022 Annual Business Report and the consolidated with individual financial reports, which have been audited by Benison Associated CPAs' Firm's certified public accountants, Mr. Hsin-Yuan Wang and Mr. Yi-Chih Chiu, to the Audit Committee for examination. After the completion of audit, we found no discrepancies. This report is duly submitted in accordance with Article 219 of the Company Law, we have prepared this report for your review.

Sincerely,

2023 Annual Shareholders' Meeting of Taiwan Wax Company Limited

The Audit Committee, Chairman：Zhao-Wei Pan

Date: March 21, 2023

Four. Annual Report for the Most Recent Year

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Taiwan Wax Company Limited as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Taiwan Wax Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: TAIWAN WAX COMPANY LTD.

Responsible People: JE-YIN LIN

Date: March 21, 2023

Independent Auditor's Report

Benison (2023)Ministry of Finance approved No. 27

Taiwan Wax Products Co., Ltd.:

Opinion

We have audited the consolidated balance sheets of Taiwan Wax Products Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and accompanying notes to the consolidated financial statements (including a summary of significant accounting policies) for the year ended December 31, 2022 and the period from January 1, 2021 to December 31, 2021.

In our opinion, the aforementioned consolidated financial statements are prepared in accordance with the Financial Reporting Standards for Issuers of Securities and Futures Commission, as well as the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins endorsed and issued by the Financial Supervisory Commission, and present fairly, in all material aspects, the consolidated financial position of Taiwan Wax Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021, and the consolidated financial performance and consolidated cash flows for the year ended December 31, 2022 and for the period from January 1, 2021 to December 31, 2021.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent from Taiwan Wax Co., Ltd. and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of Taiwan Wax Co., Ltd. and its subsidiaries for the year ended December31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the consolidated financial statements of Taiwan Wax Co., Ltd. and its subsidiaries for the year ended 2022 are as follows:

<u>Purchase services for aquatic products</u>

The transactions related to the purchase services for aquatic products by Taiwan Wax Co., Ltd. and its subsidiaries for the year ended 2022 had significant total cash flows, and therefore, are listed as a key audit matter for the current year.

The main audit procedures performed by the auditor include:

1. Selecting samples from the sales contract, goods receipt, invoice, and receipt vouchers in the sales revenue detailed account of the purchase services for aquatic products, and verifying them with the corresponding purchase contract, purchase order, invoice, and payment vouchers.
2. Sending confirmatory letters to major customers to confirm the accuracy of the ending accounts receivable balance.

Other Matters

The financial statements of the equity-method investee, which are accounted for using the equity method, included in the aforementioned consolidated financial statements are audited by other auditors. Therefore, the information related to the investment accounted for using the equity method and the share of comprehensive income recognized from the equity method investment, as well as related disclosure information, included in the opinion expressed in the aforementioned consolidated financial statements is based on the audit report of the other auditors. As of December 31, 2021, the investment amount in the equity-method investee was NT$340 thousand, representing 0.01% of the total consolidated assets, and the share of comprehensive loss recognized from the equity-method investee for the year 2021 was NT$279 thousand, representing (0.08)% of the total consolidated comprehensive income.

Taiwan Wax Co., Ltd. has prepared separate financial statements for the years 2022 and 2021, and the audit reports with unqualified opinions issued by the auditor are on file for reference.

Responsibilities of Management and Those Charged with Governance for the Parent

Company consolidated 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 for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to the fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated 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 Company'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 Company'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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 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.

Benison Associated CPAs' Firm

Auditor: Hsin-Yuan Wang

Auditor: Yi-Zhi Qiu

Financial Supervisory Commission
Approved-certified No.: Jin-Guan-Certificate No. 1050049513
Approved-certified No.: Jin-Guan-Certificate No. 1080339935

March 21, 2023

Taiwan Wax Company Ltd(Parent company and its subsidiaries)

CONSOLIDATED BALANCE SHEETS

December 31 of 2021 and 2022

In Thousands of New Taiwan Dollars

Code	ASSETS	31-Dec-22 Amount	%	31-Dec-21 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents(Note6(1))	$ 137,734	5	$ 93,844	4
1110	Financial assets at fair value through profit or loss (Note6(2))	36,995	1	43,868	2
1136	Financial assets at amortised cost (Note6(3))	6,000	-	-	-
1150	Notes receivable, net (Note6(4))	3,361	-	2,541	-
1170	Accounts receivable, net (Note6(4))	97,492	4	23,701	1
1200	Other receivables(Note6(4))	567,490	23	1,009,831	42
1220	Tax assests(Note6(29))	2,096	-	-	-
130X	Inventories(Note6(5))	57,014	2	125,199	5
1410	Prepayments(Note6(6))	103,453	4	118,411	5
1470	Other current assets(Note6(7))	871,494	33	275,447	11
11XX	Total current assets	1,883,129	72	1,692,842	70
	NONCURRENT ASSETS				
1518	Financial assets at fair value through other comprehensive income (Note6(8))	6,990	-	-	-
1550	Investments accounted for using equity method (Note6(10))	-	-	340	-
1600	Property, plant and equipment (Note6(11))	559,334	21	541,840	23
1755	Right-of-use asset (Note6(12))	21,868	1	19,117	1
1760	Investment Property, net (Note6(13))	132,730	5	115,927	5
1840	Deferred income tax assets(Note6(29))	3,411	-	3,362	-
1990	Other noncurrent assets(Note6(14))	17,139	1	31,985	1
15XX	Total noncurrent assets	741,472	28	712,571	30
	TOTAL	$ 2,624,601	100	$ 2,405,413	100

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Code	LIABILITIES AND EQUITY	December31,2022 Amount	%	December31,2021 Amount	%
	CURRENT LIABILITIES				
2100	Short-term loans(Note6(15))	$ 1,157,520	44	$ 707,630	29
2130	Contract liability (Note6(22))	18,851	1	19,275	1
2170	Accounts payable	143	-	546	-
2200	Other payables(Note6(16))	11,073	-	75,835	3
2230	Current tax liabilities(Note6(29))	1,890	-	4,411	-
2280	Current lease liabilities-current liabilities(Note6(12))	3,910	-	2,957	-
2320	Long term liabilities, current portion(Note6(17))	17,022	1	22,600	1
2300	Other current liabilities	299	-	365	-
21XX	Total current liabilities	1,210,708	46	833,619	34
	NONCURRENT LIABILITIES				
2540	Non-current portion of non-current borrowings(Note6(17))	102,452	4	140,633	6
2570	Deferred tax liabilities(Note6(29))	29,033	1	29,033	1
2580	Non-current lease liabilities(Note6(12))	18,116	1	16,179	1
25XX	Total non-current liabilities	149,601	6	185,845	8
	Total liabilities	1,360,309	52	1,019,464	42
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
3100	Capital stock(Note6(19))				
3110	Ordinary share	935,593	36	815,500	34
31XX	Total capital stock	935,593	36	815,500	34
3200	Capital surplus(Note6(19))				
3211	Capital surplus, additional paid-in capital arising from ordinary s	164,030	7	164,030	7
3220	Capital surplus, treasury share transactions	1,068	-	6	-
3200	Total capital surplus	165,098	7	164,036	7
3300	Retained earnings(Note6(19))				
3310	Appropriated as legal capital reserve	34,785	1	880	-
3320	Appropriated as special capital reserve	88,694	3	88,694	4
3350	Unappropriated retained earnings	45,406	2	339,051	14
33XX	Total retained earnings	168,885	6	428,625	18
3400	Other equity interest				
3410	Foreign currency translation reserve	10,756	-	5,896	-
3421	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	740	-	-	-
34XX	Total other equity interest	11,496	-	5,896	-
3500	Treasury share(Note6(19))	(16,780)	(1)	(28,108)	(1)
3XXX	Total equity	1,264,292	48	1,385,949	58
	TOTAL	$ 2,624,601	100	$ 2,405,413	100

(The attached notes are an integral part of the financial statements of this consolidated entity.)
(Please refer to the audit report of Benison Associated Certified Public Accountants Firm, dated March 21, 2023.)

Chairman: Je-Yin Lin
Manager: Chen-Hsiang Fu
Accounting Supervisor: Po-Yao Tsen

Taiwan Wax Company Ltd.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
January 1st to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars, Except Earnings P

Code		2022 Amount	2022 %	2021 Amount	2021 %
4000	NET REVENUE (Note6(22))	$ 482,012	100	$ 500,464	100
5000	COST OF REVENUE (Note6(5)、(26)及(27))	(381,296)	(79)	(404,795)	(81)
5950	GROSS PROFIT	100,716	21	95,669	19
6000	OPERATING EXPENSES (Note6(26)及(27))				
6100	Marketing	(19,071)	(4)	(15,110)	(3)
6200	General administrative	(53,243)	(11)	(52,710)	(11)
6300	Research and development	-	-	-	-
6450	Expected Credit Losses	(163,571)	(34)	(13,291)	(2)
	Total operating expenses	(235,885)	(49)	(81,111)	(16)
6900	INCOME FROM OPERATION	(135,169)	(28)	14,558	3
7000	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income	4,016	1	171	-
7010	Total other income(Note6(23))	2,272	1	11,590	2
7020	Other gains and losses, net(Note6(24))	21,580	4	(9,199)	(2)
7210	Gain (loss) on disposal of property, plant and equipment(Note6(11))	(436)	-	58,171	12
7215	Gain (loss) on disposal of investment property equipment(Note6(13))	-	-	344,315	68
7673	Impairment loss on property, plant and equipment(Note6(11))	-	-	(21,867)	(4)
7050	Finance costs, net(Note6(25))	(13,604)	(3)	(10,273)	(2)
7060	Share of profit (loss) of associates and joint ventures (Note6(10))	(15)	-	(279)	-
	Total non-operating income and expenses	13,813	3	372,629	74
7900	INCOME BEFORE INCOME TAX	(121,356)	(25)	387,187	77
7950	INCOME TAX EXPENSE(Note6(29))	(2,279)	(1)	(14,229)	(3)
8200	NET INCOME	(123,635)	(26)	372,958	74
8300	OTHER COMPREHENSIVE INCOME				
8310	Components of other comprehensive income that will not				
8316	Unrealised gains (losses) from investments in equity comprehensive income	740	-	-	-
8349	Income tax related to components of other comprehensive income	-	-	-	-
	that will not be reclassified to profit or loss	740	-	-	-
8360	Components of other comprehensive income that will be				
8361	Exchange differences on translation	4,860	2	(1,561)	-
8399	Income tax related to components of other comprehensive income	-	-	-	-
	that will be reclassified to profit or loss	4,860	2	(1,561)	-
	Other comprehensive income for the year, net	5,600	2	(1,561)	-

8500	TOTAL COMPREHENSIVE INCOME	$ (118,035)	ˇ	$ 371,397	74
	EARNINGS PER SHARE (Note6(20))				
9750	Basic earnings per share	$ (1.34)		$ 4.49	
9850	Diluted earnings per share	$ (1.34)		$ 4.48	

(The attached notes are an integral part of the financial statements of this consolidated entity.)
(Please refer to the audit report of Benison Associated Certified Public Accountants Firm, dated March 21, 2023.)

Chairman: Je-Yin Lin
Manager: Chen-Hsiang Fu
Accounting Supervisor: Po-Yao Tsen

Taiwan Wax Company Ltd.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
January 1st to December 31, 2021 and 2020

(In thousand of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent								
				Retained earnings			Others			
Code		Capital Stock	Capital surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gains (losses) on Financial assets at Fair Value Through Other Comprehensiv	Treasury stock	Total Equity
A1	BALANCE, JANURARY 1, 2021	$ 715,500	$ 107,236	$ 880	$ 88,694	$ (33,907)	$ 7,457	$ -	$ (28,108)	$ 857,752
D1	Net income for 2021	-	-	-	-	372,958	-	-	-	372,958
D3	Other comprehensive income for 2021	-	-	-	-	-	(1,561)	-	-	(1,561)
E1	Cash capital increase	100,000	56,800	-	-	-	-	-	-	156,800
Z1	BALANCE, DECEMBER 31, 2021	$ 815,500	$ 164,036	$ 880	$ 88,694	$ 339,051	$ 5,896	$ -	$ (28,108)	$ 1,385,949
A1	BALANCE, JANURARY 1, 2022	$ 815,500	$ 164,036	$ 880	$ 88,694	$ 339,051	$ 5,896	$ -	$ (28,108)	$ 1,385,949
	Appropriation and distribution of net profit for 2021									
B1	Legal reserve for retained earnings	-	-	33,905	-	(33,905)	-	-	-	-
B5	Cash dividends for common shares	-	-	-	-	(16,012)	-	-	-	(16,012)
B9	Stock dividends for common shares	120,093	-	-	-	(120,093)	-	-	-	-
D1	Net loss for 2022	-	-	-	-	(123,635)	-	-	-	(123,635)
D3	Other comprehensive income for 2022	-	-	-	-	-	4,860	740	-	5,600
N1	Transfer of treasury shares to employees	-	1,062	-	-	-	-	-	11,328	12,390
Z1	BALANCE, DECEMEBR 31, 2022	$ 935,593	$ 165,098	$ 34,785	$ 88,694	$ 45,406	$ 10,756	$ 740	$ (16,780)	$ 1,264,292

(The attached notes are an integral part of the financial statements of this consolidated entity.)
(Please refer to the audit report of Benison Associated Certified Public Accountants Firm, dated March 21, 2023.)

Chairman: Je-Yin Lin
Manager: Chen-Hsiang Fu
Accounting Supervisor: Po-Yao Tsen

Taiwan Wax Company Ltd.
CONSOLIDATED STATEMENTS OF CASH FLOW
January 1st to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ (121,356)	$ 387,187
A20010	Items of income and expense		
A20100	Depreciation expenses of property, plant, equipment, and right-of-use assets	21,333	15,482
A20300	Expected credit loss expenses	163,571	13,291
A20400	Net loss from fair value changes of financial assets and liabilities measured at fair value through profit or los	2,008	7,700
A20900	Financial costs	13,604	10,273
A21200	Interest income	(4,016)	(171)
A21300	Dividend income	(1,797)	(1,037)
A21900	Share-based payment expenses for stock options granted to employees	1,062	-
A22300	Equity in earnings or losses of associates and joint ventures accounted for using the equity method	15	279
A22500	Gain on disposal and impairment of property, plant, and equipment	436	(58,171)
A22700	Gain on disposal of investment properties	-	(344,315)
A23700	Impairment losses on non-financial assets	5,711	21,867
A23700	Inventory write-down and obsolescence losses	-	32,497
A23800	Gain on recovery of inventory write-down and obsolescence losses	(100,571)	-
A24100	Unrealized foreign exchange losses	3,603	975
A29900	Lease modification gain	(1)	-
A30000	Changes in assets and liabilities related to operating activities:		
A31130	Accounts receivable	(820)	(1,148)
A31150	Notes receivable	(73,795)	(625)
A31180	Other receivables	(105,965)	(467,926)
A31200	Inventory	168,756	(21,203)
A31230	Prepayments	14,958	82,581
A31240	Other current assets	(45,876)	(216,680)
A31250	Other financial assets	(559,087)	(2,574)
A32125	Contract liabilities	(424)	(11,227)
A32150	Accounts payable	(403)	(1,510)
A32180	Other payables	(64,668)	67,701
A32230	Other current liabilities	(66)	(952)
A33000	Cash generated from operations	(683,788)	(487,706)
A33100	Interest received	4,016	171
A33200	Dividends received	1,797	1,037
A33300	Interest paid	(13,257)	(9,977)
A33500	Income taxes paid	(6,896)	(26,151)
AAAA	Net cash outflows from operating activities	(698,128)	(522,626)

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Code		2022	2021
	CASH FLOW FROM INVESTING ACTIVITIES		
B00010	Cash inflow from acquisition of financial assets measured at fair value through other comprel	(6,250)	-
B00040	Cash inflow from acquisition of financial assets measured at amortized cost	(6,000)	-
B00100	Cash inflow from acquisition of financial assets measured at fair value through profit or loss	(665)	(14,847)
B00200	Cash outflow from disposal of financial assets measured at fair value through profit or loss	5,530	17,228
B01900	Net cash inflow from disposal of investments in associates	325	-
B02700	Cash inflow from acquisition of property, plant and equipment	(53,089)	(200,856)
B02800	Cash outflow from disposal of property, plant and equipment	381,362	15,151
B03700	Increase in deposits for guarantee	(10,180)	(803)
B03800	Decrease in deposits for guarantee	26	-
B05500	Cash inflow from proceeds from the sale of investment properties	-	100,525
B07100	Increase in prepaid equipment payments	-	(25,000)
B07200	Decrease in prepaid equipment payments	25,000	-
BBBB	Net cash inflow (outflow) from investing activities	336,059	(108,602)
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	1,723,190	1,002,196
C00200	Decrease in short-term borrowings	(1,273,300)	(830,559)
C01600	Proceeds from long-term borrowings	70,000	80,000
C01700	Repayment of long-term borrowings	(113,759)	(15,600)
C04020	Principal repayment of lease liabilities	(4,698)	(2,229)
C04500	Cash dividends paid	(16,012)	-
C04600	Cash inflow from share capital increase	-	156,800
C05000	Proceeds from disposal of treasury stock	11,328	-
CCCC	Net cash inflow from financing activities	396,749	390,608
DDDD	Impact of exchange rate changes on cash and cash equivalents	9,210	(2,050)
EEEE	Increase (decrease) in cash and cash equivalents	43,890	(242,670)
E00100	Cash and cash equivalents at the beginning of the year	93,844	336,514
E00200	Cash and cash equivalents at the end of the year	$ 137,734	$ 93,844

(The attached notes are an integral part of the financial statements of this consolidated entity.)
(Please refer to the audit report of Benison Associated Certified Public Accountants Firm, dated March 21, 2023.)

Chairman: Je-Yin Lin
Manager: Chen-Hsiang Fu
Accounting Supervisor: Po-Yao Tsen

Taiwan Wax Company Limited and Subsidiaries
Notes to the Consolidated Financial Statements
January 1 to December 31, 2022 and 2021
(All amounts are in New Taiwan dollars thousands unless otherwise indicated)

I. Company History:

1. Taiwan Wax Company Limited (hereinafter referred to as the Company) was established on August 24, 1987 in accordance with the R.O.C. Company Law and other related laws and regulations, and is mainly engaged in the manufacture, trading, import and export of various wax raw materials and finished products, trading of optoelectronic equipment, trading of aquatic products and provision of brokerage services.
2. The Company's shares were approved by the competent authorities for trading on the ROC Over-the-Counter Securities Exchange in May 2004 .
3. The consolidated financial statements are expressed in New Taiwan dollars, the functional currency of the Company.

II. Date and procedure for approval of financial statements:

The consolidated financial statements were approved by the Board of Directors on March 21, 2023.

III. Application of newly issued and revised standards and interpretations:

1. First-time application of International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) ("IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and issued into effect

   The application of the revised IFRSs approved by the FSC and issued into effect will not result in significant changes in the accounting policies of the Consolidated Company.
2. IFRSs approved by the FSC applicable in 2023

New Releases / Amendments / Revised Criteria and Interpretations	IASB Effective date of publication
Amendment to IAS 1 "Disclosure of Accounting Policies	January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates	January 1, 2023 (Note 2)
Amendment to IAS 12, "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 3)

Note 1: This amendment applies to annual reporting periods beginning after January 1, 2023.

Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in annual reporting periods beginning after January 1, 2023.

Note 3: The amendment applies to transactions occurring after January 1, 2022, except for the recognition of deferred income taxes on temporary differences between leases and ex-service obligations as of January 1, 2022.

As of the date of adoption of this consolidated financial statements, the amendments to the Consolidated Company's assessment of other criteria and interpretations will not have a material impact on the financial position and financial performance.

3. IFRSs issued by the IASB but not yet endorsed by the FSC and issued into effect

New Releases / Amendments / Revised Criteria and Interpretations	IASB Effective date of issuance (Note 1)
Amendments to IFRS 10 and IAS 28 "Disposal of or Contribution to Assets between an Investor and its Affiliates or Joint Ventures"	Undecided
IFRS 16 amendment "Lease liabilities in sale-and-leasebacks"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts" "Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
Amendment to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024
Amendment to IAS 1, "Non-current liabilities with contractual provisions	January 1, 2024

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual periods beginning after the respective dates.

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

As of the date of adoption of this consolidated financial statements, the Consolidated Company is still evaluating the impact of the amendments to other standards and interpretations on its financial position and financial performance.

IV. Summary of significant accounting policies:

1. Statement of Compliance:

The consolidated financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the relevant laws and regulations, and the IFRSs approved and issued by the FSC, which are in effect.

2. Basis of compilation:

1.The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments carried at fair value.

2.Fair value measurements are classified into Levels 1 to 3 based on the degree of observability and significance of the relevant inputs:

(1)Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities available at the measurement date.

(2)Level 2 inputs: Inputs other than those quoted in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(3)Level 3 inputs: Unobservable inputs of assets or liabilities.

3. Classification of current and non-current assets and liabilities
   1. Current assets include:
      (1)Assets held primarily for trading purposes;
      (2)assets expected to be realized within 12 months of the balance sheet date; and
      (3)Cash and cash equivalents (other than those restricted from being exchanged or settled more than 12 months after the balance sheet date).
   2. Current liabilities include:
      (1) Liabilities held primarily for trading purposes;
      (2) Liabilities due for settlement within 12 months of the balance sheet date, and
      (3) Liabilities that cannot be unconditionally deferred until at least 12 months after the balance sheet date.
4. Items not included in the above current assets or current liabilities are classified as non-current assets or non-current liabilities. Merger Basis
   1.Principles for the Preparation of Consolidated Reports
   The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The financial statements of the subsidiaries have been adjusted to conform to the accounting policies of the Consolidated Company. In preparing the consolidated financial statements, all inter-entity transactions, account balances, gains and losses have been eliminated. The total consolidated profit or loss of the subsidiaries is attributed to the Company's owners and noncontrolling interests, even if the noncontrolling interests become deficit balances as a result.
   When the change in the Consolidated Company's ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The carrying amounts of the Consolidated Company's and noncontrolling interests are adjusted to reflect the change in their relative interests in the subsidiaries. The difference between the adjusted amount of the noncontrolling interest and the fair value of the consideration paid or received is recognized directly in equity and vested in the owners of the Company.
   2.For details of subsidiaries, shareholdings and operating items, please refer to Note 6(9) and Schedules (5) and (6).
5. Foreign Currency
   1.When each entity prepares financial statements, transactions in currencies other than the individual functional currency (foreign currency) are recorded in the functional currency at the exchange rate on the transaction date.
   2.Monetary items denominated in foreign currencies are translated at the closing rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they occur.
   3.Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss for the current period, except for those arising from changes in fair value recognized in other comprehensive income.
   4.Non-monetary items denominated in foreign currencies and measured at historical cost are translated at the exchange rates prevailing on the dates of transactions and are not retranslated.
   5.In preparing the consolidated financial statements, the assets and liabilities of foreign operations (including those of subsidiaries operating in countries or currencies different from those of the Company) are translated into New Taiwan dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at the average exchange rate for the period, and the resulting exchange differences are included in other comprehensive income.

