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Taiwan Wax Company Ltd.

2023

Annual Report

Publication Date: May 10, 2024

Spokesperson

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Title: CFO

Telephone Number: (03)316-3816

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Deputy Spokesperson

Name: To be appointed

Title:

Telephone Number:

E-mail:

Headquarters and Factory

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Share Registrar

Name: Concord Securities Co., Ltd.

Address: B1, No. 176, Keelung Rd., Sec. 1, Xinyi Dist., Taipei City

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Telephone Number: (02)8787-1888

CPAs Auditing the Financial Statements

Firm Name: Benison Associated CPAs' Firm

CPA Name: Yu-Ya Lin, Yi-Chih Chiu

Address: Rm. 306, 3F, No. 129, Sec. 3, Minsheng E. Rd., Taipei City

Telephone Number: (02)2718-6659

Name of Any Exchange where the Company's Securities are Traded Overseas, and the Method to Access Information on the Overseas Securities

The Company does not issue overseas securities

Company Website

http://www.wax.com.tw

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Letter to Shareholders

Dear Shareholders,

We would like to express our sincere gratitude to all shareholders for their continued support of Taiwan Wax Company over the years. Despite the global demand for wax products remaining sluggish and the supply side gradually decreasing, 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. Our aquaculture business saw growth over the prior years, which was the main contribution to this year’s profit, while our solar energy business’s performance remained at the same level as in prior years. We will continue to implement various plans step by step, steadily and solidly achieving various goals for our businesses to increase revenue. The following is our company's business status report:

I. Operating Performance in 2023:

(I) Business report implementation result：

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

Item	Production Volume (tons)	Sales volume (tones)	Sales value (thousands of NT$)
Wax	3,080	3,936	147,901
Lease income	-	-	25,889
Revenue from sales of photovoltaic equipment	-	-	119,513
Revenue from sales of aquatic products	-	-	98,698
Total			392,001

2. Profit and loss: Generated a gross profit of NT$118,052 thousand and a net income after tax of NT$38,302 thousand for the whole year.

(II) Financial income and analysis of profitability:

Financial Income

Unit: NTD thousand

Item	2023	2022
Net Cash Inflow (Outflow) from Operating Activities	355,540	(698,177)
Net Cash Inflow (Outflow) from Investing Activities	(1,485,148)	(336,059)
Net Cash Inflow (Outflow) from Financing Activities	1,110,866	396,749

Analysis of Profitability

Item	2023	2022
Return on Assets (ROA) (%)	2.08%	(4.48)
Return on Equity (%)	2.98%	(9.33)
Income Before Tax to Paid-in Capital Ratio (%)	4.09%	(12.97)
Net Profit Margin (%)	9.77%	(25.65)
After-tax EPS	0.41	(1.34)

(III) Budget Execution:

Item	Actual figures of 2023 (thousands of $NT)	Budget figures of 2023 (thousands of $NT)

Operating revenue	392,001	195,176
Gross Profit (Loss)	118,052	30,921
Net Operating Income (Loss)	48,777	(1,704)
Net Income (Loss) Before Tax	38,460	90,854

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

II. Business Plan for 2024:

(I) Guideline for management:

In 2023, although the COVID-19 pandemic slowed down, the world was still under the shadow of "inflation." Despite partial interest rate increases adopted by central banks around the world and the lifting of lockdowns in some countries and cities, the Russo-Ukrainian War caused rising international raw materials prices and sluggish demand, resulting in "stagflation." Although it was predicted that inflation would be moderate in the second quarter of 2023, prices remained high and consumption was still sluggish. In addition, the "Israeli–Palestinian War" and the participation of militants from the surrounding Islamic countries not only posed a danger to shipping in the "Red Sea" area, but also increased international raw materials prices and freight. Looking ahead to the domestic and foreign economic conditions in 2024, the Company plans to adopt the following business policies in 2024 as a response:

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

As the world was shadowed by "stagflation," the central bank of some countries adopted the policy of raising interest rates, moderating inflation gradually. However, as a result of the continuing "Russo-Ukrainian War" and the start of the "Israeli–Palestinian War", it was relatively difficult to make a rapid economic recovery in the short run.

Such "stagflation" caused sluggish consumption, and China suffered the most, which led to a significant impact on the Company's procurement of raw materials. Moreover, the wars also brought about shipping delays and increased transportation costs. To reduce risks, our company plans to increase purchase from Southeast Asian countries (Thailand, India, etc.) in 2024 to diversify risks and reduce procurement costs.

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 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 that the COVID-19 pandemic has slowed down, in order to stimulate the current sluggish consumption, various countries have proposed their own compensation measures to expand domestic demand, hoping that their people can gradually regain their spending power.

   To seize this business opportunity, our company intends to pursue collaboration among industry, government, and academia to create 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 will help us broaden our market with high-profit margins and ramp up production to meet our established business objectives.

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. It is currently known that it can be used in electric motorcycle batteries, textile apparel, and indoor and outdoor building materials. Using paraffin as a phase change material is now becoming a trend. This is a huge potential business opportunity. It is advisable that the paraffin wax used for textile apparel have a low melting point (approximately below 125F for our company's products), and a moderate melting point (approximately 135F/140F/145F for our company's products) for indoor and outdoor building materials.

Therefore, products with a melting point of 125F or below or 135F/140F/145F/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. In 2024, 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 2024, our company will gradually expand sales in the market with new strategies and products. We believe that with our established management and operation, as well as our excellent research and development capabilities and advanced production equipment, combined with the potential of new markets and customers, our company is more than capable of facing future market challenges and issues, and achieving 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. Emulsifying Wax (used in egg washing and car wash industry):

In 2023, when there was a shortage of eggs, the Council of Agriculture imported eggs from Brazil. Due to poor transportation and storage conditions, millions of eggs were scrapped before they were put on the market, causing frequent “food safety” issues.

With the increasing demand for the quality and safety of the food used by Taiwanese people, although the “comprehensive selection and washing” policy that the government originally planned to promote for all eggs in 2020 was suspended for certain factors, measures such as inkjet printing traceability codes on each egg will be implemented continuously. “We hope to have 100% clean eggs with inkjet-printed codes on the market in the future.” The Taiwan Food and Drug Administration specifies in the “Good Hygiene Practices for Liquid Egg Product Manufacturers” 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, we 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,we 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 our development of niche products in the future.

3. 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 anticipated producing 5,800 metric tons of finished wax products for the entire year of 2023. However, only 3,936 metric tons (2,660 metric tons of paraffin wax and 1,276 metric tons of petroleum wax) were produced, which is 1,846 metric tons less than anticipated. One reason is the sluggish consumption in various countries, and the main reason is that the production equipment was not in place, resulting in the inability to expand production capacity and causing new product plans to be stalled.

(IV) Sales plan:

The projected sales volume of finished wax products for the entire year of 2024 is 3,696 metric tons, increasing by 1,036 metric tons (39%) from the 2,660 metric tons in 2023. 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 Taiwan, 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 2023, although the pandemic situation eased and the global economy gradually recovered, due to the ongoing Russia–Ukraine war and the Israeli–Palestinian War, the Red Sea was listed as a dangerous shipping lane, causing 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 2024, but also actively develops special-purpose waxes for the chemical, paper, and biomedical and beauty industries to expand our market and increase our 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 2024, 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:

By reorganizing from the four major directions of research and development, production, marketing, and human resources, we aim to improve efficiency and achieve the goals of cost reduction, energy conservation, and carbon reduction, thereby enabling our products to gain a foothold in the market and become more competitive. In addition to consolidating existing customers through our services, we will actively expand our customer base and develop new products. We aim to achieve stable profits through practical marketing methods and strict quality control requirements.

In the current international atmosphere and domestic policy requirements for "green energy," paraffin wax is an "energy storage" product that is an indispensable material for "a moment" in various industries such as textiles, construction, and automotive industry (batteries). We will utilize 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 2023 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,

Chairman

Corporate profile

One. Date of establishment: August 13, 1987

Two. History of the Company

I. History of the Company

◈August 1987: The Company was founded with paid-in capital of NT$5 million.

◈July 1988: Cash capital increase of NT$145 million, with total capital of NT$150 million.

◈January 1990: Cash capital increase of NT$45 million, with 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$200 million.

◈April 1996: Cash capital increase of NT$100 million, with 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, with 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 Taipei Exchange.

◈March 2004: Approval for stock listing on the Taipei Exchange from the Securities and Futures Commission.

◈May 2004: Company's stocks were publicly underwritten and listed on the Taipei Exchange.

◈June 2005: Surplus earnings converted to capital of NT$38.68 million, with total capital of NT$237.68 million.

◈June 2006: Surplus earnings converted to capital of NT$25.11 million, with total capital of NT$262.79 million.

◈June 2007: Surplus earnings converted to capital of NT$41.38 million, with total capital of NT$304.17 million.

◈June 2008: Surplus earnings converted to capital of NT$32.76 million, with total capital of NT$336.93 million.

◆June 2009: Surplus earnings converted to capital of NT$67.39 million, with total capital of NT$404.32 million.

◆June 2010: Surplus earnings converted to capital of NT$101.07 million, with total capital of NT$505.40 million.

◆June 2011: Surplus earnings converted to capital of NT$141.51 million, with total capital of NT$646.91 million.

◆October 2016: Private placement for cash capital increase of NT$75.5 million, bringing the total capital to NT$722.41 million.

◆January 2018: Capital reduction of NT$259.41 million, reducing the total capital to NT$463 million.

◆May 2018: Private placement for cash capital increase of NT$87.5 million, bringing the total capital to NT$550.5 million.

◆September 2019: Private placement for cash capital increase of NT$165 million, bringing the total capital to NT$715.5 million.

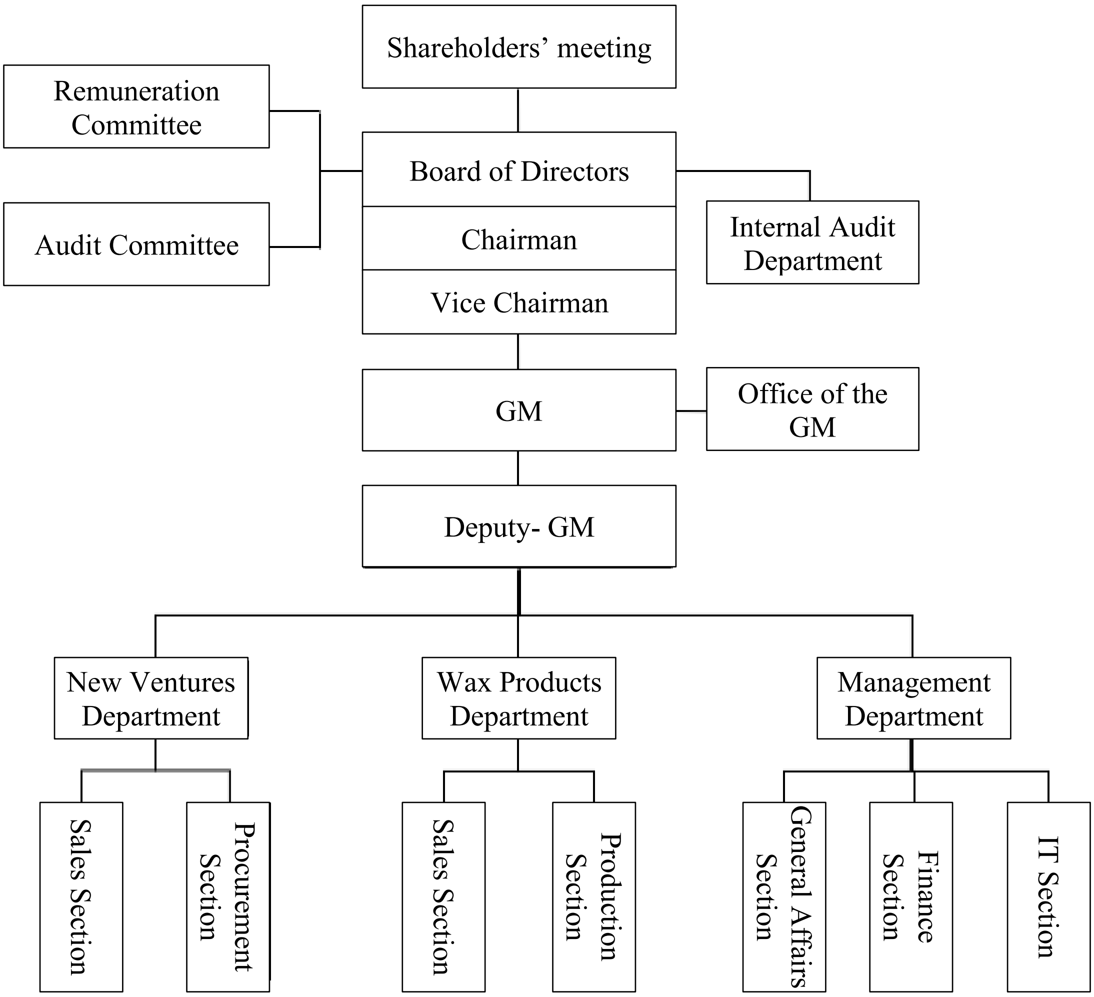
◆November 2021: Private placement for cash capital increase of NT$100 million, bringing the total capital to NT$815.5 million.

◆November 2022: Surplus earnings converted to capital of NT$120.093 million, with total capital of NT$935.593 million.

Company governance report

One. Organization chart

I. Organization



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. Following the production plan and formulating annual maintenance plans for equipment updates and maintenance. 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.

	Finance 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. Developing and executing sales forecasts and marketing plans.
	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. Information on Directors, General Manager, Managers, Senior Managers, Department Heads, and Branch Managers

I. Directors' Information:

Directors' Information (I)

April 19, 2024

Title	Nationality	Name	Gender Age	Date Elected	Term	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		
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationships
Chairman	ROC	Yililong Investment Co., Ltd. Representative: Je-Yin Lin	Male 60~69	June.21, 2022	3	2024.6.17	2,610,000 -	3.20% -	8,932,304 1,103,641	9.64% 1.19%	0 0	0% 0%	0 0	0% 0%	Ching Yun University	None	Representative Director of Yililong Investment Co., Ltd.	Zi-Jun Lin	Father and daughter
Vice Chairman	ROC	Yuan Jin Co., Ltd. Representative: Wen-Zhe Lin	Male 50~59	June.21, 2022	3	2016.11.2	6,741,243 -	8.27% -	14,563,719 0	15.72% 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 President	None	None	None
Director	ROC	Yililong Investment Co., Ltd. Representative: Zi-Jun Lin	Female 30~39	June.21, 2022	3	2019.6.25	2,610,000 -	3.02% -	8,932,304 1,148,880	9.64% 1.24%	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.	Representative Director of Yililong Investment Co., Ltd.	Je-Yin Lin	Father and daughter
Director	ROC	Yuan Jin Co., Ltd. Representative: Jiu-Jeng Lee	Male 50~59	June.21, 2022	3	2016.11.2	6,741,243 -	8.27% -	14,563,719 243,171	15.72% 0.26%	0 0	0% 0%	0 0	0% 0%	Natinal Defense Medical Center	Director, Ensure Global Corp., LTD Director	None	None	None
Director	ROC	Yuan Jin Co., Ltd. Representative: Sen-Xiang Chiu	Male 60~69	June.21, 2022	3	2019.6.25	6,741,243 -	7.21% -	14,563,719 0	15.72% 0%	0 0	0% 0%	0 0	0% 0%	Institute of Accounting, Chung Yuan University	Adjunct Lecturer, Chung Yuan Unviersity	None	None	None

Title	Nationality	Name	Gender Age	Date Elected	Term	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		
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationships
Director	ROC	Yuan Jin Co., Ltd. Representative: Yang-Zheng Lu	Male 50~59	June.21, 2022	3	2024.6.17	6,741,243 -	7.21% -	14,563,719 0	15.72% 0%	0 0	0% 0%	0 0	0% 0%	Ph.D., Financial Management Group, Institute of Management Science, Chiao Tung University 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	June.21, 2022	3	2019.6.25	0	0%	0	0%	0	0%	0	0%	College of Business Administration, Soochow University GM, Bank of Kaohsiung	Independent Director, Visual Photonics Epitaxy Co., Ltd	None	None	None
Independent Director	ROC	Zhao-Wei Pan	Male 40~49	June.21, 2022	3	2024.6.17	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	June.21, 2022	3	June.21, 2022	0	0%	0	0%	0	0%	0	0%	Department of Electrical Engineering, St. John's University	Chairman, Chien Yeu Enterprise Co., Ltd.; Independent Director, NewSoft Technology Corporation; Independent Director, United Fiber Optic Communication Inc.; Independent Director, Shenghua Entertainment Communication Co Ltd.; Chairman, Dai Wan Shiung Ching Co., Ltd.; Institutional Director Representative, Pontex Polyblend Co., Ltd.; General Manager, Yuan Sheng Industrial Co., Ltd.	None	None	None

Table I: Major shareholders of the institutional shareholders April 19, 2024

Name of Institutional Shareholders	Major Shareholders
E-Long Investment Co.	Zi-Jun Lin(35%), Jia-An Lin(35%), Yi Lien(15%), Qiu-Xiang Lin(15%)
Yuanjin Co.	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. Working experience in business, legal, finance, accounting or company 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. Working experience in business, legal, finance, accounting or company business 2. Working experience: Chairman, Yuan Jin Co.; Chairman, Gong Che Yan Fresh Seafood Co., LTD; Independent Director, Daily Polymer Corp.	(3), (5), (6)	1
Yuan Jin Co., Ltd. Representative: Jiu-Jeng Lee	1. Working experience in business, legal, finance, accounting or company 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, legal, finance, accounting or company business 2. Working experience: Adjunct Lecturer, Chung Yuan University	(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, legal, finance, accounting or company business 2. Working experience: Independent, Visual Photonics Epitaxy Co., Ltd	(1), (2), (3), (4), (5), (6)	1
Zhao-Wei Pan	1. Legal professionals such as judges, prosecutors, lawyers, accountants, or other specialized professionals who have passed national examinations required for corporate business. 2. Working experience: Lawyer, Grand Trust International Law Offices; Lawyer, Mega Trust International Law Offices	(1), (2), (3), (4), (5), (6)	None
Zong-Yi Chen	1. Working experience in business, legal, finance, accounting or company business 2. Working experience: Chairman, Chien Yeu Enterprise Co., Ltd.; Independent Director, NewSoft Technology Corporation; Independent Director, United Fiber Optic Communication Inc.; Independent Director, Shenghua Entertainment Communication Co Ltd.; Chairman, Dai Wan Shiung Ching Co., Ltd.; Institutional Director Representative, Pontex Polyblend Co., Ltd.; General Manager, Yuan Sheng Industrial Co., Ltd.	(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 sub paragraphs.

(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							
	Nationality	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	<3 years								
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) 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.

III. Information on General Manager, Deputy General Manager, Senior Managers, and Department Heads, and Branch Managers

April 19, 2024

Title	Nationality	Name	Gender	Inauguration Date	Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or within Two Degrees of Kinship			Note
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationships	
Deputy-GM	ROC	Zi-Jun Lin	Female	2023.01.12	1,148,880	1.24%	0	0%	0	0%	Indiana University	Director, Yuan Jin Co., Ltd Chairman, Gong Che Yan Fresh Seafood Co., Ltd Independent Director, Daily Polymer Corp.	Yililong Investment Co., Ltd. Director Representative	Je-Yin Lin	Father and daughter	
CFO	ROC	Po-Yao Tseng	Male	November 03, 2022	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, General Manager, and Managers in the Most Recent Year:

(I) Remuneration of Directors (including independent directors)

Unit: NTD thousand

Title	Name	Director remuneration								Ratio of Total Remuneration (A+B+C+D) to Net ncome (%)		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)						
		Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company		Companies in the consolidated financial statements		Our Company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	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: Je-Yin Lin (Note 1)	0	0	0	0	0	0	90	90	90 0.23	90 0.23	2,521	2,521	0	0	0	0	0	0	2,521 6.58	2,521 6.58	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	90	90	90 0.23	90 0.23	1,512	1,512	89	89	0	0	0	0	1,601 4.18	1,601 4.18	None
Vice Chairman	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	80	80	80 0.21	80 0.21	0	0	0	0	0	0	0	0	80 0.21	80 0.21	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	80	80	80 0.21	80 0.21	0	0	0	0	0	0	0	0	80 0.21	80 0.21	None
	Representative: Sen-Xiang Chiu	0	0	0	0	0	0	80	80	80 0.21	80 0.21	0	0	0	0	0	0	0	0	80 0.21	80 0.21	None
	Representative: Yang-Zheng Lu	0	0	0	0	0	0	80	80	80 0.21	80 0.21	0	0	0	0	0	0	0	0	80 0.21	80 0.21	None

Title	Name	Director remuneration								Ratio of Total Remuneration (A+B+C+D) to Net ncome (%)		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)						
		Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company		Companies in the consolidated financial statements		Our Company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Independent Director	Man-Sheng Huang	0	0	0	0	0	0	120	120	120 0.31	120 0.31	0	0	0	0	0	0	0	0	120 0.31	120 0.31	None
Independent Director	Zong-Yi Chen	0	0	0	0	0	0	120	120	120 0.31	120 0.31	0	0	0	0	0	0	0	0	120 0.31	120 0.31	None
Independent Director	Zhao-Wei Pan	0	0	0	0	0	0	120	120	120 0.31	120 0.31	0	0	0	0	0	0	0	0	120 0.31	120 0.31	None

Note 1. Company vehicle driver was paid with NT$567 thousand as salary.

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements
Less than NT$ 1,000,000	Wen-Zhe Lin, Jiu-Jeng Lee, Yang-Zheng Lu, Zong-Yi Chen, Man-Sheng Huang, Zhao-Wei Pan, Sen-Xiang Chiu	Wen-Zhe Lin, Jiu-Jeng Lee, Yang-Zheng Lu, Zong-Yi Chen, Man-Sheng Huang, Zhao-Wei Pan, Sen-Xiang Chiu	Wen-Zhe Lin, Jiu-Jeng Lee, Yang-Zheng Lu, Zong-Yi Chen, Man-Sheng Huang, Zhao-Wei Pan, Sen-Xiang Chiu	Wen-Zhe Lin, Jiu-Jeng Lee, Yang-Zheng Lu, Zong-Yi 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	9	9	9	9

(II) Remuneration of General Manager and Managers

Unit: NTD thousand

Title	Name	Salary(A)		Severance Pay (B)		Bonus 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
		Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company		Companies in the consolidated financial statements		Our Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager (Note 1)	Chen-Hsiang Fu	1,075	1,075	66	66	0	0	0	0	0	0	1,141 2.98	1,141 2.98	None
Deputy- GM	Zi-Jun Lin	1,512	1,512	89	89	0	0	0	0	0	0	1601 4.18	1601 4.18	None
CFO	Po-Yao Tseng	938	938	58	58	260	260	0	0	0	0	1,256 3.28	1,256 3.28	None

Note 1. Resigned on October 3, 2023.