6. Inventory

Inventories include merchandise, raw materials, supplies, finished goods and work-in-process. Inventories are measured at the lower of cost or net realizable value. Comparisons of cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

7. Investment in affiliated companies

1. A related party is an entity over which the Consolidated Company has significant influence, but which is not a subsidiary or joint venture.
2. The Consolidated Company applies the equity method to its investment in affiliated companies.
3. Under the equity method, investments in affiliated companies are initially recognized at cost, and the carrying amount of the investment is adjusted for any subsequent increase or decrease in the Consolidated Company's share of the profit or loss of the affiliated companies and other comprehensive income or loss and profit distribution. In addition, changes in equity in affiliated companies are recognized in proportion to the Consolidated Company's ownership interest.
4. The Consolidated Company ceases to recognize further losses when the Consolidated Company's share of losses in an affiliate equals or exceeds its interest in the affiliate (including the carrying amount of its investment in the affiliate under the equity method and other long-term interests that are in substance a component of the Consolidated Company's net investment in the affiliate). The Consolidated Company recognizes additional losses and liabilities only to the extent that legal obligations, constructive obligations or payments have been made on behalf of the affiliated companies.
5. In assessing impairment, the Consolidated Company performs an impairment test by comparing the recoverable amount of an investment to its carrying amount as a whole as a single asset. The impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of the impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.
6. When the Consolidated Company ceases to use the equity method from the date its investment ceases to be an associate, its retained interest in the former associate is measured at fair value, and the difference between such fair value and the disposal price and the carrying amount of the investment at the date the equity method ceases to be used is recognized in profit or loss for the current period. In addition, all amounts recognized in other comprehensive income or loss related to the associated enterprise are accounted for on the same basis as if the associated enterprise had directly disposed of the related assets or liabilities.
7. Gains or losses resulting from counter-current, downstream and side-stream transactions between the Consolidated Company and its affiliates are recognized in the consolidated financial statements only to the extent that they are not related to the Consolidated Company's interest in the affiliates.

8. Property, plant and equipment

1. Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.
2. Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Costs include fees for professional services and borrowing costs that qualify for capitalization. Upon completion and attainment of their intended use, these assets are classified into the appropriate categories of property, plant and equipment and depreciation is commenced.

3. Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. If the lease term is shorter than the useful life, depreciation is provided over the lease term. The Consolidated Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each and defers the effect of changes in applicable accounting estimates.
4. When property, plant and equipment are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss.

9. Investment real estate
   1. Investment real estate is real estate held to earn rentals or for capital appreciation or both. Investment real estate also includes land held for future use that is currently undetermined.
   2. Investment property owned by the Company is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on a straight-line basis.
   3. When investment property is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.
10. Impairment of property, plant and equipment, right-of-use assets, investment property and contract cost-related assets
    1. The Consolidated Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and investment property may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to individual cash-generating units on a reasonably consistent basis.
    2. Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment.
    3. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.
    4. An impairment loss is recognized for inventories, property, plant and equipment and intangible assets recognized under customer contracts in accordance with the inventory impairment rules and the above provisions. The carrying amount of the assets related to contract costs is included in the respective cash-generating unit for the purpose of assessing the impairment of the cash-generating unit.
    5. When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined had the impairment loss not been recognized in prior years for the asset, cash-generating unit or contract cost-related asset. Reversals of impairment losses are recognized in profit or loss.
11. Financial Instruments
    1. Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Consolidated Company becomes a party to the contractual provisions of the instrument.

2. When financial assets and financial liabilities are recognized at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1) Financial Assets

Regular transactions of financial assets are recognized and derecognized using trade date accounting.

A. Type of measurement

The types of financial assets held by the Consolidated Company are financial assets measured at fair value through profit or loss and financial assets measured at amortized cost.

a. Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets that are mandatorily measured at fair value through profit or loss. Financial assets that are mandatorily measured at fair value through profit or loss include investments in equity instruments that are not designated by the Consolidated Company as being measured at fair value through other comprehensive income or loss and investments in debt instruments that do not qualify for classification as being measured at amortized cost or at fair value through other comprehensive income or loss.

Financial assets carried at fair value through profit or loss are measured at fair value, and gains or losses arising from their remeasurement (excluding any dividends or interest arising from the financial assets) are recognized in profit or loss. For the determination of fair value, please refer to Note 6(31).

b. Financial assets measured at amortized cost

The Consolidated Company's investment financial assets are classified as financial assets carried at amortized cost if both of the following conditions are met:

(a) are held under an operating model whose objective is to hold financial assets to collect contractual cash flows; and

(b) The terms of the contracts give rise to cash flows on specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets carried at amortized cost (including cash and cash equivalents, time deposits with original maturities of more than three months, accounts receivable at amortized cost, other financial assets and refundable deposits) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss.

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

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

(b) Interest income is computed by multiplying the effective interest rate by the amortized cost of the financial asset for financial assets that are not acquired or created as credit impairment but subsequently become credit impaired.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible to fixed deposits with minimal risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

B.Impairment of financial assets

The Consolidated Company assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost based on expected credit losses at each balance sheet date.

An allowance for loss is recognized for accounts receivable on the basis of expected credit losses over the period of time. If there is no significant increase in credit risk, an allowance for loss is recognized on the basis of expected credit losses over 12 months, and if there is a significant increase, an allowance for loss is recognized on the basis of expected credit losses over the remaining period.

Expected credit losses are the weighted-average credit losses weighted by the risk of default. 12-month expected credit losses represent expected credit losses arising from possible defaults within 12 months after the reporting date of the instrument, and expected credit losses over the life of the instrument represent expected credit losses arising from all possible defaults during the expected life of the instrument.

For internal credit risk management purposes, the Consolidated Company determines, without regard to the collateral held, that a default on a financial asset has occurred in the following circumstances:

a.There is internal or external information indicating that the debtor is unlikely to be able to pay its debts.

b.The Company's financial assets are overdue for more than 90 days unless there is reasonable and supportable information indicating that a delayed default basis is more appropriate. The carrying amount of all financial assets is reduced by an allowance account for impairment losses.

C.Exclusion of financial assets

The Consolidated Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets lapse or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

The difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss when the financial asset is derecognized as a whole at amortized cost.

(2)Equity Tools

Debt and equity instruments issued by the Consolidated Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Consolidated Company are recognized at the acquisition price less direct issue costs.

Retirement of the Company's own equity instruments is recognized and derecognized under equity. The purchase, sale, issuance or cancellation of the Company's own equity instruments is not recognized in profit or loss.

(3)Financial liabilities

A.Subsequent measurement

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

B.Exclusion of financial liabilities

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

12. Revenue Recognition

The Consolidated Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

1.Merchandise sales revenue

Revenue from sales of merchandise is derived from sales of aquatic products, optoelectronic equipment and various finished wax products. The Consolidated Company recognizes revenue and accounts receivable at the point of sale because the customer has the right to set the price and use the merchandise and has the primary responsibility to re-sell the merchandise and bears the risk of obsolescence when the merchandise meets the agreed-upon model, such as the point of shipment and destination delivery. The Consolidated Company recognizes revenue and accounts receivable at that point in time. Merchandise is sold at a fixed price under a contract.

2.Labor income

Labor income is derived from services provided on behalf of the Consolidated Company, and the related income is recognized when the services are provided. The Consolidated Company provides purchase services as an agent and recognizes net income when control of the goods is transferred to the customer and there is no subsequent obligation.

13. Leasing

The Consolidated Company assesses whether a contract is (or contains) a lease at the contract inception date.

1.Consolidated company as lessor

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

Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the term of the relevant lease. The original direct costs incurred in acquiring an operating lease are added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease term.

2.Consolidated company as lessee

Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value underlying assets to which the recognition exemption applies and short-term leases, for which lease payments are recognized as expenses on a straight-line basis over the lease term.

Right-of-use assets are measured initially at cost (including the original measurement of the lease liability, lease payments made prior to the lease commencement date less lease incentives received, original direct cost and estimated cost of restoration of the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

Lease obligations are measured initially at the present value of the lease payments. If the interest rate implied by the lease is readily determinable, lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If a change in the lease term results in a change in future lease payments, the Consolidated Company remeasures the lease liability and adjusts the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

14. Borrowing Costs

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

2.Investment income earned on specific borrowings that are temporarily invested prior to the incurrence of qualifying capital expenditures is deducted from the cost of borrowings that qualify for capitalization.

3.Except for the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

15. Employee Benefits

1.Short-term Employee Benefits

Short-term employee benefit-related liabilities are measured at the non-discounted amount expected to be paid in exchange for employee services.

2.Post-employment benefits

The defined contribution pension plan is an expense that recognizes the amount of pension benefits to be contributed during the employees' service period.

16. Income Tax

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

1.Current income tax

(1)The Consolidated Company determines the current income (loss) in accordance with the regulations of each income tax filing jurisdiction and calculates the income tax payable (recoverable) accordingly.

(2)The income tax on undistributed earnings calculated in accordance with the ROC Income Tax Act is recorded as income tax expense in the when the shareholders resolve to retain the earnings.

(3)Adjustments to prior years' income tax payable are included in the current period's income tax.

2.Deferred income tax

(1)Deferred income tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income. Deferred income tax assets and liabilities are not recognized for temporary differences arising from the initial recognition of assets and liabilities that are not part of a business combination that affects neither taxable income nor accounting profit.

(2)Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the temporary differences and loss carryforwards can be utilized.

(3)Deferred income tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries, except where the Consolidated Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and the temporary differences are expected to reverse in the foreseeable future.

(4)The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the assets. The carrying amount of deferred income tax assets not previously recognized as deferred income tax assets is reviewed at each balance sheet date and increased to the extent that it is more likely than not that sufficient taxable income will be available to allow recovery of all or part of the assets.

(5)Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3.Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

V. Significant accounting judgments, estimates and key sources of assumption uncertainty:

In adopting accounting policies, the Consolidated Company's management is required to make judgments, estimates and assumptions that are based on historical experience and other relevant factors where relevant information is not readily available from other sources. Actual results may differ from those estimates.

The Consolidated Company considers the economic impact of the novel coronavirus pneumonia outbreak as a significant accounting estimate, and management reviews the estimates and underlying assumptions on an ongoing basis. If a revision of an estimate affects only the current period, it is recognized in the period in which it is revised; if a revision of an accounting estimate affects both the current and future periods, it is recognized in the period in which it is revised and in the future period.

Key sources of estimation and assumption uncertainty

1. Income Tax

Please refer to Note 6(29) for the deductible temporary differences and unused loss carryforwards of deferred income tax assets not recognized in the Consolidated Company's balance sheet. The realizability of deferred tax assets depends on whether it is probable that sufficient future profits will be realized or taxable temporary differences will be realized.

2. Impairment assessment of inventories

Net realizable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to complete and estimated costs to complete the sale, which are based on current market conditions and historical sales experience of similar products.

VI. Description of significant accounting items

(1) Cash and cash equivalents

Project	December 31, 2022	December 31, 2021
Cash in hand	$ 534	$ 645
Demand Deposit and Checking Deposit	64,567	93,199
Cash equivalents (time deposits within 3 months from the original maturity date)	72,633	--
	$ 137,734	$ 93,844

(2) Financial assets at fair value through profit or loss - current

Project	December 31, 2022	December 31, 2021
Mandatory measurement through profit or loss at fair value		
Non-derivative financial assets		
-Domestic listed (over-the-counter) company shares	$ 36,995	$ 43,868

(3) Financial assets measured at amortized cost - current

1. The breakdown is as follows:

Project	December 31, 2022	December 31, 2021
Time deposits with original maturity of more than 3 months	$6,000	$ --

2. For information on credit risk management and impairment assessment related to financial assets measured at amortized cost, please refer to the accompanying financial statements VI (Trinity).

(4) Notes receivable, accounts receivable and other receivables

1.The breakdown is as follows:

Project	December 31, 2022	December 31, 2021
Notes Receivable		
Measured by post-amortized cost		
Total Carrying Cost	$ 3,361	$ 2,541
Less: Allowance for losses	--	--
	$ 3,361	$ 2,541
Occurred as a result of business	$ 3,361	$ 2,541

Project	December 31, 2022	December 31, 2021
Accounts receivable		
Measured by post-amortized cost		
Total carrying amount	$ 97,664	$ 23,873
Less: Allowance for losses	(172)	(172)
	$ 97,492	$ 23,701
Other receivables		
Receivables for purchase services	$ 744,181	$ 631,160
Less: Allowance for losses	(176,882)	(13,446)
	567,299	617,714
Disposal of immovable property value	--	379,933
Other	191	12,184
	$ 567,490	$ 1,009,831

2.Accounts receivable and accounts receivable for purchase services

The average credit period for the Consolidated Company's merchandise sales is 30 to 180 days at the end of each month, and the receivables are non-interest-bearing. The Consolidated Company's policy is to deal only with customers whose credit ratings meet the Company's requirements and to obtain adequate guarantees, if necessary, to mitigate the risk of financial loss due to default. Credit rating information is obtained from publicly available financial information and historical transaction records for key customers. The Consolidated Company continuously monitors credit risk and counterparty credit ratings, and spreads the total transaction amount among different customers with qualified credit ratings, and reviews and approves counterparty credit limits annually to manage credit risk.

To mitigate credit risk, the Consolidated Company's president is responsible for the credit limit determination and credit approval process. In addition, the Consolidated Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk has been significantly reduced.

The Consolidated Company recognizes an allowance for losses on receivables based on expected credit losses over the life of the receivables. The expected credit losses over the period of continuation are calculated using an allowance matrix, which takes into account the customer's past default history, current financial condition and the economic conditions of the industry. Prior to 2021, since the Consolidated Company's credit loss history showed no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only sets the expected credit loss rate based on the number of days the receivables are past due. However, in 2022, because some customer groups are located in areas with severe outbreaks of novel coronavirus pneumonia, the loss patterns of these customer groups are different from those of other customer groups, so the Consolidated Company applies different provisioning matrices to these customer groups and sets the expected credit loss rates taking into account the economic conditions of the regions and the financial status of the customer groups.

If there is evidence that the counter-party is in serious financial difficulty and the Consolidated Company cannot reasonably expect to recover the amount, the Consolidated Company directly eliminates the related receivables but continues the recovery activities, and the amount recovered from the recovery is recognized in profit or loss.

The Consolidated Company measured the allowance for losses on receivables based on the reserve matrix as follows:

December 31, 2022

	Not overdue	Overdue 1～30 days	Overdue 31～60 days	61 to 90 days past due	Over 90 days past due	Individual Recognition	Total
Expected credit loss ratio	--	--	--	--	100%	47%	--
Total carrying amount	$ 464,704	$ 626	$ --	$	$ 172	$ 376,343	$ 841,845
Allowance for losses (expected credit losses over the life of the Company)	--	--	--	--	(172)	(176,882)	(177,054)
Cost after amortization	$ 464,704	$ 626	$ --	$ --	$ --	$ 199,461	$ 664,791

December 31, 2021

	Not overdue	1 to 30 days overdue	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
Expected credit loss ratio	0.36%	6%	--	--	100%	--
Total carrying amount	$ 545,324	$ 83,504	$ 26,033	$ -	$ 172	$ 655,033
Allowance for losses (expected credit losses over the life of the Company)	(1,960)	(4,994)	(6,492)	--	(172)	(13,618)
Cost after amortization	$ 543,364	$ 78,510	$ 19,541	$ --	$ --	$ 641,415

Information on the changes in the allowance for losses on accounts receivable is as follows

	2022	2021
Balance at the beginning of the year	$ 13,618	$ 318
Add: Impairment loss for the year	163,571	13,291
Less: Actual elimination for the year	--	--
Exchange rate impact number	(135)	9
Year-end balance	$ 177,054	$ 13,618

(5) Net Inventory

1.The breakdown is as follows:

Project	December 31, 2022	December 31, 2021
Merchandise Inventory	$ 32,748	$ 19,667
Finished products	19,997	105,311
Materials	386	221
Inventory in transit	3,883	--
	$ 57,014	$ 125,199

2.The nature of cost of goods sold is as follows

	2022	2021
Cost of inventories sold	$ 466,130	$ 355,880
Loss on decline in value of inventories and doubtful (reversal of gain)	(100,571)	32,497
Solar Leasing Costs	15,737	16,026
Other	--	392
	$ 381,296	$ 404,795

The increase in net realizable value of inventories in fiscal 2022 was due to the elimination of inventories for which an allowance for impairment loss had been recorded.

(6) Prepayments

Project	December 31, 2022	December 31, 2021
Prepaid Fees	$ 1,601	$ 1,095
Supplies Inventory	3,139	3,149
Prepayment	88,144	105,115
Retained tax credit	10,569	9,042
Other	--	10
	$ 103,453	$ 118,411

(7) Other current assets

1.The breakdown is as follows:

Project	December 31, 2022	December 31, 2021
Temporary Payment	$ 312,537	$ 272,372
Other Financial Assets	558,956	3,074
Other	1	1
	$ 871,494	$ 275,447

2.The above provisional payments were mainly for payments made on behalf of purchases.

3.The other financial assets mentioned above are set up as a reserve for borrowing, please refer to Note 8.

(8) Investments in equity instruments measured at fair value through other comprehensive income or loss - non-current

1. The breakdown is as follows:

	December 31, 2022	December 31, 2021
Private placement of stocks by listed companies		
Private Placement of Common Stock by Wajin Electronics Co.	$ 6,990	$--

2. In January 2022, the Consolidated Company subscribed 1,000,000 shares of private placement common stock of WSP at NT$6.25 per share for NT$6,250 thousand with a 3-lock-up period. The Consolidated Company invests in the private placement of common shares of the listed company for medium- and long-term strategic purposes and expects to make profits through long-term investments. The management of the Consolidated Company considers that it is inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and therefore chooses to designate these investments as measured at fair value through other comprehensive income.

(9) Subsidiaries

The principal components of the consolidated financial statements are as follows:

Name of Investment Company	Subsidiary Name	Business Nature	Percentage of shareholding		Description
			December 31, 2022	December 31, 2021	
Our Company	TAI-WAX HOLDING CO., LTD.	Formulated waxes and creative products sales	100%	100%	2
Our Company	TAI-WAX (THAILAND) CO.	Formulated waxes and creative products sales	100%	100%	1, 2
Our Company	GUAN DA GREEN ENERGY CO., LTD	Sales and installation of solar energy equipment	100%	100%	3
Our Company	Gong Che Yan Fresh Seafood Co., LTD..	Sales of aquatic and agricultural products	100%	100%	4
Our Company	Jinghai Marine Products (Shanghai) Co.	Sales of aquatic products	100%	100%	5
TAI-WAX HOLDING CO., LTD.	Panxing Trading (Shanghai) Co.	Formulated waxes and creative products sales	100%	100%	2

1.The Consolidated Company was dissolved and liquidated by resolution of the Board of Directors on December 27, 2016.

2.As of December 31, 2022, and December 31, 2021, the non-significant subsidiaries accounted for 0% of the total assets and 0% of the consolidated operating revenue. Although their financial reports were not audited by an accountant, the management of the consolidated company believes that the audit by an accountant would not result in significant differences in the financial reports of the aforementioned non-significant subsidiaries.

3.In July 2018, the Consolidated Company invested and established TPV Green Energy Services Co.

4.In September 2019, the Consolidated Company invested and established Gong Cheol Yeon Fresh Water Products Co.

5.The consolidated company invested in the establishment of Jinghai Seafood (Shanghai) Co., Ltd. in November 2020, holding a 100% ownership stake. The company is engaged in the seafood sales business.

(10) Investments accounted for using the equity method

1.The Consolidated Company's investments in affiliated companies using the equity method are as follows

	December 31, 2022	December 31, 2021
Kingfa International Co.	$ --	$ 340

	Percentage of shareholding	
	December 31, 2022	December 31, 2021
Kingfa International Co.	$ --%	$ 40.28%

2.The Consolidated Company assesses that there are no individual material affiliates. Please refer to the consolidated statement of income for the share of profit or loss of individual immaterial affiliates and the consolidated statement of income for the share of profit or loss of individual immaterial affiliates.

3.For the nature of business of the above affiliated companies, their principal places of business, and the country information of their registration, please refer to the table "Information on investee companies, locations...and other related information".

4.The equity method investments and the Consolidated Company's share of profit or loss and other comprehensive income or loss are recognized on the basis of the financial statements of the affiliated companies for the same period, which have not been audited by other accountants.

5.The above affiliated companies were dissolved on February 15, 2022 with the approval of the competent authorities.

(11) Property, plant and equipment

	December 31, 2022	December 31, 2021
Self-use	$ 362,453	$ 335,969
Business Leasing	196,881	205,871
	$ 559,334	$ 541,840

1.Self-use

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
Cost:						
January 1, 2022	$ 315,291	$ 69,112	$ 841,756	$ 43,769	$ --	$ 1,269,928
Adding	--	--	--	333	47,839	48,172
Discipline	--	--	--	(2,879)	--	(2,879)
Transferred to investment real estate	(16,803)	--	--	--	--	(16,803)
Net exchange difference	--	--	--	104	--	104
December 31, 2022	$ 298,488	$ 69,112	$ 841,756	$ 41,327	$ 47,839	$ 1,298,522

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
Accumulated depreciation and impairment:						
January 1, 2022	$ --	$ 54,760	$ 841,325	$ 37,874	$ --	$ 933,959
Depreciation	--	1,316	195	1,518	--	3,029

Discipline	--	--	--	(1,014)	--	(1,014)
Net exchange difference	--	--	--	95	--	95
December 31, 2022	$ --	$ 56,076	$ 841,520	$ 38,473	$ --	$ 936,069
December 31, 2022 net	$ 298,488	$ 13,036	$ 236	$ 2,854	$ 47,839	$ 362,453

	Land	House and Building	Machinery and Equipment	Other Equipment	Total
Cost:					
January 1, 2021	$251,933	$ 69,2023	$ 841,756	$ 44,263	$ 1,207,064
Adding	68,660	--	--	1,208	69,868
Discipline	(12,802)	--	--	(1,591)	(14,393)
Reclassification	7,500	--	--	--	7,500
Net exchange difference	--	--	--	(2022)	(2022)
December 31, 2021	$315,291	$ 69,2023	$ 841,756	$ 43,769	$ 1,269,928

	Land	House and Building	Machinery and Equipment	Other Equipment	Total
Accumulated depreciation and impairment:					
January 1, 2021	$--	$ 53,402	$ 841,130	$ 37,105	$ 931,637
Depreciation	--	1,358	195	1,725	3,278
Discipline	--	--	--	(845)	(845)
Net exchange difference	--	--	--	(2022)	(2022)
December 31, 2021	$--	$ 54,760	$ 841,325	$ 37,874	$ 933,959
December 31, 2021 net	$315,291	$ 14,352	$ 431	$ 5,895	$ 335,969

2.Business Leasing

	Rental Assets
Cost:	
Balance on January 1, 2022	$ 246,126
Adding	4,476
Balance on December 31, 2022	$ 250,602
Accumulated depreciation and impairment:	
Balance on January 1, 2022	$ 40,255
Depreciation	13,466
Balance on December 31, 2022	$ 53,721
December 31, 2022 net	$ 196,881

	Rental Assets
Cost:	
Balance on January 1, 2021	$ 74,961
Adding	132,324
Reclassification	38,841
Balance on December 31, 2021	$ 246,126
Accumulated depreciation and impairment:	
Balance on January 1, 2021	$ 8,433
Impairment loss	21,867
Depreciation	9,955
Balance on December 31, 2021	$ 40,255
December 31, 2021 net	$ 205,871

3.In July 2021, the Consolidated Company entered into a contract with an unrelated party to sell part of Lot 839, Minong Section, Minxiong Township, Chiayi County, for a total consideration of $70,864 thousand, and completed the transfer of the land in December 2021 with a disposition benefit of $58,062 thousand.

4.In July 2021, the Consolidated Company sold part of Lot 838 and all of Lots 846 and 847 in Minong Section, Minxiong Township, ChiaYi County, which resulted in a decrease in future cash flows due to the inability to continue to use the solar power generation equipment built on the land, and therefore recognized an impairment loss of $21,867 thousand.