Range of Remuneration

Range of Remuneration	Name of General Manager and Deputy General Manager	
	Our Company	Companies in the consolidated financial statements
Less than NT$ 1,000,000		
NT$1,000,000 ~ NT$1,999,999	Chen-Hsiang Fu, Zi-Jun Lin, Po-Yao Tseng	Chen-Hsiang Fu, Zi-Jun Lin, Po-Yao Tseng
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) Top Five Highest-paid Managerial Officers in the Company Unit: NTD thousand

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
		Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company	Companies in the consolidated financial statements	Our Company		Companies in the consolidated financial statements (Note 5)		Our Company	Companies in the consolidated financial statements	
								Cash	Shares	Cash	Shares			
Chairman	Je-Yin Lin	2,521	2,521	0	0	0	0	0	0	0	0	2,521 6.58	2,521 6.58	None
GM	Chen-Hsiang Fu	1,075	1,075	66	66	0	0	0	0	0	0	1,141 2.98	1,141 2.98	None
Deputy- GM	Zi-Jun Lin	1,512	1,512	89	89	0	0	0	0	0	0	1,601 4.18	1,601 4.18	None
CFO	Po-Yao Tseng	938	938	58	58	260	260	0	0	0	0	1,256 3.28	1,256 3.28	None

(IV) Names of Managers Receiving Employee Remuneration and the Distribution Status in 2023

Unit: NTD thousand

	Title	Name	Shares	Cash	Total	Ratio of Total Amount to Net Income (%)
Managers	Chairman	Je-Yin Lin	0	74	74	0
	Deputy- GM	Zi-Jun Lin				
	CFO	Po-Yao Tseng				

V. 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: NTD thousand

Year / Position	2023		2022	
	Total Remuneration	% of After-tax Net Income	Total Remuneration	% of After-tax Net Income
Director	860	2.25%	1,185	(0.96)%
Supervisor	0	0%	120	(0.1)%
GM and Managers	6,519	17.02%	7,590	(6.14)%

(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 4 (A) meetings of the Board of Directors were held in the most recent year. The attendance of directors is as follows:

Title	Name		Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Note
Chairman	Yililong Investment Co., Ltd. Representative: Je-Yin Lin		4	4	100%	
Director	Yuan Jin Co., Ltd.	Wen-Zhe Lin	4	4	100%	
		Jiu-Jeng Lee	4	4	100%	
		Sen-Xiang Chiu	4	4	100%	
		Yang-Zheng Lu	4	4	100%	
Director	Yililong Investment Co., Ltd. Representative: Zi-Jun Lin		4	4	100%	
Independent Director	Zong-Yi Chen		4	4	100%	
Independent Director	Man-Sheng Huang		4	4	100%	
Independent Director	Zhao-Wei Pan		4	4	100%	

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	January 1 to December 31, 2023	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	1. Degree of participation in company operations. 2. Recognition of director responsibilities. 3. Improving the decision-making quality of Functional Members 4. Composition of functional committees and member selection. 5. Internal control.	The self-evaluation results of the Remuneration 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 Committee

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】	Note
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 officers, and accountants: Please refer to our company website at https://www.wax.com.tw

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

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	No	Abstract Explanation	
I. 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.
II. Shareholding structure & shareholders’ rights (I) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement the procedure? (II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V V 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) The Company has established a stock affairs unit, and the stock registrar can identify the Company’s major shareholders that are the actual controllers of the Company and holds the final control list of the Company’s major shareholders. Changes in the shareholdings of directors, supervisors, managers, and shareholders holding more than 10% of shares are reported on a monthly basis in accordance with regulations.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	No	Abstract Explanation	
(III) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (IV) Does the company establish internal rules against insiders trading with undisclosed information?	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) The Company has established internal operating procedures for handling major information and standardized internal operating procedures for keeping major information confidential to avoid improper leakage of information and strengthen the prevention of insider trading.	
III. Composition and Responsibilities of the Board of Directors (I) Does the Board develop and implement a diversified policy for the composition of its members? (II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? (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	V V V 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. (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) 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	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	No	Abstract Explanation	
the Board of Directors, and applied them to the individual director's compensation and nomination for reappointment? (IV) Does the company regularly evaluate the independence of the audit accountants?			the overall performance of the Board of Directors. (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.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
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 contact persons 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.
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.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	No	Abstract Explanation	
VII. Information Disclosure (I) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(I) The Company has established a website: www.wax.com.tw, which is maintained and discloses relevant information by relevant departments.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(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)?	V		(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) 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	(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.	
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.	There is no significant difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles and Reasons
	Y	No	Abstract Explanation	
			(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. (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 Operations of the Remuneration Committee:

(I) Composition of the Remuneration Committee: The Remuneration 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 remuneration of directors 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 / Name / position		Qualifications and Experiences	Independence Status	Number of directors serving as members of remuneration 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	0

			or its affiliated enterprises in the past two years.	
Independent Director	Zong-Yi Chen	● Experience in business, legal, financial, accounting, or corporate affairs. ● Chairman, Chien Yeu Enterprise Co., Ltd.; Independent Director, NewSoft Technology Corporation; Independent Director, United Fiber Optic Communication Inc.; Independent Director, Shenghua Entertainment Communication Co Ltd.; Chairman, Dai Wan Shiung Ching Co., Ltd.; Institutional Director Representative, Pontex Polyblend Co., Ltd.; General Manager, Yuan Sheng Industrial 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.	2

(2) Operations of the Remuneration Committee

I. The Remuneration 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】	Note
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
	Y	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.	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.	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.	No significant differences
(II) Does the company endeavor to utilize all resources more efficiently and use renewable	V		The Company is committed to achieving energy recovery and waste reduction goals to reduce its impact on the environment.	No significant differences

materials which have low impact on the environment?				
(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.	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 energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	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 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	No significant differences

			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. Describe 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. Describe the verification status (valid as of 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 holds regular labor–management meetings as required by law and has established employee work rules and procedures.	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. Describe 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. Describe how business performance or results are reflected in employee salary policies and their implementation.	No significant differences
(III) Does the company provide a healthy and safe working	V		The Company provides annual health checks for employees and regularly	No significant differences

environment and organize training on health and safety for its employees on a regular basis?			organizes health seminars to help employees understand their health status and acquire knowledge and methods for self-health management There was no fire occurring in the Company in the current year.	
(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.	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 customer complaints are managed and tracked.	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.	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 verification partner?	V		The Company has prepared non-financial disclosure reports, such as sustainability reports, by referring to internationally recognized reporting standards or guidelines, and obtained assurance from verification partners.	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", describe 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. Climate-related Implementation

Item	Implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	• The Board of Directors has been paying attention to climate change issues for a long time, and may take climate change issues into account if major investments are made. • The management continues to pay attention to the impact of climate change, and strengthens the promotion of energy and water conservation to employees.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finance of the Company (short-, medium-, and long-term).	• Short-term risks include the Company's lack of relevant talent to cope with extreme climate and sustainable development and incapability to respond in time to the existing policies and regulations, such as domestic and foreign greenhouse gas reduction requirements, carbon tax and related laws and regulations, and customers' changes in their supplier selection criteria. All these factors may result in higher operating costs and administrative expenses for the Company. • Medium-term risks include the uncertainty of future regulations and policies, mandatory regulations for products and services, replacement by other suppliers of lower-carbon products and services, and rising costs of raw materials. • Long-term risks include difficulties and unstable supply in fish farming due to extreme climate, costs significantly increasing due to the net zero carbon emission requirements of renewable energy regulations, and an ESG rating affecting the willingness of investors or banks to invest and making it more difficult for the Company to raise funds.
3. Describe the financial impact of extreme climate events and transition actions.	Extreme weather can make it difficult for wild or farmed fish to grow, causing the catch to be unstable or even reduced. This will increase the cost of purchase, the Company's air-conditioning cost, and the frequency and cost of equipment maintenance, and reduce the Company's productivity due to flooding or frequent typhoons. Transition actions include the development of diversified suppliers. Maintaining supplier relations will increase costs, and the replacement of old equipment will increase the Company's capital expenditures. However, a successful transition will bring long-term profits and sustainable development for the Company.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Climate change is one of the inevitable issues for Taiwan Wax Company. In the future, the Board of Directors will establish a unit to be responsible for the identification of climate risks in accordance with the TCFD framework and the management and promotion of relevant countermeasures.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	Taiwan Wax Company has not yet evaluated its resilience to climate change risks through scenario analysis.
6. If there is a transition plan in place to manage climate-related risks, specify	The Company's transition actions include the development of diversified suppliers and the replacement of old equipment.

the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	However, the specific contents of the above-mentioned plan, and the indicators and targets used to identify and manage physical risks and transition risks are still under planning.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	Taiwan Wax Company has not yet used internal carbon pricing as a planning tool.
8. If climate-related targets are set, the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress of each year shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and quantity of the carbon offsets or the quantity of the RECs shall be described.	Taiwan Waxing Company has not set climate-related targets.
9. Greenhouse gas inventory and assurance	Disclosed in the table below

Basic information of the Company	Required disclosures under the	
Sustainable Development Roadmap		
☐ Companies with capital of more than NT$10 billion, iron and steel ☐ Companies with capital of more than NT$5 billion and less than NT$10 billion ■ Companies with capital of less than NT$5 billion	■ Parent company only inventory ■ Parent company only assurance	☐ Subsidiaries in the consolidated financial statements ☐ Subsidiaries in the consolidated financial statements

Scope 1	Total emissions (metric tons CO2e)	Intensity (tons CO2e/NTD thousand)	Assurance institution	Description of assurance
Parent company	523.947	0.00367	None	None
Subsidiaries				
Total	523.947	0.00367		
Scope 2	Total emissions (metric tons CO2e)	Intensity (tons CO2e/NTD thousand)	Assurance institution	Description of assurance
Parent company	119.717	0.000839	None	None
Subsidiaries				
Total	119.717	0.000839		

VII.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
	Y	No	Abstract Explanation	
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.	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 clearly provide the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does	V		(III) The Company regularly holds corporate ethics education and training sessions for directors, supervisors, and employees to comply with relevant laws and	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	No	Abstract Explanation	
the company enforce the programs above effectively and perform regular reviews and amendments?			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, 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.	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.	

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	No	Abstract Explanation	
(III) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it? (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 plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits? (V) Does the company regularly hold internal and external educational trainings on operational integrity?	V V V		(III) The Company's independent directors regularly review audit reports to understand situations of conflicting interests and maintain communication channels with stakeholders. (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 Company's management must improve operational management deficiencies. (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 whistle blower 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? (II) Has the company established investigation standard operating procedures for handling reported matters, including follow-up	 V V		(I) The Company has established the "Procedures for Whistleblowing System" and built a whistleblowing channel. (II) Relevant operating procedures and confidentiality mechanisms are outlined in	No significant differences

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Y</th><th>No</th><th>Abstract Explanation</th></tr>
<tr><td>actions to be taken after the investigation is completed, and related confidentiality mechanisms?

(III) Does the company take measures to protect whistleblowers from being subject to improper treatment?</td><td>V</td><td></td><td>the “Procedures for Whistleblowing System.”

(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.</td><td></td></tr>
<tr><td>IV. Strengthening information disclosure
(I) Does the company disclose its ethical corporate management policies and the results of its implementation on the company’s website and MOPS?</td><td>V</td><td></td><td>The Company has a website, which discloses information on corporate culture, business policies, and other related information. The information and shareholder department is responsible for collecting and publishing all information related to the Company.</td><td>No significant differences</td></tr>
<tr><td colspan="5">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.</td></tr>
<tr><td colspan="5">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.</td></tr>
</table>

VIII. 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/

IX. 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) The Company’s website: http://www.wax.com.tw

X. Implementation of the Internal Control System:

(I) Internal Control Statement

Taiwan Wax Company Ltd.

Internal Control System Statement

Date: March 14, 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, 2023, 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 14, 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 Je-Yin Lin

XI. 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.

XII. 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
2023.06.14	I. Approve and Ratify the 2022 Business Report and Financial Statements. II. Approve and Ratify the 2022 Deficit Compensation Proposal. III. Approve the Revision of the “Articles of Corporation” of the Company. IV. Approve the Lifting of the Non-compete Restriction on Directors.	All resolutions of the shareholders' meeting have been executed.

(II) Important resolutions of the Board of Directors:

Date	Important resolutions
March 21, 2023	I. Adopt the 2022 Business Report, Consolidated and Parent Company Only 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 Application for Credit Line Extension with Hua Nan Commercial Bank. IX. Approve the Credit Line Application with Chang Hwa Commercial Bank. X. Approve the Credit Line Application with O-Bank. 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.

Date	Important resolutions
	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.
2023.05.09	I. Approve the Company's Consolidated Financial Statements for Q1 2023. II. Approve the Distribution of 2021 Director Remuneration and Employee Remuneration. III. Approve the Proposal to Obtain Prior Consent to the Non-Assurance Service from Benison Associated CPAs' Firm. IV. Approve the Credit Line Application with Bank of Panshin. V. Approve the Proposal to Determine Whether Accounts Receivable Meeting Certain Criteria and Receivables Other Than Those are Lending in Nature. VI. Approve the Proposal to Change the Person-in-charge of Guan Da Green Energy Co., Ltd., a Major Subsidiary. VII. Approve the Revision of the "Articles of Corporation" of the Company.
2023.08.08	I. Approve the Company's Consolidated Financial Statements for Q2 2023. II. Approve the Purchase of Land from a Related Party. III. Approve the Loan to Guan Da Green Energy Co., Ltd., a 100% Invested Subsidiary of the Company. IV. Approve the Application for Credit Line Extension with King's Town Bank. V. Approve the Application for Credit Line Extension with Mega International Commercial Bank. VI. Approve the Establishment of the Company's "Rules Governing Financial and Business Related Operations between Related Parties" and "Ethical Management Best Practice Principles." VII. Approve the Establishment of Additional Management Control Systems and Audit Statements. VIII. Approve the Credit Line Application with O-Bank. IX. Approve the Revision of the "Decision-Making Authority Table" of the Company. X. Approve the Application for Credit Line Extension with Yuanta Commercial Bank. XI. Approve the Loan from "Guan Da Green Energy Co., Ltd.," a 100% Invested Subsidiary of the Company. XII. Approve the Lifting of the Non-compete Restriction on Managers.
2023.11.14	I. Approve the Company's Consolidated Financial Statements for Q3 2023. II. Approve the Operating Budget for 2024. III. Approve the Audit Plan for 2024. IV. Approve the Credit Line Application with Hua Nan Commercial Bank. V. Approve the Credit Line Application with Yuanta Commercial Bank. VI. Approve the Investment in the Establishment of a Subsidiary. VII. Approve the Proposal to Appoint Vice President Ms. Zi-Jun Lin as Chief Information Officer.

Date	Important resolutions
2024.03.14	I. Adopt the 2023 Business Report, Consolidated and Parent Company Only Financial Statements of the Company. II. Approve the Change of CPAs in Response to the Job Rotation in Benison Associated CPAs' Firm. III. Approve the Auditor's Fee for the Year 2024. IV. Approve the Proposal to Obtain Prior Consent to the Non-Assurance Service from Benison Associated CPAs' Firm. V. Adopt the 2023 Internal Control System Statement of the Company. VI. Approve the Guarantee Matters for the External Loans of the 100% Invested Subsidiary, Guan da Green Energy Co., Ltd., of the Company. VII. Approve the Proposal to Determine Whether Accounts Receivable Meeting Certain Criteria and Receivables Other Than Those are Lending in Nature. VIII. Approve the Revision of the Company's "Rules of Procedure for Board Meetings".
2024.03.14	IX. Approve the Proposal for Earnings Distribution for 2023. X. Approve the Distribution of Director Remuneration and Employee Remuneration. XI. Approve the Payment of Attendance Fees to the Board of Directors of the Company. XII. Approve the Setting of the Date, Time, Location, and Other Related Matters of the 2024 Annual Meeting of Shareholders of the Company. XIII. Accept Matters Related to Shareholders' Proposals Representing over 1% of Total Shares. XIV. Approve the Company's Application for a Bank Credit Line due to Business Needs. XV. Approve the Proposal for Private Placement of Securities by the Company. XVI. Approve the Implementation of Private Placement of Stocks, Subsequent Public Offering, and Application for Listing on the Over-the-counter Market.
2024.05.09	I. Approve the Company's Consolidated Financial Statements for Q1 2024. II. Approve the Company's Bank Credit Line Application due to Business Needs; and the Derivative Transaction Limit Application due to Hedging Needs. III. Approve the Proposal for the Company's New Business for the Sale of Construction Materials.

XIII. 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.

XIV. 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
GM	Chen-Hsiang Fu	2021.10.04	2023.10.03	Personal reasons

Four. Information on Audit Fee

I. Audit Fee Unit:

Unit: NTD thousand

Accounting Firm	Name of CPA		Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Note
Benison Associated CPAs' Firm	Xin-Yuan Wang	Yi-Chih Chiu	2023	1,450	0	1,450	

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 Directors, Managers, and Major Shareholders

Unit: Shares

Title	Name	2023		2024, as of March 31	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Yililong Investment Co., Ltd. Representative Je-Yin Lin	648,880 358,000	0 0	0 0	0 0
Vice Chairman	Yuan Jin Co., Ltd. Representative Wen Zhe Lin	0 0	0 0	0 0	0 0
Director	Yililong Investment Co., Ltd. Representative Zi-Jun Lin	648,880 0	0 0	0 0	0 0
Director	Yuan Jin Co., Ltd. Representative Jiu-Jeng Lee	0 0	0 0	0 0	0 0
Director	Yuan Jin Co., Ltd. Representative Sen-Xiang Chiu	0 0	0 0	0 0	0 0
Director	Yuan Jin Co., Ltd. Representative Yang-Zheng Lu	0 0	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 persons with which 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		Note
	Number of shares	%	Number of shares	%	Number of shares	%	Name	Relationships	
Yuan Jin Co., Ltd. Representative: Zi-Jun Lin	14,563,719	15.72	0	0	0	0	None	None	
Yililong Investment Co., Ltd. Representative: Yi Lien	8,932,304	9.64	0	0	0	0	None	None	
Shangpin Investment Co., Ltd. Representative: Cai-Sheng Yang	8,776,256	9.47	0	0	0	0	None	None	
Zong-Yuan Huang	6,498,385	7.01	0	0	0	0	Zuo-Rong Huang, Ling-Ru Huang	Second degree relative	
Chih-Lung Lin	5,690,703	6.14	0	0	0	0	None	None	
Lian Quan Investment Enterprise Co. Representative: Qiu-Xiang Lin	3,025,844	3.27	0	0	0	0	Zong-Yuan Huang, Ling-Ru Huang	Second degree relative	
Zuo-Rong Huang	2,883,646	3.11	0	0	0	0	Zong-Yuan Huang, Zuo-Rong Huang	Second degree relative	
Ling-Ru Huang	2,857,222	3.08	0	0	0	0	None	None	
Yu-Gong Zhang	1,866,930	2.01	0	0	0	0	None	None	
De-Min Huang	1,720,255	1.86	0	0	0	0	None	None	

Nine. Ownership of Shares in Affiliated Enterprise

April 19, 2024

Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
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 Marine Products (Shanghai) Co.		100%		0%		100%

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$)	Authorized Capital		Paid-in Capital		Note		
		Number of shares	Amount (NT$ thousands)	Number of shares	Amount (NT$ thousands)	Source o f Capital (NT$ thousands)	Capital Increased by Assets Other than Cash	Others
1999.05	NT$10	500,000	5,000	500,000	5,000	Capital reduction of NT$341,778 thousand	None	Note 1
1999.05	NT$10	19,900,000	199,000	19,900,000	199,000	Cash capital increase of NT$194,000 thousand	None	Note 2
2005.06	NT$10	23,767,910	237,679	23,767,910	237,679	Capitalization of retained earnings of NT$38,679 thousand	None	Note 3
2005.06	NT$10	26,279,062	262,791	26,279,062	262,791	Capitalization of retained earnings of NT$25,112 thousand	None	Note 4
2007.06	NT$10	30,416,673	304,167	30,416,673	304,167	Capitalization of retained earnings of NT$41,376 thousand	None	Note 5
2008.06	NT$10	33,692,982	336,930	33,692,982	336,930	Capitalization of retained earnings of NT$32,763 thousand	None	Note 6
2009.06	NT$10	50,000,000	500,000	40,431,578	404,316	Capitalization of retained earnings of NT$67,386 thousand	None	Note 7
2010.06	NT$10	200,000,000	2,000,000	50,539,472	505,395	Capitalization of retained earnings of NT$101,079 thousand	None	Note 8
2011.06	NT$10	200,000,000	2,000,000	64,690,524	646,905	Capitalization of retained earnings of NT$141,510 thousand	None	Note 9
2016.10	NT$10	200,000,000	2,000,000	72,240,524	722,405	Private placement for cash capital increase of NT$75,500 thousand	None	Note 10
2018.01	NT$10	200,000,000	2,000,000	46,300,000	463,000	Capital reduction of NT$259,405 thousand	None	Note 11
2018.05	NT$10	200,000,000	2,000,000	55,050,000	550,500	Private placement for cash capital increase of NT$87,500 thousand	None	Note 12
2019.09	NT$10	200,000,000	2,000,000	71,550,000	715,500	Private placement for cash capital increase of NT$165,000 thousand	None	Note 13
2021.11	NT$10	200,000,000	2,000,000	81,550,000	815,500	Private placement for cash capital increase of NT$100,000 thousand	None	Note 14
2022.11	NT$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			Note
	Issued Shares	Un-issued Shares	Total	
Common shares	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 19, 2024

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Tresury shares	Total
Number of Shareholders	0	0	155	12,627	12	1	12,795
Number of shares held	0	0	36,338,409	56,031,041	301,850	888,000	93,559,300
Shareholding ratio	0.00%	0.00%	38.84 %	59.89 %	0.32%	0.95%	100.00%

III. Shareholding Distribution Status

Common Shares：

April 19, 2024

Class of Shareholding	Number of Shareholders	Number of Shares Held	Shareholding Ratio
1 to 999	10,549	400,382	0.43%
1,000 to 5,000	1,532	3,326,419	3.56 %
5,001 to 10,000	303	2,236,217	2.39 %
10,001 to 15,000	141	1,716,444	1.83 %
15,001 to 20,000	54	967,566	1.03 %
20,001 to 30,000	70	1,727,242	1.85 %
30,001 to 40,000	31	1,110,718	1.19 %
40,001 to 50,000	19	865,325	0.92 %
50,001 to 100,000	39	2,614,516	2.79 %
100,001 to 200,000	15	2,039,646	2.18 %
200,001 to 400,000	15	4,333,705	4.63 %
400,001 to 600,000	4	2,046,848	2.19 %
600,001 to 800,000	4	2,836,451	3.03 %
800,001 to 1,000,000	2	1,757,880	1.88 %
1,000,001 or over	17	65,579,941	70.09 %
Total	12,795	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 19, 2024

Shares / Name of Major Shareholders	Number of Shares Held	Shareholding Ratio
Yuan Jin Co., Ltd.	14,563,719	15.72%
E-Long Investment Co.	8,932,304	9.64 %
Shangpin Investment Co.	8,776,256	9.47%
Huang Zongyuan	6,498,385	7.01%
Chih-Lung Lin	5,690,703	6.14%
Lian Quan Investment Enterprise Co.	3,025,844	3.27%
Zuo-Rong Huang	2,883,646	3.11%
Ling-Ru Huang	2,857,222	3.08%
Yu-Gong Zhang	1,866,930	2.01%
De-Min Huang	1,720,255	1.86%

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

Year / Item			2022	2023	2023, as of April 16 (Note 8)
Market price per share (Note 1)	Highest market price		23.60	21.25	18.40
	Lowest market price		13.90	14.30	16.90
	Average market price		19.39	16.41	17.41
Net worth per share (Note 2)	Before distribution		13.51	14.08	1.23
	After distribution		Undistributed	Not yet distributed	Not yet distributed
Earnings per share	Weighted average number of shares		92,288,834	92,671,300	92,671,300
	Earnings per share (Note 3)	Before adjustment	(1.34)	0.41	1.18
		After adjustment	-	-	Not applicable
Dividends per share	Cash dividends		-	-	Not applicable
	Stock dividends	Dividends from retained earnings	-	-	Not applicable
		Dividends from capital surplus	-	-	Not applicable
	Accumulated undistributed dividends (Note 4)		-	-	Not applicable
Return on Investment	P/E ratio (Note 5)		3.18	-	Not applicable
	P/D ratio (Note 6)		-	-	Not applicable
	Cash dividend yield rate (Note 7)		-	-	Not applicable

*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 NT$0.1, all dividends will be distributed in the form of stock dividends.

(II) Proposed Distribution of Dividend:

On March 14, 2024, the Board of Directors of the Company proposed to withhold the distribution of dividends for the fiscal year 2023 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 income 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:

On March 14, 2024, the Board of Directors resolved to distribute NT$394,438 as employee remuneration and NT$450,000 as director remuneration, which are consistent with the estimated expenses in 2023.

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

IX. Buy-back of Treasury Stock:

Buyback Period	Second round
Purpose of Buyback	Transfer shares to employees
Buyback Period	March 14, 2020 to May 13, 2020
Buyback Price Range	NT$12.92 to NT$25.93 per share
Type and Quantity of Shares Repurchased	Common shares, 1,488,000 shares
Number of Shares Repurchased	NT$28,093,950
Percentage of Repurchased Shares to Planned Repurchase Quantity (%)	49.60%
Number of Shares Bought back and transferred	400,000 shares were transferred to employees on September 8, 2022 200,000 shares were transferred to employees on September 26, 2022
Cumulative Number of Company Shares Held	888,000shares
Number of Company Shares Held to Total Number of 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: NTD thousand

Main Products \ Year	2023	
	Operating revenue	Percentage
Refind Paraffin Wax and Microcrystalline Wax	147,901	37.73
Aquatic Products Revenue	98,698	25.18
Lease income	25,889	6.60
Photovoltaic equipment	119,513	30.49
Total	392,001	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 (Seal 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

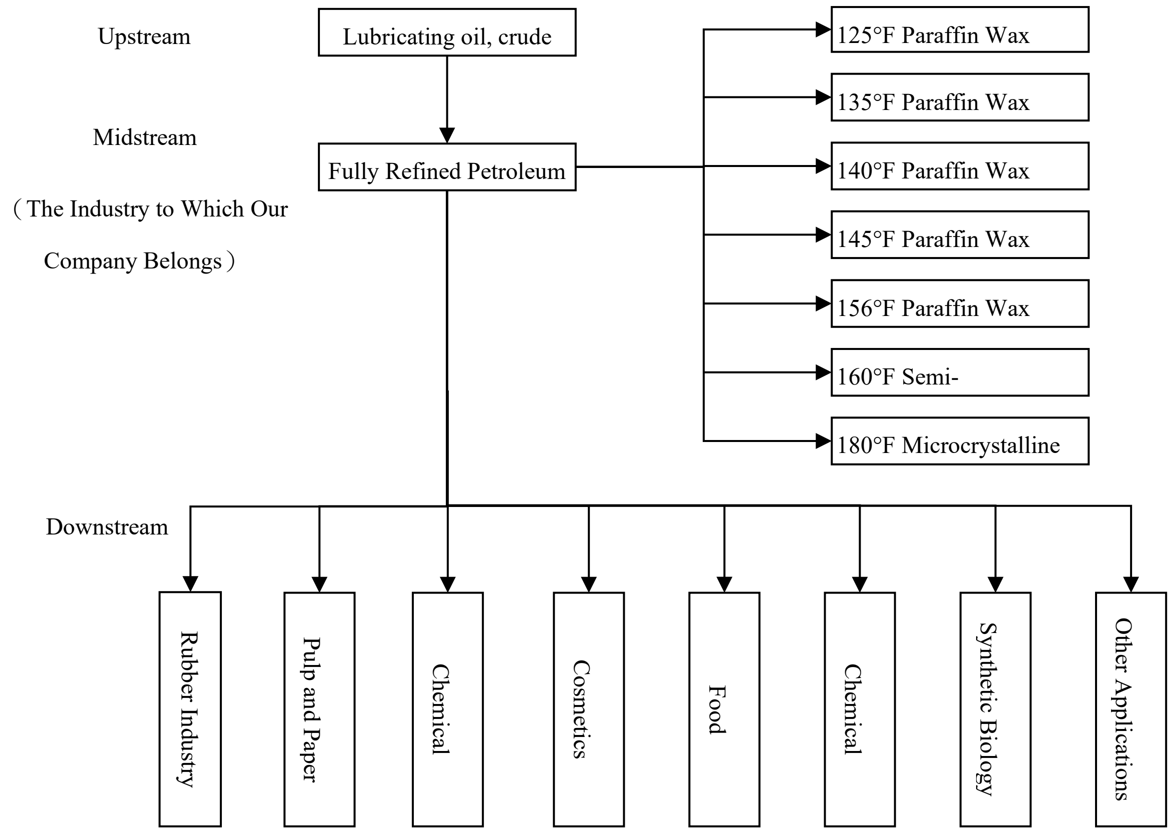
Petroleum wax can be used in a wide range of applications, including candles, moisture-proof coatings for cardboard boxes, crayons, additives for PVC, rubber, resin, and other materials, thickening agent for chewing gum, sealing agent for dry cell battery carbon rods, and insulation for high-end electronic 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 addition, in response to the increasingly severe global warming, relevant policies for "energy conservation and carbon reduction” have been formulated. This has resulted in a sharp decline in the demand for “candles,” placing wax companies in a harsher situation. 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, there is a trend of developing the following two types of wax products: high-margin industrial formula wax, high-priced leisure and entertainment candles, and wax for aesthetic medicine.

(4) Competitive situation

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

(A) Mainland China:

Because of the high content of paraffin wax in crude oil, it is easy to extract paraffin wax. Every year, China exports about 1 million tons of petroleum wax to the world, accounting for about 1/3 of the total global petroleum wax output. With its large production scale and low labor costs, China dominates the selling price of most wax products worldwide. In addition, wax refineries in Mainland China have recently adopted “hydrotreating” to reduce the oil content of paraffin wax (0.8%→ 0.5%) to improve the quality of paraffin wax to the world level, thereby eroding our existing market. Our company is the only petroleum wax producer in Taiwan and faces no domestic competition. However, we face competition pressure from China due to their large-scale dumping of low-priced and high-quality 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.

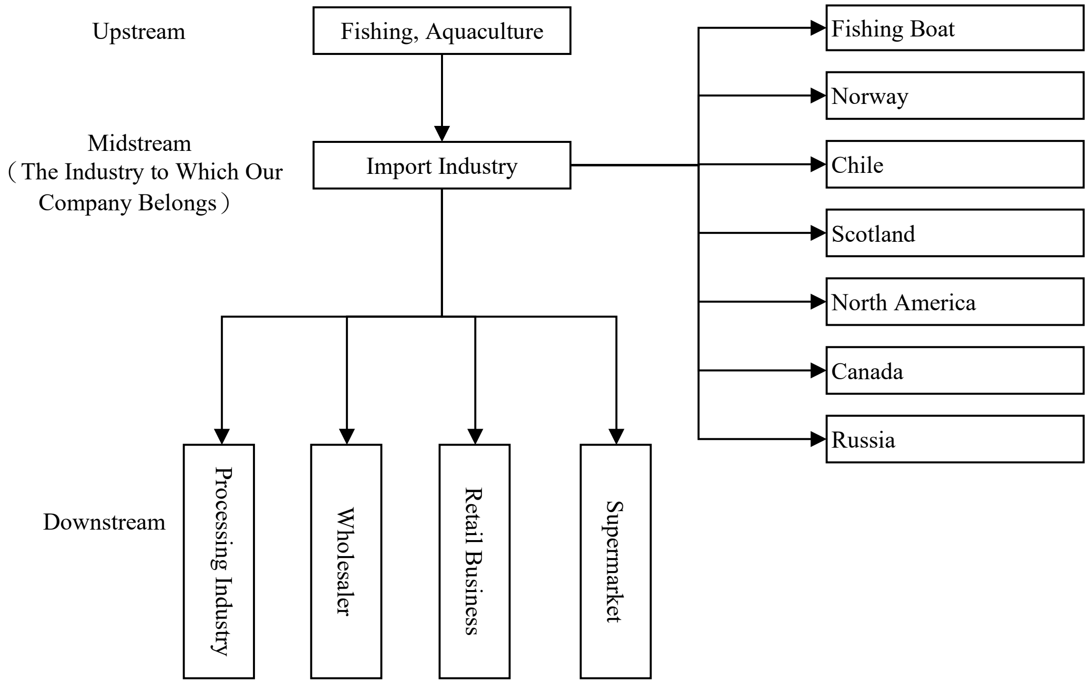
In 2020, due to the impact of the pandemic, consumption plummeted, and the discovery of COVID-19 on the chopping board of imported salmon in the Beijing market in June further exacerbated the situation. Although there was no scientific evidence linking salmon and virus transmission, the incident resulted 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) Competition 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:

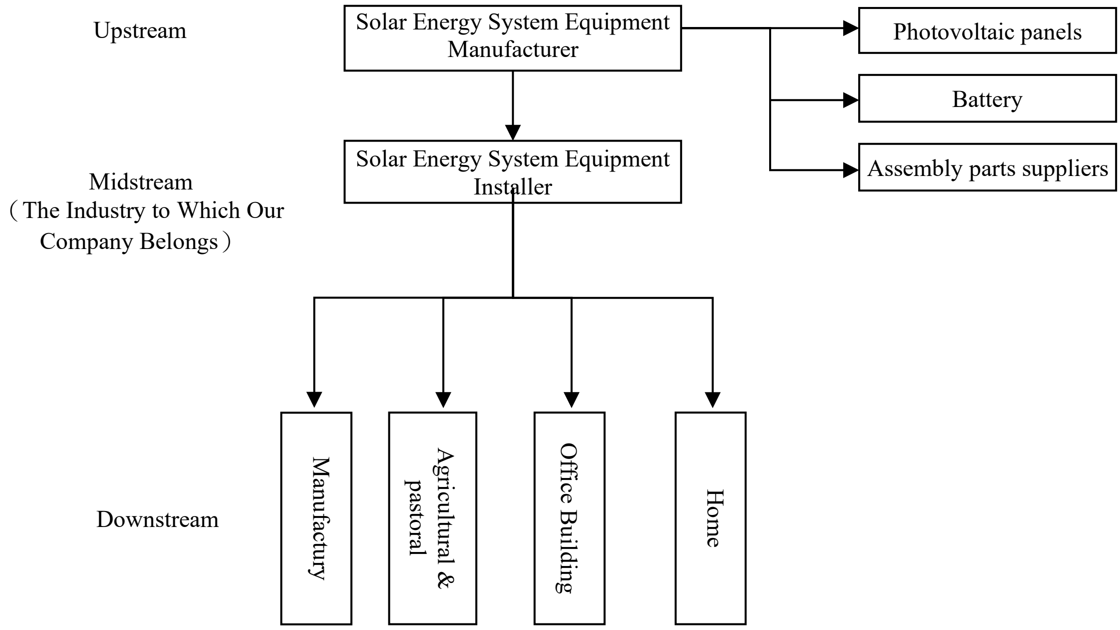
(1) Current Situation and Development of Taiwan's Industry:

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, which is more than 7 times the amount in 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,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.
- 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.

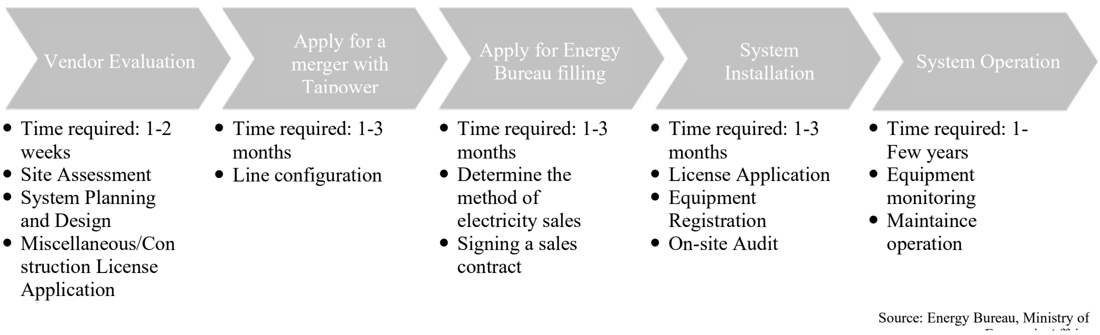
For rooftop systems, the focus is on central public rooftops, industrial plants, agricultural greenhouses, and other rooftops (local public rooftops, residential, commercial). Considering the expansion of solar photovoltaic policies and the safety of the solar photovoltaic system structure, illegal rooftop 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 125°F, 135°F, 140°F, 145°F, 156°F, 160°F and 180°F waxes 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 235 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, Tonen General, 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 (we have reached out to Taiwan Textile Research Institute and Chaoyang University of Technology) to increase product value and diversify applications, discover new business opportunities (paraffin phase change material (PCM)), 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 (an advantage of the Company) 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 have reached out to Taiwan Textile Research Institute and Chaoyang University of Technology), we actively develop non-paraffin products, namely, our second product line, and move towards the high value-added industry.

(3) Financial Strategy

A. Short-term Plan

①In 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.

②Strengthen 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

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

(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 2022 and 2023 is as follows:

Unit: NTD thousand

Item \ Year		2022		2023	
		Amount	%	Amount	%
Local		252,571	88.26	123,135	83.26
Direct/ Indirect International Sales	Asia	28,958	10.12	21,518	14.55
	America	4,644	1.62	3,248	2.19
	Subtotal	33,602	11.74	24,766	16.74
Total		286,173	100.00	147,901	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, leisure and entertainment-use wax, and wax for aesthetic medicine 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 petroleum wax application market will continue to grow, with huge potential business opportunities.

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) Aquatic Products

(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

Formulation Wax

A. Paraffin Wax Phase Change Material (coating...)

B. Investment Casting Wax

C. Composite Microcrystalline Wax

Emulsion Wax

A. Wax for Washed Eggs

□②Aquatic Products:

Salmon, flatfish, king crab, large shrimp species

□③Solar Energy:

Construction and sale of solar energy 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 ncapsulants, and insulation for electronic products.
Formulation Wax	Coating, paint, textile.
Emulsion Wax	Washed eggs.

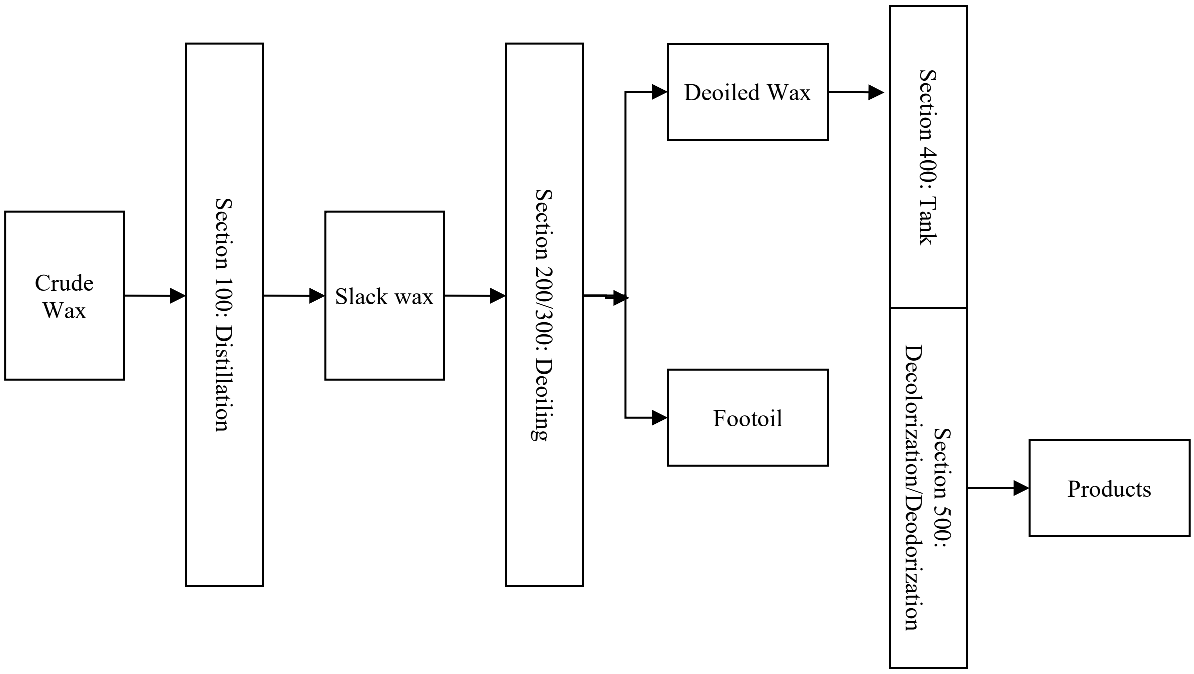
② Aquatic products: can be directly consumed or processed into finished products.

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

(3) Production processes of main products

A. Paraffin wax

Our factory mainly uses crude wax as a raw material, and produces refined paraffin wax with different melting points, as well as the by-product footoil, through distillation, freezing, filtration, steam distillation, separation, and other process units. The factory is divided into the following sections by operations:



III. Supply status of Main Raw Materials

(1) Wax Products: The main raw material for wax production is crude wax. In 2023, 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. Suppliers (customers) 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: NTD thousand

Item	2022				2023				2024, as of the end of the first quarter			
	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	91,954	35.90	None	Company A	76,490	36.20	None	Company A	28,896	57.32	None
2	Company B	82,346	32.15	None	Company B	64,573	30.56	None	Company B	6,803	13.49	None
3	Company C	38,618	15.08	None	Company C	24,329	11.51	None	Company C	5,357	10.63	None
4	Company D	32,201	12.57	None	Company D	23,369	11.06	None				
	Others	11,051	4.3	None	Others	22,564	10.67	None	Others	9,359	18.56	None
Purchase amount		256,170	100.00		Purchase amount	211,325	100.00		Purchase amount	50,415	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: NTD thousand

Item	2022				2023				2024, as of the end of the first quarter			
	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	118,555	24.60	None	Company E	107,168	27.34	None	Company E	9,561	16.31	None
2	Company F	79,270	16.45	None	Company F	47,440	12.10	None	Company F			None
3									Company G			None
	Others	284,187	58.95	None	Others	237,393	60.56	None	Others	49,049	83.69	None
Sales amount		482,012	100.00		Sales amount	392,001	100.00		Sales amount	58,610	100.00	

V. Production Volume and Value in the Most Two Fiscal Years

Year / Production Volume and Value / Major Products	2022			2023		
	Capacity (Tons)	Quantity (Tons)	Amount (Thousands)	Capacity (Tons)	Quantity (Tons)	Amount (Thousands)
Refined Paraffin Wax	21,000	2,765	143,206	21,000	3,080	122,800
Slack wax & Footoil	40,715	(21)	(577)	0	0	0
Total	61,715	2,744	142,629	21,000	3,080	122,800

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

Year / Sales Volume and Value / Major Products	2022				2023			
	Local		Export		Local		Export	
	Quantity (Tons)	Amount (Thousands)	Quantity (Tons)	Amount (Thousands)	Quantity (Tons)	Amount (Thousands)	Quantity (Tons)	Amount (Thousands)
Refined Paraffin Wax	2,484	133,195	503	31,468	3,512	123,164	424	24,737
Slack wax & Footoil	6,586	119,376	49	2,134	—	—	—	—
Lease income	–	23,741	–	–	—	25,889	—	—
Labor income	–		–	–	—	—	—	—
Photoelectric Revenue	–	122,061	–	–	—	119,513	—	—
Aquatic Products Revenue	–	–	–	50,037	—	98,698	—	
Total	9,070	398,373	552	83,639	3,512	367,264	424	24,737

(Number of consolidations)

Three. Employee Statistics for the Most Recent Two Fiscal Years up to the Publication Date of the Annual Report

March 2024

Year		2022	2023	2024, as of March
Number of employees	Staff	18	17	17
	Employee	10	11	10
	Total	26	28	27
Average age		49.5	49.50	48.84
Average years of service		12.56	12.56	12.98
Education distribution percentage (%)	Ph D.	0%	0%	0%
	Master's degree	11.5 %	10.7 %	11.1%
	College	69.2%	64.3%	63.0%
	Senior high school	11.6%	21.4%	22.2%
	Below senior high school	7.7%	3.6%	3.7%

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 2023 are as follows:

Item	Shift	Total number of people	Total hours	Total cost
1. New employee training	2.0	2.0	7.0	-
2. Professional skills training	32.0	41.0	209.5	72,100
3. Supervisor talent training	3.0	3.0	42.0	27,200
4. General education training	-	33.0	146.0	-
5. Self-development training	-	-	-	-

Total	37.0	79.0	404.5	99,300

(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. The Labor–Management Relations Committee has been established to hold regular meetings for communication and discussion, so that employees can fully understand the management system and the Company's operating goals. An employee suggestion box is also set up to provide multiple channels to promote labor-management communication and protect the rights and interests of employees. 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, we provide a safe working environment for our employees to improve their expertise. The Company has implemented various measures, including compliance with the Labor Standards Act and related labor laws and regulations, and establishing a personnel management system to protect the rights and interests of employees. Safety and health work rules have also been formulated to raise employee awareness and understanding of safety. Safety protection equipment is issued to on-site operators, and safety shoes are provided to them every year. Clear safety signs are present in the factory, and external contractors for outsourced projects may enter the factory for construction only after receiving a safety briefing. Access to the factory is controlled by security guards. To provide employees with a safe and comfortable working environment, in accordance with the Occupational Safety and Health Act, the Company implements working environment monitoring every six months, commissions external contractors for fire safety inspection declaration annually, and performs a safety inspection of buildings every two years.

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	103/9/15-113/9/30	Acquisition of exclusive distribution rights for sales products.	None

Financial Information

One. Five-Year Financial Summary

I. Condensed Balance Sheet and Consolidated Income Statement Information

Consolidated Condensed Balance Sheet – Based on IFRS (Consolidated)

Unit: NTD thousand

Item \ Year		Financial Summary for The Last Five Years 2019	2020	2021	2022	2023	Financial information as of March 31, 2024
Current assets		1,028,236	985,000	1,692,842	1,883,129	2,793,569	3,023,368
Property, plant and equipment		259,193	259,193	541,840	559,334	766,485	786,667
Intangible assets		—	—	—	—	—	—
Other assets		208,866	208,866	170,391	182,138	213,094	218,936
Total assets		1,496,295	1,496,295	2,405,413	2,624,601	3,773,148	4,028,971
Current liabilities	Before distribution	509,692	509,692	833,619	1,210,708	2,348,026	2,497,538
	After distribution	509,692	509,692	833,619	1,210,708	Not yet resolved	Not yet resolved
Non-current liabilities		95,028	95,028	185,845	149,601	120,613	115,206
Total liabilities	Before distribution	604,720	604,720	1,019,464	1,360,309	2,468,639	2,612,744
	After distribution	604,720	604,720	1,019,464	1,360,309	Not yet resolved	Not yet resolved
Equity attributable to shareholders of the parent		891,575	891,575	1,385,949	1,264,292	1,304,509	1,416,227
Share capital		715,500	715,500	815,500	935,593	935,593	935,593
Capital collected in advance		—	—	—	—	—	—
Capital surplus or Additional paid-in capital		107,236	107,236	164,036	165,098	165,098	165,098
Retained earnings	Before distribution	8,356	62,242	428,625	168,885	207,187	317,209
	After distribution	8,356	62,242	428,625	168,885	Not yet resolved	Not yet resolved
Others		6,257	6,597	5,896	11,496	13,411	15,107
Treasury stocks		(11,434)	—	(28,108)	(16,780)	(16,780)	(16,780)
Non-controlling interest		—	—	—	—	—	—
Total equity	Before distribution	576,759	891,575	1,385,949	1,264,292	1,304,509	1,416,227
	After distribution	576,759	891,575	1,385,949	1,264,292	Not yet resolved	Not yet resolved

Note: The consolidated financial statements for the fiscal year 2023 have been audited and certified by the accountant. The consolidated financial statements for the first quarter of the fiscal year 2024 have been reviewed by the accountant.

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

Unit: NTD thousand

Year / Item	Financial Summary for The Last Five Years					Financial information as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	439,510	333,591	500,464	482,012	392,001	58,610
Gross profit	101,880	60,106	95,669	100,716	118,052	8,046
Income from operations	64,736	22,364	14,558	(135,169)	48,777	(21,368)
Non-operating income and expenses	(11,404)	(28,939)	372,629	13,813	(10,317)	131,390
Net income before tax	53,332	(6,575)	387,187	(121,356)	38,460	110,022
Current net income from continuing operations	53,332	(6,575)	372,958	(123,635)	38,302	110,022
Loss from discontinued operations	—	—	—	—	—	—
Current net income (loss)	53,332	(6,575)	372,958	(123,635)	38,302	110,022
Other comprehensive income (income after tax)	894	860	(1,561)	5,600	1,915	1,696
Total comprehensive income	54,226	(5,715)	371,397	(118,035)	40,217	111,718
Net income attributable to shareholders of the parent	53,332	(6,575)	372,958	(123,635)	38,302	110,022
Net income attributable to non-controlling interest	—	—	—	—	—	—
Comprehensive income attributable to shareholders of the parent	54,226	(5,715)	371,397	(118,035)	40,217	111,718
Comprehensive income attributable to non-controlling interest	—	—	—	—	—	—
Earnings per share	0.88	(0.09)	4.49	(1.34)	0.41	1.19

Note: The consolidated financial statements for the fiscal year 2023 have been audited and certified by the accountant. The consolidated financial statements for the first quarter of the fiscal year 2024 have been reviewed by the accountant.