5.Depreciation expense is provided on a straight-line basis over the following years:

Buildings	
Factory main building	35 to 55 years
Auxiliary Equipment	5 years to 25 years
Machinery and Equipment	3 years to 20 years
Rental Assets	18 to 20 years
Other Equipment	3 years to 10 years

6.The consolidated company has signed a power purchase agreement for solar power generation with Taiwan Power Company (Taipower). According to the agreement, starting from the interconnection date of both systems, all electricity generated by the consolidated company's power generation system will be sold to Taipower. The contract period is 20 years, and it is accounted for as an operating lease in accordance with IFRIC 4 "Determining Whether an Arrangement Contains a Lease" and IFRS 16 "Leases". The rental payment is calculated based on the actual electricity generated and the publicly announced feed-in tariff by the regulatory authority. Therefore, there are no future minimum lease payments that are non-cancellable.

7.Please refer to Note 8 for the amount of property, plant and equipment leased under self-use and operating leases that are pledged as collateral for loans.

(12) Lease Agreement

1.Right-of-use assets

Project	December 31, 2022	December 31, 2021
Carrying amount of right-to-use assets		
Buildings	$ 333	$ 1,394
Transportation Equipment	5,527	1,764
Other Equipment	16,008	15,959
	$ 21,868	$ 19,117

Project	2022	2021
Increase in the use of right assets	$ 7,694	$ 20,925
Depreciation expense on right-of-use assets		
Buildings	$ 1,567	$ 1,515
Transportation Equipment	2,332	734
Other Equipment	939	--
	$ 4,838	$ 2,249

2.Leasing Liabilities

Project	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Mobile	$ 3,910	$ 2,957
Non-mobile	$ 18,116	$ 16,179

The discount rate range for lease liabilities is as follows:

Project	December 31, 2022	December 31, 2021
Buildings	1.45%	1.45%
Transportation Equipment	1.33%, 1.45%	1.45%
Other Equipment	1.45%	1.45%

3.Other Leasing Information

(1)Please refer to Notes 6(11) and (13) for the agreements to lease the Consolidated Company's own property, plant and equipment and investment property under operating leases.

(2)Other Leasing Information

Project	2022	2021
Short-term lease and low-value asset lease charges	$ 689	$ 1,026
Total cash (outflow) from leases	$ 5,738	$ 3,310

The Consolidated Company elected to apply a recognition exemption to certain equipment leases that qualify as low-value asset leases and did not recognize the related right-of-use assets and lease liabilities for these leases.

(13) Net investment property

1.The breakdown is as follows:

	Land
Cost:	
Balance on January 1, 2022	$ 115,927
Transfer of property, plant and equipment for own use	16,803
Balance on December 31, 2022	$ 132,730
Accumulated depreciation and impairment:	
Balance on January 1, 2022	$ --
Depreciation	--
Balance on December 31, 2022	$ --
December 31, 2022 net	$ 132,730

	Land
Cost:	
Balance on January 1, 2021	$ 195,502
Add	--
Discipline	(79,575)
Balance on December 31, 2021	$ 115,927
Accumulated depreciation and	

impairment:	
Balance on January 1, 2021	$ --
Depreciation	--
Balance on December 31, 2021	$ --
December 31, 2021 net	$ 115,927

2.The fair value of investment properties has not been evaluated by independent appraisers and was only evaluated by the management of the Consolidated Company with reference to market evidence of similar real estate transaction prices, and the fair values obtained from the evaluation were $603,492 thousand and $508,611 thousand as of December 31, 2022 and 2021, respectively.

3.For the amount of investment property pledged as collaterals for loans, please refer to Note 8.

4.The Consolidated Company leases a portion of land in Minxiong Township, Chiayi County to an outside vendor for the construction of a solar power generation system under an operating lease for a period of 20 years from the date of commercial operation of the system to the end of the lease term. In February 2021, the Consolidated Company purchased the solar power generation system from the external vendor, and the external vendor signed a contract with Taiwan Power Company Limited (TEPCO) for the purchase and sale of the solar power generation system, and the electricity generated from the Consolidated Company's generation system was billed to TEPCO for a period of 18 years.

5.In June and July 2021, the Consolidated Company entered into contracts with unrelated parties to sell part of Lot 838 and all of Lots 846 and 847 in Min Gong Section, Min Hsiung Township, Chiayi County for a total consideration of $423,890 thousand, respectively, and to transfer the land in December 2021, with a gain of $334,315 thousand.

(14) Other non-current assets

Project	December 31, 2022	December 31, 2021
Prepayment of equipment	--	25,000
Deposit Guarantee	$ 14,235	$ 4,081
Other	2,904	2,904
	$ 17,139	$ 31,985

(15) Short-term borrowings

1.The breakdown is as follows:

Project	December 31, 2022	December 31, 2021
Guaranteed Loans	$ 1,157,520	$ 707,630
Interest Rate Range	1.51~2.22%	0.82% to 2.00%

2.Please refer to Note 8 for the guarantees provided by the Consolidated Company.

(16) Other payables

Project	December 31, 2022	December 31, 2021
Payroll	$ 3,032	$ 4,329
Compensation to employees	74	3,550
Remuneration to directors and supervisors	--	7,100
Other expenses payable	7,072	12,198
Equipment Payables	895	1,336
Amounts due to purchasers	--	47,322
	$ 11,073	$ 75,835

(17) Long-term loans

1.The breakdown is as follows:

Project	December 31, 2022	December 31, 2021
Guaranteed Loans	$ 119,474	$ 163,233
Less: Classified as part due within 1 year	(17,022)	(22,600)
Long-term loans	$ 102,452	$ 140,633

2.The Consolidated Company obtained a newly appropriated bank loan of $60,000 thousand in 2008, with interest rates of 1.98% and 1.60% as of December 31, 2022 and 2021, respectively, to be repaid in five years with monthly principal repayments of $350 thousand and the balance due in one lump sum. In accordance with the loan agreement, the Consolidated Company's right to enter into a contract with Taipower for the purchase and sale of solar power generation system and the Consolidated Company's solar power equipment (recorded as rental assets) are pledged to the borrowing bank, please refer to Note 8.

3.The Consolidated Company obtained new bank loans amounting to $50,000 thousand in 2020, with interest rates of 2.03% and 1.50% as of December 31, 2022 and 2021, respectively, repayable in five years with monthly principal repayments of $833 thousand. In accordance with the loan agreement, the Consolidated Company's property, plant and equipment leased for its own use and under operating leases are pledged to the borrowing banks, as described in Note 8.

4.The Consolidated Company obtained a bank loan of $80,000 thousand in fiscal 2021 with an interest rate of 1.75% as of December 31, 2021, repayable in 12 years with monthly principal repayment of $700 thousand. The Consolidated Company repaid the loan early in August 2022 due to capital allocation and interest rate considerations.

5.As of December 31, 2022, the Consolidated Company obtained a new bank loan of $50,000 thousand with an interest rate of 2.075%, repayable in 15 years with monthly principal and interest of $318 thousand. In accordance with the loan agreement, the Consolidated Company's solar power equipment (recorded as rental assets) is pledged to the borrowing bank, see Note 8.

(18) Post-employment benefit plans

The pension system under the Labor Pension Act, which is administered by the government, is a defined contribution pension plan under which the Company and its domestic subsidiaries contribute 6% of employees' monthly salaries to the individual accounts of the Bureau of Labor Insurance.

The foreign subsidiaries of the Consolidated Company are also appropriated and paid to the relevant legal authorities for management in accordance with the local laws and regulations.

(19) Rights and Benefits

1.Ordinary shares (Unit: NT$)

	December 31, 2022	December 31, 2021
Number of shares	200,000,000	200,000,000
Authorized capital	$ 2,000,000,000	$ 2,000,000,000
Number of shares issued and fully paid	93,559,300	81,550,000
Issued Share Capital	$ 935,593,000	$ 815,500,000

(1)The Company's stockholders' meeting on July 20, 2021 resolved to issue a cash capital increase of $200,000,000 through a private placement, and authorized the board of directors to conduct the transaction in stages. On September 30, 2021, the Board of Directors approved the first private placement of cash capital increase for the 2021 at a subscription price of NT$15.68 per share. 10,000,000 shares were issued on October 14, 2021, the base date of the capital increase, for a total of NT$156,800,000, and the change of registration was approved by the competent authority on November 1, 2021.

(2)The Company's shareholders' meeting on June 21, 2022 resolved to increase capital by $120,093 thousand from undistributed earnings, and the change of registration was approved by the competent authority on November 4, 2022.

2.Capital Fund

	December 31, 2022	December 31, 2021
(i) may be used to make up losses, to make cash payments or to capitalize		
Stock Issuance Premium	$ 164,030	$ 164,030
Treasury Stock Trading	1,068	6
	$ 165,098	$ 164,036

Such capital surplus may be used to offset losses or, when the Company has no losses, to distribute cash or to capitalize capital, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

3.Retained earnings and dividend policy

(1)In accordance with the Company's Articles of Incorporation, if there is any surplus in the annual accounts, the Company shall pay tax and make up for the accumulated deficit, and then set aside 10% as legal reserve, and set aside or reverse the rest as special reserve as required by law; if there is any remaining balance, the Board of Directors shall, together with the accumulated undistributed earnings, prepare a proposal for distribution of earnings and submit it to the shareholders' meeting for resolution to distribute dividends to shareholders. Please refer to Note 6(28) for the Company's policy on the distribution of remuneration to employees, directors and supervisors as stipulated in the Articles of Incorporation.

(2)The legal reserve should be appropriated until the remaining balance reaches the Company's paid-in capital. If the Company has no deficit, the excess of legal reserve over 25% of the paid-in capital may be appropriated to capital and distributed in cash.

(3)When the Company first adopted IFRSs recognized by the FSC, it chose to apply IFRS 1 "First-time Adoption of International Financial Reporting Standards" exemption and recorded an unrealized revaluation increment of $176,947 thousand in land under stockholders' equity, and provided a special reserve of the same amount in accordance with the related administrative letter. When the related assets are disposed of or reclassified, the special reserve may be reversed and distributed in proportion to the special reserve. However, because the increase in retained earnings is not sufficient for the special reserve, only $88,694 thousand of the increase in retained earnings from the conversion is provided for as a special reserve. As of December 31, 2022 and 2021, the balance of this special reserve was $88,694 thousand.

(4)On July 20, 2021, the Company's shareholders' meeting approved the appropriation of the 2020th annual loss.

(5)The appropriation of earnings for the 2021, as approved by the shareholders at the annual general meeting held on June 21, 2022, was as follows

(6)T

	2021
Legal Surplus	$ 33,905
Cash dividends	$ 16,012
Stock dividends	$ 120,093
Cash dividends per share (NT$)	$ 0.20
Stock dividends per share (NT$)	$ 1.50

(6)Board of Directors' meeting on March 21, 2023 proposed a loss appropriation for fiscal 2022. As there is still an accumulated deficit, there is no appropriation of earnings pending the resolution of the shareholders' meeting scheduled for June 14, 2023.

4.Treasury Stocks

Reason for recovery	Transfer of shares to employees (in thousands)
Number of shares on January 1, 2022	1,488
Reduction of this issue	600
Number of shares as of December 31, 2022	888

Reason for recovery	Transfer of shares to employees (in thousands)
Number of shares as of December 31, 2021	1,488

In fiscal 2022, the Company transferred 600 thousand shares to employees at $18.88 per share with a buyback cost of $11,328 thousand, which was delivered to employees as of December 31, 2022. The Company recognized employee compensation cost of $1,062 thousand on the date of grant and recognized capital surplus - treasury stock transaction of $1,062 thousand on the date of delivery of shares to employees.

Treasury stock held by the Company is not pledged under the Securities and Exchange Act and is not entitled to dividend distribution or voting rights.

(20) (Loss) earnings per share

The effect of the gratis allotment has been retroactively adjusted for the calculation of earnings per share, and the base date of such gratis allotment is set on October 13, 2022. As a result of the retroactive adjustment, the changes in basic and diluted earnings per share for 2021 are as follows:

	Retroactively adjusted before	After retroactive adjustment
Basic earnings per share	$ 5.16	$ 4.49
Diluted earnings per share	$ 5.15	$ 4.48

The weighted-average number of shares of common stock and (loss) earnings per share used in the calculation of earnings per share were as follows

Net (loss) profit for the year

	2022	2021
Net (loss) profit for the	$ (123,635)	$ 372,958
Number of shares		
Weighted number of common shares for basic earnings per share calculation	92,289	83,082
Effect of potential common stock with dilution:		
Employee Compensation	33	180
Weighted number of common shares for the purpose of diluted earnings per share	92,322	83,262

If the Company has the option to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of common shares outstanding for the purpose of calculating diluted earnings per share when the potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the Board of Directors' resolution on the number of shares to be issued for employee compensation in the following year.

(21) Cash flow information

Changes in liabilities from financing activities:

2022

	January 1, 2022	Cash Flow	Change in non-cash: New lease/ Lease Modification	Change in non-cash: Adjustment for exchange rate changes	December 31, 2022
Short-term borrowings	$ 707,630	$ 449,890	$ --	$ --	$ 1,157,520
Long-term loans	163,233	(43,759)	--	--	119,474
Leasing Liabilities	19,136	(4,698)	7,583	5	22,026
	$ 889,999	$ 401,433	$ 7,583	$ 5	$ 1,299,020

2021

	January 1, 2021	Cash Flow	Change in non-cash: New lease/ Lease Modification	Change in non-cash: Adjustment for exchange rate changes	December 31, 2021
Short-term borrowings	$ 536,622	$ 171,637	$ --	$ (629)	$ 707,630
Long-term loans	98,833	64,400	--	--	163,233
Leasing Liabilities	445	(2,229)	20,925	(5)	19,136
	$ 635,900	$ 233,808	$ 20,925	$ (634)	$ 889,999

(22) Operating income

1.The breakdown is as follows:

Project	2022	2021
Customer Contract Revenue		
Revenue from sales of wax products	$ 286,173	$ 200,705
Revenue from purchase agency services	50,037	85,974
Revenue from sales of optoelectronic equipment	122,061	189,136
Revenue from sales of aquatic products	--	4,200
Lease income		
Rental income from optical equipment	23,741	20,382
Land lease income	--	67
	$ 482,012	$ 500,464

2.Description of Customer Agreement

(1)Note 4(12) shows the revenue from customer contracts.

(2)Lease income is described in Notes 6(11) and (13).

3.Contract Balance

	December 31, 2022	December 31, 2021
Contractual liabilities - sales of goods	$ 18,851	$ 19,275

The change in contractual liabilities mainly arises from the difference between the point at which performance obligations are met and the point at which customers pay.

4.The contract liabilities from the beginning of the were $13,925 thousand and $26,734 thousand in operating income recognized in 2022 and 2021, respectively.

(23) Other income

Project	2022	2021
Dividend income	$ 1,797	$ 1,037
Other income - other	475	10,553
	$ 2,272	$ 11,590

(24) Other interests and losses

Project	2022	2021
Foreign currency exchange gain (loss), net	$ 30,744	$ (627)
Other impairment losses	(5,711)	--
Lease modification benefits	1	--
Losses on financial assets at fair value through profit or loss	(2,008)	(7,700)
Other	(1,446)	(872)
	$ 21,580	$ (9,199)

(25) Finance costs

Project	2022	2021
Interest on bank loans	$13,253	$ 10,218
Interest on lease liabilities	351	55
	$13,604	$ 10,273

(26) Depreciation and amortization

Project	2022	2021
Property, plant and equipment	$ 16,495	$ 13,233
Right-of-use assets	4,838	2,249
	$ 21,333	$ 15,482
Depreciation expense is summarized by function		
Operating Costs	$ 15,599	$ 11,125
Operating Expenses	5,734	4,357
	$ 21,333	$ 15,482

(27) Employee benefit costs

Project	2022	2021
Short-term Employee Benefits	$ 33,440	$ 38,124
Post-employment benefits	1,181	1,026
Separation Benefits	--	--
	$ 34,621	$ 39,150

Project	2022	2021
Summary by Function		
Operating Costs	$ 7,039	$ 7,058
Operating Expenses	27,582	32,092
	$ 34,621	$ 39,150

(28) Employees' remuneration and remuneration to directors and supervisors

1. The Company contributes no less than 1% and no more than 3% of the pre-tax benefit of the current to the employees' and directors' and supervisors' remuneration, respectively, before the distribution of employees' and directors' and supervisors' remuneration. The estimated compensation to employees and remuneration to directors and supervisors for the years 2022 and 2021 were resolved by the board of directors on March 21, 2023 and March 16, 2022, respectively, as follows (the Company established an audit committee to replace the supervisors after the shareholders' meeting on June 21, 2022):

   Estimated Ratio

	2022	2021
Employee Compensation	--	1%
Remuneration for Directors and Supervisors	--	2%

   Amount

	2022	2021
Employee Compensation	$ --	$ 3,550
Remuneration for Directors and Supervisors	$ --	$ 7,100

2. If there is any change in the annual consolidated financial statements after the date of adoption, the change in accounting estimate will be treated as an adjustment in the following year.

3. There was no difference between the actual amount of employee compensation and remuneration to directors and supervisors for fiscal 2021 and 2020 and the amount recognized in the consolidated financial statements for fiscal 2021 and 2020.

4. For information on the remuneration of employees and remuneration of directors and supervisors resolved by the Board of Directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(29) Income tax

1. The major components of income tax recognized in profit or loss are as follows

	2022	2021
Current income tax		
Producers of the year	$ 2,270	$ 17,588
Prior generators	9	--
Deferred income tax		
Producers of the year	--	(3,359)
Income tax expense recognized in profit or loss	$ 2,279	$ 14,229

2. The reconciliation of accounting income to income tax expense is as follows:

	2022	2021
Net (loss) income before income tax	$ (121,356)	$ 387,187
Income tax (benefit) expense at statutory rate on net income (loss) before income tax	$ (60,018)	$ 84,984
Non-deductible expenses for tax purposes	3,738	2,076
Tax-free income	(469)	(80,683)
Unallocated surplus plus levy	2,270	--
Land Value Added Tax	--	5,278
Unrecognized deductible temporary differences	46,800	2,956
Unrecognized loss carryforward	9,949	(382)
Adjustments to current income tax expense in prior years	9	--
Income tax expense recognized in profit or loss	$ 2,279	$ 14,229

3.Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows

2022	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Difference	Current Payments	Year-end balance
Deferred income tax assets						
Allowance for losses	$ 3,362	$ --	$--	$ 49	$ --	$ 3,411
Deferred income tax liabilities						
Land Value Added Tax	$ (29,033)	$ --	$--	$ --	$ --	$ (29,033)

2021	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Difference	Current Payments	Year-end balance
Deferred income tax assets						
Allowance for losses	$ --	$ 3,359	$--	$ 3	$ --	$ 3,362
Deferred income tax liabilities						
Land Value Added Tax	$ (42,015)	$ --	$--	$ --	$ 12,982	$ (29,033)

4.The amount of deductible temporary and unused loss carryforwards for deferred income tax assets not recognized in the balance sheet is as follows

	December 31, 2022	December 31, 2021
Loss Deduction Credit		
Expiring in 2022	--	64,483
Expiring in 2023	28,991	28,991
Expiring in 2024	76,099	76,099
Expiring in 2025	62,710	62,710
Expiring in 2026	22,314	22,314
Expiring in 2028	31,673	31,673
Expiring in 2029	415	415
Expiring in 2030	1,960	1,960
Expiring in 2031	3,354	3,228
Expiring in 2032	42,789	--
	$ 270,305	$ 291,873
Temporary differences can be reduced		
Allowance for loss on decline in value of inventories	$ 33,333	$ 133,904
Expected credit impairment loss	163,571	--
The equity method is used to recognize the profit or loss of	240,761	101,098

subsidiaries.		
Impairment loss on machinery and equipment and assets leased to others	38,262	42,849
Other	11,926	19,020
	$ 487,853	$ 296,871

5.Income tax return approval situation

The income tax returns of the Company and its domestic subsidiaries have been examined and cleared by the tax authorities through 2020.

(30) Capital risk management

Based on the characteristics of the current operating industry and its future development, and taking into account factors such as changes in the external environment, the Consolidated Company plans its operating capital requirements (including research and development expenses and debt repayment) for future periods in order to ensure sustainable operations, to reward shareholders and to take into account the interests of other stakeholders, and to maintain an optimal capital structure to enhance shareholder value.

(Trinity) Financial instruments

1.Fair Value Information

(1)Fair Value Information - Financial Instruments Not Measured at Fair Value

The Consolidated Company's management considers that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

(2)Fair value information - financial instruments measured at fair value on a recurring basis

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed stocks	$36,995	$ --	$ --	$ 36,995

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Domestic listed stocks	$ 43,868	$ --	$ --	$ 43,868

2.Types of Financial Instruments

	December 31, 2022	December 31, 2021
Financial Assets		
Financial assets at fair value through profit or loss		
Mandatory measurement	$ 36,995	$ 43,868

through profit or loss at fair value		
Financial assets carried at amortized cost (Note 1)	1,379,268	1,137,072
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost (Note 2)	1,288,210	947,244

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

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

3.Financial risk management objectives and policies:

The Consolidated Company's financial management department provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages financial risks associated with the Consolidated Company's operations by analyzing internal risk reports on the extent and breadth of risk exposures. These risks include market risk, credit risk and liquidity risk.

The Consolidated Company's significant financial activities are reviewed by the Board of Directors in accordance with the relevant regulations and internal control system. During the implementation of the financial plan, the Consolidated Company must comply with the relevant financial operating procedures regarding the overall financial risk management and the allocation of authority and responsibility.

(1)Market Risk

The main financial risks to which the Consolidated Company is exposed as a result of the Consolidated Company's operating activities are the risk of changes in foreign currency exchange rates (see A below) and the risk of changes in interest rates (see B below).

There is no change in the Consolidated Company's exposure to market risk of financial instruments and the way it manages and measures such exposure.

A.Exchange rate risk

The Consolidated Company engages in foreign currency-denominated sales and import transactions, which expose the Consolidated Company to exchange rate fluctuations.

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet data (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) are described in Note 12(1).

The Consolidated Company is primarily affected by fluctuations in the U.S. dollar exchange rate.

The sensitivity analysis includes only outstanding foreign currency monetary items and adjusts for a 1% change in the exchange rate translated at the end of the period. The following table details the sensitivity analysis of the Consolidated Company when the exchange rate of the New Taiwan dollar (functional currency) increases and decreases by 1% against the U.S. dollar. 1% is the sensitivity ratio used by key management within the Consolidated Company to report exchange rate risk and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates.

The positive numbers in the table below represent the decrease in pre-tax income when the NTD strengthens by 1% against the U.S. dollar, and the negative impact on pre-tax income when the NTD depreciates by 1% against the U.S. dollar.

	The Impact of the Dollar	
	2022	2021
Profit and Loss	$ 10,067	$ 2,074

These receivables and payables are mainly due to the Consolidated Company's outstanding U.S. dollar-denominated receivables and payables that are not cash flow hedged as of the balance sheet date.

B.Interest Rate Risk

Interest rate risk arises because the consolidation within the Consolidated Company borrows funds at floating interest rates.

The carrying amounts of the Consolidated Company's financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows

	December 31, 2022	December 31, 2021
Cash flow rate risk		
-Financial Assets	$ 702,133	$ 96,249
-Financial liabilities	1,276,994	870,863

The sensitivity analysis below is based on the interest rate risk of the non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding for the reporting period. The rate of change used in reporting interest rates internally to key management is a 1% increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 1%, the Consolidated Company's net income before income taxes would have decreased/increased by $5,749 thousand in 2022, with all other variables held constant, mainly due to the net portion of the Consolidated Company's variable-rate bank deposits and variable-rate borrowings.