Consolidated Condensed Balance Sheet – Based on IFRS (Parent company only)

Unit: NTD thousand

Item \ Year		Financial Summary for The Last Five Years 2019	2020	2021	2022	2023	Financial information as of March 31, 2024
Current assets		968,227	622,499	1,256,447	1,686,967	2,624,919	Not applicable
Property, plant and equipment		256,046	337,090	538,145	553,494	733,863	
Intangible assets		–	–	–	–	–	
Other assets		208,866	248,038	166,701	415,324	387,087	
Total assets		1,485,055	1,544,448	2,380,940	2,655,785	3,745,869	
Current liabilities	Before distribution	498,452	560,048	809,146	1,242,833	2,348,802	
	After distribution	498,452	560,048	809,146	1,242,833	Not yet resolved	
Non-current liabilities		95,028	126,648	185,845	148,660	92,558	
Total liabilities	Before distribution	593,480	686,696	994,991	1,391,493	2,441,360	
	After distribution	593,480	686,696	994,991	1,391,493	Not yet resolved	
Equity attributable to shareholders of the parent		891,575	857,752	1,385,949	1,264,292	1,304,509	
Share capital		715,500	715,500	815,500	935,593	935,593	
Capital surplus or Additional paid-in capital		107,236	107,236	164,036	165,098	165,098	
Retained earnings	Before distribution	55,667	62,242	428,625	168,885	207,187	
	After distribution	62,242	55,667	428,625	168,885	Not yet resolved	
Others		6,597	7,457	5,896	11,496	13,411	
Treasury stocks		–	(28,108)	(28,108)	(16,780)	(16,780)	
Non-controlling interest		–	–	–	–		
Total equity	Before distribution	891,575	857,752	1,385,949	1,264,292	1,304,509	
	After distribution	891,575	857,752	1,385,949	1,264,292	Not yet resolved	

Note: The parent company only financial statements for the year 2023 have been audited by the accountant.

Consolidated Condensed Statement of Comprehensive Income – Based on IFRS (Parent company only)

Unit: NTD thousand

Item \ Year	Financial Summary for The Last Five Years					Financial information as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	384,815	167,155	331,975	345,059	252,738	Not applicable
Gross profit	100,582	53,493	33,434	97,785	116,072	
Income from operations	66,834	24,826	(14,770)	48,150	79,832	
Non-operating income and expenses	(13,502)	(31,401)	393,006	(169,515)	(41,530)	
Net income before tax	53,332	(6,575)	378,236	(121,365)	38,302	
Current net income from continuing operations	53,332	(6,575)	372,958	(123,635)	38,302	
Loss from discontinued operations	—	—	—	—	—	
Current net income (loss)	53,332	(6,575)	372,958	(123,635)	38,302	
Other comprehensive income (income after tax)	894	860	(1,561)	5,600	1,915	
Total comprehensive income	54,226	(5,715)	371,397	(118,035)	40,217	
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	0.88	(0.09)	4.49	(1.34)	0.41	

Note: The parent company only financial statements for the year 2023 have been audited by the accountant.

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

Auditors' Names and Opinions in the Most Recent Five Fiscal Years:

Year	Accounting Firm	CPA	Opinion
2019	Benison Associated CPAs' Firm	Xian-Zhang Lin/Xin-Yuan Wang	Unqualified opinion
2020	Benison Associated CPAs' Firm	Xian-Zhang Lin/Xin-Yuan Wang	Unqualified opinion
1st~3rd seasons in 2021	Benison Associated CPAs' Firm	Xian-Zhang Lin/Xin-Yuan Wang	Unqualified opinion
4th seasons in 2021	Benison Associated CPAs' Firm	Xin-Yuan Wang/Yi-Chih Chiu	Unqualified opinion
2022	Benison Associated CPAs' Firm	Xin-Yuan Wang/Yi-Chih Chiu	Unqualified opinion
2023	Benison Associated CPAs' Firm	Xin-Yuan Wang/Yi-Chih Chiu	Unqualified opinion

Two. Five-Year Financial Analysis

Consolidated Financial Analysis (Consolidated)

Item		Five-Year Financial Analysis 2019	2020	2021	2022	2023	2024, as of March 31
Financial Structure %	Debt Ratio	40.41	45.58	42.38	51.83	65.43	64.85
	Ratio of long-term capital to property, plant and equipment	377.42	287.93	290.08	252.78	185.93	194.67
Solvency%	Current ratio	201.74	166.53	203.07	155.54	118.98	121.05
	Quick ratio	147.11	143.25	187.92	150.70	116.94	118.95
	Interest earned times	8.13	0.01	38.69	(7.92)	2.08	10.34
Operating performance	Accounts receivable turnover (times)	5.93	8.46	19.6	7.56	6.47	12.92
	Average collection period	61.55	43.14	18.62	48.28	56.41	28.25
	Inventory turnover (times)	4.77	1.89	3.09	4.19	5.34	4.21
	Accounts payable turnover (times)	34.62	33.07	311.14	1106.81	992.57	449.46
	Average days in sales	76.51	193.12	118.12	87.11	68.35	86.70
	Property, plant and equipment turnover (times)	4.11	1.11	1.13	0.88	0.59	0.30
	Total assets turnover (times)	0.88	0.22	0.25	0.19	0.12	0.06
Profitability	Return on total assets (%)	4.54	(0.08)	19.15	(4.48)	2.09	3.06
	Return on stockholders' equity (%)	7.26	(0.75)	33.24	(9.33)	2.98	8.09
	Pre-tax income to paid-in capital (%)	7.45	(0.92)	47.48	(12.97)	4.11	11.76
	Profit ratio (%)	4.65	(1.97)	74.52	(25.64)	9.77	187.71
	Earnings per share (NT$)	0.88	(0.09)	5.16	(1.34)	0.41	1.19
Cash flow	Cash flow ratio (%)	-	42.18	-	-	15.14	-
	Cash flow adequacy ratio (%)	-	-	-	-	-	-
	Cash reinvestment ratio (%)	-	14.43	-	-	15.78	-
Leverage	Operating leverage	1.14	1.38	2.06	0.84	1.38	0.76
	Financial leverage	1.13	1.42	3.40	0.91	3.68	0.64

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

1. Increase in debt ratio: mainly due to a larger increase in short-term borrowings than in assets.
2. Decrease in the ratio of long-term capital to property, plant and equipment: mainly due to a larger increase in property, plant and equipment than in total equity and total liabilities due to the purchase of land.
3. Decrease in current ratio and quick ratio: mainly due to a larger increase in short-term borrowings than in current assets.
4. Increase in interest earned times: mainly due to the pre-tax, pre-interest income generated by the turnaround from loss in the previous period to profit in the current period.
5. Increase in inventory turnover and decrease in average sales days: mainly due to decreased ending inventory resulting from the sale of oil wax in the current period.
6. Decrease in property, plant and equipment turnover and total assets turnover: mainly due to a smaller increase in current net sales than in the average net amount of property, plant and equipment in the current period.
7. Increase in profitability: mainly due to the turnaround from loss resulting from the expected credit losses set aside in accordance with IFRS 9 in the previous period to profit in the current period.
8. Increase in operating leverage and financial leverage: mainly due to the turnaround from operating loss resulting from the expected credit losses recognized in the previous period to operating income in the current period.

Parent Company Only Financial Analysis

Item		2019	2020	2021	2022	2023	2024, as of March 31
	Year	Five-Year Financial Analysis					
Financial Structure %	Debt Ratio	39.96	44.46	41.79	52.39	65.17	Not applicable
	Ratio of long-term capital to property, plant and equipment	382.02	292.03	292.08	255.28	190.37	
Solvency%	Current ratio	194.25	111.15	155.28	135.74	111.76	
	Quick ratio	140.95	87.07	142.11	133.66	110.53	
	Interest earned times	8.17	0.00	38.33	(7.95)	2.09	
Operating performance	Accounts receivable turnover (times)	5.61	4.39	16.70	5.43	4.19	
	Average collection period	65.12	83.08	21.85	67.22	87.19	
	Inventory turnover (times)	4.66	0.83	2.50	3.81	5.33	
	Accounts payable turnover (times)	34.29	15.55	879.35	738.13	495.17	
	Average days in sales	78.33	439.76	146.00	95.8	68.48	
	Property, plant and equipment turnover (times)	3.93	0.56	0.76	0.63	0.39	
	Total assets turnover (times)	0.84	0.11	0.17	0.14	0.08	
Profitability	Return on total assets (%)	4.58	(0.09)	19.42	(4.48)	2.08	
	Return on stockholders' equity (%)	7.26	(0.75)	33.24	(9.33)	2.98	
	Pre-tax income to paid-in capital (%)	7.45	(0.92)	46.38	(12.97)	4.09	
	Profit ratio (%)	4.89	(3.93)	112.34	(35.83)	15.15	
	Earnings per share (NT$)	0.88	(0.09)	5.16	(1.34)	0.41	
Cash Flow	Cash flow ratio (%)	-	58.94	-	-	14.52	
	Cash flow adequacy ratio (%)	-	-	-	-	-	
	Cash reinvestment ratio (%)	-	19.15	-	-	15.30	
Leverage	Operating leverage	1.16	1.49	(0.15)	1.41	1.17	
	Financial leverage	1.13	1.36	0.59	1.39	1.79	

Explanation of reasons for financial ratio changes of over 20% in the most recent two years are as follows:
1. Increase in debt ratio: mainly due to a larger increase in short-term borrowings than in assets.
2. Decrease in the ratio of long-term capital to property, plant and equipment: mainly due to a large increase in property, plant and equipment than in total equity and total liabilities due to the purchase of land.
3. Decrease in current ratio and quick ratio: mainly due to a larger increase in short-term borrowings than in current assets.
4. Increase in interest earned times: mainly due to the pre-tax, pre-interest income generated by the turnaround from loss in the previous period to profit in the current period.
5. Increase in inventory turnover and decrease in average sales days: mainly due to decreased ending inventory resulting from the sale of oil wax in the current period.
6. Decrease in property, plant and equipment turnover and total assets turnover: mainly due to a smaller increase in current net sales than in the average net amount of property, plant and equipment in the current period.
7. Increase in profitability: mainly due to the turnaround from loss resulting from the expected credit losses set aside in accordance with IFRS 9 in the previous period to profit in the current period.
8. Increase in operating leverage and financial leverage: mainly due to the turnaround from operating loss resulting from the expected credit losses recognized in the previous period to operating income in the current period.

*If the Company prepares parent company only financial statements, it should also prepare a ratio analysis of the parent company only 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 shareholders of the parent - 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 = Net cash flow from operating activities in the most recent 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 income after tax. If the preferred shares are non- cumulative, in the case of net income, the preferred share dividend should be deducted from net income 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 prepared and submitted the Company’s 2023 Business Report, annual financial statements, and earnings distribution proposal. The financial statements were audited by CPA Xin-Yuan Wang and CPA Yi-Chih Chiu of Benison Associated CPAs’ Firm, with an audit report issued. The Audit Committee reviewed the above business report, financial statements, and earnings distribution proposal and found no non-compliance. Thus, the Audit Committee submitted the above report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely

2024 Annual Meeting of Shareholders of Taiwan Wax Company Limited

The Audit Committee, Chairman: Zhao-Wei Pan

March 14, 2024

Four. Most Recent Year's financial statements

REPRESENTATION LETTER

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 2023 (from January 1, 2023 to December 31, 2023), 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 the International Financial Reporting Standards 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.

The Company hereby makes the above declaration

Company name: TAIWAN WAX COMPANY LTD.

Responsible People: JE-YIN LIN

March 14, 2024

Independent auditors' report

Benison (2024) Ministry of Finance approved No. 28

Taiwan Wax Products Co., Ltd.:

Opinion

We have audited the consolidated balance sheets of Taiwan Wax Co., Ltd. and its subsidiaries as of December 31, 2023 and 2022, 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 years ended December 31, 2023 and 2022.

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, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for the years ended December 31, 2023 and 2022.

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 December 31, 2023. 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 December 31, 2023, 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 December 31, 2023, had significant total cash flows, and therefore, are listed 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

Taiwan Wax Co., Ltd. has prepared parent company only financial statements for the years 2023 and 2022, 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 reparation 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 the key audit matters for the audit of the consolidated financial statements of Taiwan Wax Co., Ltd. and its subsidiaries for the year ended December 31, 2023. 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: 王新元

Auditor: 邱奕志

Approval No.: Jin-Guan-Certificate No. 1050049513

Approval No.: Jin-Guan-Certificate No. 1080339935

March 14, 2024

Taiwan Wax Company Ltd. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

Expressed in thousands of New Taiwan dollars

		December 31, 2023			December 31, 2022		
Code	LIABILITIES AND EQUITY		Amount	%		Amount	%
	CURRENT LIABILITIES						
1100	Cash and cash equivalents (Note 6(1))	$	111,785	3	$	137,734	5
1110	Financial assets at fair value through profit or loss - Current						
	(Note 6(2))		48,856	1		36,995	1
1136	Financial assets at amortised cost (Note6(3))		6,000	-		6,000	-
1150	Notes receivable, net (Note6(4))		673	-		3,361	-
1170	Accounts receivable, net (Note6(4))		19,225	1		97,492	4
1200	Other receivables (Note6(4))		684,384	18		567,490	23
1220	Tax assest (Note6(29))		3,271	-		2,096	-
130X	Inventories (Note6(5))		45,656	1		57,014	2
1410	Prepayments (Note6(6))		58,048	2		103,453	4
1470	Other current assets (Note6(7))		1,815,671	48		871,494	33
11XX	Total current assets		2,793,569	74		1,883,129	72
	Non-current assets						
1518	Investments in equity instruments measured at fair value through other comprehensive income						
	– non-current (Note 6(8))		25,755	1		6,990	-
1550	Investments accounted for using equity method (Note6(10))		-	-		-	-
1600	Property, plant and equipment (Note6(11))		766,485	19		559,334	21
1755	Right-of-use asset (Note6(12))		23,788	1		21,868	1
1760	Investment Property, net (Note6(13))		132,730	4		132,730	5
1840	Deferred income tax assets (Note6(29))		3,349	-		3,411	-
1990	Other Non-current assets (Note6(14))		27,472	1		17,139	1
15XX	Total Non-current Assets		979,579	26		741,472	28
	TOTAL	$	3,773,148	100	$	2,624,601	100

(continued on next page)

(Carried forward from previous page)

Code	LIABILITIES AND EQUITY	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT LIABILITIES				
2100	Short-term loans (Note6(15))	$ 2,261,650	60	$ 1,157,520	44
2130	Contract liability (Note6(22))	7,208	-	18,851	1
2170	Accounts payable	409	-	143	-
2200	Other payables (Note6(16))	9,843	-	11,073	-
2230	Current tax liabilities (Note6(29))	1,898	-	1,890	-
2280	Current lease liabilities-current liabilities (Note6(12))	3,569	-	3,910	-
2320	Long term liabilities, current portion (Note6(17))	59,323	2	17,022	1
2300	Other current liabilities	4,126	-	299	-
21XX	Total current liabilities	2,348,026	62	1,210,708	46
	NONCURRENT LIABILITIES				
2540	Non-current portion of non-current borrowings (Note6(17))	71,071	2	102,452	4
2570	Deferred tax liabilities (Note6(29))	29,033	1	29,033	1
2580	Non-current lease liabilities (Note6(12))	20,509	1	18,116	1
25XX	Total non-current liabilities	120,613	3	149,601	6
	Total Liabilities	2,468,639	65	1,360,309	52
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
3100	Capital stock (Note6(19))				
3110	Ordinary share	935,593	25	935,593	36
31XX	Total capital stock	935,593	25	935,593	36
3200	Capital surplus (Note6(19))				
3211	Capital surplus, additional paid-in capital arising from ordinary	164,030	4	164,030	7
3220	Capital surplus, treasury share transactions	1,068	-	1,068	-
3200	Total capital surplus	165,098	4	165,098	7
3300	Retained earnings (Note6(19))				
3310	Appropriated as legal capital reserve	34,785	1	34,785	1
3320	Appropriated as special capital reserve	88,694	2	88,694	3
3350	Unappropriated earnings	83,708	2	45,406	2
33XX	Total retained earnings	207,187	5	168,885	6
3400	Others				
3410	Foreign currency translation reserve	8,907	-	10,756	-
3421	Unrealized gains (losses) on financial assets measured at fair value				
	through other comprehensive income	4,504	-	740	-
34XX	Total other equity	13,411	-	11,496	-
3500	Treasury share (Note6(19))	(16,780)	-	(16,780)	(1)
3XXX	Total equity	1,304,509	35	1,264,292	48
	TOTAL	$ 3,773,148	100	$ 2,624,601	100

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

Chairman: Je-Yin Lin Manager: Je-Yin Lin Accounting Director: Po-Yao Tseng

Taiwan Wax Company Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

January 1 to December 31, 2023 and 2022

(In thousands of New Taiwan dollars, except earnings per share are in dollars)

		2023		2022	
Code		Amount	%	Amount	%
4000	Operating revenue (Note 6(22))	$ 392,001	100	$ 482,012	100
5000	Operating costs (Note 6(5), (26) and (27))	(273,949)	(70)	(381,296)	(79)
5950	GROSS PROFIT	118,052	30	100,716	21
6000	Operating expenses (Note 6(26) and (27))				
6100	Marketing	(6,427)	(2)	(19,071)	(4)
6200	General administrative	(54,064)	(14)	(53,243)	(11)
6300	Research and development	-	-	-	-
6450	Expected credit impairment loss	(8,784)	(2)	(163,571)	(34)
	Total operating expenses	(69,275)	(18)	(235,885)	(49)
6900	Operating profit (loss)	48,777	12	(135,169)	(28)
7000	Non-operating income and expenses				
7100	Interest income	51,309	13	4,016	1
7010	Other income (Note 6(23))	2,334	1	2,272	1
7020	Other gains and losses (Note 6(24))	(28,448)	(7)	21,144	4
7050	Financial costs (Note 6(25))	(35,512)	(9)	(13,604)	(3)
7060	Equity in earnings or losses of associates and joint ventures accounted for using the equity method (Note 6(10))	-	-	(15)	-
	Total non-operating income and expenses	(10,317)	(2)	13,813	3
7900	Net income (loss) before income tax	38,460	10	(121,356)	(25)
7950	Income tax expenses (Note 6(29))	(158)	-	(2,279)	(1)
8200	Net income (loss) for the year	38,302	10	(123,635)	(26)
8300	Other comprehensive income (loss)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains and losses from investments in equity instruments measured at fair value through other comprehensive income	3,764	1	740	-
8349	Income tax related to items not reclassified to profit or loss	-	-	-	-
		3,764	1	740	-
8360	Items that may be reclassified to profit or loss in the future				
8361	Exchange differences on translation of foreign financial statements	(1,849)	-	4,860	2
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(1,849)	-	4,860	2
	Other comprehensive income (loss) for the year (net of tax)	1,915	-	5,600	2
8500	Total comprehensive income	$ 40,217	11	$ (118,035)	(24)
	Earnings (losses) per share (Note 6(20))				
9750	Basic	$ 0.41		$ (1.34)	
9850	Diluted	$ 0.41		$ (1.34)	

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

Chairman: Je-Yin Lin Manager: Je-Yin Lin Accounting Director: Po-Yao Tseng

Taiwan Wax Company Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

January 1 to December 31, 2023 and 2022

Expressed in thousands of New Taiwan dollars

		EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT								
				Retained earnings			Others		Treasury stocks	Total equity
Code		Share capital	Capital surplus or Additional paid-in capital	Legal reserve	Special reserve	Unappropriated earnings	Foreign currency translation reserve	Unrealized gains (losses) on financial assets measured through other comprehensive income at fair value		
A1	Balance on January 1, 2022	$ 815,500	$ 164,036	$ 880	$ 88,694	$ 339,051	$ 5,896	$ -	$ (28,108)	$ 1,385,949
	Appropriation and distribution of 2021 earnings									
B1	Legal reserve	-	-	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 on December 31, 2022	$ 935,593	$ 165,098	$ 34,785	$ 88,694	$ 45,406	$ 10,756	$ 740	$ (16,780)	$ 1,264,292
A1	Balance on January 1, 2023	$ 935,593	$ 165,098	$ 34,785	$ 88,694	$ 45,406	$ 10,756	$ 740	$ (16,780)	$ 1,264,292
D1	Net income in 2023	-	-	-	-	38,302	-	-	-	38,302
D3	Other comprehensive income in 2023	-	-	-	-	-	(1,849)	3,764	-	1,915
Z1	Balance on December 31, 2023	$ 935,593	$ 165,098	$ 34,785	$ 88,694	$ 83,708	$ 8,907	$ 4,504	$ (16,780)	$ 1,304,509

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

Chairman: Je-Yin Lin | Manager: Je-Yin Lin | Accounting Director: Po-Yao Tseng

Taiwan Wax Company Ltd. and Subsidiaries

Consolidated statement of cash flows

January 1 to December 31, 2023 and 2022

Expressed in thousands of New Taiwan dollars

Code		2023	2022
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Net income (loss) before tax for the year	$ 38,460	$ (121,356)
A20010	Total adjustments to reconcile profit (loss)		
A20100	Depreciation Expense of Property, Plant and Equipment and Right-of-Use	18,914	21,333
A20300	Expected credit impairment loss	8,784	163,571
A20400	Net Loss (Gain) on Financial Assets and Liabilities at Fair Value through Profit or Loss	(9,170)	2,008
A20900	Finance Costs	35,512	13,604
A21200	Interest Income	(51,309)	(4,016)
A21300	Dividend Income	(1,398)	(1,797)
A21900	Share-based Payment Expense for Employee Stock Options	-	1,062
A22300	Equity in earnings or losses of associates and joint ventures accounted for using the equity method	-	15
A22500	Gain on disposal and impairment of property, plant, and equipment	(171)	436
A23700	Loss on Impairment of Non-Financial Assets	10,439	5,711
A23800	Gain on Recovery of Inventory Write-down and Obsolete Items	(27,606)	(100,571)
A24100	Unrealized foreign exchange losses	56,986	3,603
A29900	Lease modification gain	-	(1)
A30000	Changes in assets and liabilities related to operating activities		
A31130	Notes Receivable	2,688	(820)
A31150	Accounts receivable	78,242	(73,795)
A31180	Other receivables	(143,537)	(105,965)
A31200	Inventory	38,964	168,756
A31230	Prepayments	45,405	14,958
A31240	Other Current Assets	246,352	(45,876)
A32125	Contract Liabilities	(11,643)	(424)
A32150	Accounts Payable	266	(403)
A32180	Other Payables	(1,466)	(64,668)
A32230	Other Current Liabilities	3,827	(66)
A33000	Cash Generated from Operations	338,539	(124,701)
A33100	Interest Received	51,309	4,016
A33200	Dividends Received	1,398	1,797
A33300	Interest Paid	(34,381)	(13,257)
A33500	Income Taxes Paid	(1,325)	(6,896)
AAAA	Net Cash Inflow (Outflow) from Operating Activities	355,540	(139,041)

(continued on next page)

(Carried forward from previous page)

Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(15,001)	(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	(10,965)	(665)
B00200	Cash outflow from disposal of financial assets measured at fair value through profit or loss	8,274	5,530
B01900	Net cash inflow from disposal of investments in associates	-	325
B02700	Cash inflow from acquisition of property, plant and equipment	(233,093)	(53,089)
B02800	Cash outflow from disposal of property, plant and equipment	171	381,362
B03700	Increase in deposits for guarantee	-	(10,180)
B03800	Decrease in deposits for guarantee	7,000	26
B06500	Increase in other financial assets	(1,224,201)	(559,087)
B07100	Increase in prepaid equipment expenses	(17,333)	-
B07200	Decrease in prepaid equipment expenses	-	25,000
BBBB	Net cash outflow from investing activities	(1,485,148)	(223,028)
	CASH FLOWS FROM INVESTING ACTIVITIES		
C00100	Increase in short-term loans	2,372,296	1,723,190
C00200	Decrease in short-term loans	(1,268,166)	(1,273,300)
C01600	Borrowings of long-term loans	30,000	70,000
C01700	Repayment of long-term loans	(19,080)	(113,759)
C04020	Repayment of lease liabilities	(4,184)	(4,698)
C04500	Payment of cash dividends	-	(16,012)
C05000	Proceeds from disposal of treasury stock	-	11,328
CCCC	Net cash inflow from financing activities	1,110,866	396,749
DDDD	Effect of exchange rate changes on cash and cash equivalents	(7,207)	9,210
EEEE	Increase (decrease) in cash and cash equivalents	(25,949)	43,890
E00100	CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	137,734	93,844
E00200	CASH AND CASH EQUIVALENT, END OF YEAR	$ 111,785	$ 137,734

Taiwan Wax Company Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

January 1 to December 31, 2023 and 2022

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

I. Company History:

(I) 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. The Company 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.

(II) The Company's shares were approved by the competent authorities for trading on the Taipei Exchange in May 2004.

(III) The consolidated financial statements are expressed in New Taiwan dollars, the functional currency of the Company.

II. Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were approved by the Board of Directors on March 14, 2024.

III. New standards, amendments and interpretations adopted:

(I) First-time application of International Financial Reporting Standards (IFRS), 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 Taiwan Wax Co., Ltd. and its subsidiaries (hereinafter referred to as the Consolidated Company).

(II) FSC-approved IFRSs applicable in 2024

New Releases / Amendments / Revised Criteria and Interpretations	Effective date released by IASB (Note 1)
Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1, "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting 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.

Note 3: When these amendments are applied for the first time, a partial exemption from the disclosure requirements is provided.

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.

(III) IFRSs issued by the IASB but not yet endorsed by the FSC and issued into effect

New Releases / Amendments / Revised Criteria and Interpretations	Effective date released by IASB (Note 1)
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 "Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts”	January 1, 2023

New Releases / Amendments / Revised Criteria and Interpretations	Effective date released by IASB (Note 1)
Amendments to IFRS 17 "Insurance Contracts", "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IAS 21, "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: These amendments apply to annual reporting periods beginning after January 1, 2025. When these amendments are applied for the first time, the effect is recognized in the retained earnings on the date of initial application. When the Company uses a non-functional currency as the presentation currency, the effect is treated as an exchange difference of foreign operations under equity on the date of initial application.

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:

(I) 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 by the FSC and issued into effect.

(II) 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 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.*

(III) 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 (excluding those restricted from being exchanged or used to settle a liability for at least 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.

(IV) 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).

(V) 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 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.

(VI) 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.

(VII) 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.

(VIII) 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. Owned land is not depreciated. 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.

(IX) 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.

(X) 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 s for the asset, cash-generating unit or contract cost-related asset. Reversals of impairment losses are recognized in profit or loss.

(XI) 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 financial assets held by the Consolidated Company include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, investments in bond instruments measured at fair value through other comprehensive income, and investments in equity instruments measured at fair value through other comprehensive income.

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.

c. Investments in debt instruments measured at fair value through other comprehensive income or loss

If the Consolidated Company's investments in debt instruments meet both of the following conditions, they are classified as financial assets measured at fair value through other comprehensive income:

(a) They 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.

Investments in debt instruments measured at fair value through other comprehensive income are measured at fair value. Changes in the carrying amount that are treated as interest income are calculated using the effective interest method. Foreign exchange gains and losses, and impairment losses or reversal gains are recognized in profit or loss. Other changes are recognized in other comprehensive income and reclassified as profit or loss when the investments are disposed of.

d. Investments in equity instruments measured at fair value through other comprehensive income

The Consolidated Company may make an irrevocable election at initial recognition to designate investments in equity instruments that are not held for trading and are not recognized by the acquirer in a business combination or do not have a consideration to be measured at fair value through other comprehensive income.

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

Dividends from investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Consolidated Company's right to receive such dividends is established unless such dividends clearly represent the recovery of part of the investment cost.

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. 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 financial asset is more than 90 days overdue, 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.

(XII) 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 Company, and the related income is recognized when the services are rendered. 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.

(XIII) 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.

The variable rent in a lease agreement that is not dependent on indexes or rates is recognized as income in the period in which it is incurred.

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.

(XIV) 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.

(XV) 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.

(XVI) 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.

Key sources of estimation and assumption uncertainty

(I) 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.

VI. Explanation of significant accounts

(I) Cash and cash equivalents

Item	December 31, 2023	December 31, 2022
Cash in hand	$ 314	$ 534
Demand Deposit and Checking Deposit	109,471	64,567
Cash equivalents (time deposits within 3 months from the original maturity date)	2,000	72,633
	$ 111,785	$ 137,734

(II) Financial assets measured at amortized cost - current

Item	December 31, 2023		December 31, 2022	
Mandatory measurement through profit or loss at fair value				
Non-derivative financial assets				
-Domestic listed (over-the-counter) company shares	$	38,775	$	36,995
- Fund beneficiary certificates		10,081		--
	$	48,856	$	36,995

(III) Financial assets measured at amortized cost - current

1. The breakdown is as follows:

Item	December 31, 2023		December 31, 2022	
Time deposits with original maturity of more than 3 months	$	6,000	$	6,000

2. For information on credit risk management and impairment assessment related to financial assets measured at amortized cost, please refer to Note 6(31).

(IV) Notes receivable, accounts receivable and other receivables

1. The breakdown is as follows:

Item	December 31, 2023		December 31, 2022	
Notes Receivable				
Measured by post-amortized cost				
Total Carrying Cost	$	673	$	3,361
Less: Allowance for losses		--		--
	$	673	$	3,361
Occurred as a result of business	$	673	$	3,361

Accounts Receivable		
Measured by post-amortized cost		
Total carrying amount	$ 19,397	$ 97,664
Less: Allowance for losses	(172)	(172)
	$ 19,225	$ 97,492

Item	December 31, 2023	December 31, 2022
Other Receivables		
Receivables for purchase services	$ 866,655	$ 744,181
Less: Allowance for losses	(182,276)	(176,882)
	684,379	567,299
Others	5	191
	$ 684,384	$ 567,490

2. Accounts receivable and accounts receivable for purchase services

The Consolidated Company's average credit period for merchandise sales ranges from 30 to 180 days from month to month, and 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. Some customer groups are located in areas with severe outbreaks of the novel coronavirus pneumonia. As the loss patterns of these customer groups are different from those of other customer groups, the Consolidated Company adopts different provision matrices for 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, 2023

	Not overdue	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	individual recognition	Total
Expected credit loss ratio	--	--	--	--	100.00%	55.23%	--
Total carrying amount	$ 555,236	$ 593	$ --	$ --	$ 172	$ 330,051	$ 886,052
Allowance for losses (expected credit losses over the life of the	--	--	--	--	(172)	(182,276)	(182,448)

Consolidated Company)							
Cost after amortization	$ 555,236	$ 593	$ --	$ --	$ --	$ 147,775	$ 703,604

December 31, 2022

	Not overdue	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	individual recognition	Total
Expected credit loss ratio	--	--	--	--	100.00%	47.00%	--
Total carrying amount	$ 464,704	$ 626	$ --	$ --	$ 172	$ 376,343	$ 841,845
Allowance for losses (expected credit losses over the life of the Consolidated Company)	--	--	--	--	(172)	(176,882)	(177,054)
Cost after amortization	$ 464,704	$ 626	$ --	$ --	$ --	$ 199,461	$ 664,791

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

	2023	2022
Balance at the beginning of the year	$ 177,054	$ 13,618
Plus: Impairment loss provided for in the year	8,784	163,571
Less: Actual write-offs in the year	--	--
Exchange rate effect	(3,390)	(135)
End balance	$ 182,448	$ 177,054

(V) Net Inventory

1. The breakdown is as follows:

Item	December 31, 2023	December 31, 2022
Merchandise Inventory	$ 18,662	$ 32,748
Finished products	23,358	19,997
Materials	380	386
Inventory in transit	3,256	3,883
	$ 45,656	$ 57,014

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

	2023	2022
Cost of inventories sold	$ 288,397	$ 466,130
Loss on decline in value of inventories and doubtful (reversal of gain)	(27,606)	(100,571)
Solar Leasing Costs	13,158	15,737
	$ 273,949	$ 381,296

The rebound in the net realizable value of inventories in 2023 was due to the increase in the selling price of the inventories in a specific market.

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.

(VI) Prepayments

Item	December 31, 2023	December 31, 2022
Prepaid Fees	$ 2,123	$ 1,601
Supplies Inventory	--	3,139
Prepayment	45,696	88,144
Retained tax credit	10,229	10,569
	$ 58,048	$ 103,453

(VII) Other Current Assets

1. The breakdown is as follows:

Item	December 31, 2023	December 31, 2022
Temporary Payment	$ 66,185	$ 312,537
Other Financial Assets	1,749,485	558,956
Other	1	1
	$ 1,815,671	$ 871,494

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.

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

1. The breakdown is as follows:

	December 31, 2023	December 31, 2022

Investments in equity instruments		
Private placement of stocks by domestic companies listed on TPEx		
Private placement of common stocks by Yjn Co., Ltd.	$ 11,250	$ 6,990
	December 31, 2023	December 31, 2022
Investments in debt instruments		
Foreign bonds		
AT&T Inc.	$ 7,352	$ --
ALTRIA Group Inc.	7,153	--
	14,505	--
	$ 25,755	$ 6,990

2. In January 2022, the Consolidated Company subscribed for 1,000,000 shares in Yjn Co., Ltd. (originally HOLD JINN ELECTRONICS CO., LTD.)'s private placement of common stocks at NT$6.25 per share for NT$6,250 thousand with a lock-up period of 3 years. 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.
3. In May 2023, the Consolidated Company purchased the 6-year USD corporate bonds issued by AT&T Inc. and ALTRIA Group Inc. at coupon rates of 4.35% and 4.8%, respectively.
4. Please refer to Note 6(31) for information on credit risk management and impairment assessment related to investments in debt instruments measured at fair value through other comprehensive income.
5. Please refer to Note 8 for information on pledged investments in debt instruments measured at fair value through other comprehensive income.

(IX) Subsidiaries

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

Investor Company	Subsidiary Name	Business Nature	Percentage of shareholding		Description
			December 31, 2023	December 31, 2022	
Our Company	TAI-WAX HOLDING CO., LTD.	Formulated waxes and creative products sales	100%	100%	2
Our Company	TAI-WAX (THAILAND) CO., LTD.	Formulated waxes and creative products sales	100%	100%	1 and 2
Our Company	GUAN DA GREEN ENERGY CO., LTD.	Sales and installation of solar energy equipment	100%	100%	
Our Company	Gong Che Yan Fresh Seafood Co., LTD..	Sales of aquatic and agricultural products	100%	100%	
Our Company	Jinghai Marine Products (Shanghai) Co.	Sales of aquatic products	100%	100%	
TAI-WAX HOLDING CO., LTD.	Panxing Trading (Shanghai) Co.	Formulated waxes and creative products sales	100%	100%	2

1. It was dissolved and liquidated by resolution of the Consolidated Company's Board of Directors on December 27, 2016.
2. As of December 31, 2023 and 2022, 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.

(X) 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, 2023	December 31, 2022
Kingfa International Co.	$ --	$ --

	Percentage of shareholding	
	December 31, 2023	December 31, 2022
Kingfa International Co.	$ --%	$ --%

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. The above-mentioned affiliate was approved by the competent authority for dissolution on February 15, 2022; therefore, the Consolidated Company recognized an impairment loss of NT$330 thousand.

(XI) Property, plant and equipment

	December 31, 2023	December 31, 2022
Self-use	$ 557,240	$ 362,453
Business Leasing	209,245	196,881
	$ 766,485	$ 559,334

1. Self-use

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
Cost:						
January 1, 2023	$ 298,488	$ 69,112	$ 841,756	$ 41,327	$ 47,839	$ 1,298,522
Adding	112,881	--	--	3,509	80,895	197,285
Discipline	--	--	(860)	--	--	(860)
Net exchange difference	--	--	--	(76)	--	(76)
December 31, 2023	$ 411,369	$ 69,112	$ 840,896	$ 44,760	$ 128,734	$ 1,494,871

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
Accumulated depreciation and impairment:						

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total
January 1, 2023	$ --	$ 56,076	$ 841,520	$ 38,473	$ --	$ 936,069
Depreciation	--	759	196	1,532	--	2,487
Discipline	--	--	(860)	--	--	(860)
Net exchange difference	--	--	--	(65)	--	(65)
December 31, 2023	$ --	$ 56,835	$ 840,856	$ 39,940	$ --	$ 937,631
Net as of December 31, 2023	$ 411,369	$ 12,277	$ 40	$ 4,820	$ 128,734	$ 557,240

	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
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

2. Business Leasing

	Rental Assets
Cost:	
Balance on January 1, 2023	$ 250,602

Adding		34,913
Balance on December 31, 2023	$	285,515

	Rental Assets	
Accumulated depreciation and impairment:		
Balance on January 1, 2023	$	53,721
Depreciation		12,110
Impairment loss		10,439
Balance on December 31, 2023	$	76,270
Net as of December 31, 2023	$	209,245

	Rental Assets	
Cost:		
BALANCE, JANURARY 1, 2022	$	246,126
Adding		4,476
Remaining balance as of December 31, 2022	$	250,602
Accumulated depreciation and impairment:		
BALANCE, JANURARY 1, 2022	$	40,255
Depreciation		13,466
Remaining balance as of December 31, 2022	$	53,721
December 31, 2022 Net	$	196,881

3. The Consolidated Company did not recognize or reverse any impairment loss in 2022.
4. In June 2023, the Consolidated Company assessed that some of the solar power generation equipment could not be used continuously for some reason, resulting in a decrease in future

cash flow. Therefore, an impairment loss of NT$10,439 was recognized.

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

Buildings	
Factory main building	35 to 55 years
Auxiliary Equipment	5 to 25 years
Machinery and Equipment	3 to 20 years
Rental Assets	16 to 20 years
Other Equipment	3 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, all electricity generated by the Consolidated Company's power generation system will be sold to Taipower starting from the interconnection date of both systems. 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 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.

(XII) Lease Agreement

1. Right-of-use assets

Item	December 31, 2023	December 31, 2022
Carrying amount of right-to-use assets		
Buildings	$ 323	$ 333
Transportation Equipment	2,697	5,527
Other Equipment	20,768	16,008
	$ 23,788	$ 21,868

Item	2023	2022
Increase in the use of right assets	$ 6,242	$ 7,694
Depreciation expense on right-of-use assets		
Buildings	$ 496	$ 1,567
Transportation Equipment	2,830	2,332
Other Equipment	991	939
	$ 4,317	$ 4,838

2. Leasing Liabilities

Item	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Mobile	$ 3,569	$ 3,910
Non-mobile	$ 20,509	$ 18,116

The discount rate range for lease liabilities is as follows:

Item	December 31, 2023	December 31, 2022
Buildings	4.05%	1.45%
Transportation Equipment	1.33% and 1.45%	1.33% and 1.45%
Other Equipment	1.45% and 2.33%	1.45%

3. Other Leasing Information

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

(2) Other Leasing Information

Item	2023	2022
Short-term lease and low-value asset lease charges	$ 1,774	$ 689

Total cash (outflow) from leases	$ 6,324	$ 5,738

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.

(XIII) Net investment property

1. The breakdown is as follows:

	Land
Cost:	
Balance on January 1, 2023	$ 132,730
Adding	--
Balance on December 31, 2023	$ 132,730
Accumulated depreciation and impairment:	
Balance on January 1, 2023	$ --
Depreciation	--
Balance on December 31, 2023	$ --
Net as of December 31, 2023	$ 132,730

	Land
Cost:	
BALANCE, JANURARY 1, 2022	$ 115,927
Transfer of property, plant and equipment for own use	16,803
Remaining balance as of December 31, 2022	$ 132,730
Accumulated depreciation and impairment:	
BALANCE, JANURARY 1, 2022	$ --
Depreciation	--
Remaining balance as of December 31, 2022	$ --
December 31, 2022 Net	$ 132,730

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. The fair value obtained from the evaluation was NT$603,492 thousand as of both December 31, 2023 and 2022.

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

(XIV) Other non-current assets

Item	December 31, 2023	December 31, 2022
Prepayment of equipment	$ 17,333	$ --
Deposit Guarantee	7,235	14,235
Other	2,904	2,904
	$ 27,472	$ 17,139

(XV) Short-term borrowings

1. The breakdown is as follows:

Item	December 31, 2023	December 31, 2022
Guaranteed Loans	$ 2,261,650	$ 1,157,520
Interest Rate Range	1.75%~2.20%	1.51~2.22%

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

(XVI) Other payables

Item	December 31, 2023	December 31, 2022
Payroll	$ 2,951	$ 3,032
Compensation to employees	391	74
Remuneration to directors and supervisors	450	--
Other expenses payable	6,051	7,072
Equipment Payables	--	895

	$ 9,843	$ 11,073

(XVII) Long-term loans

1. The breakdown is as follows:

Item	December 31, 2023	December 31, 2022
Guaranteed Loans	$ 130,394	$ 119,474
Less: Classified as part due within 1 year	(59,323)	(17,022)
Long-term loans	$ 71,071	$ 102,452

2. The Consolidated Company obtained a new bank loan of NT$60,000 thousand in 2019 with interest rates of 2.22% and 1.98% as of December 31, 2023 and 2022, respectively, to be repaid in five years with monthly principal repayments of NT$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 a new bank loan of NT$50,000 thousand in 2020 with interest rates of 2.32% and 2.03% as of December 31, 2023 and 2022, respectively, repayable in five years with monthly principal repayments of NT$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 NT$80,000 thousand in 2021 with an interest rate of 1.75% as of December 31, 2021, repayable in 12 years with monthly principal repayments of NT$700 thousand. The Consolidated Company repaid the loan early in August 2022 due to capital allocation and interest rate considerations.
5. The Consolidated Company obtained a new bank loan of NT$50,000 thousand in 2022 with interest rates of 2.20% and 2.075% as of December 31, 2023 and 2022, respectively, repayable in 15 years with monthly principal and interest repayments. 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.

6. The Consolidated Company obtained a new bank loan of NT$30,000 thousand in 2023 with an interest rate of 0.50% as of December 31, 2023, repayable in 5 years with monthly principal repayments of NT$500 thousand and monthly interest payments.

(XVIII) 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.

(XIX) Rights and Benefits

1. Ordinary shares (Unit: NT$)

	December 31, 2023	December 31, 2022
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	93,559,300
Issued Share Capital	$ 935,593,000	$ 935,593,000

(1) On June 22, 2016, June 22, 2017, June 25, 2019, and July 20, 2021, the Company's annual meeting of shareholders approved the issuance of 7,550,000 common shares, 8,750,000 common shares, 16,500,000 common shares, and 10,000,000 common shares through private placement, respectively, which were raised in full on October 3, 2016, April 9, 2018, August 22, 2019, and October 14, 2021, respectively, and the change of registration was approved by the competent authority.

(2) In the 2017 and 2021 annual meetings of shareholders, the Company approved a capital reduction to make up for losses and the distribution of stock dividends, respectively. After the capital reduction, the number of the privately placed common shares issued in 2016 referred to above were 4,838,905, and the number of stock dividends distributed

through the private placement of common shares in 2022 were 5,968,436, totaling 46,057,341 shares.

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

2. Capital surplus or Additional paid-in capital

	December 31, 2023	December 31, 2022
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	1,068
	$ 165,098	$ 165,098

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; 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 NT$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 were disposed of or reclassified, the special reserve might be reversed for earnings distribution in proportion to the original provision for special reserve. However, since the resulting increase in retained earnings was not sufficient for provision, only NT$88,694 thousand, the amount of the increase in retained earnings from the conversion, was provided for as special reserve. As of December 31, 2023 and 2022, the balance of this special reserve was NT$88,694 thousand.

(4) 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

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

(5) On June 14, 2023, the Company's shareholders' meeting approved the appropriation of the loss for 2022. As the Company recorded a loss in 2022, there was no distribution of earnings.

(6) On March 14, 2024, the Company’s Board of Directors submitted an earnings distribution proposal for 2023 for approval, which is to be resolved by the shareholders’ meeting on June 18, 2024.

	2023

Legal reserve	$	3,830

4. Treasury stocks

Reason for recovery	Transfer of shares to employees (in thousands)
Number of shares as of January 1 and December 31, 2023	888

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

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

(XX) Earnings (losses) per share

The earnings (losses) and the weighted-average number of common shares used in the calculation of earnings per share are as follows:

Net income (loss) for the year

	2023	2022
Net income (loss) for the year	$ 38,302	$ (123,635)

Number of shares

Weighted number of common shares for basic earnings per share calculation	92,671	92,289
Effect of potential common shares with dilution:		
Employee Compensation	48	33
Weighted number of common shares for the purpose of diluted earnings per share	92,719	92,322

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.

(XXI) Cash Flow Information

Changes in liabilities from financing activities:

2023

			Change in non-cash		
	January 1, 2023	Cash Flow	New lease/lease modification	Exchange rate changes:	December 31, 2023
Short-term borrowings	$ 1,157,520	$ 1,104,130	$ --	$ --	$ 2,261,650
Long-term loans	119,474	10,920	--	--	130,394
Leasing Liabilities	22,026	(4,184)	6,242	(6)	24,078
	$ 1,299,020	$ 1,110,866	$ 6,242	$ (6)	$ 2,416,122

2022

	January 1, 2022	Cash Flow	Change in non-cash: New lease/lease modification	Change in non-cash: 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

(XXII) Net Sales Revenue

1. The breakdown is as follows:

Item	2023	2022
Customer Contract Revenue		
Wax product sales revenue	$ 147,901	$ 286,173
Procurement service revenue	98,698	50,037
Revenue from sales of optoelectronic equipment	119,513	122,061
Lease income		
Rental income from optical equipment	25,889	23,741
	$ 392,001	$ 482,012

2. Description of Customer Agreement
   (1) Note 4(12) shows the revenue from customer contracts.
   (2) Lease income is detailed in Note 6(11).

3. Contract Balance

	December 31, 2023	December 31, 2022	January 1, 2022
Contractual liabilities - sales of goods	$ 7,208	$ 18,851	$ 19,275

(XXIII) 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.

1. The contract liabilities from the beginning of the year recognized as operating revenue in 2023 and 2022 were NT$11,881 thousand and NT$13,925 thousand, respectively.

(XXIV) Other income

Item	2023	2022
Dividend Income	$ 1,398	$ 1,797
Other income - other	936	475
	$ 2,334	$ 2,272

(XXV) Other interests and losses

Item	2023	2022
Foreign currency exchange (loss) gain, net	$ (27,249)	$ 30,744
Gain (loss) on disposal of property, plant, and equipment	171	(436)
Lease modification benefits	--	1
Gain (loss) on financial assets at fair value through profit or loss	9,170	(2,008)
Loss on Impairment of Non-Financial Assets	(10,439)	(5,711)
Others	(101)	(1,446)
	$ (28,448)	$ 21,144

(XXVI) Finance Costs

Item	2023	2022
Interest on bank loans	$ 35,146	$ 13,253

Interest on lease liabilities	366	351
	$ 35,512	$ 13,604

(XXVII) Depreciation and amortization

Item	2023	2022
Property, plant and equipment	$ 14,597	$ 16,495
Right-of-use assets	4,317	4,838
	$ 18,914	$ 21,333

Depreciation expense is summarized by function		
Operating Costs	$ 13,851	$ 15,599
Operating Expenses	5,063	5,734
	$ 18,914	$ 21,333

(XXVIII) Employee benefits expense

Item	2023	2022
Short-term Employee Benefits	$ 34,188	$ 33,440
Post-employment benefits	1,270	1,181
Separation Benefits	--	--
	$ 35,458	$ 34,621

Item	2023	2022
Summary by Function		
Operating Costs	$ 7,499	$ 7,039
Operating Expenses	27,959	27,582
	$ 35,458	$ 34,621

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

1. The Company allocates no less than 1% and no more than 3% of the pre-tax profit before the deduction of employee compensation and directors' and supervisors' remuneration in the current year as employee compensation and directors' and supervisors' remuneration. However, when the company has losses, it should make up for them first. The estimated compensation to employees and remuneration to directors and supervisors for 2023 and 2022 were resolved by the Board of Directors on March 14, 2024 and March 21, 2023, respectively, as follows (the Audit committee was established to replace the Supervisors after the Company's annual meeting of shareholders on June 21, 2022):

Estimated Ratio

	2023	2022
Employee Compensation	1%	--
Remuneration for Directors and Supervisors	1.15%	--

Amount

	2023	2022
Employee Compensation	$ 391	$ --
Remuneration for Directors and Supervisors	$ 450	$ --

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 2022 and 2021 and the amount recognized in the consolidated financial statements for 2022 and 2021.
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.