If interest rates had increased/decreased by 1%, the Consolidated Company's net income before income taxes would have decreased/increased by $7,746 thousand in fiscal 2021, with all other variables held constant, mainly due to the net portion of the Consolidated Company's variable-rate bank deposits and variable-rate borrowings.

(2)Credit Risk

Credit risk represents the risk of financial loss resulting from the default of contractual obligations by the counter-parties. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk, which may result in financial loss due to the counter-parties' default on their obligations and provision of financial guarantees, mainly arises from the carrying amount of financial assets recognized in the Consolidated Balance Sheet.

The business units manage customer credit risk in accordance with the Consolidated Company's customer credit risk policies, procedures and controls. The credit risk of all customers is evaluated by taking into account the customer's financial condition, ratings from credit rating agencies, historical transaction experience, the current economic environment and the Consolidated Company's internal rating standards. The Consolidated Company also uses certain credit enhancement tools (such as advance receipts) at appropriate times to reduce the credit risk of specific customers.

As of December 31, 2022 and 2021, the percentages of receivables from the Consolidated Company's top ten customers to the Consolidated Company's total receivables were 93% and 59%, respectively, and the credit concentration risk of the remaining receivables was relatively insignificant.

(3) Liquidity risk

The Consolidated Company manages and maintains a sufficient amount of cash to support its operations and mitigate the impact of cash flow fluctuations. The Consolidated Company's management monitors the use of banking facilities and ensures compliance with the terms of borrowing contracts.

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest possible date on which the Consolidated Company can be required to make repayment. Therefore, bank loans that the Consolidated Company may be required to repay immediately are listed in the table below for the earliest period, without considering the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

	Within 6 months (inclusive)	More than 6 months Up to 1 year	More than 1 year
December 31, 2022			
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 9,398	$ --	$ --
Leasing Liabilities	2,156	2,114	19,159
Variable Rate Instrument	1,172,078	9,609	109,962

	$ 1,183,632	$ 11,723	$ 129,121

	Within 6 months (inclusive)	More than 6 months Up to 1 year	More than 1 year
December 31, 2021			
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 75,805	$ --	$ --
Leasing Liabilities	1,901	1,524	18,189
Variable Rate Instrument	721,957	12,518	147,230
	$ 799,663	$ 14,042	$ 165,419

VII. Related Party Transactions

The transactions, account balances, revenues and expenses between the Consolidated Company and its subsidiaries (which are related parties of the Company) were eliminated upon consolidation and are therefore not disclosed in this note, and the transactions between the Consolidated Company and other related parties were as follows

(1) Key management compensation information:

Project	2022	2021
Short-term Employee Benefits	$ 6,927	$ 6,619

VIII. Pledged assets

(1) The breakdown is as follows:

	December 31, 2022	December 31, 2021
Other Financial Assets - Mobile	$ 558,956	$ 3,074
Property, plant and equipment		
Land	214,283	231,086
Buildings	10,364	10,804
Rental Assets	192,442	146,429
Investment real estate		
Land	98,676	81,873
	$ 1,074,721	$ 473,266

(3)The above assets are pledged as collaterals for loans.

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) Significant commitments: None.

(2) Contingent items: None.

X. Major disaster damage: None.

XI. Significant post-term events: None.

XII. Other

(1) Information on foreign currency assets and liabilities with significant effect

1.The following information is expressed in foreign currencies other than the functional currency of the Consolidated Company and the exchange rates disclosed are the rates at which those currencies were translated into the functional currency. Assets and liabilities denominated in foreign currencies that have a significant impact are as follows:

December 31, 2022

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 39,702	30.71 (USD: NTD)	$ 1,219,239
USD	133	6.97 (USD: RMB)	4,090
Foreign currency liabilities			
Monetary items			
USD	1,736	30.71 (USD: NTD)	53,321
USD	5,319	6.97 (USD: RMB)	163,345

December 31, 2021

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 18,093	27.68 (USD: NTD)	$ 500,819
USD	133	6.37 (USD: RMB)	3,686
Foreign currency liabilities			
Monetary items			
USD	6,705	27.68 (USD: NTD)	185,588
USD	4,027	6.37 (USD: RMB)	2022,468

2.Foreign currency exchange (gains) (losses) with significant impact (unrealized) were as follows:

	2022		2021	
Foreign Currency	Exchange rate	Net exchange (loss) gain	Exchange rate	Net exchange (loss) gain
USD	30.71 (USD: NTD)	$ (3,603)	27.68 (USD: NTD)	$ (975)

(2) Other Notes

1.The spread of the novel coronavirus (COVID-19) around the world has resulted in quarantine and travel restrictions in some areas. The Consolidated Company assesses that the overall business and financial aspects have not been significantly affected, and there is no doubt about its ability to continue as a going concern or the risk of raising capital. However, the impact of the epidemic is still uncertain and the Consolidated Company will continue to monitor the development of the epidemic.

XIII.Note Disclosure

(1) Information on major transactions and (b) transfer of investment business:

1.Loan of funds to others: detailed table (1)

2.Endorsement for others: Detailed Schedule (II)

3.Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures): Table 3 (attached)

4.Cumulative purchase or sale of the same marketable securities amounting to at least NT$300 million or 20% of the paid-in capital: None

5.Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None

6.Disposal of immovable property amounting to at least NT$300 million or 20% of the paid-in capital: None

7.Purchase or sale of goods with related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8.Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 4 (attached).

9.Engaged in derivatives trading: None

10.Other: Business relationships and significant intercompany transactions between the parent and subsidiaries and between subsidiaries and the amounts involved: Table 7 (attached)

11.Information on investee companies: Detailed table (V)

(2) Mainland Investment Information:

1.Information on investee companies: Please refer to Table (6).

2.Significant transactions with Mainland China investees:

(1)Purchases and related payables: None

(2)Sales and related receivables: Details of Schedule (VIII)

(3)Property transactions: None

(4)Note endorsement guarantee or provision of collateral: None

(5)Ares Financial Services: Detailed Schedule (I)

(6)Other transactions that had a significant effect on the profit or loss or financial position of the period: None

(3) Information on major shareholders: Name, amount and percentage of shares held by shareholders with more than 5% ownership: Please see Table (ix).

XIV. Department Information

1. General Information

The information provided by the Consolidated Company to its chief operating decision maker for the purpose of allocating resources and evaluating divisional performance focuses on the types of products or services provided. The Consolidated Company's reportable segments for fiscal years 2022 and 2021 are wax, brokerage services, optoelectronics, and aquatic and agricultural products. The accounting policies of the reportable segments are the same as the summary description of significant accounting policies described in Note 4.

2. Segment Revenue and Operating Results

2022

	Wax Products	Optoelectronics	Aquatic Products	Total
Revenue from external customers	$ 286,173	$ 145,802	$ 50,037	$ 482,012
Interdepartmental revenue	--	--	--	--
Departmental Revenue	$ 286,173	$ 145,802	$ 50,037	482,012
Internal elimination				--
Consolidated revenue				$ 482,012
Departmental (Loss) Profit	$ 9,514	$ 7,456	$ (152,139)	$ (135,169)
Non-operating income and expenses				13,813
Net income before tax				$ (121,356)

2021

	Wax Products	Optoelectronics	Aquatic and Agricultural Products	Total
Revenue from external customers	$ 200,705	$ 209,585	$ 90,174	$ 500,464
Interdepartmental revenue	--	--	--	--
Departmental Revenue	$ 200,705	$ 209,585	$ 90,174	500,464
Internal elimination				--
Consolidated revenue				$ 500,464
Departmental (Loss) Profit	$ (44,909)	$ 897	$ 58,570	$ 14,558
Non-operating income and expenses				372,629
Net income before tax				$ 387,187

Interdepartmental sales are calculated based on market prices.

Segment profit or loss represents the operating profit or loss of each segment, excluding non-operating income and expenses and income taxes. This measure is provided to the chief operating decision maker for the purpose of allocating resources to the division and evaluating its performance.

3. Segment assets and liabilities

Information on the Consolidated Company's assets and liabilities is not routinely provided to the chief operating decision maker; therefore, all assets and liabilities are not allocated to reportable segments.

4. Revenue from major products and services

Please refer to Note 6(22) for the analysis of the Consolidated Company's major products and labor revenues.

5. Region Information

	Revenue from external customers		Non-current assets	
	2022	2021	2022	2021
Taiwan	$ 467,068	$ 442,152	$ 722,729	$ 704,211
China	14,944	58,312	4,508	4,279
	$ 482,012	$ 500,464	$ 727,237	$ 708,490

Non-current assets do not include refundable deposits and net defined benefit assets.

6. Main Customer Information

Customers with more than 10 percent of consolidated net operating revenues:

Customer Code	2022	2021
23049	$ 118,555	$ --
61002	79,270	83,351

Table (I)

Loans to others

Unit: TWD thousand/USD thousand

No. (Note 1)	Name of lender	Name of borrower	Account	Related party	Maximum balance for the period	Ending Balance	Actual usage Amount	Interest Rate Interval	Nature of Fund Lending	Business Transaction Amount	Reasons for Short-term financing	Allowance for bad debt	Collateral		Individual funding limits (Note 3)	Maximum limit for fund financing. (Note 2)
													Item	Value		
0	Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	Amounts due from related parties	Y	50,000	50,000	10,000	--	Short-term capital financing	--	Operating turnover	--	--	--	126,429	252,858

Note 1: The issuer is entered as 0; the investee companies are numbered according to the company, starting from the Arabic numeral 1.

Note 2: The total amount of the Company's loans to external parties shall not exceed 20% of the Company's net worth.

Note 3: The amount of individual loans to the Company is limited to 10% of the Company's net worth.

Table (II)

Endorsements Guarantees for others: Unit: TWD thousand

No. (Note 1)	Endorser's company name	Endorsed guarantee recipient.		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Highest balance for guarantee and endorsements during the period	Balance of guarantees and endorsements, end of year	Actual usage amount	Amount of property pledged for guarantee and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/guarantees to subsidiary	Subsidiary endorsements/guarantees to the parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Company Name	Relationship (Note 2)										
0	Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	2	379,288	100,000	100,000	–	–	7.91%	379,288	Y	–	–

Note 1: The description of the number column is as follows:

1.The issuer fills in 0.

2.The investee companies are numbered in order by company, starting with the Arabic number 1.

Note 2: The relationship between the endorser and the endorsed guarantor is as follows:

1. Companies that have business dealings.

2. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

3. A company that directly or indirectly holds more than 50% of the voting shares of the company.

4. The company directly and indirectly holds more than 90% of the voting shares of the intercompany.

5. A company that is mutually insured by the contract between interbank or co-builders based on the needs of the contracted work.

6. Companies that are guaranteed by all shareholders in proportion to their shareholdings due to joint investment.

7. Interbank engagement in the performance guarantee of pre-sale contracts in accordance with the Consumer Protection Act.

Note 3: 1. The Company's endorsement and guarantee for a single enterprise shall not exceed 30% of the Company's net worth.

2. The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's net worth.

Table (III)

Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies and jointly controlled entities):

Unit: NT$1,000/share

Companies held	Type and Name Securities Held		Relationship with the issuer of securities	Account items	End of period				Note
	Type	Name			Number of shares (units)	Accounts items	Shareholding Proportion	Fair Value	
Taiwan Wax Co.	Stock	DACOME INTERNATIONAL LTD.	None	Financial assets at fair value through profit or loss - current	540,000	14,391	1.62 %	14,391	--
Taiwan Wax Co.	Stock	TRIOCEAN INDUSTRIAL CORPORATION CO., LTD.	None	Financial assets at fair value through profit or loss - current	39	--	0.00 %	--	--
Taiwan Wax Co.	Stock	DAILY POLYMER CORP.	None	Financial assets at fair value through profit or loss - current	408,891	5,377	0.89 %	5,377	--
Taiwan Wax Co.	Stock	TOP HIGH IMAGE CORP.	None	Financial assets at fair value through profit or loss - current	200,000	2,800	0.23 %	2,800	--
Taiwan Wax Co.	Stock	CROWELL DEVELOPMENT CORP.	None	Financial assets at fair value through profit or loss - current	265,000	4,240	0.47 %	4,240	--
Taiwan Wax Co.	Stock	UNITED INTEGRATED SERVICES CO., LTD.	None	Financial assets at fair value through profit or loss - current	30,000	5,490	0.02 %	5,490	--
Taiwan Wax Co.	Stock	GENERAL BIOLOGICALS CORP.	None	Financial assets at fair value through profit or loss - current	5,513	145	0.01 %	145	--

Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies and jointly controlled entities):

Unit: NT$1,000/share

Companies held	Type and Name Securities Held		Relationship with the issuer of securities	Account items	End of period				Note
	Type	Name			Number of shares (units)	Accounts items	Shareholding Proportion	Fair Value	
Taiwan Wax Co.	Stock	Delpha Construction	None	Financial assets at fair value through profit or loss - current	150,000	2,588	0.02 %	2,588	--
Taiwan Wax Co.	Stock	CHUNG HUNG STEEL CORPORATION	None	Financial assets at fair value through profit or loss - current	50,000	1,338	0.00 %	1,338	--
Taiwan Wax Co.	Depository Receipts	Ju Teng International Holdings Limited	None	Financial assets at fair value through profit or loss - current	10,000	626	0.00 %	626	--
Taiwan Wax Co.	Stock	HOLD JINN ELECTRONICS CO., LTD.	None	Investments in equity instruments measured at fair value through other comprehensive income or loss - non-current	1,000,000	6,990	1.15 %	6,990	--

Table (IV)

Receivables from related parties amounting to at least NT$100 million or 20 percent of the paid-in capital: Unit：NTD thousand

Companies with accounts receivable	Counterparty Name	Relationships	Related party Balance	Turnover rate	Overdue amounts due from related parties		Subsequent recoveries of amounts due from related parties	Allowance for doubtful accounts	Note
					Amount	Processing Method			
Taiwan Wax Co.	Jinghai Marine Products (Shanghai) Co.	Subsidiaries	Other receivables 216,667	--	--	--	94,707 (Note)	--	--

Note: Amount received as of March 9, 2023.

Table (V)

Name of Investee Company, location ...... and other related information (excluding Mainland China Investee Company)

Unit: NTD thousand / Foreign currency thousand

Investor Company	Investee company	Location	Main Business	Original investment amount		Held at the end of the period			Profit (loss) of investees in the current period	Gain (loss) of investees recognized in the current period	Note
				End of the period	Dec.31,2022	Number of shares	Percentage (%)	Carrying amount			
Taiwan Wax Co.	TAI-WAX HOLDING CO., LTD.	Cecil	Formulated Waxes and Cultural and Creative Products Sales	112,659 (USD 3,730)	112,659 (USD 3,730)	3,730,000	100.00%	--	2,021	2,021	
Taiwan Wax Co.	TAI-WAX (THAILAND) CO.	Thailand	Formulated Waxes and Cultural and Creative	5,580 (THB 6,000)	5,580 (THB 6,000)	60,000	100.00%	--	--	--	

			Products Sales								
Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	Taiwan	Sales and installation of solar energy equipment	100,000	100,000	--	100.00%	100,044	(264)	(264)	Note
Taiwan Wax Co.	Gong Che Yan Fresh Seafood Co., LTD.	Taiwan	Sales of aquatic and agricultural products	20,000	20,000	--	100.00%	10,260	(1,365)	(1,365)	Note
Gong Che Yan Fresh Seafood Co., LTD.	Ecollection Inc.	Taiwan	Sales of cosmetics and aquatic products	--	1,966	--	--	--	(25)	(15)	

Note: Calculations are based on the audited financial statements and the Company's shareholding ratio for the same period.

Table (VI)

Transfer of investment to China

Unit: NT$, USD thousand

Mainland Invested Company Name	Main business Project	Paid-in capital	Investment Mode	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount exported from Taiwan at the end of the current period	Profit/Loss of the Invested Company during the current period.	Percentage of shares held directly or indirectly by the Company	Investment gains and losses recognized during the period	Carrying value of investments at the end of the period	Cumulative repatriation of investment income for the period ended
					Export	Take back						
Panxing Trading (Shanghai) Co.	Formulated waxes and creative products sales	31,968 (USD 1,000)	Note 1	31,968 (USD 1,000)	--	--	31,968 (USD 1,000)	--	100.00%	--	--	--
Jinghai Marine Products (Shanghai) Co.	Sales of aquatic products	288,476 (USD 10,000)	Note 2	288,476 (USD 10,000)	--	--	288,476 (USD 10,000)	(186,938)	100.00%	(186,938)	127,606	--

Cumulative amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission of the Ministry of Economic Affairs	Investment quota in Mainland China according to the Investment Commission of the Ministry of Economic Affairs
320,444	426,869 (USD13,900)(Note 3)	758,575

Note 1: Reinvestment in Mainland China through a third-party subsidiary, TAI-WAX HOLDING CO.

Note 2: Directly invest in mainland China.

Note 3: Translated at the spot rate on the balance sheet date.

Table (VII)

inter-parent-subsidiary and inter-subsidiary business relationships and significant transactions and amounts

Unit：NTD thousand

No.(Note 1)	Name of the trader	Trading partners	Relationship with the counterparty (Note 2)	Transaction history			
				Subjects	Amount	Trading Conditions	Percentage of total consolidated revenue or total assets
0	Taiwan Wax Co.	Jinghai Marine Products (Shanghai) Co.	1	Other receivables	216,667	Note 3	8.74 %
0	Taiwan Wax Co.	Jinghai Marine Products (Shanghai) Co.	1	Revenue from purchase agency services	22,148	Note 3	5.21 %
0	Taiwan Wax Co.	Jinghai Marine Products (Shanghai) Co.	1	Temporary Collection	53,321	Note 3	2.00 %
0	Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	1	Other receivables	10,000	Note 3	0.37 %

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column, respectively, and the number should be completed as follows

1.Enter 0 for the parent company.

2.Subsidiaries are numbered sequentially by company, starting with the Arabic numeral 1.

Note 2: There are three types of relationships with traders as follows, and it is sufficient to indicate the type.

1.Parent company to subsidiary company.

2.Subsidiary to parent company.

3.Subsidiary to Subsidiary.

Note 3: The terms of the transactions were not materially different from those of unrelated parties.

Table (VIII)

The following significant transactions with Mainland China investees, directly or indirectly through third parties, and their prices, payment terms, unrealized gains or losses, and other related information

Unit：NTD thousand

Name of Mainland China investee company	Transaction Type	Revenue from purchase agency services		Price	Trading Conditions		Accounts receivable		Unrealized gain or loss	Note
		Amount	Percentage		Payment Terms	Comparison with general trading	Amount	Percentage		
Jinghai Marine Products (Shanghai) Co.	Revenue from purchase agency services	22,148	63.02%	No significant differences	90 days - 180 days	No significant differences	216,667	37.07%	3,852	

Table (IX)

Major Shareholders Information

Name of Major Shareholders	Shares	
	Number of shares held (shares)	Shareholding ratio
Yuanjin Co.	14,063,719	15.03 %
E-Long Investment Co.	8,283,424	8.85 %
Shangpin Investment Co.	7,712,488	8.24 %
Huang Zongyuan	6,477,385	6.92 %

Note 1: The information on major shareholders in this table is based on the last business day of each quarter, and is calculated based on the total number of common and preferred shares held by shareholders of 5% or more of the Company that have been delivered without physical registration (including treasury stock). The number of shares recorded in the Company's individual financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of calculation.

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V. The Most Recent Annual Audited Financial Statements of the Company (Individual)

Independent Auditor's Report

Benison (2023)Ministry of Finance approved No. 26

Taiwan Wax Products Co., Ltd.:

Opinion

We have audited accompanying parent company only financial statements of Taiwan Wax Products Company Limited, which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our 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 parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified for the individual financial statements of Taiwan Wax Products Co., Ltd. for the year ended December 31, 2022 is the purchase agency services for aquatic products.

The transactions related to the purchase agency services for aquatic products in 2022 had significant financial implications, and therefore, it is identified as a key audit matter for the current year.

The principal audit procedures performed by our auditor in relation to this matter include:

1. Selecting samples from the detailed revenue ledger of the purchase agency services for aquatic products, and auditing the sales contracts, goods acceptance notes, invoices, and receipts, as well as verifying the corresponding procurement contracts, purchase orders, invoices, and payment vouchers.
2. Sending confirmation letters to major customers to confirm the accuracy of the accounts receivable balance at the year-end.

Other Matter

As described in Note 6(8) of the financial statements, the financial statements of certain equity-method investees of Taiwan Wax Products Co., Ltd. are audited by other auditors. Therefore, our audit opinion on the individual financial statements includes the investment in equity-method investees and the share of comprehensive income/(loss) recognized from equity-method accounting, as well as related disclosures, which are based on the audit report of other auditors. As of December 31, 2021, the investment in equity-method investees amounted to NTD 340 thousand, representing 0.01% of total assets, and the share of comprehensive loss recognized from equity-method accounting for the year 2021 amounted to NTD 279 thousand, representing (0.07)% of total comprehensive income.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by securities issuers, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to the fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the Company’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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only 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 Company'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 Company'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 parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only

financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 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.