(XXX) Income Tax

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

	2023		2022	
Current income tax				
Producers of the	$	63	$	2,270
Prior generators		95		9
Deferred income tax				
Producers of the		--		--
Income tax expense recognized in profit or loss	$	158	$	2,279

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

	2023		2022	
Net income (loss) before income tax	$	38,460	$	(121,356)
Income tax expense (benefit) at statutory tax rate on net income (loss) before income tax	$	(1,586)	$	(60,018)
Non-deductible expenses for tax purposes		603		3,738
Tax-free income		(2,114)		(469)
Unallocated surplus plus levy		--		2,270
Unrecognized deductible temporary differences		14,512		46,800
Unrecognized loss carry forward		(11,352)		9,949
Adjustments to current income tax expense in prior years		95		9
Income tax expense recognized in profit or loss	$	158	$	2,279

3. Deferred income tax assets and liabilities

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

2023

	Balance at the beginning	Recognized in profit or loss	Recognized in other			

	of the year		comprehensive income	Exchange Difference	Current Payments	End balance
Deferred income tax assets						
Allowance for losses	$ 3,411	$ --	$ --	$ (62)	$ --	$ 3,349
Deferred income tax liabilities						
Land Value Added Tax	$ (29,033)	$ --	$ --	$ --	$ --	$ (29,033)

2022

	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Exchange Difference	Current Payments	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)

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, 2023	December 31, 2022
Loss Deduction Credit		
Expiring in 2024	$ 13,465	$ 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	3,354
Expiring in 2032	44,243	42,789
Expiring in 2033	28,161	--
	$ 208,295	$ 241,314

	December 31, 2023	December 31, 2022
Temporary differences can be reduced		
Allowance for loss on decline in value of inventories	$ 5,727	$ 33,333
Expected credit impairment loss	182,276	163,571
The equity method is used to recognize the profit or loss of subsidiaries	322,089	240,761
Impairment loss on machinery and equipment and assets leased to others	44,195	38,262
Other	59,103	11,926
	$ 613,390	$ 501,336

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 2021.

(XXXI) 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 debt repayment) for future periods in order to ensure sustainable operations, reward shareholders, take into account the interests of other stakeholders, and maintain an optimal capital structure to enhance shareholder value.

(XXXII) 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, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - Current				
Domestic listed stocks	$ 38,775	$ --	$ --	$ 38,775
Fund beneficiary certificates	10,081			10,081
	$ 48,856	$ --	$ --	$ 48,856

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income or loss - non-current				
Investments in equity instruments				
Domestic listed stocks	$ 11,250	$ --	$ --	$ 11,250
Investments in debt instruments				
Foreign USD bonds	--	14,505	--	14,505

	Level 1	Level 2	Level 3	Total
	$ 11,250	$ 14,505	$ --	$ 25,755

December 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

2. Types of Financial Instruments

	December 31, 2023	December 31, 2022
Financial Assets		
Statement of Financial Assets at Fair Value through Profit or Loss – Current		
Mandatory measurement through profit or loss at fair value	$ 48,856	$ 36,995
Financial assets measured at amortized cost (Note 1)	2,578,787	1,385,268
Financial assets at fair value through other comprehensive income or loss - non-current	25,755	6,990
Financial liabilities		

Financial liabilities measured at amortized cost (Note 2)	2,398,504	1,283,622

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	
	2023	2022
Profit and Loss	$ 23,510	$ 10,067

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, 2023	December 31, 2022
Fair value interest rate risk		
-Financial Assets	$ 14,505	$ --
Cash flow rate risk		
-Financial Assets	$ 1,866,933	$ 702,133
-Financial liabilities	2,392,044	1,276,994

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 NT$5,251 thousand in 2023, 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 NT$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.

(2) Credit Risk

Credit risk refers to the risk of financial loss resulting from the default of contractual obligations by counterparties. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk, which may result in financial loss due to the counterparties' 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.

(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 to 1 year	More than 1 year
December 31, 2023			

Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 8,198	$ --	$ --
Leasing Liabilities	2,193	1,754	23,691
Variable Rate Instrument	2,285,997	45,515	78,384
	$ 2,296,388	$ 47,269	$ 102,075

	Within 6 months (inclusive)	More than 6 months 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

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:

(I) Name and relationship of related parties

Name of related party	Relationship with the Company
Qiu-Xiang Lin	Second-degree relative of the Chairman

(II) Land

Item	December 31, 2023	December 31, 2022
Qiu-Xiang Lin	$ 112,881	$ --

(III) Key management compensation information:

Item	2023	2022

Short-term Employee Benefits	$ 6,914	$ 6,927

VIII. Pledged assets

(I) The breakdown is as follows:

	December 31, 2023	December 31, 2022
Other Financial Assets - Mobile	$ 1,749,485	$ 558,956
Investments in debt instruments measured at fair value through other comprehensive income or loss – non-current	14,505	--
Property, plant and equipment		
Land	214,283	214,283
Buildings	9,924	10,364
Rental Assets	170,796	192,442
Investment real estate		
Land	98,676	98,676
	$ 2,257,669	$ 1,074,721

(II) The above assets are pledged as collaterals for loans

IX. Significant Contingencies and Unrecognized Contract Commitments

(I) Significant commitments: None.

(II) Contingent items: None.

X. Major disaster damage: None.

XI. Significant post-term events: None.

XII. Other

(I) 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, 2023

	Foreign Currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 81,051	30.705 (USD: NTD)	$ 2,488,665
USD	5	7.096 (USD: RMB)	165
Foreign currency liabilities			
Monetary items			
USD	4,489	7.096 (USD: RMB)	137,838

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

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

	2023		2022	
Foreign Currency	Exchange rate	Net exchange (loss) gain	Exchange rate	Net exchange (loss) gain
USD	30.705 (USD: NTD)	$ (56,986)	30.71 (USD: NTD)	$ (3,603)

(II) 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

(I) Information on significant transactions and (II) Information on investment in other businesses:

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): Please refer to Table (III)
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 real estate 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 (IV)
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)

(II) Information on investment in China:

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

(III) Information on major shareholders: Name of shareholders with more than 5% ownership, and the amount and percentage of shares held thereby: Please refer to Table (IX).

XIV. Segment information

(I) 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 2023 and 2022 are wax, optoelectronics, and aquatic. The accounting policies of the reportable segments are the same as the summary description of significant accounting policies described in Note 4.

(II) Segment Revenue and Operating Results

2023

	Wax	Optoelectronics	Aquatic Products	Total
Revenue from external customers	$ 147,901	$ 145,402	$ 98,698	$ 392,001
Interdepartmental revenue	--	--	--	--
Departmental Revenue	$ 147,901	$ 145,402	$ 98,698	392,001
Internal elimination				--
Consolidated revenue				$ 392,001
Departmental (loss) profit	$ (13,618)	$ 10,059	$ 52,336	$ 48,777
Non-operating income and expenses				(10,317)
Net income before tax				$ 38,460

2022

	Wax		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)

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. his measure is provided to the chief operating decision maker for the purpose of allocating resources to the division and evaluating its performance.

(III) 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.

(IV) 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.

(V) Region Information

	Revenue from external customers				Non-current assets			
	2023		2022		2023		2022	
Taiwan	$	377,336	$	467,068	$	968,109	$	722,729
China		14,665		14,944		4,235		4,508
	$	392,001	$	482,012	$	972,344	$	727,237

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

(VI) Main Customer Information

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

Customer Code	2023	2022
61002	$ 107,168	$ 79,270
11105	47,440	26,942
23049	19,050	118,555

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 doubtful accounts	Collateral		Individual funding limits (Note 3)	Maximum limit for fund financing. (Note 2)
													Item	Value		
0	Taiwan Wax Company Limited	GUAN DA GREEN ENERGY CO., LTD.	Amounts due from related parties	Y	50,000	50,000	--	--	Short-term financing	--	Operating turnover	--	--	--	130,451	260,902
1	GUAN DA GREEN ENERGY CO., LTD.	Taiwan Wax Company Limited	Amounts due from related parties	Y	35,000	35,000	15,000	--	Short-term financing	--	Repayment of borrowings	--	--	--	40,045	40,045

Note 1: 0 is entered for the issuer. Investee companies are numbered sequentially 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.

The total amount of Guan Da's loans to external parties shall not exceed 20% of its net worth.

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

The amount of Guan Da's loans to an individual company is limited to 40% of its net worth.

Table (II)

Endorsements/Guarantees for Others

Expressed in Thousands of New Taiwan Dollars

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	Amountof property pledgedfor guaranteeand endorsements	Ratioof accumulated amounts of guarantees and endorsements to networth of thelatest financial statements	Maximum amount for guarantees and endorsements (Note3)	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 Company Limited	GUAN DA GREEN ENERGY CO., LTD.	2	391,353	100,000	50,000	--	--	3.83%	391,353	Y	--	--

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

1."0" is entered for the issuer.

2.Investee companies are numbered sequentially starting from the Arabic numeral 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.Companies in which the Company directly or indirectly holds more than 90% of the voting shares.

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

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, Affiliates and Joint Ventures)

Unit: NTD thousand/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)	Carrying amount	Percentage of ownership	Fair value	
Taiwan Wax Company Limited	Stock	DACOME INTERNATIONAL LTD.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	526,000	14,439	1.57 %	14,439	--
Taiwan Wax Company Limited	Stock	DAILY POLYMER CORP.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	408,891	5,295	0.48 %	5,295	--
Taiwan Wax Company Limited	Stock	TOP HIGH IMAGE CORP.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	101,000	1,656	0.11 %	1,656	--
Taiwan Wax Company Limited	Stock	CROWELL DEVELOPMENT CORP.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	265,000	9,156	0.07 %	9,156	--
Taiwan Wax Company Limited	Stock	GENERAL BIOLOGICALS CORP.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	5,513	146	0.01 %	146	--
Taiwan Wax Company Limited	Stock	Delpha Construction	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	150,000	5,377	0.02 %	5,377	--
Taiwan Wax Company Limited	Stock	CHUNG HUNG STEEL CORPORATION	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	50,000	1,302	0.00 %	1,302	--
Taiwan Wax Company Limited	Stock	Right Way Industrial Co., Ltd.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	45,000	772	0.01 %	772	
Taiwan Wax Company Limited	Depository Receipts	Ju Teng International Holdings Limited	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	100,000	632	0.01 %	632	--
Taiwan Wax Company Limited	Beneficiary certificate	Yuanta Japan Leaders Equity Fund TWD – Acc	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	1,008,065	10,081	-- %	10,081	--
Taiwan Wax Company Limited	Stock	Yjn Co., Ltd. (originally 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	--

Marketable Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Affiliates and Joint Ventures) Unit: NTD thousand/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)	Carrying amount	Percentage of ownership	Fair value	
Taiwan Wax Company Limited	Bond investment	AT&T USD bond (T_4.35_030129)	None	Investments in bond instruments measured at fair value through other comprehensive income or loss – non-current	2,400	7,352	-- %	7,352	--
Taiwan Wax Company Limited	Bond investment	Altria Group USD bond (MO_4.8_021429)	None	Investments in bond instruments measured at fair value through other comprehensive income or loss – non-current	2,300	7,153	-- %	7,153	--

Table (IV)

Receivables from Related Parties Amounting to at least NT$100 Million or 20 Percent of the Paid-in Capital

Expressed in thousands of New Taiwan dollars

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 Company Limited	Jinghai Marine Products (Shanghai) Co.	Subsidiaries	Other Receivables 137,838	--	--	--	27,784 (Note)	--	--

Note: Amount received as of March 5, 2024.

Table (V)

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

Unit: NTD thousand / Foreign currency thousand

Investor Company	Name of 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 Company Limited	TAI-WAX HOLDING CO., LTD.	Cecil	Sales of formulated waxes and cultural and creative products	112,659 (USD 3,730)	112,659 (USD 3,730)	3,730,000	100.00%	--	--	--	
Taiwan Wax Company Limited	TAI-WAX (THAILAND) CO., LTD.	Thailand	Sales of formulated waxes and cultural and creative products	5,580 (THB 6,000)	5,580 (THB 6,000)	60,000	100.00%	--	--	--	
Taiwan Wax Company Limited	GUAN DA GREEN ENERGY CO., LTD.	Taiwan	Sales and installation of solar energy equipment	100,000	100,000	--	100.00%	100,113	69	69	Note
Taiwan Wax Company Limited	Gong Che Yan Fresh Seafood Co., LTD..	Taiwan	Sales of aquatic and agricultural products	20,000	20,000	--	100.00%	8,897	(1,363)	(1,363)	Note

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

Name of Mainland China investee company	Main business	Paid-in capital	Investment Mode	Accumulated investment mount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the current period	Current profit or loss of investee company Profit and Loss	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)	(36,075)	100.00%	(36,075)	92,526	--

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	426,800 (USD13,900)(Note 3)	782,705

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	137,838	Note 3	3.65 %
0	Taiwan Wax Co.	Jinghai Marine Products (Shanghai) Co.	1	Revenue from purchase agency services	36,370	Note 3	9.28 %
0	Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	1	Other Receivables	892	Note 3	0.02 %
0	Taiwan Wax Co.	GUAN DA GREEN ENERGY CO., LTD.	1	Other Payables	15,000	Note 3	0.40 %

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the No. column, and the number should be filled in as follows:

1."0" is entered for the parent company.

2.Subsidiaries are numbered sequentially starting from the Arabic numeral 1.

Note 2: There are following three types of relationships with the counterparty, and only the type needs to be indicated.

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 gross profit	Note
		Amount	Percentage		Payment Terms	Comparison with general trading	Amount	Percentage		
Jinghai Marine Products (Shanghai) Co.	Revenue from purchase agency services	36,370	44.80%	No significant differences	90 days – 180 days	No significant differences	137,838	20.48%	1,008	--

Table (IX)

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.	8,932,304	9.54 %
Shangpin Investment Co.	8,631,592	9.22 %
Huang Zongyuan	6,493,385	6.94 %
Chih-Lung Lin	4,687,703	5.01 %

Note 1: The information on major shareholders in this table from Taiwan Depository & Clearing Corporation is as of the last business day of each quarter, and is about the total number of common and preferred shares (including treasury stocks) held by shareholders that account for 5% or more of the Company’s equity and have been delivered without physical registration. The number of shares recorded in the Company's parent company only financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of preparation of the calculations.

Five. The Company's parent company only financial statements for the most recent year, which have been audited by the accountant.

Independent auditors' report

Benison (2024) Ministry of Finance approved No. 27

Taiwan Wax Products Co., Ltd.:

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan Wax Co., Ltd. as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, parent company only statement of changes in equity, parent company only statements of cash flows, and accompanying notes to the parent company only financial statements (including a summary of significant accounting policies) for the years ended December 31, 2023 and 2022.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2023 and 2022, 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, 2023. 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 matters for the parent company only financial statements of Taiwan Wax Co., Ltd. for the year ended December 31, 2023, 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. for the year ended December 31, 2023, had significant total cash flows, and therefore, are listed 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.

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.

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霈昇聯合會計師事務所
Benison Associated CPA's Firm

台北市松山區民生東路三段129號3樓306室
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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 the key audit matters for the audit of the parent company only financial statements of Taiwan Wax Co., Ltd. for the year ended December 31, 2023. 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: 王新元

Auditor: 邱英志

Approval No.: Jin-Guan-Certificate No. 1050049513

Approval No.: Jin-Guan-Certificate No. 1080339935

March 14, 2024

Taiwan Wax Company Ltd.

Parent Company Only Balance Sheets

December 31, 2023 and 2022

Expressed in thousands of New Taiwan dollars

Code	LIABILITIES AND EQUITY	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT LIABILITIES				
1100	Cash and cash equivalents (Note 6(1))	$ 86,457	2	$ 87,877	3
1110	Financial assets at fair value through profit or loss - Current (Note 6(2))	48,856	1	36,995	1
1150	Notes receivable, net (Note 6(3))	673	-	3,361	-
1170	Accounts receivable, net (Note 6(3))	19,225	1	97,492	4
1200	Other receivables (Note 6(3))	535,214	14	368,011	14
1210	Other receivables - Related Parties (Note 6(3))	138,730	4	226,667	9
1220	Current income tax assets (Note 6(27))	3,271	-	-	-
130X	Inventories (Note 6(4))	26,994	1	24,266	1
1410	Prepayments (Note 6(5))	10,823	-	8,557	-
1470	Other current assets (Note 6(6))	1,754,676	47	833,741	31
11XX	Total Current Assets	2,624,919	70	1,686,967	63
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6(7))	25,755	1	6,990	-
1550	Investments accounted for using equity method (Note 6(8))	201,536	5	237,910	9
1600	Property, plant and equipment (Note 6(9))	733,863	20	553,494	21
1755	Right-of-use assets (Note 6(10))	16,927	-	20,555	1
1760	Investment property, net (Note 6(11))	132,730	4	132,730	5
1990	Other non-current assets (Note 6(12))	10,139	-	17,139	1
15XX	Total Non-current Assets	1,120,950	30	968,818	37
	TOTAL	$ 3,745,869	100	$ 2,655,785	100

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Code	LIABILITIES AND EQUITY	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT LIABILITIES				
2100	Short-term loans (Note 6(13))	$ 2,261,650	60	$ 1,157,520	44
2130	Contract liabilities - current (Note 6(20))	490	-	89	-
2170	Accounts payable	409	-	143	-
2200	Other payables (Note 6(14))	8,966	-	9,044	-
2220	Other payables – related parties (Note 7(2))	15,000	-	-	-
2230	Current income tax liabilities (Note 6(27))	1,890	-	1,890	-
2280	Lease liabilities - current (Note 6(10))	2,971	-	3,535	-
2320	Long-term liabilities - current portion (Note 6(15))	53,323	3	17,022	1
2300	Other current liabilities	4,103	-	53,590	2
21XX	Total current liabilities	2,348,802	63	1,242,833	47
	NONCURRENT LIABILITIES				
2540	Long-term borrowings (Note 6(15))	49,321	1	102,452	4
2570	Deferred tax liabilities (Note 6(27))	29,033	1	29,033	1
2580	Lease liabilities - non-current (Note 6(10))	14,204	-	17,175	1
25XX	Total non-current liabilities	92,558	2	148,660	6
	Total Liabilities	2,441,360	65	1,391,493	53
	EQUITY				
3100	Capital Stock (Note 6(17))				
3110	Common shares	935,593	25	935,593	35
31XX	Total share capital	935,593	25	935,593	35
3200	Capital surplus (Note 6(17))				
3211	Capital surplus, additional paid-in capital arising from ordinary	164,030	4	164,030	6
3220	Capital surplus - treasury stock transactions	1,068	-	1,068	-
3200	Total capital surplus	165,098	4	165,098	6
3300	Retained earnings (Note 6(17))				
3310	Appropriated as legal capital reserve	34,785	1	34,785	1
3320	Appropriated as special reserve	88,694	3	88,694	4
3350	Unappropriated earnings	83,708	2	45,406	2
33XX	Total retained earnings	207,187	6	168,885	7
3400	Others				
3410	Foreign currency translation reserve	8,907	-	10,756	-
3421	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	4,504	-	740	-
34XX	Total other equity	13,411	-	11,496	-
3500	Treasury shares (Note 6(17))	(16,780)	-	(16,780)	(1)
3XXX	Total Equity	1,304,509	35	1,264,292	47
	TOTAL Liabilities and Equity	$ 3,745,869	100	$ 2,655,785	100

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

Chairman: Je-Yin Lin　　Manager: Je-Yin Lin　　Accounting Director: Po-Yao Tseng

Taiwan Wax Company Limited

Parent Company Only statements of comprehensive income

January 1 to December 31, 2023 and 2022

(In thousands of New Taiwan dollars, except earnings per share are in dollars)

Code		2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue (Note 6(20))	$ 252,738	100	$ 345,059	100
5000	Operating costs (Note 6(4), (24), and (25))	(136,666)	(54)	(247,274)	(72)
5900	GROSS PROFIT	116,072	46	97,785	28
5910	Unrealized Sales Gain	(1,008)	-	(3,852)	(1)
5920	Realized sales gain	3,852	2	3,800	1
5950	Realized gross profit from operations	118,916	48	97,733	28
6000	Operating expenses (Note 6(24) and (25))				
6100	Marketing	(6,427)	(3)	(19,071)	(6)
6200	General administrative	(32,657)	(13)	(30,512)	(8)
	Total operating expenses	(39,084)	(16)	(49,583)	(14)
6900	Net operating income	79,832	32	48,150	14
7000	Non-operating income and expenses				
7100	Interest Income	51,105	20	3,881	1
7010	Other income (Note 6(21))	2,387	1	1,942	1
7020	Other gains and losses (Note 6(22))	(12,178)	(5)	24,774	7
7210	Gain on disposal of property, plant, and equipment (Note 6(9))	171	-	-	-
7673	Loss on impairment of property, plant, and equipment (Note 6(9))	(10,439)	(4)	-	-
7050	Finance costs (Note 6(23))	(35,207)	(14)	(13,567)	(4)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note 6(8))	(37,369)	(15)	(186,545)	(54)
	Total non-operating income and expenses	(41,530)	(17)	(169,515)	(49)
7900	Net income (loss) before income tax	38,302	15	(121,365)	(35)
7950	Income tax expense (Note 6(27))	-	-	(2,270)	(1)
8200	Net income (loss) for the year	38,302	15	(123,635)	(36)
8300	Other comprehensive income (loss)				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains and losses from investments in equity instruments measured at fair value through other comprehensive income	3,764	1	740	-
8349	Income tax related to items not reclassified to profit or loss	-	-	-	-
		3,764	1	740	-
8360	Items that may be reclassified to profit or loss in the future				
8361	Foreign currency translation reserve	(1,849)	-	4,860	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(1,849)	-	4,860	1
	Other comprehensive income (loss) for the year (net of tax)	1,915	1	5,600	1
8500	Total comprehensive income	$ 40,217	16	$ (118,035)	(35)
	Earnings (losses) per share (Note 6(18))				
9750	Basic	$ 0.41		$ (1.34)	
9850	Diluted	$ 0.41		$ (1.34)	

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

Chairman: Je-Yin Lin Manager: Je-Yin Lin Accounting Director: Po-Yao Tseng

Taiwan Wax Company Limited

Parent Company Only statements of changes in equity

January 1 to December 31, 2023 and 2022

Expressed in thousands of New Taiwan dollars

				Retained earnings			Others			
Code		Share capital	Capital surplus or Additional paid-in capital	Appropriated as legal capital reserve	Appropriated as special capital reserve	Unappropriated earnings	Foreign currency translation reserve	Unrealized gains (losses) on financial assets measured through other comprehensive income at fair value	Treasury stocks	Total equity
A1	Balance on January 1, 2022	$ 815,500	$ 164,036	$ 880	$ 88,694	$ 339,051	$ 5,896	$ -	$ (28,108)	$ 1,385,949
	Appropriation and distribution of 2021 earnings									
B1	Appropriation and distribution of net profit for 2021 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 on January 1, 2022	$ 935,593	$ 165,098	$ 34,785	$ 88,694	$ 45,406	$ 10,756	$ 740	$ (16,780)	$ 1,264,292
A1	Balance on January 1, 2023	$ 935,593	$ 165,098	$ 34,785	$ 88,694	$ 45,406	$ 10,756	$ 740	$ (16,780)	$ 1,264,292
D1	Net income in 2023	-	-	-	-	38,302	-	-	-	38,302
D3	Other comprehensive income in 2023	-	-	-	-	-	(1,849)	3,764	-	1,915
Z1	Balance on December 31, 2023	$ 935,593	$ 165,098	$ 34,785	$ 88,694	$ 83,708	$ 8,907	$ 4,504	$ (16,780)	$ 1,304,509

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

Chairman: Je-Yin Lin　　Manager: Je-Yin Lin　　Accounting Director: Po-Yao Tseng

Taiwan Wax Company Limited

Parent Company Only statements of cash flow

January 1 to December 31, 2023 and 2022

Expressed in thousands of New Taiwan dollars

Code		2023	2022
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Net income (loss) before tax for the year	$ 38,302	$ (121,365)
A20010	Total adjustments to reconcile profit (loss)		
A20100	Depreciation Expense of Property, Plant and Equipment and Right-of-Use	16,817	20,015
A20400	Net Loss (Gain) on Financial Assets and Liabilities at Fair Value through Profit or Loss	(9,170)	2,008
A20900	Finance Costs	35,207	13,567
A21200	Interest Income	(51,105)	(3,881)
A21300	Dividend Income	(1,398)	(1,797)
A21900	Share-based Payment Expense for Employee Stock Options	-	1,062
A22400	Share of Losses from Subsidiaries, Associates, Joint Ventures Accounted for Using the Equity Method	37,369	186,545
A22500	Gain on disposal and impairment of property, plant, and equipment	(171)	-
A23700	Loss on Impairment of Non-Financial Assets	10,439	5,711
A23800	Gain on Recovery of Inventory Write-down and Obsolete Items	(27,606)	(100,571)
A23900	Unrealized Sales Gain	1,008	3,852
A24000	Realized sales gain	(3,852)	(3,800)
A24100	Unrealized Foreign Exchange Loss	57,262	7,212
A29900	Gain on Lease Modifications	-	(1)
A30000	Changes in Assets/Liabilities related to Operating Activities		
A31130	Notes Receivable	2,688	(820)
A31150	Accounts Receivable	78,242	(73,795)
A31180	Other Receivables	(188,452)	12,011
A31190	Other Receivables from Related Parties	88,019	(96,321)
A31200	Inventory	24,878	181,837
A31230	Prepayments	(2,266)	8,542
A31240	Other Current Assets	269,594	(139,249)
A32125	Contract Liabilities	401	(1,454)
A32150	Accounts Payable	266	(384)
A32180	Other Payables	(1,209)	(63,945)
A32230	Other Current Liabilities	(49,487)	48,479
A33000	Cash Generated from Operations	325,776	(116,542)
A33100	Interest Received	51,105	3,881
A33200	Dividends Received	1,398	1,797
A33300	Interest Paid	(34,076)	(13,220)
A33500	Income Taxes Paid	(3,271)	(380)
AAAA	Net Cash Inflow (Outflow) from Operating Activities	340,932	(124,464)

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Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(15,001)	(6,250)
B00100	Acquisition of financial assets at fair value through profit or loss	(10,965)	(665)
B00200	Disposal of financial assets at fair value through profit or loss	8,274	5,530
B02700	Acquisition of property, plant, and equipment	(203,997)	(49,175)
B02800	Disposal of property, plant, and equipment	171	379,933
B03700	Increase in deposits as collateral	-	(10,180)
B03800	Decrease in deposits as collateral	7,000	26
B06500	Increase in other financial assets	(1,224,201)	(559,087)
B07200	Decrease in prepaid equipment expenses	-	25,000
BBBB	Net cash outflow from investing activities	(1,438,719)	(214,868)
	CASH FLOWS FROM INVESTING ACTIVITIES		
C00100	Increase in short-term loans	2,327,096	1,694,005
C00200	Decrease in short-term loans	(1,222,966)	(1,244,115)
C01600	Borrowings of long-term loans	-	70,000
C01700	Repayment of long-term loans	(16,830)	(113,759)
C03700	Increase in other payables – related parties	15,000	-
C04020	Repayment of lease liabilities	(3,535)	(4,190)
C04500	Payment of cash dividends	-	(16,012)
C05000	Proceeds from disposal of treasury stock	-	11,328
CCCC	Net cash inflow from financing activities	1,098,765	397,257
DDDD	Effect of exchange rate changes on cash and cash equivalents	(2,398)	(1,236)
EEEE	Increase (decrease) in cash and cash equivalents	(1,420)	56,689
E00100	CASH AND CASH EQUIVALENT, BEGINNING OF YEAR	87,877	31,188
E00200	CASH AND CASH EQUIVALENT, END OF YEAR	$ 86,457	87,877

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

Chairman: Je-Yin Lin　　Manager: Je-Yin Lin　　Accounting Director: Po-Yao Tseng

Taiwan Wax Company Limited

Notes to the Parent Company Only financial statements

January 1 to December 31, 2023 and 2022

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

XV. Company History:

(I) 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 of various wax raw materials and finished products, trading of optoelectronic equipment, trading of aquatic products, and provision of brokerage services.

(II) The Company's shares were approved by the competent authorities for trading on the Taipei Exchange in May 2004.

(III) These individual financial statements are presented in New Taiwan dollars, the functional currency of the Company.

XVI. Approval date and procedures of the consolidated financial statements:

The parent company only financial statements were approved by the Board of Directors on March 14, 2024.

XVII. New standards, amendments and interpretations adopted:

(I) First-time application of International Financial Reporting Standards (IFRS), 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.

(II) FSC-approved IFRSs applicable in 2024

New Releases / Amendments / Revised Criteria and Interpretations	Effective date released by IASB (Note 1)
Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1, "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting 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.

Note 3: When these amendments are applied for the first time, a partial exemption from the disclosure requirements is provided.

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.

(III) IFRSs issued by the IASB but not yet endorsed by the FSC and issued into effect

New Releases / Amendments / Revised Criteria and Interpretations	Effective date released by IASB (Note 1)
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	Undecided
IFRS 17 "Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023

New Releases / Amendments / Revised Criteria and Interpretations	Effective date released by IASB (Note 1)
Amendments to IFRS 17, "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IAS 21, "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: These amendments apply to annual reporting periods beginning after January 1, 2025. When these amendments are applied for the first time, the effect is recognized in the retained earnings on the date of initial application. When the Company uses a non-functional currency as the presentation currency, the effect is treated as an exchange difference of foreign operations under equity on the date of initial application.

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.

XVIII. Summary of significant accounting policies:

(I) Follow the statement

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

(II) 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.

(III) 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 (excluding those restricted from being exchanged or used to settle a liability for at least 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.

(IV) 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 parent company only financial statements, the assets and liabilities of foreign operations (including subsidiaries that operate in countries or use currencies different from 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.

(V) 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.

(VI) 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.

(VII) 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. Owned land is not depreciated. 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.

(VIII) 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.

(IX) 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.

(X) 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 financial assets held by the Company include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, and investments in equity instruments measured at fair value through other comprehensive income.

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 measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, other financial assets, and refundable deposits) are measured at amortized cost equal to the total carrying amount determined using the effective interest method 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:

(c) 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.

(d) 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.

c. Investments in debt instruments measured at fair value through other comprehensive income or loss

If the Company's investments in debt instruments meet both of the following conditions, they are classified as financial assets measured at fair value through other comprehensive income:

(a) They 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.

Investments in debt instruments measured at fair value through other comprehensive income are measured at fair value. Changes in the carrying amount that are treated as interest income are calculated using the effective interest method. Foreign exchange gains and losses, and impairment losses or reversal gains are recognized in profit or loss. Other changes are recognized in other comprehensive income and reclassified as profit or loss when the investments are disposed of.

d. Investments in equity instruments measured at fair value through other comprehensive income

The Company may make an irrevocable election at initial recognition to designate investments in equity instruments that are not held for trading and are not recognized by the acquirer in a business combination or do not have a consideration to be measured at fair value through other comprehensive income.

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

Dividends from investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive such dividends is established unless such dividends clearly represent the recovery of part of the investment cost.

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. 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 financial asset is more than 90 days overdue, 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.

(XI) 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

   Merchandise sales revenue is derived from the sale of various types of 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.

(XII) 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.

The variable rent in a lease agreement that is not dependent on indexes or rates is recognized as income in the period in which it is incurred.

(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.

(XIII) 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.

(XIV) 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.

(XV) 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.

XIX. 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.

<u>Key sources of estimation and assumption uncertainty</u>

(I) Income Tax

The Company does not recognize deductible temporary differences and unused loss carry forwards 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.

XX. Explanation of significant accounts

(I) Cash and cash equivalents

Item	December 31, 2023	December 31, 2022
Cash in hand	$ 186	$ 186
Demand Deposit and Checking Deposit	86,271	17,058
Cash equivalents (time deposits within 3 months from the original maturity date)	--	70,633
	$ 86,457	$ 87,877

(II) Statement of Financial Assets at Fair Value through Profit or Loss – Current

Item	December 31, 2023	December 31, 2022
Mandatory measurement through profit or loss at fair value		
Non-derivative financial assets		
-Domestic listed (over-the-counter) company shares	$ 38,775	$ 36,995
- Fund beneficiary certificates	10,081	--
	$ 48,856	$ 36,995

(III) Notes receivable, accounts receivable and other receivables

1. The breakdown is as follows:

Item	December 31, 2023	December 31, 2022
Notes Receivable		
Measured by post-amortized cost		
Total Carrying Cost	$ 673	$ 3,361
Less: Allowance for losses	--	--
	$ 673	$ 3,361

Occurred as a result of business	$ 673	$ 3,361

Accounts Receivable

Measured by post-amortized cost		
Total carrying amount	$ 19,225	$ 97,492
Less: Allowance for losses	--	--
	$ 19,225	$ 97,492

Other Receivables

Amounts receivable for purchase services - unrelated parties	$ 535,213	$ 367,820
Receivables for purchase services – related parties (Note 7(2))	137,838	216,667
Related parties (Note 7(2))	892	10,000
Others	1	191
	$ 673,944	$ 594,678

2. Accounts receivable and accounts receivable for purchase services

The Company's 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:

December 31, 2023

	Not overdue	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
Expected credit loss ratio	--	--	--	--	--	--

	Not overdue	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
Total carrying amount	$ 691,683	$ 593	$ --	$ --	$ --	$ 692,276
Allowance for losses (expected credit losses over the life of the Company)	--	--	--	--	--	--
Cost after amortization	$ 691,683	$ 593	$ --	$ --	$ --	$ 692,276

December 31, 2022

	Not overdue	1 to 30 days past due	31 to 60 days past due	61 to 90 days past due	Over 90 days past due	Total
Expected credit loss ratio	--	--	--	--	--	--
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

There was no change in the allowance for losses on accounts receivable in 2023 and 2022.

(IV) Net Inventory

1. The breakdown is as follows:

Item	December 31, 2023	December 31, 2022

Finished products	$ 23,358	$ 19,997
Materials	380	386
Inventory in transit	3,256	3,883
	$ 26,994	$ 24,266

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

	2023	2022
Cost of inventories sold	$ 151,114	$ 332,153
Gain on Recovery of Inventory Write-down and Obsolete Items	(27,606)	(100,571)
Solar Leasing Costs	13,158	15,692
	$ 136,666	$ 247,274

The rebound in the net realizable value of inventories in 2023 was due to the increase in the selling price of the inventories in a specific market.

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.

(V) Prepayments

Item	December 31, 2023	December 31, 2022
Prepaid Fees	$ 1,889	$ 1,548
Supplies Inventory	--	3,139
Prepayment	8,292	1,385
Retained tax credit	642	2,485
	$ 10,823	$ 8,557

(VI) Other Current Assets

1. The breakdown is as follows:

Item	December 31, 2023	December 31, 2022
Temporary Payment	$ 5,190	$ 274,784
Other Financial Assets	1,749,485	558,956
Other	1	1
	$ 1,754,676	$ 833,741

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.

(VII) Financial assets at fair value through other comprehensive income or loss - non-current

1. The breakdown is as follows:

	December 31, 2023	December 31, 2022
Investments in equity instruments		
Private placement of stocks by domestic companies listed on TPEx		
Private placement of common stocks by Yjn Co., Ltd.	$ 11,250	$ 6,990
Investments in debt instruments		
Foreign bonds		
AT&T Inc.	$ 7,352	$ --
ALTRIA Group Inc.	7,153	--
	14,505	--
	$ 25,755	$ 6,990

2. In January 2022, the Company subscribed for 1,000,000 shares in Yjn Co., Ltd. (originally HOLD JINN ELECTRONICS CO., LTD.)’s private placement of common stocks at

NT$6.25 per share for NT$6,250 thousand with a lock-up period of 3 years. 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.

3. In May 2023, the Company purchased the 6-year USD corporate bonds issued by AT&T Inc. and ALTRIA Group Inc. at coupon rates of 4.35% and 4.8%, respectively.
4. Please refer to Note 6(29) for information on credit risk management and impairment assessment related to investments in debt instruments measured at fair value through other comprehensive income.
5. Please refer to Note 8 for information on pledged investments in debt instruments measured at fair value through other comprehensive income.

(VIII) Investments accounted for using the equity method

1. The details are as follows

Item	December 31, 2023	December 31, 2022
Investment Subsidiaries	$ 201,536	$ 237,910

2. Investment Subsidiaries:

(1) The details are as follows

	Carrying amount	
Name of investee company	December 31, 2023	December 31, 2022
TAI-WAX HOLDING CO., LTD.	$ --	$ --
TAI-WAX (THAILAND) CO., LTD.	--	--

GUAN DA GREEN ENERGY CO., LTD.	100,113	100,044
Gong Che Yan Fresh Seafood Co., LTD.	8,897	10,260
Jinghai Marine Products (Shanghai) Co.	92,526	127,606
	$ 201,536	$ 237,910

Name of investee company	Percentage of ownership interest and voting rights	
	December 31, 2023	December 31, 2022
TAI-WAX HOLDING CO., LTD.	100%	100%
TAI-WAX (THAILAND) CO., LTD.	100%	100%
GUAN DA GREEN ENERGY CO., LTD.	100%	100%
Gong Che Yan Fresh Seafood Co., LTD.	100%	100%
Jinghai Marine Products (Shanghai) Co.	100%	100%

(2) The operation of the cultural and creative business of subsidiary TAI-WAX HOLDING CO., LTD. was not as expected. Based on an evaluation, TAI-WAX HOLDING CO., LTD. expected 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 NT$51,055 thousand on its investment in TAI-WAX HOLDING CO., LTD. in 2016, which was included in the share of profit or loss of subsidiaries, affiliates and joint ventures under the equity method in the parent company only statements of comprehensive income.

(3) As the profitability of subsidiary TAI-WAX (THAILAND) CO., LTD. was not

as expected, the Company's Board of Directors resolved to liquidate the subsidiary on December 27, 2016. Based on an evaluation, TAI-WAX HOLDING CO., LTD. expected that the stated fixed assets were no longer able to generate cash inflows. Therefore, the Company recognized an impairment loss of NT$502 thousand on its investment in TAI-WAX (THAILAND) CO., LTD. in 2016, which was included in the share of profit or loss of subsidiaries, affiliates and joint ventures under the equity method in the parent company only statements of comprehensive income.

(4) As the profitability sub-subsidiary Panxing Trading (Shanghai) Co., Ltd. was not as expected, the Company's Board of Directors resolved to liquidate the sub-subsidiary on December 27, 2016. Based on an evaluation, Panxing Trading (Shanghai) Co., Ltd. expected that the stated fixed assets were no longer able to generate cash inflows. Therefore, the Company recognized an impairment loss of NT$3,032 thousand on its investment in Panxing Trading (Shanghai) Co., Ltd. in 2016, which was included in the share of profit or loss of subsidiaries, affiliates and joint ventures under the equity method in the parent company only statements of comprehensive income. Subsequently, on November 5, 2019, the Board of Directors passed a resolution to proceed with the dissolution and liquidation of Panxing Trading (Shanghai) Co., Ltd.

(IX) Property, plant and equipment

	December 31, 2023	December 31, 2022
Self-use	$ 556,549	$ 361,052
Business Leasing	177,314	192,442
	$ 733,863	$ 553,494

1. Self-use

	Land	House and Building	Machinery and Equipment	Other Equipment	Unfinished work	Total

Cost:						
January 1, 2023	$ 298,488	$ 69,112	$ 841,756	$ 33,622	$ 47,839	$ 1,290,817
Adding	112,881	--	--	3,494	80,895	197,270
Discipline	--	--	(860)	--	--	(860)
December 31, 2023	$ 411,369	$ 69,112	$ 840,896	$ 37,116	$ 128,734	$ 1,487,227
累計折舊及減損：						
January 1, 2023	$ --	$ 56,076	$ 841,520	$ 32,169	$ --	$ 929,765
Depreciation	--	759	196	818	--	1,773
Discipline	--	--	(860)	--	--	(860)
December 31, 2023	$ --	$ 56,835	$ 840,856	$ 32,987	$ --	$ 930,678
Net as of December 31, 2023	$ 411,369	$ 12,277	$ 40	$ 4,129	$ 128,734	$ 556,549

	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)
December 31, 2022	$ 298,488	$ 69,112	$ 841,756	$ 33,622	$ 47,839	$ 1,290,817
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)
December 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

2. Business Leasing

		Rental Assets
Cost:	z	
Balance on January 1, 2023		$ 246,126
Adding		6,727
Reclassification		--
Balance on December 31, 2023		$ 252,853
Accumulated depreciation and impairment:		
Balance on January 1, 2023		$ 53,684
Depreciation		11,416

Impairment loss		10,439
Balance on December 31, 2023	$	75,539
Net as of December 31, 2023	$	177,314

	Rental Assets	
Cost:		
BALANCE, JANURARY 1, 2022	$	246,126
Adding		--
Reclassification		--
Remaining balance as of December 31, 2022	$	246,126
Accumulated depreciation and impairment:		
BALANCE, JANURARY 1, 2022	$	40,255
Depreciation		13,429
Remaining balance as of December 31, 2022	$	53,684
December 31, 2022 Net	$	192,442

3. The Company did not recognize or reverse any impairment loss in 2022.
4. In June 2023, the Company assessed that some of the solar power generation equipment could not be used continuously for some reason, resulting in a decrease in future cash flow. Therefore, an impairment loss of NT$10,439 was recognized.
5. Depreciation expense is provided on a straight-line basis over the followings:

Buildings

Factory main building 35 to 55 s

Auxiliary Equipment	5 to 25 s
Machinery and Equipment	3 to 20 years
Rental Assets	16 to 20 s
Other Equipment	3 to 10 years

6. The Company has signed a power purchase agreement for solar power generation with Taiwan Power Company (Taipower). According to the agreement, all electricity generated by the Company's power generation system will be sold to Taipower starting from the interconnection date of both systems. 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 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.

(X) Lease Agreement

1. Right-of-use assets

Item	December 31, 2023	December 31, 2022
Carrying amount of right-to-use assets		
Transportation Equipment	$ 2,697	$ 5,527
Other Equipment	14,230	15,028
	$ 16,927	$ 20,555

Item	2023	2022
Increase in the use of right assets	$ --	$ 6,204

Depreciation expense on right-of-use assets		
Buildings	$ --	$ 1,066
Transportation Equipment	2,830	2,331
Other Equipment	798	931
	$ 3,628	$ 4,328

2. Leasing Liabilities

Item	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Mobile	$ 2,971	$ 3,535
Non-mobile	$ 14,204	$ 17,175

The discount rate range for lease liabilities is as follows:

Item	December 31, 2023	December 31, 2022
Buildings	--	1.45%
Transportation Equipment	1.33%, 1.45%	1.33%, 1.45%
Other Equipment	1.45%	1.45%

3. Other Leasing Information

(1) Please refer to Notes 6(9) for the agreements to lease the Company's own property, plant and equipment and investment property under operating leases.

(2) Other Leasing Information

Item	2023	2022
Short-term lease and low-value asset lease charges	$ 1,205	$ 188
Total cash (outflow) from leases	$ 5,013	$ 4,722

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.

(XI) Net investment property

1. The breakdown is as follows:

		Land
Cost:		
Balance on January 1, 2023	$	132,730
Add		--
Balance on December 31, 2023	$	132,730
Accumulated depreciation and impairment:		
Balance on January 1, 2023	$	--
Depreciation		--
Balance on December 31, 2023	$	--
Net as of December 31, 2023	$	132,730

		Land
Cost:		
BALANCE, JANURARY 1, 2022	$	115,927
Transfer from property, plant and equipment		16,803
Remaining balance as of December 31, 2022	$	132,730
Accumulated depreciation and impairment:		

BALANCE, JANURARY 1, 2022	$	--
Depreciation		--
Remaining balance as of December 31, 2022	$	--
December 31, 2022 Net	$	132,730

2. The fair value of investment properties has not been evaluated by independent appraisers and was only evaluated by the management of the Company with reference to market evidence of similar real estate transaction prices, and the fair value obtained from the evaluation was NT$603,492 thousand as of both December 31, 2023 and 2022.
3. For the amount of investment property pledged as collaterals for loans, please refer to Note 8.

(XII) Other non-current assets

Item	December 31, 2023		December 31, 2022	
Deposit Guarantee	$	7,235	$	14,235
Other		2,904		2,904
	$	10,139	$	17,139

(XIII) Short-term borrowings

1. The breakdown is as follows:

Item	December 31, 2023		December 31, 2022	
Guaranteed Loans	$	2,261,650	$	1,157,520
Interest Rate Range		1.75%~2.20%		1.51%~2.22%

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

(XIV) Other Payables

Item	December 31, 2023		December 31, 2022	
Payroll	$	2,204	$	2,240
Compensation to employees		391		74

Remuneration to directors and supervisors	450	--
Other expenses payable	5,921	6,730
	$ 8,966	$ 9,044

(XV) Long-term loans

1. The breakdown is as follows:

Item	December 31, 2023	December 31, 2022
Guaranteed Loans	$ 102,644	$ 119,474
Less: Classified as part due within 1 year	(53,323)	(17,022)
Long-term loans	$ 49,321	$ 102,452

2. The Company obtained a new bank loan of NT$60,000 thousand in 2019 with interest rates of 2.22% and 1.98% as of December 31, 2023 and 2022, respectively, to be repaid in five years with monthly principal repayments of NT$350 thousand and the balance due in one lump sum. 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. The Company obtained a new bank loan of NT$50,000 thousand in 2020 with interest rates of 2.32% and 2.03% as of December 31, 2023 and 2022, respectively, repayable in five years with monthly principal repayments 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. The Company obtained a bank loan of NT$80,000 thousand in 2021 with an interest rate of 1.75% as of December 31, 2021, repayable in 12 years with monthly principal repayments of NT$700 thousand. The Company repaid the loan early in August 2022 due to capital allocation and interest rate considerations.
5. The Company obtained a new bank loan of NT$50,000 thousand in 2022 with interest

rates of 2.20% and 2.075% as of December 31, 2023 and 2022, respectively, repayable in 15 years with monthly principal and interest repayments. 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.

(XVI) Post-employment benefit plans

1. Confirmation of the transfer plan

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

(XVII) Rights and Benefits

1. Ordinary shares (Unit: NT$)

	December 31, 2023	December 31, 2022
Number of shares	200,000,000	200,000,000
Authorized capital	$ 2,000,000,000	$ 2,000,000,000

	December 31, 2023	December 31, 2022
Number of shares issued and fully paid	93,559,300	93,559,300
Issued Share Capital	$ 935,593,000	$ 935,593,000

(1) On June 22, 2016, June 22, 2017, June 25, 2019, and July 20, 2021, the Company's annual meeting of shareholders approved the issuance of 7,550,000 common shares, 8,750,000 common shares, 16,500,000 common shares, and 10,000,000 common shares through private placement, respectively, which were raised in full on October 3, 2016, April 9, 2018, August 22, 2019, and October 14, 2021, respectively, and the change of registration was approved by the competent authority.

(2) In the 2017 and 2021 annual meetings of shareholders, the Company approved a

capital reduction to make up for losses and the distribution of stock dividends, respectively. After the capital reduction, the number of the privately placed common shares issued in 2016 referred to above were 4,838,905, and the number of stock dividends distributed through the private placement of common shares in 2022 were 5,968,436, totaling 46,057,341 shares.

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

2. Capital surplus or Additional paid-in capital

	December 31, 2023	December 31, 2022
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	1,068
	$ 165,098	$ 165,098

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; 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(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 NT$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 were disposed of or reclassified, the special reserve might be reversed for earnings distribution in proportion to the original provision for special reserve. However, since the resulting increase in retained earnings was not sufficient for provision, only NT$88,694 thousand, the amount of the increase in retained earnings from the conversion, was provided for as special reserve. As of December 31, 2023 and 2022, the balance of this special reserve was NT$88,694 thousand.

(4) 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

	2021
Appropriated as legal capital reserve	$ 33,905
Cash dividends	$ 16,012
Stock dividends	$ 120,093
Cash dividends per share (NT$)	$ 0.20
Stock dividends per share (NT$)	$ 1.50

(5) On June 14, 2023, the Company's shareholders' meeting approved the appropriation of the loss for 2022. As the Company recorded a loss in 2022, there was no distribution of earnings.

(6) On March 14, 2024, the Company's Board of Directors submitted an earnings distribution proposal for 2023 for approval, which is to be resolved by the shareholders' meeting on June 18, 2024.

	2023
Appropriated as legal capital reserve	$ 3,830

4. Treasury stocks

Reason for recovery	Transfer of shares to employees (in thousands)
Number of shares as of January 1 and December 31, 2023	888

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

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

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

(XVIII) Earnings (losses) per share

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 income (loss) for the year

	2023	2022
Net income (loss) for the year	$ 38,302	$ (123,635)

	2023	2022
Number of shares		
Weighted number of common shares for basic earnings per share calculation	92,671	92,289
Effect of potential common shares with dilution:		
Employee Compensation	48	33
Weighted number of common shares for the purpose of diluted earnings per share	92,719	92,322

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.