Benison Associated CPAs' Firm

Auditor: Hsin-Yuan Wang

Auditor: Yi-Zhi Qiu

Financial Supervisory Commission
Approved-certified No.: Jin-Guan-Certificate No. 1050049513
Approved-certified No.: Jin-Guan-Certificate No. 1080339935
March 21, 2023

Taiwan Wax Company Ltd.
PARENT COMPANY ONLY BALANCE SHEETS
December 31 of 2021 and 2022

(In Thousands of New Taiw

Code	ASSETS	31-Dec-22 Amount	%	31-Dec-21 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 6(1))	$ 87,877	3	$ 31,188	1
1110	Financial assets at fair value through profit or loss - Current (Note 6(2))	36,995	1	43,868	2
1150	Notes receivable, net (Note 6(3))	3,361	-	2,541	-
1170	Accounts receivable, net (Note 6(3))	97,492	4	23,701	1
1200	Other receivables (Note 6(3))	368,011	14	764,892	32
1210	Other receivables - Related Parties (Note 6(3))	226,667	9	123,305	5
130X	Inventories (Note 6(4))	24,266	1	105,532	4
1410	Prepayments (Note 6(5))	8,557	-	17,099	1
1470	Other current assets (Note 6(6))	833,741	31	144,321	6
11XX	Total Current Assets	1,686,967	63	1,256,447	52
	NONCURRENT ASSETS				
1518	Equity investments measured at fair value through other comprehensive income (OCI) - Non-current (Note 6(7))	6,990	-	-	-
1550	Investments accounted for using equity method (Note 6(8))	237,910	9	419,647	18
1600	Property, plant and equipment (Note 6(9))	553,494	21	538,145	23
1755	Right-of-use assets (Note 6(10))	20,555	1	18,789	1
1760	Investment property, net (Note 6(11))	132,730	5	115,927	5
1990	Other non-current assets (Note 6(12))	17,139	1	31,985	1
15XX	Total Non-current Assets	968,818	37	1,124,493	48
	TOTAL	$ 2,655,785	100	$ 2,380,940	100

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(Carried forward from previous page)

code	LIABILITIES AND EQUITY	Dec.31, 2022 Amount	%	Dec.31, 2021 Amount	%
	CURRENT LIABILITIES				
2100	Short-term loans (Note 6(13))	$ 1,157,520	44	$ 707,630	30
2130	Contract liabilities - current (Note 6(20))	89	-	1,543	-
2170	Accounts payable	143	-	527	-
2200	Other payables (Note 6(14))	9,044	-	73,978	3
2230	Current income tax liabilities (Note 6(27))	1,890	-	-	-
2280	Lease liabilities - current (Note 6(10))	3,535	-	2,628	-
2320	Long-term liabilities - current portion (Note 6(15))	17,022	1	22,600	1
2300	Other current liabilities	53,590	2	240	-
21XX	Total current liabilities	1,242,833	47	809,146	34
	NONCURRENT LIABILITIES				
2540	Long-term borrowings (Note 6(15))	102,452	4	140,633	6
2570	Deferred tax liabilities (Note 6(27))	29,033	1	29,033	1
2580	Lease liabilities - non-current (Note 6(10))	17,175	1	16,179	1
25XX	Total non-current liabilities	148,660	6	185,845	8
	Total Liabilities	1,391,493	53	994,991	42
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
3100	Capital Stock(Note 6(17))				
3110	Common shares	935,593	35	815,500	34
31XX	Total share capital	935,593	35	815,500	34
3200	Capital surplus (Note 6(17))				
3211	Capital surplus, additional paid-in capital arising from ordinar	164,030	6	164,030	7
3220	Capital surplus - treasury stock transactions	1,068	-	6	-
3200	Total capital surplus	165,098	6	164,036	7
3300	Retained earnings (Note 6(17))				
3310	Appropritated as legal capital reserve	34,785	1	880	-
3320	Appropritated as special reserve	88,694	4	88,694	4
3350	Unappropriated earnings	45,406	2	339,051	14
33XX	Total retained earnings	168,885	7	428,625	18
3400	Others				
3410	Foreign currency translation reserve	10,756	-	5,896	-
3421	Unrealized gains (losses) on financial assets measured through other comprehensive income at fair value	740	-	-	-
34XX	Total other equity	11,496	-	5,896	-
3500	Treasury shares (Note 6(17))	(16,780)	(1)	(28,108)	(1)
3XXX	Total Equity	1,264,292	47	1,385,949	58
	TOTAL	$ 2,655,785	100	$ 2,380,940	100

(The attached notes are an integral part of the financial statements of this individual entity.)
(Please refer to the audit report of Benison Associated Certified Public Accountants Firm, dated March 21, 2023.)

Chairman: Je-Yin Lin
Manager: Chen-Hsiang Fu
Accounting Supervisor: Po-Yao Tsen

Taiwan Wax Company Ltd.
PARENT COMPANY ONLY STATEMENT OF COMPREHENSIVE INCOME
January 1st to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars, Except Earnings P

Code		2022 Amount	%	2021 Amount	%
4000	Operating revenue (Note 6(20))	$ 345,059	100	$ 331,975	100
5000	Operating costs (Note 6(4), (24), and (25))	(247,274)	(72)	(298,541)	(90)
5900	Gross profit from operations	97,785	28	33,434	10
5910	Unrealized sales gains	(3,852)	(1)	(3,800)	(1)
5920	Realized sales gains	3,800	1	781	-
5950	Realized gross profit from operations	97,733	28	30,415	9
6000	Operating expenses (Note 6(24) and (25))				
6100	Selling expenses	(19,071)	(6)	(7,164)	(2)
6200	Administrative expenses	(30,512)	(8)	(38,021)	(11)
	Total operating expenses	(49,583)	(14)	(45,185)	(13)
6900	Operating profit (loss)	48,150	14	(14,770)	(4)
7000	Non-operating income and expenses				
7100	Interest income	3,881	1	17	-
7010	Other income (Note 6(21))	1,942	1	2,228	1
7020	Other gains and losses (Note 6(22))	24,774	7	(7,080)	(2)
7210	Gain on disposal of property, plant, and equipment (Note 6(9))	-	-	58,122	18
7215	Gain on disposal of investment properties (Note 6(11))	-	-	344,315	103
7673	Loss on impairment of property, plant, and equipment (Note 6(9))	-	-	(21,867)	(7)
7050	Finance costs (Note 6(23))	(13,567)	(4)	(10,133)	(3)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6(8))	(186,545)	(54)	27,404	8
	Total non-operating income and expenses	(169,515)	(49)	393,006	118
7900	Profit (loss) before tax	(121,365)	(35)	378,236	114
7950	Income tax expense (Note 6(27))	(2,270)	(1)	(5,278)	(2)
8200	Profit (loss)	(123,635)	(36)	372,958	112
8300	Other comprehensive income (loss)				
8310	Components of other comprehensive income Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	740	-	-	-
8349	Income tax related to items not reclassified to profit or loss	-	-	-	-
		740	-	-	-
8360	Items that may be reclassified to profit or loss in the future				
8361	Exchange differences on translation of foreign financial statements	4,860	1	(1,561)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		4,860	1	(1,561)	-
	Other comprehensive income (loss) for the year (net of tax)	5,600	1	(1,561)	-
8500	Total comprehensive income	$ (118,035)	(35)	$ 371,397	112
	Earnings per share (Note 6(18))				
9750	Basic earnings per share	$ (1.34)		$ 4.49	
9850	Diluted earnings per share	$ (1.34)		$ 4.48	

(The attached notes are an integral part of the financial statements of this individual entity.)
(Please refer to the audit report of Benison Associated Certified Public Accountants Firm, dated March 21, 2023.)

Chairman: Je-Yin Lin
Manager: Chen-Hsiang Fu
Accounting Supervisor: Po-Yao Tsen

Taiwan Wax Company Ltd.
PARENT COMPANY ONLY STATEMENT OF CHANGES IN EQUITY
January 1st to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars)

Code		Share capital	Capital surplus or Additional paid-in capital	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings (Accumulated deficit)	Other equity items: Foreign currency translation differences of financial statements of foreign	Other equity items: Unrealized gains (losses) on financial assets at fair value through other comprehensive	Treasury stock	Total equity
A1	Balance, January 1, 2021	$ 715,500	$ 107,236	$ 880	$ 88,694	$ (33,907)	$ 7,457	$ -	$ (28,108)	$ 857,752
D1	Net profit for 2021	-	-	-	-	372,958	-	-	-	372,958
D3	Other comprehensive income for 2021	-	-	-	-	-	(1,561)	-	-	(1,561)
E1	Cash capital increase	100,000	56,800	-	-	-	-	-	-	156,800
Z1	Balance, December 31, 2021	$ 815,500	$ 164,036	$ 880	$ 88,694	$ 339,051	$ 5,896	$ -	$ (28,108)	$ 1,385,949
A1	Balance, January 1, 2022	$ 815,500	$ 164,036	$ 880	$ 88,694	$ 339,051	$ 5,896	$ -	$ (28,108)	$ 1,385,949
	Appropriation and distribution of net profit for 2021									
B1	Legal reserve for retained earnings	-	-	33,905	-	(33,905)	-	-	-	-
B5	Cash dividends for common shares	-	-	-	-	(16,012)	-	-	-	(16,012)
B9	Stock dividends for common shares	120,093	-	-	-	(120,093)	-	-	-	-
D1	Net loss for 2022	-	-	-	-	(123,635)	-	-	-	(123,635)
D3	Other comprehensive income for 2022	-	-	-	-	-	4,860	740	-	5,600
N1	Transfer of treasury shares to employees	-	1,062	-	-	-	-	-	11,328	12,390
Z1	Balance, December 31, 2022	$ 935,593	$ 165,098	$ 34,785	$ 88,694	$ 45,406	$ 10,756	$ 740	$ (16,780)	$ 1,264,292

(The attached notes are an integral part of the financial statements of this individual entity.)
(Please refer to the audit report of Benison Associated Certified Public Accountants Firm, dated March 21, 2023.)

Chairman: Je-Yin Lin
Manager: Chen-Hsiang Fu
Accounting Supervisor: Po-Yao Tsen

Taiwan Wax Company Ltd.
PARENT COMPANY ONLY CASH FLOWS
January 1st to December 31, 2021 and 2022

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Profit (Loss) before Tax	$ (121,365)	$ 378,236
A20010	Total adjustments to reconcile profit (loss)		
A20100	Depreciation Expense of Property, Plant and Equipment and Right-of-Use	20,015	14,058
A20400	Net Loss (Gain) on Financial Assets and Liabilities at Fair Value through I	2,008	7,700
A20900	Finance Costs	13,567	10,133
A21200	Interest Income	(3,881)	(17)
A21300	Dividend Income	(1,797)	(1,037)
A21900	Share-based Payment Expense for Employee Stock Options	1,062	-
A22400	Share of Losses (Profits) from Associates, Joint Ventures and Equity Meth	186,545	(27,404)
A22500	Gain on Disposal and Write-off of Property, Plant and Equipment	-	(58,122)
A22700	Gain on Disposal of Investment Properties	-	(344,315)
A23700	Loss on Impairment of Non-Financial Assets	5,711	21,867
A23700	Loss on Inventory Write-down and Obsolete Items	-	35,466
A23800	Gain on Recovery of Inventory Write-down and Obsolete Items	(100,571)	-
A23900	Unrealized Sales Gain	3,852	3,800
A24000	Realized Sales Gain	(3,800)	(781)
A24100	Unrealized Foreign Exchange Loss	7,212	975
A29900	Gain on Lease Modifications	(1)	-
A30000	Changes in Assets/Liabilities related to Operating Activities		
A31130	Notes Receivable	(820)	(1,148)
A31150	Accounts Receivable	(73,795)	(11,592)
A31180	Other Receivables	12,011	(234,580)
A31190	Other Receivables from Related Parties	(96,321)	(111,537)
A31200	Inventory	181,837	(7,299)
A31230	Prepayments	8,542	69,270
A31240	Other Current Assets	(139,249)	(112,521)
A31250	Other Financial Assets	(559,087)	(2,574)
A32125	Contract Liabilities	(1,454)	(6,856)
A32150	Accounts Payable	(384)	375
A32180	Other Payables	(63,945)	64,986
A32230	Other Current Liabilities	48,479	(1,062)
A33000	Cash Generated from Operations	(675,629)	(313,979)
A33100	Interest Received	3,881	17
A33200	Dividends Received	1,797	1,037
A33300	Interest Paid	(13,220)	(9,837)
A33500	Income Taxes Paid	(380)	(18,249)
AAAA	Net Cash Outflow from Operating Activities	(683,551)	(341,011)

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Code		2022	2021
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(6,250)	-
B00100	Acquisition of financial assets at fair value through profit or loss	(665)	(14,847)
B00200	Disposal of financial assets at fair value through profit or loss	5,530	17,228
B01800	Acquisition of investments accounted for using the equity method	-	(2,782)
B02700	Acquisition of property, plant, and equipment	(49,175)	(200,192)
B02800	Disposal of property, plant, and equipment	379,933	14,356
B03700	Increase in deposits as collateral	(10,180)	(803)
B03800	Decrease in deposits as collateral	26	-
B04300	Increase in other receivables from related parties	-	(10,000)
B05500	Disposal of investment properties	-	100,525
B07100	Increase in prepaid equipment expenses	-	(25,000)
B07200	Decrease in prepaid equipment expenses	25,000	-
BBBB	Net cash outflow from investing activities	344,219	(121,515)
	CASH FLOWS FROM INVESTING ACTIVITIES		
C00100	Increase in short-term loans	1,694,005	982,196
C00200	Decrease in short-term loans	(1,244,115)	(802,559)
C01600	Borrowings of long-term loans	70,000	80,000
C01700	Repayment of long-term loans	(113,759)	(15,600)
C04020	Repayment of lease liabilities	(4,190)	(1,895)
C04500	Payment of cash dividends	(16,012)	-
C04600	Cash capital increase	-	156,800
C05000	Proceeds from disposal of treasury stock	11,328	-
CCCC	Net cash inflow from financing activities	397,257	398,942
DDDD	Effect of exchange rate changes on cash and cash equivalents	(1,236)	(5)
EEEE	NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	56,689	(63,589)
E00100	CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	31,188	94,777
E00200	CASH AND CASH EQUIVALENT, END OF YEAR	$ 87,877	31,188

((The attached notes are an integral part of the financial statements of this individual entity.))

(Please refer to the audit report of Benison Associated Certified Public Accountants Firm, dated March 21, 2023.)

Chairman: Je-Yin Lin
Manager: Chen-Hsiang Fu
Accounting Supervisor: Po-Yao Tsen

Taiwan Wax Company Limited

Notes to the Individual financial statements

January 1 to December 31, 2022 and 2021

(All amounts are in New Taiwan dollars thousands unless otherwise indicated)

I. Company History:

1. Taiwan Wax Company Limited (hereinafter referred to as the "Company") was established on August 24, 1987 in accordance with the R.O.C. Company Law and other related regulations, and is principally engaged in the manufacture of various wax raw materials and finished products, the sale and purchase of optoelectronic equipment, the sale and purchase of aquatic products, and the provision of brokerage services.
2. The Company's shares were approved by the competent authorities for trading on the ROC Over-the-Counter Securities Exchange in May 2004.
3. These individual financial statements are presented in New Taiwan dollars, the functional currency of the Company.

II. Date and procedure for approval of financial statements:

This individual financial report was approved by the Board of Directors on March 21, 2023.

III. Application of newly issued and revised standards and interpretations:

1. First-time application of International Financial Reporting Standards (IFRSs), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) ("IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and issued into effect

   The application of the revised IFRSs approved by the FSC and issued into effect will not result in significant changes in the Company's accounting policies.
2. IFRSs approved by the FSC on 2023.

New Releases / Amendments / Revised Criteria and Interpretations	IASB Effective date of publication
Amendment to IAS 1 "Disclosure of Accounting Policies	January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates	January 1, 2023 (Note 2)
Amendment to IAS 12, "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023 (Note 3)

Note 1: This amendment applies to annual reporting periods beginning after January 1, 2023.

Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occur in annual reporting periods beginning after January 1, 2023.

Note 3: The amendment applies to transactions occurring after January 1, 2022, except for the recognition of deferred income taxes on temporary differences between leases and ex-service obligations as of January 1, 2022.

As of the date of adoption of this individual financial report, the Company has assessed that the amendments to other standards and interpretations will not have a material impact on the financial position and financial performance.

3. IFRSs issued by the IASB but not yet endorsed by the FSC and issued into effect

New Releases / Amendments / Revised Criteria and Interpretations	IASB Effective date of issuance (Note 1)
Amendments to IFRS 10 and IAS 28 "Disposal of or Contribution to Assets between an Investor and its Affiliates or Joint Ventures"	Undecided
IFRS 16 amendment "Lease liabilities in sale-and-leasebacks"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts" "Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
Amendment to IAS 1 "Classification of liabilities as current or non-current"	January 1, 2024
Amendment to IAS 1, "Non-current liabilities with contractual provisions	January 1, 2024

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual periods beginning after the respective dates.

Note 2: The seller and lessee shall apply the amendments to IFRS 16 retroactively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date of adoption of this individual financial report, the Company is still evaluating the impact of the amendments to other standards and interpretations on its financial position and financial performance, which will be disclosed when the evaluation is completed.

IV. Summary of significant accounting policies:

1. Follow the statement

These individual financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers.

2. Programming Basis

1.The individual financial statements have been prepared on the historical cost basis, except for financial instruments carried at fair value.

2.Fair value measurements are categorized into Levels 1 to 3 based on the degree of observability and significance of the relevant inputs:

(1)Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities available at the measurement date.

(2)Level 2 inputs: Inputs other than those quoted in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

(3)Level 3 inputs: Unobservable inputs of assets or liabilities.

3. In preparing the individual financial statements, the Company uses the equity method for its investment in subsidiaries. In order to make the profit or loss for the , other comprehensive income and equity in the individual financial statements the same as the profit or loss for the , other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the individual basis and the consolidated basis are adjusted for "investments accounted for under the equity method", "share of profit or loss of subsidiaries, affiliates and joint ventures recognized under the equity method", "share of other comprehensive income and loss of subsidiaries, affiliates and joint ventures recognized under the equity method" and related equity items. The "share of other comprehensive income of subsidiaries, affiliates and joint ventures recognized under the equity method" and related equity items.

3. Criteria for distinguishing between current and non-current assets and liabilities

1.Mobile assets include:

(1)Assets held primarily for trading purposes;

(2)assets expected to be realized within 12 months of the balance sheet date; and

(3)Cash and cash equivalents (other than those restricted from being exchanged or settled more than 12 months after the balance sheet date).

2.Current liabilities include:

(1)liabilities held primarily for trading purposes;

(2)liabilities due for settlement within 12 months of the balance sheet date, and

(3)Liabilities that cannot be unconditionally deferred until at least 12 months after the balance sheet date.

3.Current assets or liabilities that are not classified as current assets or liabilities are classified as non-current assets or non-current liabilities.

4. Foreign Currency

1.When preparing the financial statements, traders in currencies other than the Company's functional currency (foreign currency) are recorded in the functional currency based on the exchange rate on the transaction date.

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

3.Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss for the current period, except for those arising from changes in fair value recognized in other comprehensive income.

4.Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates prevailing on the dates of transactions and are not retranslated.

5.In preparing the consolidated financial statements, the assets and liabilities of foreign operations (including those of subsidiaries operating in countries or currencies different from those of the Company) are translated into New Taiwan dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at the average exchange rate for the period, and the resulting exchange differences are included in other comprehensive income.

5. Inventory

Inventories include raw materials, supplies, finished goods and work-in-process. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

6. Investment Subsidiaries

1. The Company uses the equity method to account for its investment in subsidiaries; a subsidiary is an entity over which the Company has control.
2. Under the equity method, the original investment is recognized at cost, and the carrying amount of the investment after the acquisition date increases or decreases based on the Company's share of the profit or loss of the subsidiary and other comprehensive income or loss and profit distribution. In addition, changes in the Company's other equity in subsidiaries are recognized in proportion to the Company's ownership interest.
3. When a change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is accounted for as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.
4. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are in substance a component of the Company's net investment in the subsidiary), the Company continues to recognize losses in proportion to its equity in the subsidiary.
5. The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business at the date of acquisition is recorded as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries constituting the business at the date of acquisition over the acquisition cost is recorded as current income.
6. When assessing impairment, the Company considers the cash-generating unit as a whole and

compares its recoverable amount with its carrying amount. If the recoverable amount of an asset subsequently increases, the reversal of the impairment loss is recognized as a gain, provided that the carrying amount of the asset after the reversal of the impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, less amortization. Impairment losses attributable to goodwill are not reversed in subsequent periods.

7.When control over a subsidiary is lost, the Company measures its remaining investment in the former subsidiary at fair value at the date of loss of control. The difference between the fair value of the remaining investment and the carrying amount of the investment at the date of loss of control, if any, is recognized in profit or loss for the current period. In addition, all amounts recognized in other comprehensive income or loss related to the subsidiary are accounted for on the same basis as if the Company had directly disposed of the related assets or liabilities.

8.Unrealized gains or losses on downstream transactions with subsidiaries are eliminated in the individual financial statements. Gains or losses arising from counter-current and side-stream transactions with subsidiaries are recognized in the individual financial statements only to the extent that they are not related to the Company's interest in the subsidiary.

7. Property, plant and equipment

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

2.Property, plant and equipment under construction are recognized at cost less accumulated impairment losses. Costs include fees for professional services and borrowing costs that qualify for capitalization. Upon completion and attainment of their intended use, these assets are classified into the appropriate categories of property, plant and equipment and depreciation is commenced.

3.Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. If the lease term is shorter than the useful life, depreciation is provided over the lease term. The Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each and defers the effect of changes in applicable accounting estimates.

4.When property, plant and equipment are derecognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss.

8. Investment real estate

1. Investment real estate is real estate held to earn rentals or for capital appreciation or both. Investment real estate also includes land held for future use that is currently undetermined.
2. Investment property owned by the Company is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on a straight-line basis.
3. When investment property is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

9. Impairment of property, plant and equipment, right-of-use assets, investment property and contract cost-related assets

1. The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and investment property may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to individual cash-generating units on a reasonably consistent basis.
2. Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and whenever there is an indication of impairment.
3. The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.
4. An impairment loss is recognized for inventories, property, plant and equipment and intangible assets recognized under customer contracts in accordance with the inventory impairment rules and the above provisions. The carrying amount of the assets related to contract costs is included in the respective cash-generating unit for the purpose of assessing the impairment of the cash-generating unit.
5. When an impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost-related asset is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined had the impairment

loss not been recognized in prior s for the asset, cash-generating unit or contract cost-related asset. Reversals of impairment losses are recognized in profit or loss.

10. Financial Instruments

1.Financial assets and financial liabilities are recognized in the individual balance sheets when the Company becomes a party to the contractual provisions of the instrument.

2.When financial assets and financial liabilities are recognized at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(1)Financial Assets

Regular transactions of financial assets are recognized and derecognized using trade date accounting.

A.Type of measurement

The types of financial assets held by the Company are financial assets measured at fair value through profit or loss and financial assets measured at amortized cost.

a.Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets that are mandatorily measured at fair value through profit or loss. Financial assets that are mandatorily measured at fair value through profit or loss include investments in equity instruments that are not designated by the Company as measured at fair value through other comprehensive income or loss, and investments in debt instruments that do not qualify for classification as measured at amortized cost or at fair value through other comprehensive income or loss.

Financial assets carried at fair value through profit or loss are measured at fair value, and any gain or loss arising from their remeasurement (excluding any dividends or interest arising from the financial assets) is recognized in profit or loss. Please refer to Note 6(29) for the determination of fair value.

b.Financial assets measured at amortized cost

The Company's investment financial assets are classified as financial assets carried at amortized cost if both of the following conditions are met:

(a) are held within an operating model whose objective is to hold financial assets to collect contractual cash flows; and

(b) The terms of the contracts give rise to cash flows on specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets carried at amortized cost (including cash and cash equivalents, time deposits with original maturities of more than three months, accounts receivable at amortized cost, other financial assets and refundable deposits) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss.

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

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

(b) Interest income on financial assets that are not acquired or impaired, but subsequently become impaired, is computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after the impairment is applied.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible to fixed deposits with minimal risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

B.Impairment of financial assets

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

An allowance for loss is recognized for accounts receivable on the basis of expected credit losses over the period of time. If there is no significant increase in credit risk, an allowance for loss is recognized on the basis of expected credit losses over 12 months, and if there is a significant increase, an allowance for loss is recognized on the basis of expected credit losses over the remaining period.

Expected credit losses are the weighted-average credit losses weighted by the risk of default. 12-month expected credit losses represent expected credit losses arising from possible defaults within 12 months after the reporting date of the instrument, and expected credit losses over the life of the instrument represent expected credit losses arising from all possible defaults during the expected life of the instrument.

For internal credit risk management purposes, the Company determines, without regard to the collateral held, that a default on a financial asset has occurred in the following circumstances:

a. There is internal or external information indicating that the debtor is unlikely to be able to pay its debts.

b. The Company's financial assets are overdue for more than 90 days unless there is reasonable and supportable information indicating that a delayed default basis is more appropriate. The carrying amount of all financial assets is reduced by an allowance account for impairment losses.

C. Exclusion of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

The difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss when the financial asset is derecognized as a whole at amortized cost.

(2) Equity Tools

The debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

Retirement of the Company's own equity instruments is recognized and derecognized under equity. The purchase, sale, issuance or cancellation of the Company's own equity instruments is not recognized in profit or loss.

(3)Financial liabilities

A.Subsequent measurement

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

B.Exclusion of financial liabilities

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

11. Revenue Recognition

After the Company identifies performance obligations in customer contracts, the transaction price is apportioned to each performance obligation and revenue is recognized when each performance obligation is satisfied.

1.Merchandise sales revenue

Revenue from sales of merchandise is derived from sales of aquatic products, optoelectronic equipment and various finished wax products. The Company recognizes revenue and accounts receivable at the point of sale because the customer has the right to set the price and use the merchandise and bears the primary responsibility for the resale of the merchandise and the risk of obsolescence when the merchandise meets the agreed-upon model, such as the point of shipment and the destination delivery model. The Company recognizes revenue and accounts receivable at that point in time. Merchandise is sold at a fixed price under a contract.

2.Labor income

Labor income is derived from services provided on behalf of the Company, and the related income is recognized when the services are rendered. The Company does not acquire control of the merchandise until it is transferred to the customer and is not primarily responsible for the completion of the contract. The Company provides merchandise purchase services as an agent and recognizes net income when control of the merchandise is transferred to the customer and there is no subsequent obligation.

12. Leasing

The Company assesses whether a contract is (or contains) a lease at the contract inception date.

(1)The Company is the lessor

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

Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the term of the relevant lease. The original direct costs incurred in acquiring an operating lease are added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease term.

(2)The Company is the lessee

Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value underlying assets to which the recognition exemption applies and short-term leases, where lease payments are recognized as expenses on a straight-line basis over the lease term.

Right-of-use assets are measured initially at cost (including the original measurement of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost to reinstate the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately in the individual balance sheets.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

Lease obligations are measured initially at the present value of the lease payments. If the interest rate implied by the lease is readily determinable, lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If a change in the lease term results in a change in future lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the individual balance sheets.

13. Borrowing Costs

1. Borrowing costs directly attributable to the acquisition, construction or production of an asset that meets the criteria are included as part of the cost of the asset until substantially all of the activities necessary to bring the asset to its intended use or sale condition have been completed.
2. Investment income earned on specific borrowings that are temporarily invested prior to the incurrence of qualifying capital expenditures is deducted from the cost of borrowings that qualify for capitalization.
3. Except for the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

14. Employee Benefits

1.Short-term Employee Benefits

Short-term employee benefit-related liabilities are measured at the non-discounted amount expected to be paid in exchange for employee services.

2.Post-employment benefits

The defined contribution pension plan is an expense that recognizes the amount of pension benefits to be contributed during the employees' service period.

15. Income Tax

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

1.Current income tax

(1)The current income is determined in accordance with the Income Tax Law of the R.O.C. and is used to calculate the income tax payable.

(2)Income tax on undistributed earnings calculated in accordance with the ROC Income Tax Act is recognized in the when the shareholders resolve to retain the earnings.

(3)Adjustments to prior s' income tax payable are included in the current period's income tax.

2.Deferred income tax

(1)Deferred income tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income. Deferred income tax assets and liabilities are not recognized for temporary differences arising from the initial recognition of assets and liabilities that have no effect on either taxable income or accounting profit.

(2)Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the temporary differences and loss carryforwards can be utilized.

(3)Deferred income tax liabilities are recognized for all taxable temporary differences associated with investments in subsidiaries, except where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and the temporary differences are expected to reverse in the foreseeable future.

(4)The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the assets. The carrying amount of deferred income tax assets not previously recognized as deferred income tax assets is reviewed at each balance sheet date and increased to the extent that it is more likely than not that sufficient taxable income will be available to allow recovery of all or part of the assets.

(5)Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3.Current and deferred income taxes

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

V. Significant accounting judgments, estimates and key sources of assumption uncertainty:

In adopting accounting policies, management is required to make judgments, estimates and assumptions that are based on historical experience and other relevant factors when the information is not readily available from other sources. Actual results may differ from those estimates.

The Company considers the economic impact of the novel coronavirus pneumonia outbreak as a significant accounting estimate, and management reviews the estimates and underlying assumptions on an ongoing basis. If a revision of an estimate affects only the current period, it is recognized in the period in which the estimate is revised; if a revision of an accounting estimate affects both the current and future periods, it is recognized in the period in which the estimate is revised and in the future period.

Key sources of estimation and assumption uncertainty

1. Income Tax

The Company does not recognize deductible temporary differences and unused loss carryforwards for deferred income tax assets in the balance sheet, see Note 6(27). The realizability of deferred income tax assets depends on whether it is probable that sufficient future profits will be realized or taxable temporary differences will be realized.

2. Impairment assessment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to complete and estimated costs to complete the sale, which are based on current market conditions and historical sales experience of similar products.

VI. Description of significant accounting items

1. Cash and cash equivalents

Project	Dec. 31, 2022	Dec. 31, 2021
Cash in hand	$ 186	$ 186
Demand Deposit and Checking Deposit	17,058	31,002
Cash equivalents (time deposits within 3 months from the original maturity date)	70,633	--
	$ 87,877	$ 31,188

2. Financial assets at fair value through profit or loss - current

Project	Dec. 31, 2022	Dec. 31, 2021
Mandatory measurement through profit or loss at fair value		
Non-derivative financial assets		
-Domestic listed (over-the-counter) company shares	$ 36,995	$ 43,868

3. Notes receivable, accounts receivable and other receivables

1.The breakdown is as follows:

Project	Dec. 31, 2022	Dec. 31, 2021
Notes Receivable		
Measured by post-amortized cost		
Total Carrying Cost	$ 3,361	$ 2,541
Less: Allowance for losses	--	--
	$ 3,361	$ 2,541
Occurred as a result of business	$ 3,361	$ 2,541
Accounts receivable		
Measured by post-amortized cost		
Total carrying amount	$ 97,492	$ 23,701
Less: Allowance for losses	--	--
	$ 97,492	$ 23,701
Other receivables		
Amounts receivable for purchase services - unrelated parties	$ 367,820	$ 384,959
Receivables for purchase services - related parties (Note 7(2))	216,667	2022,468
Related parties (Note 7(2))	10,000	11,837
Disposal of immovable property value	--	379,933
Other	191	--
	$ 594,678	$ 888,197

2.Accounts receivable and accounts receivable for purchase services

The average credit period for merchandise sales ranges from 30 to 180 days from month to month, and receivables are non-interest-bearing. The Company's policy is to deal only with customers whose credit ratings meet the Company's requirements and to obtain adequate guarantees, if necessary, to mitigate the risk of financial loss due to default. Credit rating information is obtained from publicly available financial information and historical transaction records for major customers. The Company continuously monitors credit risk and counterparty credit ratings, and spreads the total transaction amount among different customers with qualified credit ratings, and reviews and approves counterparty credit limits annually to manage credit risk.

To mitigate credit risk, the Company's president is responsible for the credit limit determination and credit approval process. In addition, the Company reviews the recoverable amounts of receivables on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes an allowance for losses on receivables based on expected credit losses over the life of the receivables. The expected credit loss over the period of continuation is calculated using an allowance matrix, which takes into account the customer's past default history, current financial condition and the economic conditions of the industry. Since the Company's credit loss history shows that there is no significant difference in loss patterns among different customer groups, the allowance matrix does not further differentiate between customer groups and only uses the number of days past due to determine the expected credit loss rate.

If there is evidence that the counter-party is in serious financial difficulty and the Company cannot reasonably expect to recover the amount, the Company directly eliminates the related receivables, but continues the recovery activities and recognizes the amount recovered in profit or loss as a result of the recovery.

The Company measured the allowance for losses on receivables based on the allowance matrix as follows:

Dec. 31, 2022

	Not overdue	1 to 30 days overdue	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
Expected credit loss ratio	0%	0%	0%	--	--	--
Total carrying amount	$ 681,353	$ 626	$ -	$ --	$ --	$ 681,979
Allowance for losses (expected credit losses over the life of the Company)	--	--	--	--	--	--
Cost after amortization	$ 681,353	$ 626	$ --	$ --	$ --	$ 681,979

Dec. 31, 2021

	Not overdue	1 to 30 days overdue	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
Expected credit loss ratio	0%	0%	0%	--	--	--
Total carrying amount	$ 519,097	$ 978	$ 53	$ --	$ --	$ 520,128
Allowance for losses (expected credit losses over the life of the Company)	--	--	--	--	--	--
Cost after amortization	$ 519,097	$ 978	$ 53	$ --	$ --	$ 520,128

There was no change in the allowance for losses on accounts receivable in 2022 and 2021.

4. Net Inventory

1.The breakdown is as follows:

Project	Dec. 31, 2022	Dec. 31, 2021
Finished products	$ 19,997	$ 105,311
Materials	386	221
Inventory in transit	3,883	--
	$ 24,266	$ 105,532

2.The nature of cost of goods sold is as follows

	2022	2021
Cost of inventories sold	$ 332,153	$ 247,049
Loss on decline in value of inventories and doubtful (reversal of gain)	(100,571)	35,466
Solar Leasing Costs	15,692	16,026
	$ 247,274	$ 298,541

The increase in net realizable value of inventories in 2022 was due to the elimination of inventories for which an allowance for impairment loss had been recorded.

5. Prepayments

Project	Dec. 31, 2022	Dec. 31, 2021
Prepaid Fees	$ 1,548	$ 1,036
Supplies Inventory	3,139	3,149
Prepayment	1,385	8,077
Retained tax credit	2,485	4,827
Other	--	10
	$ 8,557	$ 17,099

6. Other current assets

1.The breakdown is as follows:

Project	Dec. 31, 2022	Dec. 31, 2021
Temporary Payment	$ 274,784	$ 141,246
Other Financial Assets	558,956	3,074
Other	1	1
	$ 833,741	$ 144,321

2.The above provisional payments were made on behalf of the purchases.

3.The other financial assets mentioned above are set up as a reserve for borrowing, please refer to Note 8.

7. Investments in equity instruments measured at fair value through other comprehensive income or loss - non-current

1.The breakdown is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Private placement of stocks by listed companies		
Private Placement of Common Stock by Wajin Electronics Co.	$ 6,990	$ --

2.In January 2022, the Company subscribed for 1,000,000 shares of WSP's private placement common stock at NT$6.25 per share for NT$6,250 thousand with a 3- lock-up period. The Company invests in the private placement of common stock of the listed company for medium- to long-term strategic purposes and expects to make profits through long-term investment. The Company's management believes that it would be inconsistent with the aforementioned long-term investment plan to include short-term fair value fluctuations of these investments in profit or loss, and therefore has elected to designate these investments as measured at fair value through other comprehensive income.

8. Investments accounted for using the equity method

1.The details are as follows

Project	Dec. 31, 2022	Dec. 31, 2021
Investment Subsidiaries	$ 237,910	$ 419,647

Investment subsidiaries:

(1)The details are as follows

Name of investee company	Carrying amount Dec. 31, 2022	Dec. 31, 2021
TAI-WAX HOLDING CO., LTD.	$ --	$ (1,883)
TAI-WAX (THAILAND) CO.	--	--
GUAN DA GREEN ENERGY CO., LTD.	100,044	100,308
Gong Che Yan Fresh Seafood Co., LTD.	10,260	11,625
Jinghai Marine Products (Shanghai) Co.	127,606	309,597
	$ 237,910	$ 419,647

Name of investee company	Percentage of ownership interest and voting rights Dec. 31, 2022	Dec. 31, 2021
TAI-WAX HOLDING CO., LTD.	100%	100%
TAI-WAX (THAILAND) CO.	100%	100%
Koon Tat Green Energy Services Limited	100%	100%
Kyo Cheol Yeon Fresh Water Products Co.	100%	100%
Keio Marine Products (Shanghai) Co.	100%	100%

(2)The operation of the cultural and creative business of TAI-WAX HOLDING CO., LTD. is not as expected. After evaluation, TAI-WAX HOLDING CO., LTD. expects that the intangible assets related to the cultural and creative business are not likely to generate cash inflows in the future. The Company recognized an impairment loss of $51,055 thousand for its investment in TAI-WAX HOLDING CO., LTD. in 2016, which is included in the consolidated statement of income under the equity method for subsidiaries, affiliates and joint ventures.

(3)As the profitability of TAI-WAX (THAILAND) CO., LTD. was not as expected, the Company's board of directors resolved to liquidate the subsidiary on December 27, 2016.

Therefore, the Company recognized an impairment loss of $502 thousand on its investment in TAI-WAX (THAILAND) CO., LTD. in the consolidated statement of income under the equity method for subsidiaries, affiliates and joint ventures.

(4)Subsidiary Company Panxing Trading (Shanghai) Co., Ltd., due to lower-than-expected profitability, was resolved for dissolution and liquidation by the Board of Directors of our company on December 27, 105 (2016). Upon evaluation, it was determined that Panxing Trading (Shanghai) Co., Ltd. is unable to generate cash inflows from its fixed assets. Therefore, in the fiscal year 105 (2016), our company recognized an impairment loss of NT$3,032 million on the investment in the subsidiary company Panxing Trading (Shanghai) Co., Ltd., and recorded it under the equity method for subsidiaries, associated companies, and joint ventures in the individual comprehensive income statement. Subsequently, on November 5, 108 (2019), the Board of Directors of our company passed a resolution to proceed with the dissolution and liquidation of Panxing Trading (Shanghai) Co., Ltd.

(5)In July 2018, the Company invested and established Kuanda Green Energy Services Co.

(6)In September 2019, the Company invested in Kyung Cheol Yeon Seafoods Co., Ltd. with 100% shareholding, which is engaged in the sales of aquatic and agricultural products. Ltd., which is engaged in the sale of cosmetics and aquatic products. The aforementioned affiliated company was dissolved on February 15, 2022, with the approval of the competent authorities.

(7)In November 2020, the Company invested in Kyosemi Marine Products (Shanghai) Co., Ltd. with 100% shareholding, which is engaged in the sale of aquatic products.

9. Property, plant and equipment

	Dec. 31, 2022	Dec. 31, 2021
Self-use	$ 361,052	$ 332,274
Business Leasing	192,442	205,871
	$ 553,494	$ 538,145

1. Self-use

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
Cost:						
January 1, 2022	$ 315,291	$ 69,112	$ 841,756	$ 34,002	$ --	$ 1,260,161
Adding	--	--	--	--	47,839	47,839
Discipline	--	--	--	(380)	--	(380)
Transferred to investment real estate	(16,803)	--	--	--	--	(16,803)
Dec. 31, 2022	$ 298,488	$ 69,112	$ 841,756	$ 33,622	$ 47,839	$ 1,290,817

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
Accumulated depreciation and impairment:						
January 1, 2022	$ --	$ 54,760	$ 841,325	$ 31,802	$ --	$ 927,887
Depreciation	--	1,316	195	747	--	2,258
Discipline	--	--	--	(380)	--	(380)
Dec. 31, 2022	$ --	$ 56,076	$ 841,520	$ 32,169	$ --	$ 929,765
December 31, 2022 Net	$ 298,488	$ 13,036	$ 236	$ 1,453	$ 47,839	$ 361,052

	Land	House and Building	Machinery and Equipment	Other Equipment	Total
Accumulated depreciation and impairment:					
Jan. 1, 2021	$ --	$ 53,402	$ 841,130	$ 31,605	$ 926,137
Depreciation	--	1,358	195	637	2,190
Discipline	--	--	--	(440)	(440)
Dec. 31, 2021	$ --	$ 54,760	$ 841,325	$ 31,802	$ 927,887
Dec. 31, 2021 net	$ 315,291	$ 14,352	$ 431	$ 2,200	$ 332,274

2. Business Leasing

	Rental Assets
Cost:	
Balance on January 1, 2022	$ 246,126
Adding	--
Reclassification	--
Remaining balance as of December 31, 2022	$ 246,126
Accumulated depreciation and impairment:	
Balance on January 1, 2022	$ 40,255
Depreciation	13,429
Remaining balance as of December 31, 2022	$ 53,684
December 31, 2022 Net	$ 192,442

	Rental Assets
Cost:	
Balance on January 1, 2021	$ 74,961
Adding	132,324
Reclassification	38,841
Balance on December 31, 2021	$ 246,126
Accumulated depreciation and impairment:	
Balance on January 1, 2021	$ 8,433
Impairment loss	21,867
Depreciation	9,955
Balance on December 31, 2021	$ 40,255
Dec. 31, 2021 net	$ 205,871

3.In July 2021, the Company entered into a contract with an unrelated party to sell part of Lot 839, Minong Section, Minxiong Township, Chiayi County, for a total consideration of $70,864 thousand, and the transfer was completed in December 2021, with a gain of $58,062 thousand.

4.In July 2021, the Company sold part of Lot 838 and all of Lots 846 and 847 in Min Gong Section, Minxiong Township, Chiayi County, which resulted in a loss of $21,867 thousand in impairment loss because the solar power equipment built on the land could not continue to be used, resulting in a decrease in future cash flows.

5.Depreciation expense is provided on a straight-line basis over the following s:

Buildings	
Factory main building	35 to 55 s
Auxiliary Equipment	5 s to 25 s
Machinery and Equipment	3 s to 20 s
Rental Assets	18 to 20 s
Other Equipment	3 s to 10 s

6.Our company has entered into a Solar Photovoltaic Power Generation System Power Purchase Agreement with Taiwan Power Company (Taipower). According to the agreement, starting from the date of interconnection of both systems, all electricity generated by our company's power generation system will be sold to Taipower. The contract duration is 20 years, and it is accounted for as an operating lease in accordance with IFRIC 4 "Determining Whether an Arrangement Contains a Lease" and IFRS 16 "Leases." The rental payment is calculated based on the actual electricity generated and the verified feed-in tariff announced by the regulatory authority. Therefore, there are no future minimum lease payments that are non-cancellable.

7.Please refer to Note 8 for the amount of property, plant and equipment leased under self-use and operating leases that are pledged as collateral for loans.

10. Lease Agreement

1.Right-of-use assets

Project	Dec. 31, 2022	Dec. 31, 2021
Carrying amount of right-to-use assets		
Buildings	$ --	$ 1,066
Transportation Equipment	5,527	1,764
Other Equipment	15,028	15,959
	$ 20,555	$ 18,789

Project	2022	2021
Increase in the use of right assets	$ 6,204	$ 20,689
Depreciation expense on right-of-use assets		
Buildings	$ 1,066	$ 1,179
Transportation Equipment	2,331	734
Other Equipment	931	--
	$ 4,328	$ 1,913

2.Leasing Liabilities

Project	Dec. 31, 2022	Dec. 31, 2021
Carrying amount of lease liabilities		
Mobile	$ 3,535	$ 2,628
Non-mobile	$ 17,175	$ 16,179

The discount rate range for lease liabilities is as follows:

Project	Dec. 31, 2022	Dec. 31, 2021
Buildings	1.45%	1.45%
Transportation Equipment	1.33%, 1.45%	1.45%
Other Equipment	1.45%	1.45%

3.Other Leasing Information

(1)Please refer to Notes 6(9) and (11) for the agreements to lease the Company's own property, plant and equipment and investment property under operating leases.

(2)Other Leasing Information

Project	2022	2021
Short-term lease and low-value asset lease charges	$ 188	$ 201
Total cash (outflow) from leases	$ 4,722	$ 2,146

The Company has elected to apply the recognition exemption to certain equipment leases that qualify as low-value asset leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

11. Net investment property

1.The breakdown is as follows:

	Land
Cost:	
Balance on January 1, 2022	$ 115,927
Transfer from property, plant and equipment	16,803
Remaining balance as of December 31, 2022	$ 132,730

	Land
Accumulated depreciation and impairment:	
Balance on January 1, 2022	$ --
Depreciation	--
Remaining balance as of December 31, 2022	$ --
December 31, 2022 Net	$ 132,730

	Land
Cost:	
Balance on January 1, 2021	$ 195,502
Add	--
Discipline	(79,575)
Balance on December 31, 2021	$ 115,927

	Land
Accumulated depreciation and impairment:	
Balance on January 1, 2021	$ --
Depreciation	--
Balance on December 31, 2021	$ --
Dec. 31, 2021 net	$ 115,927

2.The fair value of investment properties has not been evaluated by independent appraisers, but only by the Company's management with reference to market evidence of similar real estate transaction prices, and the fair values were $603,492 thousand and $508,611 thousand as of December 31, 2022 and 2021, respectively.

3.For the amount of investment property pledged as collaterals for loans, please refer to Note 8.

4.The Company leases a portion of land in Minxiong Township, Chiayi County to an outside vendor for the construction of a solar power generation system under an operating lease for a period of 20 years from the date of commercial operation of the system to the end of the lease term. In February 2021, the Company purchased the solar power generation system from the external vendor, and the external vendor entered into a contract with Taiwan Power Company Limited (TEPCO) for the purchase and sale of the solar power generation system, which was assigned to the Consolidated Company.

5.In June and July 2021, the Company entered into contracts with unrelated parties to sell part of Lot 838 and all of Lots 846 and 847, Min Gong Section, Min Hsiung Township, Chiayi County for a total consideration of $423,890 thousand, respectively, and completed the transfer in December 2021 with a disposition benefit of $334,315 thousand.

12. Other non-current assets

Project	Dec. 31, 2022	Dec. 31, 2021
Prepayment of equipment	$ --	$ 25,000
Deposit Guarantee	14,235	4,081
Other	2,904	2,904
	$ 17,139	$ 31,985

13. Short-term borrowings

1.The breakdown is as follows:

Project	Dec. 31, 2022	Dec. 31, 2021
Guaranteed Loans	$ 1,157,520	$ 707,630
Interest Rate Range	1.51%~2.22%	0.82% to 2.00%

2.Please refer to Note 8 for the guarantee provided by the Company.

14. Other payables

Project	Dec. 31, 2022	Dec. 31, 2021
Payroll	$ 2,240	$ 3,440
Compensation to employees	74	3,550
Remuneration to directors and supervisors	--	7,100
Other expenses payable	6,730	11,230
Equipment Payables	--	1,336
Amounts due to purchasers	--	47,322
	$ 9,044	$ 73,978

15. Long-term loans

1.The breakdown is as follows:

Project	Dec. 31, 2022	Dec. 31, 2021
Guaranteed Loans	$ 119,474	$ 163,233
Less: Classified as part due within 1	(17,022)	(22,600)
Long-term loans	$ 102,452	$ 140,633

2.In 2019, our company obtained a new bank loan of NT$60,000 thousand. The interest rates for the years 2022 and 2021 as of December 31 were 1.98% and 1.60%, respectively. The loan is amortized over 5 years with a monthly principal repayment of NT$350 thousand, and the remaining balance will be fully repaid at maturity. Pursuant to the loan agreement, our company has granted the bank a mortgage on the rights under the Solar Photovoltaic Power Generation System Power Purchase Agreement with Taipower and the solar power generation equipment (recognized as leased assets). Please refer to Note 8 for details.

3.In 2020, our company obtained a new bank loan of NT$50,000 thousand. The interest rates for the years 2022 and 2021 as of December 31 were 2.03% and 1.50%, respectively. The loan is amortized over 5 years with a monthly principal repayment of NT$833 thousand. Pursuant to the loan agreement, our company has granted the bank a mortgage on the self-use and leased real estate, factories, and equipment. Please refer to Note 8 for details.

4.In 2021, our company obtained a bank loan of NT$80,000 thousand. The interest rate as of December 31, 2021, was 1.75%. The loan is amortized over 12 years with a monthly principal repayment of NT$700 thousand. Due to considerations of fund management and interest rates, the loan was fully repaid in advance in August 2022.

5. In 2022, our company obtained a new bank loan of NT$50,000 thousand. The interest rate as of December 31, 2022, was 2.075%. The loan is amortized over 15 years with a monthly repayment of principal and interest amounting to NT$318 thousand. Pursuant to the loan agreement, our company has granted the bank a mortgage on the solar power generation equipment (recognized as leased assets). Please refer to Note 8 for details.

16. Post-employment benefit plans

1.Confirmation of the transfer plan

The Company's pension plan under the Labor Pension Act is a government-administered defined contribution pension plan that contributes 6% of employees' monthly salaries to the individual accounts of the Bureau of Labor Insurance.

17. Rights and Benefits

1.Ordinary shares (Unit: NT$)

	Dec. 31, 2022	Dec. 31, 2021
Number of shares	200,000,000	200,000,000
Authorized capital	$ 2,000,000,000	$ 2,000,000,000
Number of shares issued and fully paid	93,559,300	81,550,000
Issued Share Capital	$ 935,593,000	$ 815,500,000

(1)The Company's stockholders' meeting on July 20, 2021 resolved to issue a private placement of $200,000,000 in cash, and authorized the Board of Directors to issue the shares in installments. On September 30, 2021, the Board of Directors approved the first private placement of cash capital increase for the 2021 at a subscription price of NT$15.68 per share. 10,000,000 shares were issued on October 14, 2021, the base date of the capital increase, for a total of NT$156,800,000. was approved by the competent authority and registered as a change on November 1, 2021.

(2)The Company's shareholders' meeting on June 21, 2022 resolved to increase capital by $120,093 thousand from undistributed earnings, and the change was approved by the competent authority on November 4, 2022.

2.Capital Fund

	Dec. 31, 2022	Dec. 31, 2021
(i) may be used to make up losses, to make cash payments or to capitalize		
Stock Issuance Premium	$ 164,030	$ 164,030
Treasury Stock Trading	1,068	6
	$ 165,098	$ 164,036

Such capital surplus may be used to offset losses or, when the Company has no losses, to distribute cash or to capitalize capital, provided that the capitalization is limited to a certain percentage of the paid-in capital each .

3.Retained earnings and dividend policy

(1)In accordance with the Company's Articles of Incorporation, if there is any surplus in the annual accounts, the Company shall pay tax and make up for the accumulated deficit, and then set aside 10% as legal reserve, and set aside or reverse the rest as special reserve as required by law. Please refer to Note 6(26) for the Company's policy on the distribution of remuneration to employees, directors and supervisors as stipulated in the Articles of Incorporation.

(2)The legal reserve should be appropriated until the remaining balance reaches the Company's paid-in capital. If the Company has no deficit, the excess of legal reserve over 25% of the paid-in capital may be appropriated to capital and distributed in cash.

(3)When the Company first adopted IFRSs recognized by the FSC, it chose to apply IFRS 1 "First-time Adoption of International Financial Reporting Standards" exemption and recorded an unrealized revaluation increment of $176,947 thousand in land under stockholders' equity, and provided a special reserve of the same amount in accordance with the related administrative letter. When the related assets are disposed of or reclassified, the special reserve may be reversed and distributed in proportion to the special reserve. However, since the increase in retained earnings is not sufficient to provide for the increase in retained earnings, only $88,694 thousand of the increase in retained earnings from the conversion is provided for as special reserve. As of December 31, 2022 and 2021, the balance of this special reserve was $88,694 thousand.

(4)On July 20, 2021, the Company's annual shareholders' meeting approved the appropriation of the loss for fiscal 2020.

(5)The appropriation of earnings for the ended June 21, 2022 was approved at the annual shareholders' meeting held on June 21, 2021, as follows

	2021
Legal Surplus	$ 33,905
Cash dividends	$ 16,012
Stock dividends	$ 120,093
Cash dividends per share (NT$)	$ 0.20
Stock dividends per share (NT$)	$ 1.50

(6)The Board of Directors' meeting on March 21, 2023 proposed a loss appropriation for 2022. Since there is still an accumulated deficit, no appropriation of earnings has been made and is pending the resolution of the shareholders' meeting scheduled for June 14, 2023.

4.Treasury Stocks

Reason for recovery	Transfer of shares to employees (in thousands)
Shares as of January 1, 2022	1,488
Reduction of this issue	600
Number of shares as of December 31, 2022	888

Reason for recovery	Transfer of shares to employees (in thousands)
Number of shares as of December 31, 2021	1,488

In 2022, the Company transferred 600 thousand shares to employees at NT$18.88 per share with a buyback cost of $11,328 thousand, which was delivered to employees as of December 31, 2022. The Company recognized employee compensation cost of $1,062 thousand on the date of grant and recognized capital surplus - treasury stock transaction of $1,062 thousand on the date of stock delivery to employees.

Treasury stock held by the Company is not pledged under the Securities and Exchange Act, and is not entitled to dividend distribution or voting rights.

18. (Loss) earnings per share

The effect of the gratis allotment was retroactively adjusted for the calculation of earnings per share, and the base date of such gratis allotment was set on October 13, 2022. As a result of the retroactive adjustment, the changes in basic and diluted earnings per share for 2021 were as follows:

	Retroactively adjusted before	After retroactive adjustment
Basic earnings per share	$ 5.16	$ 4.49
Diluted earnings per share	$ 5.15	$ 4.48

The weighted-average number of shares of common stock and (loss) earnings per share used in the calculation of earnings per share were as follows

Net (loss) profit for the

	2022	2021
Net (loss) profit for the	$ (123,635)	$ 372,958
Number of shares		
Weighted number of common shares for basic earnings per share calculation	92,289	83,082
Effect of potential common stock with dilution:		
Employee Compensation	33	180
Weighted number of common shares for the purpose of diluted earnings per share	92,322	83,262

If the Company has the option to pay employees in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of common shares outstanding for the purpose of calculating diluted earnings per share when the potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the Board of Directors' resolution on the number of shares to be issued for employee compensation in the following .

19. Cash Flow Information

1. Changes in liabilities from financing activities

2022

	January 1, 2022	Cash Flow	Change in non-cash New lease/ Lease Modification	Dec. 31, 2022
Short-term borrowings	$ 707,630	$ 449,890	$ --	$ 1,157,520
Long-term loans	163,233	(43,759)	--	119,474
Leasing Liabilities	18,807	(4,190)	6,093	20,710
	$ 889,670	$ 401,941	$ 6,093	$ 1,297,704

2021

			Change in non-cash		
	Jan. 1, 2021	Cash Flow	New lease/ Lease Modification	Adjustment for exchange rate changes	Dec. 31, 2021
Short-term borrowings	$ 528,622	$ 179,637	$ --	$ (629)	$ 707,630
Long-term loans	98,833	64,400	--	--	163,233
Leasing Liabilities	13	(1,895)	20,689	--	18,807
	$ 627,468	$ 242,142	$ 20,689	$ (629)	$ 889,670

20. Operating income

1.The breakdown is as follows:

Project	2022	2021
Customer Contract Revenue		
Revenue from sales of wax products	$ 286,173	$ 200,705
Revenue from purchase agency services (Note 7(3))	35,145	31,461
Revenue from sales of optoelectronic equipment	--	79,360
Lease income		
Rental income from optical equipment	23,741	20,382
Land lease income	--	67
	$ 345,059	$ 331,975

2.Description of Customer Agreement

(1)Note 4(11) shows the revenue from customer contracts.

(2)Lease income is detailed in Notes 6(9) and (11).

3.Contract Balance

	Dec. 31, 2022	Dec. 31, 2021
Contractual liabilities - sales of goods	$ 89	$ 1,543

The change in contractual liabilities mainly arises from the difference between the point at which performance obligations are met and the point at which customers pay.

4.The contract liabilities from the beginning of the were $1,513 thousand and $8,369 thousand in operating income recognized in 2022 and 2021, respectively.

21. Other income

Project	2022	2021
Dividend income	$ 1,797	$ 1,037
Other income - other	145	1,191
	$ 1,942	$ 2,228

22. Other interests and losses

Project	2022	2021
Net foreign currency exchange gain	$ 34,579	$ 620
Other impairment losses	(5,711)	--
Lease modification benefits	1	--
Losses on financial assets at fair value through profit or loss	(2,008)	(7,700)
Other	(2,087)	--
	$ 24,774	$ (7,080)

23. Finance Costs

Project	2022	2021
Interest on bank loans	$ 13,223	$ 10,083
Interest on lease liabilities	344	50
	$ 13,567	$ 10,133

24. Depreciation and amortization

Project	2022	2021
Property, plant and equipment	$ 15,687	$ 12,145
Right-of-use assets	4,328	1,913
	$ 20,015	$ 14,058
Depreciation expense is summarized by function		
Operating Costs	$ 15,599	$ 11,125
Operating Expenses	4,416	2,933
	$ 20,015	$ 14,058

25. Employee Benefits

Project	2022	2021
Short-term Employee Benefits	$ 22,895	$ 30,252
Post-employment benefits	886	749
Separation Benefits	--	--
	$ 23,781	$ 31,001

Project	2022	2021
Summary by Function		
Operating Costs	$ 7,039	$ 7,058
Operating Expenses	16,742	23,943
	$ 23,781	$ 31,001

(26) Employees' remuneration and remuneration to directors and supervisors

1.The Company contributes no less than 1% and no more than 3% of the pre-tax benefit before employee and director compensation, respectively, to the employees' and directors' and supervisors' remuneration for the . The estimated compensation to employees and remuneration to directors and supervisors for 2022 and 2021 were resolved by the Board of Directors on March 21, 2023 and March 16, 2022, respectively, as follows (the Audit Committee was established to replace the Supervisors after the Company's annual shareholders' meeting on June 21, 2022):

Estimated Ratio

	2022	2021
Employee Compensation	--	1%
Remuneration for Directors and Supervisors	--	2%

Amount

	2022	2021
Employee Compensation	$ --	$ 3,550
Remuneration for Directors and Supervisors	$ --	$ 7,100

2.If there is a change in the amount of the annual financial report after the date of its issuance, the change in the accounting estimate is treated as an adjustment in the following .

3.The actual amounts of compensation to employees and directors and supervisors for 2021 and 2020 did not differ from the amounts recognized in the individual financial statements for 2021 and 2020.

4.For information on the remuneration of employees and remuneration of directors and supervisors resolved by the Board of Directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(27) Income tax

1.The major components of income tax recognized in profit or loss are as follows

	2022	2021
Current income tax		
Producers of the	$ 2,270	$ 5,278
Deferred income tax		
Producers of the	--	--
Income tax expense recognized in profit or loss	$ 2,270	$ 5,278

2.The reconciliation of accounting income to income tax expense is as follows:

	2022	2021
Net income (loss) before income tax	$ (121,365)	$ 378,236
Income tax expense (benefit) at statutory tax rate on net income (loss) before income tax	$ (24,273)	$ 75,647
Non-deductible expenses for tax purposes	2,314	1,684
Tax-free income	(359)	(80,683)
Unallocated surplus plus levy	2,270	--
Land Value Added Tax	--	5,278
Unrecognized deductible temporary differences	17,220	3,576
Unrecognized loss carryforward	5,098	(224)
Income tax expense recognized in profit or loss	$ 2,270	$ 5,278

3.Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows

2022	Balance at the beginning of the	Recognized in profit or loss	Recognized in other comprehensive income	Current Payments	-end balance
Deferred income tax liabilities					
Land Value Added Tax	$ (29,033)	$ --	$ --	$ --	$ (29,033)

2021	Balance at the beginning of the	Recognized in profit or loss	Recognized in other comprehensive income	Current Payments	-end balance
Deferred income tax liabilities					
Land Value Added Tax	$ (42,015)	$ --	$ --	$ 12,982	$ (29,033)

4.The amount of deductible temporary and unused loss carryforwards for deferred income tax assets not recognized in the balance sheet is as follows

	Dec. 31, 2022	Dec. 31, 2021
Loss Deduction Credit		
Expiring in 2022	$ --	$ 64,483
Expiring in 2023	28,991	28,991
Expiring in 2024	76,099	76,099
Expiring in 2025	62,710	62,710
Expiring in 2026	22,314	22,314
Expiring in 2028	31,673	31,673
Expiring in 2032	23,115	--
	$ 244,902	$ 286,270

	Dec. 31, 2022	Dec. 31, 2021
Temporary differences can be reduced		
Allowance for loss on decline in value of inventories	$ 33,333	$ 133,904
The equity method is used to recognize the profit or loss of subsidiaries.	286,014	101,098
Impairment loss on machinery and equipment and assets leased to others	38,262	42,849
Other	11,926	5,582
	$ 369,535	$ 283,433

5.Income tax return approval situation

The Company's income tax returns have been examined and cleared by the tax authorities through 2020.

(28) Capital risk management

Based on the characteristics of the current operating industry and its future development, and taking into account factors such as changes in the external environment, the Company plans its operating capital requirements (including research and development expenses and debt repayment) for future periods in order to ensure sustainable operations, to reward its shareholders and to take into account the interests of other stakeholders, and to maintain an optimal capital structure to enhance shareholder value.

(29) Financial instruments

1.Fair Value Information

(1)Fair value information - financial instruments not carried at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities not carried at fair value approximate their fair values.

(2)Fair value information - financial instruments measured at fair value on a recurring basis

Dec. 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current				
Domestic listed stocks	$ 36,995	$ --	$ --	$ 36,995
Financial assets at fair value through other comprehensive income or loss - non-current				
Investments in equity instruments				
Domestic listed stocks	$ 6,990	$ --	$ --	$ 6,990

Dec. 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - current				
Domestic listed stocks	$ 43,868	$ --	$ --	$ 43,868

2.Types of Financial Instruments

	Dec. 31, 2022	Dec. 31, 2021
Financial Assets		
Financial assets at fair value through profit or loss		
Mandatory measurement through profit or loss at fair value	$ 36,995	$ 43,868
Financial assets carried at amortized cost (Note 1)	1,356,599	952,782
Financial liabilities		
Financial liabilities measured at amortized cost (Note 2)	1,286,181	945,368

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

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

3.Financial risk management objectives and policies:

The Company's financial management department serves each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks associated with the Company's operations through internal risk reporting that analyzes risk exposures based on risk level and breadth. These risks include market risk, credit risk and liquidity risk.

The significant financial activities of the Company are reviewed by the Board of Directors in accordance with the relevant regulations and internal control system. During the execution of the financial plans, the Company must comply with the relevant financial operating procedures regarding overall financial risk management and segregation of duties and responsibilities.

(1)Market Risk

The principal financial risks to which the Company is exposed as a result of its operating activities are the risk of changes in foreign currency exchange rates (see A below) and the risk of changes in interest rates (see B below).

There has been no change in the Company's exposure to market risk of financial instruments and the way it manages and measures such exposure.

A.Exchange rate risk

The Company engages in foreign currency-denominated sales and purchase transactions, which expose the Company to exchange rate risk.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date, please refer to Note 12(1).

The Company is primarily affected by fluctuations in the U.S. dollar exchange rate. The sensitivity analysis includes only outstanding foreign currency monetary items and adjusts them for a 1% change in the exchange rate translated at the end of the period. The following table details the sensitivity analysis for a 1% increase and decrease in the New Taiwan dollar (functional currency) against the U.S. dollar. 1% is the sensitivity ratio used by key management within the Company to report exchange rate risk and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates.

The positive numbers in the table below represent the decrease in pre-tax income when the NTD strengthens by 1% against the U.S. dollar, and the negative impact on pre-tax income when the NTD depreciates by 1% against the U.S. dollar.

	The Impact of the Dollar	
	2022	2021
Profit and Loss	$ 11,659	$ 3,152

These receivables and payables are primarily due to the Company's outstanding U.S. dollar denominated receivables and payables that are not cash flow hedged as of the balance sheet date.

B.Interest Rate Risk

The Company borrows funds at floating interest rates and therefore incurs interest rate risk.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows

	Dec. 31, 2022	Dec. 31, 2021
Cash flow rate risk		
-Financial Assets	$ 646,624	$ 34,052
-Financial liabilities	1,276,994	870,863

The sensitivity analysis below is based on the interest rate risk of the non-derivative instruments at the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding for the reporting period. The rate of change used in reporting interest rates internally to key management is a 1% increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 1%, with all other variables held constant, the Company's net income before income tax for 2022 would have decreased/increased by $6,304 thousand, mainly due to the net portion of the Company's variable-rate bank deposits and variable-rate borrowings.

If interest rates had increased/decreased by 1%, with all other variables held constant, the Company's net income before income taxes for 2021 would have decreased/increased by $8,368 thousand, mainly due to the net portion of the Company's variable-rate bank deposits and variable-rate borrowings.

(2)Credit Risk

Credit risk refers to the risk of financial loss resulting from the default of contractual obligations by counter-parties. As of the balance sheet date, the Company's maximum exposure to credit risk of financial loss due to non-performance of obligations and financial guarantees by counter-parties mainly arises from the carrying amount of financial assets recognized in individual balance sheets.

Business units manage customer credit risk in accordance with the Company's customer credit risk policies, procedures and controls. The credit risk of all customers is evaluated by taking into account the customer's financial condition, ratings from credit rating agencies, historical transaction experience, the current economic environment and the Company's internal rating standards. The Company also uses certain credit enhancement tools (such as advance receipts) at appropriate times to reduce the credit risk of specific customers.

As of December 31, 2022 and 2021, the percentages of receivables from the Company's top ten customers to the Company's total receivables were 93% and 73%, respectively, and the credit concentration risk of the remaining receivables was relatively insignificant.

(3)Liquidity risk

The Company manages and maintains sufficient cash to support its operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of banking facilities and ensures compliance with the terms of borrowing contracts.

The analysis of the remaining contractual maturities of non-derivative financial liabilities has been prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest possible date on which the Company can be required to make repayment. Accordingly, the Company's bank loans that may be required to be repaid immediately are listed in the table below at the earliest possible date, regardless of the probability that the bank will immediately enforce the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

	Within 6 months (inclusive)	More than 6 months Up to 1	More than 1
Dec. 31, 2022			
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 8,264	$ --	$ --
Leasing Liabilities	1,904	1,904	19,159
Variable Rate Instrument	1,172,078	9,609	109,962
	$ 1,182,246	$ 11,513	$ 129,121

	Within 6 months (inclusive)	More than 6 months Up to 1	More than 1
Dec. 31, 2021			
Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 73,929	$ --	$ --
Leasing Liabilities	1,653	1,442	18,189
Variable Rate Instrument	721,957	12,518	147,230
	$ 797,539	$ 13,960	$ 165,419

VII. Related Party Transactions

1. Name and relationship of related parties

Name of Related Party	Relationship with the Company
TAI-WAX HOLDING CO.,LTD .	Subsidiaries
TAI-WAX (THAILAND) CO.	Subsidiaries
GUAN DA GREEN ENERGY CO., LTD.	Subsidiaries
Gong Che Yan Fresh Seafood Co., LTD.	Subsidiaries
Panxing Trading (Shanghai) Co.	Sun Corporation
Jinghai Marine Products (Shanghai) Co.	Subsidiaries

2. Significant transactions with related parties

1.Revenue from purchase agency services (recorded as operating income)

Type/Name of Related Party	2022	2021
Keio Marine Products (Shanghai) Co.	$ 22,148	$ 4,171

2.Other receivables

Type/Name of Related Party	Dec. 31, 2022	Dec. 31, 2021
Keio Marine Products (Shanghai) Co.	216,667	2022,468
Subsidiaries	10,000	11,837
	$ 226,667	$ 123,305

3.Temporary Collection

Type/Name of Related Party	Dec. 31, 2022	Dec. 31, 2021
Keio Marine Products (Shanghai) Co.	$ 53,321	$ --

21. Key management compensation information:

Project	2022	2021
Short-term Employee Benefits	$ 6,802	$ 5,779

VIII. Pledged assets

1. The breakdown is as follows:

	Dec. 31, 2022	Dec. 31, 2021
Other Financial Assets - Mobile	$ 558,956	$ 3,074
Property, plant and equipment		
Land	214,283	231,086
Buildings	10,364	10,804
Rental Assets	192,442	146,429
Investment real estate		
Land	98,676	81,873
	$ 1,074,721	$ 473,266

2. The above assets are pledged as collaterals for loans.

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

1.Significant commitments: None.

2.Contingent items: None.

X. Major disaster damage: None.

XI. Significant post-term events: None.

XII. Other:

1. Information on foreign currency assets and liabilities with significant effect

1.The following information is expressed in foreign currencies, and the exchange rates disclosed are the rates at which the foreign currencies were translated into the functional currency of the Company. Assets and liabilities denominated in foreign currencies that have a significant effect are as follows:

Dec. 31, 2022

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 39,702	30.71 (USD: NTD)	$ 1,219,239
Non-monetary items			
Investments accounted for using the equity method			
Renminbi	40,068	4.408 (RMB: NTD)	176,619
Foreign currency liabilities			
Monetary items			
USD	1,736	30.71 (USD: NTD)	53,321

Dec. 31, 2021

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 18,093	27.68 (USD: NTD)	$ 500,819
Non-monetary items			
Investments accounted for using the equity method			
Renminbi	72,145	4.344 (RMB: NTD)	313,398
Foreign currency			

liabilities			
Monetary items			
USD	6,705	27.68 (USD: NTD)	185,588
Non-monetary items			
Equity-method investment credit balance			
USD	68	27.68 (USD: NTD)	1,883

2.Foreign currency exchange (gains) (losses) with significant impact (unrealized) were as follows:

	2022		2021	
Foreign Currency	Exchange rate	Net exchange (loss) gain	Exchange rate	Net exchange (loss) gain
USD	30.71 (USD: NTD)	$ (7,212)	27.68 (USD: NTD)	$ (975)

2. Other Notes

1.The spread of the novel coronavirus (COVID-19) around the world has resulted in quarantine and travel restrictions in some areas. The Company assesses that the overall business and financial aspects have not been significantly affected and there is no doubt about its ability to continue as a going concern or the risk of raising capital. However, the impact of the epidemic is still uncertain and the Company will continue to monitor the development of the epidemic.

XIII. Note Disclosure

(A) Information on major transactions and (b) transfer of investment business:

1.Loan of funds to others: detailed table (1)

2.Endorsement for others: Detailed Schedule (II)

3.Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures): Table 3 (attached)

4.Cumulative purchase or sale of the same marketable securities amounting to at least NT$300 million or 20% of the paid-in capital: None

5.Acquisition of real estate amounting to at least NT$300 million or 20% of the paid-in capital: None

6.Disposal of immovable property amounting to at least NT$300 million or 20% of the paid-in capital: None

7.Purchase or sale of goods with related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8.Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 4 (attached).

9.Engaged in derivatives trading: None

10.Information on investee companies: Detailed table (V)

(C) Mainland Investment Information:

1.Information on investee companies: Please refer to Table (6).

2.Significant transactions with Mainland China investees:

(1)Purchases and related payables: None

(2)Sales and related receivables: Schedule (VII)

(3)Property transactions: None

(4)Note endorsement guarantee or provision of collateral: None

(5)Information and Financial Communication: None

(6)Other transactions that had a significant effect on the current period's profit or loss or financial position: None

(d) Information on major shareholders: Name, amount and percentage of shares held by shareholders with more than 5% ownership: Table (8)

XIV. Department Information

The Company has disclosed the relevant operating segment information in the consolidated financial statements in accordance with the regulations.

Table (I)

Loans to others

Unit: TWD thousand/USD thousand

No. (Note 1)	Name of lender	Name of borrower	Account	Related party	Maximum balance for the period	Ending Balance	Actual usage Amount	Interest Rate Interval	Nature of Fund Lending	Business Transaction Amount	Reasons for Short-term financing	Allowance for bad debt	Collateral		Individual funding limits (Note 3)	Maximum limit for fund financing. (Note 2)
													Item	Value		
0	Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	Amounts due from related parties	Y	50,000	50,000	10,000	--	Short-term capital financing	--	Operating turnover	--	--	--	126,429	252,858

Note 1: The issuer is entered as 0; the investee companies are numbered according to the company, starting from the Arabic numeral 1.

Note 2: The total amount of the Company's loans to external parties shall not exceed 20% of the Company's net worth.

Note 3: The amount of individual loans to the Company is limited to 10% of the Company's net worth.

Table (II)

Endorsements Guarantees for others: Unit: $ TWD thousand

No. (Note 1)	Endorser's company name	Endorsed guarantee recipient.		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 3)	Highest balance for guarantee and endorsements during the period	Balance of guarantees and endorsements, end of year	Actual usage amount	Amount of property pledged for guarantee and endorsements	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/guarantees to subsidiary	Subsidiary endorsements/guarantees to the parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Company Name	Relationship (Note 2)										
0	Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	2	379,288	100,000	100,000	–	–	7.91%	379,288	Y	–	–

Note 1: The description of the number column is as follows:

1. The issuer fills in 0.

2. The investee companies are numbered in order by company, starting with the Arabic number 1.

Note 2: The relationship between the endorser and the endorsed guarantor is as follows:

1. Companies that have business dealings.

2. Companies in which the Company directly or indirectly holds more than 50% of the voting shares.

3. A company that directly or indirectly holds more than 50% of the voting shares of the company.

4. The company directly and indirectly holds more than 90% of the voting shares of the intercompany.

5. A company that is mutually insured by the contract between interbank or co-builders based on the needs of the contracted work.

6. Companies that are guaranteed by all shareholders in proportion to their shareholdings due to joint investment.

7. Interbank engagement in the performance guarantee of pre-sale contracts in accordance with the Consumer Protection Act.

Note 3: 1. The Company's endorsement and guarantee for a single enterprise shall not exceed 30% of the Company's net worth.

2. The total amount of the Company's external endorsement guarantee shall not exceed 30% of the Company's net worth.

Table (III)

Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies and jointly controlled entities):

Unit: NT$1,000/share

Companies held	Type and Name Securities Held		Relationship with the issuer of securities	Account items	End of period				Note
	Type	Name			Number of shares (units)	Accounts items	Shareholding Proportion	Fair Value	
Taiwan Wax Co.	Stock	DACOME INTERNATIONAL LTD.	None	Financial assets at fair value through profit or loss - current	540,000	14,391	1.62 %	14,391	--
Taiwan Wax Co.	Stock	TRIOCEAN INDUSTRIAL CORPORATION CO., LTD.	None	Financial assets at fair value through profit or loss - current	39	--	0.00 %	--	--
Taiwan Wax Co.	Stock	DAILY POLYMER CORP.	None	Financial assets at fair value through profit or loss - current	408,891	5,377	0.89 %	5,377	--
Taiwan Wax Co.	Stock	TOP HIGH IMAGE CORP.	None	Financial assets at fair value through profit or loss - current	200,000	2,800	0.23 %	2,800	--
Taiwan Wax Co.	Stock	CROWELL DEVELOPMENT CORP.	None	Financial assets at fair value through profit or loss - current	265,000	4,240	0.47 %	4,240	--
Taiwan Wax Co.	Stock	UNITED INTEGRATED SERVICES CO., LTD.	None	Financial assets at fair value through profit or loss - current	30,000	5,490	0.02 %	5,490	--
Taiwan Wax Co.	Stock	GENERAL BIOLOGICALS CORP.	None	Financial assets at fair value through profit or loss - current	5,513	145	0.01 %	145	--

Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated companies and jointly controlled entities):

Unit: NT$1,000/share

Companies held	Type and Name Securities Held		Relationship with the issuer of securities	Account items	End of period				Note
	Type	Name			Number of shares (units)	Accounts items	Shareholding Proportion	Fair Value	
Taiwan Wax Co.	Stock	Delpha Construction	None	Financial assets at fair value through profit or loss - current	150,000	2,588	0.02 %	2,588	--
Taiwan Wax Co.	Stock	CHUNG HUNG STEEL CORPORATION	None	Financial assets at fair value through profit or loss - current	50,000	1,338	0.00 %	1,338	--
Taiwan Wax Co.	Depository Receipts	Ju Teng International Holdings Limited	None	Financial assets at fair value through profit or loss - current	10,000	626	0.00 %	626	--
Taiwan Wax Co.	Stock	HOLD JINN ELECTRONICS CO., LTD.	None	Investments in equity instruments measured at fair value through other comprehensive income or loss - non-current	1,000,000	6,990	1.15 %	6,990	--

Table (IV)

Receivables from related parties amounting to at least NT$100 million or 20 percent of the paid-in capital: Unit：NTD thousand

Companies with accounts receivable	Counterparty Name	Relationships	Related party Balance	Turnover rate	Overdue amounts due from related parties		Subsequent recoveries of amounts due from related parties	Allowance for doubtful accounts	Note
					Amount	Processing Method			
Taiwan Wax Co.	Jinghai Marine Products (Shanghai) Co.	Subsidiaries	Other receivables 216,667	--	--	--	94,707 (Note)	--	--

Note: Amount received as of March 9, 2023.

Table (V)

Name of Investee Company, location ...... and other related information (excluding Mainland China Investee Company)

Unit: NTD thousand / Foreign currency thousand

Investor Company	Investee company	Location	Main Business	Original investment amount		Held at the end of the period			Profit (loss) of investees in the current period	Gain (loss) of investees recognized in the current period	Note
				End of the period	Dec.31,2022	Number of shares	Percentage (%)	Carrying amount			
Taiwan Wax Co.	TAI-WAX HOLDING CO., LTD.	Cecil	Formulated Waxes and Cultural and Creative Products Sales	112,659 (USD 3,730)	112,659 (USD 3,730)	3,730,000	100.00%	--	2,021	2,021	
Taiwan Wax Co.	TAI-WAX (THAILAND) CO.	Thailand	Formulated Waxes and Cultural and Creative Products	5,580 (THB 6,000)	5,580 (THB 6,000)	60,000	100.00%	--	--	--	

			Sales								
Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	Taiwan	Sales and installation of solar energy equipment	100,000	100,000	--	100.00%	100,044	(264)	(264)	Note
Taiwan Wax Co.	Gong Che Yan Fresh Seafood Co., LTD.	Taiwan	Sales of aquatic and agricultural products	20,000	20,000	--	100.00%	10,260	(1,365)	(1,365)	Note
Gong Che Yan Fresh Seafood Co., LTD.	Ecollection Inc.	Taiwan	Sales of cosmetics and aquatic products	--	1,966	--	--	--	(25)	(15)	

Note: Calculations are based on the audited financial statements and the Company's shareholding ratio for the same period.

Table (VI)

Transfer of investment to China

Unit: NT$, USD thousand

Mainland Invested Company Name	Main business Project	Paid-in capital	Investment Mode	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount exported from Taiwan at the end of the current period	Profit/Loss of the Invested Company during the current period.	Percentage of shares held directly or indirectly by the Company	Investment gains and losses recognized during the period	Carrying value of investments at the end of the period	Cumulative repatriation of investment income for the period ended
					Export	Take back						
Panxing Trading (Shanghai) Co.	Formulated waxes and creative products sales	31,968 (USD 1,000)	Note 1	31,968 (USD 1,000)	--	--	31,968 (USD 1,000)	--	100.00%	--	--	--
Jinghai Marine Products (Shanghai) Co.	Sales of aquatic products	288,476 (USD 10,000)	Note 2	288,476 (USD 10,000)	--	--	288,476 (USD 10,000)	(186,938)	100.00%	(186,938)	127,606	--

Cumulative amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission of the Ministry of Economic Affairs	Investment quota in Mainland China according to the Investment Commission of the Ministry of Economic Affairs
320,444	426,869 (USD13,900)(Note 3)	758,575

Note 1: Reinvestment in Mainland China through a third-party subsidiary, TAI-WAX HOLDING CO.

Note 2: Directly invest in mainland China.

Note 3: Translated at the spot rate on the balance sheet date.

Table (VII)

The following significant transactions with Mainland China investees, directly or indirectly through third parties, and their prices, payment terms, unrealized gains or losses, and other related information

Unit：NTD thousand

Name of Mainland China investee company	Transaction Type	Revenue from purchase agency services		Price	Trading Conditions		Accounts receivable		Unrealized gain or loss	Note
		Amount	Percentage		Payment Terms	Comparison with general trading	Amount	Percentage		
Jinghai Marine Products (Shanghai) Co.	Revenue from purchase agency services	22,148	63.02%	No significant differences	90 days - 180 days	No significant differences	216,667	37.07%	3,852	

Table (VIII)

Major Shareholders Information

Name of Major Shareholders	Shares	
	Number of shares held (shares)	Percentage of ownership
Yuanjin Co.	14,063,719	15.03 %
E-Long Investment Co.	8,283,424	8.85 %
Shangpin Investment Co.	7,712,488	8.24 %
Huang Zongyuan	6,477,385	6.92 %

Note 1: The information on major shareholders in this table is based on the last business day of each quarter, and is calculated based on the total number of common and preferred shares held by shareholders of 5% or more of the Company that have been delivered without physical registration (including treasury stock). The number of shares recorded in the Company's individual financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of preparation of the calculations.

Six. If the Company and its affiliates had financial difficulties in the most recent year and as of the printing date of the annual report, the impact on the Company's financial position should be stated: None.

Review of Financial Conditions, Operating Results, and Risk Management

One. Financial Status

Unit: NT$ thousands

Item \ Year	2021	2022	Difference	
			Amount	%
Current assets	1,692,842	1,883,129	190,287	11.24
Property, Plant and Equipment	541,840	559,334	17,494	3.23
Other assets	170,731	182,138	11,407	6.68
Total assets	2,405,413	2,624,601	219,188	9.11
Current liabilities	833,619	1,210,708	377,089	45.24
Non-Current liabilities	185,845	149,601	(36,244)	(19.50)
Total Liabilities	1,019,464	1,360,309	340,845	33.43
Capital	815,500	935,593	120,093	14.73
Retained earnings	428,625	168,885	(259,740)	(60.60)
Other equity interest	5,896	11,496	5,600	94.98
Non-controlling interest	0	0	0	0
Total Stockholders' Equity	1,385,949	1,264,292	-121,657	(0.09)

Explanation of variance in ratio analysis: (explanation of variance in ratios that have changed by 20% or more)

1. Current liabilities increased by NT$ 377,089 thousand, mainly due to:
   (1) Borrowings of short-term loans of NT$ 449,890 thousand for operational needs.
   (2) Repayment of other payables of NT$ 64,762 thousand.
2. Retained earnings decreased by NT$ 259,740 thousand, mainly due to:
   (1) Provision for expected credit losses in 2022, resulting in a net loss after tax of NT$ 123,635 thousand.
   (2) Dividend distribution in 2021, with cash dividends and stock dividends of NT$ 16,012 thousand and NT$ 120,093 thousand, respectively.

Two. Financial Performance

(I) Analysis of Financial Performance Unit: NT$ thousands

Item	2021	2022	Amount Variance	Change ratio (%)
Operating Revenue	500,464	482,012	(18,452)	(3.69)
Operating Cost	404,795	(381,296)	(23,499)	(5.81)
Operating Margin	95,669	100,716	5,047	5.28
Operating Expenses	81,111	(235,885)	154,774	190.82
Operating Income (Loss)	14,558	(135,169)	(149,727)	(1,028.49)
Non-operating Income and Expenses	372,629	13,813	(358,816)	(96.29)
Net Profit after tax	387,187	(121,356)	(508,543)	(131.34)
Income tax paid	14,229	(2,279)	(11,950)	(83.98)
Profit (loss) from continuing operations	372,958	(123,635)	(496,593)	(133.15)
Profit (loss) from discontinued operations	0	0	0	0.00
Net income (Loss)	372,958	(123,635)	(496,593)	(133.15)

Explanation of variance in ratio analysis: (explanation of variance in ratios that have changed by 20% or more)

1. Operating expenses increased by NT$154,774 thousand in the current period, primarily due to the provision for expected credit losses of NT$163,571 thousand in the current period.
2. Non-operating income and expenses decreased by NT$358,816 thousand in the current period, mainly due to the gain on disposal of land of NT$344,315 thousand in 2021.
3. Income tax expenses decreased by NT$11,950 thousand in the current period, mainly due to the payment of land appreciation tax of NT$5,278 thousand upon the sale of land in 2021.

(I) Expected sales quantity and basis: The Company has not prepared or disclosed any financial forecast, so it is not applicable.

(II) Possible impact on the company's future financial operations and response plan: There is no significant impact on the financial business situation.

Three. Cash Flow

I. Cash Flow Analysis for the Most Recent Two Years:

Unit：%

Item \ Year	2022	2021	Variance (%)
Operating activities	(698,128)	(522,626)	33.58%
Investing activities	336,059	(108,602)	409.44%
Financing activities	396,749	390,608	1.57%

Explanation of variance in ratio analysis:

1. Operating activities: The net cash outflow increased due to an increase in other financial assets.
2. Investing activities: The net cash inflow increased due to the receipt of proceeds from the disposal of property, plant and equipment.
3. Financing activities: There were no significant differences in net cash inflow between the two periods.

II. Analysis of Cash Flow Liquidity in the Next Year

Unit: NT$ thousands

Estimated Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash Flow from Operating Activities	Full-year net cash flow from other activities	Expected cash surplus (shortfall) amount	Remedial measures for expected cash shortfall	
				Investment Plans	Financing Plans
137,734	58,029	(53,530)	142,233	—	—

Analysis of the expected changes in cash flow for the next year: There is no anticipated shortage of cash.

Four. Impact of significant capital expenditures in the latest fiscal year on financial operations: None.

Five. Recent investment policy, primary reasons for profits or losses, improvement plans, and investment plans for the upcoming year:

I. Our company's principle for re-investment is to pursue stability, diversification, and risk dispersion.

The profit or loss of reinvestment depends on the prosperity or decline of the industry in which the investment target is located, the domestic economic situation, and the management strategy.

Six. Risk Management

A. I. The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

(I) Interest rate fluctuations:

The Company's short-term borrowing is based on floating-rate debt, so fluctuations in market interest rates will cause the effective interest rate of short-term borrowing to fluctuate and affect future cash flows. The finance department closely monitors changes in interest rates in the market, adjusts borrowing terms and interest calculation methods to reduce interest expenses.

(II) Exchange rate fluctuations:

The Company's main import and export transactions are denominated in U.S. dollars. The fair value will change with the fluctuation of market exchange rates. However, the company's foreign currency assets and liabilities can offset some of the market risks. Any position gaps generated will be hedged using forward exchange transactions to reduce exchange rate risk.

(III) Inflation:

The Company operates in a conservative and stable manner. We will continue to focus on reducing various production and sales costs in the future, closely monitor the supply and demand of raw materials and prices, and adjust inventory flexibly to reduce the impact of price fluctuations.

II. The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

The company does not engage in high-risk, high-leverage financial investments and has established operational procedures in accordance with relevant laws and regulations of the Securities and Futures Bureau, including procedures for "Operational Procedures for Lending Funds to Others", "Operational Procedures for Acquiring or Disposing of Assets", and "Operational Procedures for Endorsement and Guarantee".

II. Research and development work to be carried out in the future, and further expenditures expected for research and development work:

Due to the high unit price of imported functional composite waxes, the company intends to develop products such as jewelry wax, casting wax, rubber protection wax, slicing wax, and dental floss wax to enhance product diversity and added value.

Iv. Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The company operates in compliance with relevant domestic and foreign laws and regulations, monitors developments in domestic and foreign policies and regulatory changes, collects relevant information for management decision-making, and consults with relevant professionals to adjust business strategies in a timely manner. So far, the company has not been affected by any significant domestic or foreign policy or legal changes in its financial business.

V. Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

Although the industry in which the company operates is mature, there are currently no revolutionary technological alternatives to its products. However, the company will take proactive actions to develop new production technologies for related products in order to strengthen its competitiveness.

VI. Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

The company adopts a prudent and conservative business strategy, fulfills its responsibilities for occupational safety and environmental protection, and establishes a pragmatic corporate image. Currently, there is no change in the company's corporate image, but the company continues to strengthen the crisis management awareness of its management team, develop preventive measures in advance, and avoid the occurrence of crises.

VII. Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

The company is currently not engaged in any ongoing mergers operations.

VIII. Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

The company is currently not engaged in any ongoing acquisitions or factory expansion operations.

IX. Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

For procurement, the company has developed an imported slack wax from Thailand, acquired slack wax from Indonesia, and also regularly purchases crude wax from Iran through agents. In addition, the company has obtained raw material supplies from Japan for multi-party raw material procurement to ensure long-term stable supply of raw wax materials.

In terms of sales, the number of the company's customers has increased year by year, and the sales volume is becoming more evenly distributed, greatly reducing the risk of concentrated sales.

X. Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: No impact.

XI. Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

As of the date of publication of the annual report, the company's operations are normal, and there is no situation where changes in management rights have affected the company.

XII. Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: There are currently no significant litigation, non-litigation, or administrative disputes.

XIII. Explanation and Response Measures for Information Security Risk Assessment and Analysis:

To strengthen the information security management of our company and ensure the security of data, systems, and networks, we have established an information security department responsible for coordinating information security and related matters. The audit department has also developed relevant internal control procedures to manage and regularly assess the potential loss caused by information security risks through internal audits. In the event of an information security incident that renders the information system inoperable or affects operational efficiency, the incident will be promptly reported to unit supervisors and personnel for related measures.

XIV. Other important risks, and mitigation measures being or to be taken: None.

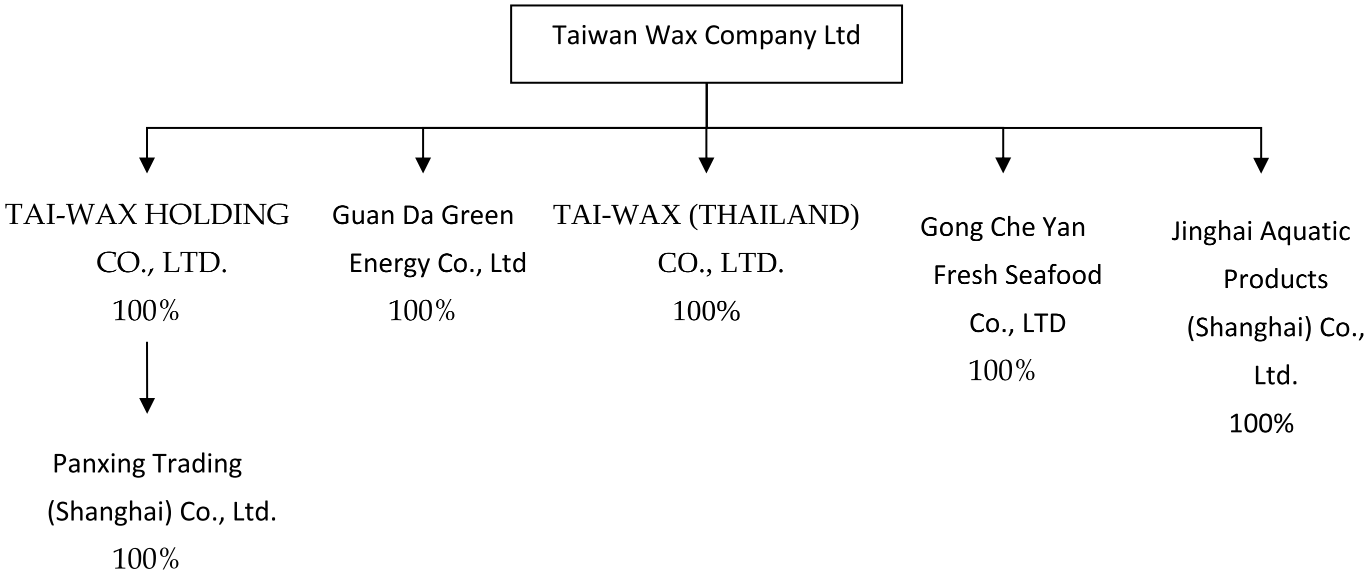
Seven. Other Significant Events: None.

Special Disclosure

One. Summary of Affiliated Companies

I. Consolidated financial statements of related parties

(I) Organizational chart of related parties.



(II)Information onAffiliated Companies

Unit: NT$ thousands

Company Nam	Date of Establishment	Address	Paid-in Capital	Main business or production items
TAI-WAX HOLDING CO.,LTD	September 2, 2014	Suite106,Premier Building,Victoria,Mahe,Seychelles	112,659	Investment Business
TAI-WAX(THAILAND) CO., LTD	June 10, 2015	12 Soi-Ngamwongwan47 Yak20,Ngamwongwan Road,Tungsonghong, Laksi Sub-District, Bangkok 10210	5,580	Formulated Waxes and Creative Products Sales
Panxing Trading (Shanghai) Co., Ltd.	May 8, 2015	Room A3, 2nd Floor, Building 2, No. 317, Mei Gui North Road, China (Shanghai) Pilot Free Trade Zone	31,968	Formulated Waxes and Creative Products Sales
Guan Da Green Energy Co., Ltd.	July 19, 2018	No. 421, Huanbei Rd., Zhongli Dist., Taoyuan City 320 , Taiwan (R.O.C.)	100,000	Sales and installation of solar energy equipment
Gong Che Yan Fresh Seafood Co., Ltd	September 25, 2019	17F., No. 99, Xinpu 6th St., Taoyuan Dist., Taoyuan City 330 , Taiwan (R.O.C.)	20,000	Sales of aquatic and agricultural products
Jinghai Aquatic Products (Shanghai) Co., Ltd.	September 25, 2020	Building 5, No. 8, Lian Yang Road, Industrial Zone, Songjiang District, Shanghai, China	288,476	Sales of aquatic products

(III)The information on the Directors and General Manager of each Affiliated Companies

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
TAI WAX HOLDING CO.,LTD	Chairman	Zi Jun Lin	-	-
TAI-WAX(THAILAND) CO., LTD	General Manager	Mo Liang Bian	600	1%
Panxing Trading (Shanghai) Co., Ltd.	Director	Mo Liang Bian	-	-
Guan Da Green Energy Co., Ltd.	Chairman	Jia Yo Lin	-	-
Gong Che Yan Fresh Seafood Co., Ltd	Chairman	Zi Jun Lin	-	-
Jinghai Aquatic Products (Shanghai) Co., Ltd.	Chairman	Jia An Lin	-	-

(IV) The Companies presumed to have a relationship of control and subordination: None.
(V) Industry and division of labor of the overall related enterprises: Please refer to (VI).
(VI) Consolidated financial statements of related enterprises:Please refer to the page 81 to 142.

In accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements of Related Enterprises and Related Reports of Related Enterprise Consolidations" for the year 2022 (from January 1, 2022 to December 31, 2022), the companies that should be included in the preparation of consolidated financial statements of related enterprises and those that should be included in the preparation of consolidated financial statements of parent-subsidiary companies under International Accounting Standard No. 10 are the same. Furthermore, the relevant information that should be disclosed in the consolidated financial statements of related enterprises has already been disclosed in the aforementioned consolidated financial statements of parent-subsidiary companies. Therefore, there is no need to prepare another consolidated financial statement for related enterprises.

(VII) Related report: Not applicable.

Two. Private Placements of Securities conduction has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Three. Holding or Disposal of the Company's Shares by Subsidiaries of the Company in the Most Recent Fiscal Year and Up to the Publication Date of the Annual Report: None

Four. Other matters that require additional description

The situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Taiwan Wax Company Ltd

Chairman：Je Yin Lin

Taiwan Wax Company Ltd

Chairman：Je Yin Lin