(XIX) Cash Flow Information

Changes in liabilities from financing activities:

2023

Change in non-cash

	January 1, 2023	Cash Flow	New leases/ lease modification	December 31, 2023
Short-term borrowings	$ 1,157,520	$ 1,104,130	$ --	$ 2,261,650
Long-term loans	119,474	(16,830)	--	102,644
Other payables – related parties	--	15,000	--	15,000
Leasing Liabilities	20,710	(3,535)	--	17,175
	$ 1,297,704	$ 1,098,765	$ --	$ 2,396,469

2022

			Change in non-cash	
	January 1, 2022	Cash Flow	New leases/ lease modification	December 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

(XX) Net Sales Revenue

1. The breakdown is as follows:

Item	2023	2022
Customer Contract Revenue		
Wax product sales revenue	$ 147,901	$ 286,173
Revenue from purchase services (Note 7(2))	81,189	35,145
Rental income		
Rental income from optical equipment	23,648	23,741
	$ 252,738	$ 345,059

2. Description of Customer Agreement

(1) Note 4(11) shows the revenue from customer contracts.

(1)Rental income is detailed in Note 6(9).

3. Contract Balance

	December 31, 2023	December 31, 2022	January 1, 2022
Contractual liabilities - sales of goods	$ 490	$ 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 year recognized as operating revenue in 2023 and 2022 were NT$59 thousand and NT$1,513 thousand, respectively.

(XXI) Other income

Item	2023	2022
Dividend Income	$ 1,398	$ 1,797
Other income - others (Note 7(2))	989	145
	$ 2,387	$ 1,942

(XXII) Other interests and losses

Item	2023	2022
Foreign currency exchange (loss) gain, net	$ (21,348)	$ 34,579
Other impairment losses	--	(5,711)
Lease modification benefits	--	1
Gain (loss) on financial assets at fair value through profit or loss	9,170	(2,008)
Others	--	(2,087)
	$ (12,178)	$ 24,774

(XXIII) Finance Costs

Item	2023	2022
Interest on bank loans	$ 34,934	$ 13,223
Interest on lease liabilities	273	344
	$ 35,207	$ 13,567

(XXIV) Depreciation and amortization

Item	2023	2022
Property, plant and equipment	$ 13,189	$ 15,687
Right-of-use assets	3,628	4,328
	$ 16,817	$ 20,015

Item	2023	2022

Depreciation expense is summarized by function		
Operating Costs	$ 12,964	$ 15,599
Operating Expenses	3,853	4,416
	$ 16,817	$ 20,015

(XXV) Employee Benefits

Item	2023	2022
Short-term Employee Benefits	$ 24,160	$ 22,895
Post-employment benefits	919	886
Separation Benefits	--	--
	$ 25,079	$ 23,781

Item	2023	2022
Summary by Function		
Operating Costs	$ 7,499	$ 7,039
Operating Expenses	17,580	16,742
	$ 25,079	$ 23,781

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

1. The Company allocates no less than 1% and no more than 3% of the pre-tax profit before the deduction of employee compensation and directors’ and supervisors’ remuneration in the current year as employee compensation and directors’ and supervisors’ remuneration. However, when the company has losses, it should make up for them first. The estimated compensation to employees and remuneration to directors and supervisors for 2023 and 2022 were resolved by the Board of Directors on March 14, 2024 and March 21, 2023, respectively, as follows (the Audit committee was established to replace the Supervisors

after the Company's annual meeting of shareholders on June 21, 2022):

Estimated Ratio

	2023	2022
Employee Compensation	1%	--
Remuneration for Directors and Supervisors	1.15%	--

Amount

	2023	2022
Employee Compensation	$ 391	$ --
Remuneration for Directors and Supervisors	$ 450	$ --

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. There was no difference between the actual amount of employee compensation and remuneration to directors and supervisors for 2022 and 2021 and the amount recognized in the parent company only financial statements for 2022 and 2021.
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.

(XXVII) Income Tax

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

	2023	2022
Current income tax		
Producers of the	$ --	$ 2,270
Deferred income tax		
Producers of the	--	--

Income tax expense recognized in profit or loss	$ --	$ 2,270

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

	2023	2022
Net income (loss) before income tax	$ 38,302	$ (121,365)
Income tax expense (benefit) at statutory tax rate on net income (loss) before income tax	$ 7,660	$ (24,273)
Non-deductible expenses for tax purposes	462	2,314
Tax-free income	(2,114)	(359)
Unallocated surplus plus levy	--	2,270
Unrecognized deductible temporary differences	12,316	17,220
Unrecognized loss carry forward	(18,324)	5,098
Income tax expense recognized in profit or loss	$ --	$ 2,270

3. Deferred income tax assets and liabilities

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

2023	Balance at the beginning of the year	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)

2022	Balance at the beginning of the year	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)

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, 2023	December 31, 2022
Loss Deduction Credit		
Expiring in 2023	$ --	$ 28,991
Expiring in 2024	13,465	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	23,015	23,015
	$ 153,177	$ 244,802

	December 31, 2023	December 31, 2022
Temporary differences can be reduced		
Allowance for loss on decline in value of inventories	$ 5,727	$ 33,333
The equity method is used to recognize the profit or loss of subsidiaries.	322,089	286,014
Impairment loss on machinery and equipment and assets leased to others	44,195	38,262
Other	59,103	11,926
	$ 431,114	$ 369,535

5. Income tax return approval situation

The income tax returns of the Company have been examined and cleared by the tax authorities through 2021.

(XXVIII) 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.

(XXIX) Financial Instruments

1.Fair Value Information

(1)Fair value information – financial instruments not measured 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

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss - Current				
Domestic listed stocks	$ 38,775	$ --	$ --	$ 38,775
Fund beneficiary certificates	10,081	--	--	10,081
	$ 48,856	$ --	$ --	$ 48,856
Financial assets at fair value through other comprehensive income or loss - non-current				
Investments in equity instruments				
Domestic listed stocks	$ 11,250	$ --	$ --	$ 11,250
Investments in debt instruments				
Foreign USD bonds	--	14,505	--	14,505
	$ 11,250	$ 14,505	$ --	$ 25,755

December 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

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income or loss - non-current				
Investments in equity instruments				
Domestic listed stocks	$ 6,990	$ --	$ --	$ 6,990

2.Types of Financial Instruments

	December 31, 2023	December 31, 2022
Financial Assets		
Financial assets at fair value through profit or loss		
Mandatory measurement through profit or loss at fair value	$ 48,856	$ 36,995
Financial assets measured at amortized cost (Note 1)	2,537,019	1,356,599
Financial assets at fair value through other comprehensive income or loss - non-current	25,755	6,990
Financial liabilities		
Financial liabilities measured at amortized cost (Note 2)	2,385,624	1,283,280

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 main financial risks to which the Company is exposed as a result of the 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 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 for a 1% change in the exchange rate translated at the end of the period. The following table details the sensitivity analysis of the 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 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	
	2023	2022
Profit and Loss	$ 24,887	$ 11,659

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

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
- Financial Assets	$ 14,505	$ --
Cash flow rate risk		
- Financial Assets	$ 1,835,733	$ 646,624
- Financial liabilities	2,364,294	1,276,994

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 the key management is a 1% increase or decrease in interest rates, which also represents the management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 1%, the Company's net income before income taxes would have decreased/increased by NT$5,286 thousand in 2023, with all other variables held constant, 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%, the Company's net income before income taxes would have decreased/increased by NT$6,304 thousand in 2022, with all other variables held constant, 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 counterparties. 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.

The Company selects investment-grade counterparties and establishes individual limits to reduce financial credit risks. The Company will regularly monitor and review market conditions, and adjust the limit based on the credit standing of the counterparty.

The purpose of the Company's investment policy is to seek income on the premise of protecting principal and supporting liquidity. This policy requires investing in investment-grade securities and sets a credit exposure limit for a single bond issuer. Based on financial market conditions and changes in the external credit ratings and material information of debt instrument issuers, the Company assesses whether the credit risk of the debt instrument has increased significantly since initial recognition.

(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 to 1 year	More than 1 year
December 31, 2023			

Non-derivative financial liabilities			
Non-interest-bearing liabilities	$ 22,321	$ --	$ --
Leasing Liabilities	1,736	1,462	15,961
Variable Rate Instrument	2,282,926	42,318	55,789
	$ 2,306,983	$ 43,780	$ 71,750

	Within 6 months (inclusive)	More than 6 months to 1 year	More than 1 year
December 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

XXI. Related party transactions

(I) Name and relationship of related parties

Name of Related Party	Relationship with the Company
TAI-WAX HOLDING CO., LTD.	Subsidiaries
TAI-WAX (THAILAND) CO., LTD.	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
Qiu-Xiang Lin	Second-degree relative of the Chairman

(II) Significant transactions with related parties

1. Revenue from purchase agency services (recorded as operating income)

Type/name of related party	2023	2022
Jinghai Marine Products (Shanghai) Co.	$ 36,370	$ 22,148

2. Other income

Type/name of related party	2023	2022
Subsidiaries	$ 850	$ --

3. Other Receivables

Type/name of related party	December 31, 2023	December 31, 2022
Jinghai Marine Products (Shanghai) Co.	$ 137,838	$ 216,667
Subsidiaries	892	10,000
	$ 138,730	$ 226,667

4. Land

Type/name of related party	December 31, 2023	December 31, 2022
Qiu-Xiang Lin	$ 112,881	$ --

5. Other payables

Type/name of related party	December 31, 2023	December 31, 2022
Subsidiaries	$ 15,000	$ --

6. Temporary Collection

Type/name of related party	December 31, 2023	December 31, 2022
Jinghai Marine Products (Shanghai) Co.	$ --	$ 53,321

(III) Key management compensation information:

Item	2023	2022
Short-term Employee Benefits	$ 5,969	$ 6,802

XXII. Pledged assets

(I) The breakdown is as follows:

	December 31, 2023	December 31, 2022
Other Financial Assets - Mobile	$ 1,749,485	$ 558,956
Financial assets at fair value through other comprehensive income or loss - non-current	14,505	--
Property, plant and equipment		
Land	214,283	214,283
Buildings	9,924	10,364
Rental Assets	170,796	192,442
Investment real estate		
Land	98,676	98,676
	$ 2,257,669	$ 1,074,721

(II) The above assets are pledged as collaterals for loans

XXIII. Significant Contingencies and Unrecognized Contract Commitments

(I) Significant commitments: None.

(II) Contingent items: None.

XXIV. Major disaster damage: None.

XXV. Significant post-term events: None.

XXVI. Other:

(I) 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:

December 31, 2023

	Foreign Currency	Exchange rate	Carrying amount

		Foreign Currency	Exchange rate		Carrying amount
Foreign currency assets					
Monetary items					
USD	$	81,051	30.705 (USD: NTD)	$	2,488,665
Non-monetary items					
Investments accounted for using the equity method					
Renminbi		21,616	4.327 (RMB: NTD)		93,534

December 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		29,823	4.408 (RMB: NTD)		131,458
Foreign currency liabilities					
Monetary items					
USD		1,736	30.71 (USD: NTD)		53,321

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

	2023			2022		
Foreign Currency	Exchange rate		Net exchange (loss) gain	Exchange rate		Net exchange (loss) gain
USD	30.705 (USD: NTD)	$	(57,262)	30.71 (USD:NTD)	$	(7,212)

(II) 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.

XXVII. Note Disclosure

(I) Information on significant transactions and (II) Information on investment in other businesses:

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): Please refer to Table (III)
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 real estate 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 (IV)
9. Engaged in derivatives trading: None
10. Information on investee companies: Detailed table (V)

(II) Information on investment in China:

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

(III) Information on major shareholders: Name of shareholders with more than 5% ownership, and the amount and percentage of shares held thereby: Please refer to Table (VIII).

XXVIII. Segment 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 doubtful accounts	Collateral		Individual funding limits (Note 3)	Maximum limit for fund financing. (Note 2)
													Item	Value		
0	Taiwan Wax Company Ltd.	GUAN DA GREEN ENERGY CO., LTD.	Amounts due from related parties	Y	50,000	50,000	--	--	Short-term financing	--	Operating turnover	--	--	--	130,451	260,902
1	GUAN DA GREEN ENERGY CO., LTD.	Taiwan Wax Company Ltd.	Amounts due from related parties	Y	35,000	35,000	15,000	--	Short-term financing	--	Repayment of borrowings	--	--	--	40,045	40,045

Note 1: 0 is entered for the issuer. Investee companies are numbered sequentially 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.

The total amount of Guan Da's loans to external parties shall not exceed 20% of its net worth.

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

The amount of Guan Da's loans to an individual company is limited to 40% of its 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	Relationships (Note 2)										
0	Taiwan Wax Company Ltd.	GUAN DA GREEN ENERGY CO., LTD.	2	391,353	100,000	50,000	--	--	3.83%	391,353	Y	--	--

Note 1: The description of the number column is as follows:
3."0" is entered for the issuer.
4.Investee companies are numbered sequentially starting from the Arabic numeral 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: The Company's endorsement and guarantee for a single enterprise shall not exceed 30% of the Company's net worth.
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, Affiliates and Joint Ventures): Unit: NTD thousand/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)	Carrying amount	Percentage of ownership	Fair value	
Taiwan Wax Company Ltd.	Stock	DACOME INTERNATIONAL LTD.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	526,000	14,439	1.57 %	14,439	--
Taiwan Wax Company Limited	Stock	DAILY POLYMER CORP.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	408,891	5,295	0.48 %	5,295	--
Taiwan Wax Company Limited	Stock	TOP HIGH IMAGE CORP.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	101,000	1,656	0.11 %	1,656	--
Taiwan Wax Company Limited	Stock	CROWELL DEVELOPMENT CORP.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	265,000	9,156	0.07 %	9,156	--
Taiwan Wax Company Limited	Stock	GENERAL BIOLOGICALS CORP.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	5,513	146	0.01 %	146	--
Taiwan Wax Company Limited	Stock	Delpha Construction	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	150,000	5,377	0.02 %	5,377	--
Taiwan Wax Company Limited	Stock	CHUNG HUNG STEEL CORPORATION	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	50,000	1,302	0.00 %	1,302	--
Taiwan Wax Company Limited	Stock	Right Way Industrial Co., Ltd.	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	45,000	772	0.01 %	772	

Marketable Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Affiliates and Joint Ventures): Unit: NTD thousand/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)	Carrying amount	Percentage of ownership	Fair value	
Taiwan Wax Company Limited	Depository Receipts	Ju Teng International Holdings Limited	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	100,000	632	0.01 %	632	--
Taiwan Wax Company Limited	Beneficiary certificate	Yuanta Japan Leaders Equity Fund TWD – Acc	None	Statement of Financial Assets at Fair Value through Profit or Loss – Current	1,008,065	10,081	-- %	10,081	--
Taiwan Wax Company Limited	Stock	Yjn Co., Ltd. (originally 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	11,250	1.15 %	11,250	--
Taiwan Wax Company Ltd.	Bond investment	AT&T USD bond (T_4.35_030129)	None	Investments in bond instruments measured at fair value through other comprehensive income or loss – non-current	2,400	7,352	-- %	7,352	--
Taiwan Wax Company Ltd.	Bond investment	Altria Group USD bond (MO_4.8_021429)	None	Investments in bond instruments measured at fair value through other comprehensive income or loss – non-current	2,300	7,153	-- %	7,153	--

Table (IV)

Receivables from related parties amounting to at least NT$100 million or 20 percent of the paid-in capital: In Thousands of New Taiwan Dollars

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 Company Ltd.	Jinghai Marine Products (Shanghai) Co.	Subsidiaries	Other Receivables 137,838	--	--	--	27,784 (Note)	--	--

Note: Amount received as of March 5, 2024.

Table (V)

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

Unit: NTD thousand / Foreign currency thousand

Investor Company	Name of 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 Company Ltd.	TAI-WAX HOLDING CO., LTD.	Cecil	Sales of formulated waxes and cultural and creative products	112,659 (USD 3,730)	112,659 (USD 3,730)	3,730,000	100.00%	--	--	--	
Taiwan Wax Company Ltd.	TAI-WAX (THAILAND) CO., LTD.	Thailand	Sales of formulated waxes and cultural and creative products	5,580 (THB 6,000)	5,580 (THB 6,000)	60,000	100.00%	--	--	--	
Taiwan Wax Company Ltd.	GUAN DA GREEN ENERGY CO., LTD.	Taiwan	Sales and installation of solar energy equipment	100,000	100,000	--	100.00%	100,113	69	69	Note
Taiwan Wax Company Ltd.	Gong Che Yan Fresh Seafood Co., LTD..	Taiwan	Sales of aquatic and agricultural products	20,000	20,000	--	100.00%	8,897	(1,363)	(1,363)	Note

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

Name of Mainland China investee company	Main business	Paid-in capital	Investment Mode	Accumulated investment mount 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 investment s 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)	(36,075)	100.00%	(36,075)	92,526	--

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	426,800 (USD13,900) (Note 3)	782,705

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 gross profit	Note
		Amount	Percentage		Payment Terms	Comparison with general trading	Amount	Percentage		
Jinghai Marine Products (Shanghai) Co.	Revenue from purchase agency services	36,370	44.80%	No significant differences	90 days – 180 days	No significant differences	137,838	20.48%	1,008	--

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.	8,932,304	9.54 %
Shangpin Investment Co.	8,631,592	9.22 %
Huang Zongyuan	6,493,385	6.94 %
Chih-Lung Lin	4,687,703	5.01 %

Note 1: The information on major shareholders in this table from Taiwan Depository & Clearing Corporation is as of the last business day of each quarter, and is about the total number of common and preferred shares (including treasury stocks) held by shareholders that account for 5% or more of the Company’s equity and have been delivered without physical registration. The number of shares recorded in the Company's parent company only financial statements and the actual number of shares delivered without physical registration may differ depending on the basis of preparation of the calculations.

Table of Contents for Statements of Significant Accounts

Taiwan Wax Company Ltd.

Statement of Cash and Cash Equivalents

December 31, 2023

Statement 1 — Expressed in thousands of New Taiwan Dollars (Except as indicated)

Item	Summary	Amount
Cash in hand	Note 1	$ 186
Checking account balance		24
Current account deposit		19,334
Foreign currency current account deposit	Note 2	66,913
		$ 86,457

Note 1: Including 2 thousand RMB, 1 thousand Hong Kong dollars, 2 thousand Australian dollars, and 2 thousand Thai baht, with exchange rates of 4.327, 3.929, 20.98, and 0.9017, respectively.

Note 2: Including 2,177 thousand US dollars and 13 thousand RMB, with exchange rates of 30.705 and 4.327, respectively.

Taiwan Wax Company Ltd.

Statement of Financial Assets at Fair Value through Profit or Loss - Current

December 31, 2023

Statement 2

Unit：NTD thousand

Financial instrument name	Number of shares or units	Face value (NTD)	Total amount	Acquisition cost	Fair value		attributable to credit risk changes	Note
					Unit price	Total amount		
Stock								
DACOME INTERNATIONAL LTD.	526,000	$ 10	--	$ 16,760	$ 27.45	$ 14,439	--	
DAILY POLYMER CORP.	408,891	10	--	8,547	12.95	5,295	--	
TOP HIGH IMAGE CORP.	101,000	10	--	1,851	16.40	1,656	--	
CROWELL DEVELOPMENT CORP.	265,000	10	--	5,578	34.55	9,156	--	
GENERAL BIOLOGICALS CORP.	5,513	10	--	301	26.44	146	--	
Delpha Construction	150,000	10	--	2,173	35.85	5,377	--	
CHUNG HUNG STEEL CORPORATION	50,000	10	--	2,994	26.05	1,302	--	
Ju Teng International Holdings Limited	100,000	10	--	666	6.32	632	--	
Right Way Industrial Co., Ltd.	45,000	10	--	965	17.15	772	--	

Financial instrument name	Number of shares or units	Face value (NTD)	Total amount	Acquisition cost	Fair value		attributable to credit risk changes	Note
					Unit price	Total amount		
Beneficiary certificate								
Yuanta Japan Leaders Equity Fund TWD – Acc	1,008,065	10	--	10,000	10.00	10,081	--	
				$ 49,835		$ 48,856		

Taiwan Wax Company Ltd.

Statement of Notes Receivable

December 31, 2023

Statement 3

Unit：NTD thousand

Customer's Name	Summary	Amount	Note
Unrelated parties:			
Customer code			
23010		$ 369	Amounts reaching 5% of the account balance
23007		222	
22040		82	
		673	
Less: Allowance for losses		--	
		$ 673	

Taiwan Wax Company Limited

Statement of Accounts Receivable

December 31, 2023

Statement 4

Expressed in thousands of New Taiwan Dollars

Customer's Name	Summary	Amount	Note
Unrelated parties:			
Customer code			
21014		$ 7,770	Amounts reaching 5% of the account balance
21012		3,854	
21086		1,956	
22059		1,282	
11041		1,071	
Others		3,292	
		19,225	
Less: Allowance for losses		--	
		$ 19,225	

Taiwan Wax Company Limited

Statement of Inventory

December 31, 2023

Statement 5 Expressed in thousands of New Taiwan Dollars

Item	Summary	Amount: Cost	Amount: Net Realizable Value	Note
Inventory of goods	Carving wax, etc.	$ 1,621	$ --	
Finished products	Stone wax, etc.	23,917	25,929	
Work in progress	Hydrogenated hard palm oil, etc.	304	--	
Raw materials	Color masterbatch and resin pellets	79	--	
Supplies	Formulation wax, etc.	3,544	768	
In-transit aterials	In-transit imported wax	3,256	3,256	
		32,721	$ 29,953	
Less: Allowance for inventory impairment		(5,727)		
Net amount		$ 26,994		

Taiwan Wax Company Ltd.

Statement of Financial Assets at Fair Value through Other Comprehensive Income – Non-current

December 31, 2023

Statement 6

Expressed in thousands of New Taiwan Dollars

Financial instrument name	Number of shares or units	Face value (NTD)	Total amount	Interest rate	Acquisition cost	Accumulated impairment loss	Fair value: Unit price	Fair value: Total amount	Note
Stock									
Yjn Co., Ltd. (originally HOLD JINN ELECTRONICS CO., LTD.)	1,000,000	$ 10	$ --	--	$ 6,250	$ --	$ 11.25	$ 11,250	
Bond investment									
AT&T Inc.	2,400	99.76	--	4.35%	7,606	--	99.76	7,352	
ALTRIA Group Inc.	2,300	101.29	--	4.80%	7,395	--	101.29	7,153	
	4,700		--		15,001	--		14,505	
	1,004,700		$ --		$ 21,251	$ --		$ 25,755	

Taiwan Wax Company Ltd.

Statement of Equity Method Investments Changes

January 1 to December 31, 2023

Statement 7 | Expressed in Thousands of New Taiwan Dollars

Name	Opening balance		Increase during the period		Decrease during the period		Closing balance			Equity value/market price	Collateral or pledge provided	Note
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Percentage of ownership	Amount			
TAI-WAX HOLDING CO., LTD.	3,730,000	$ --	--	$ --	--	$ --	3,730,000	100.00%	$ --	$ --	None	
TAI-WAX (THAILAND) CO., LTD.	60,000	--	--	--	--	--	60,000	100.00%	--	--	None	Note
GUAN DA GREEN ENERGY CO., LTD.	--	100,044	--	69	--	--	--	100.00%	100,113	100,113	None	
Gong Che Yan Fresh Seafood Co., LTD.	--	10,260	--	--	--	1,363	--	100.00%	8,897	8,897	None	
Jinghai Marine Products (Shanghai) Co.	--	127,606	--	--	--	35,080	--	100.00%	92,526	93,534	None	
		$ 237,910		$ 69		$ 36,443			$ 201,536			

Note: Subsidiary TAI-WAX (THAILAND) CO., LTD. was primarily engaged in the sale of formulated wax and cultural creative products. Due to lower-than-expected profitability, the Company's Board of Directors resolved on December 27, 2016 to initiate the process of dissolution and liquidation for the subsidiary.

Taiwan Wax Company Ltd.

Statement of Operating Lease Assets Changes

December 31, 2023

Statement 8

Expressed in thousands of New Taiwan Dollars

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Note
Buildings	$ --	$ --	$ --	$ --	
Transportation Equipment	8,175	--	--	8,175	
Other Equipment	15,959	--	--	15,959	
	$ 24,134	$ --	$ --	$ 24,134	

Taiwan Wax Company Limited

Statement of Accumulated Depreciation of Operating Lease Assets Changes

December 31, 2023

Statement 9

Expressed in thousands of New Taiwan Dollars

Item	Opening balance	Increase during the period	Decrease during the period	Closing balance	Note
Buildings	$ --	$ --	$ --	$ --	
Transportation Equipment	2,648	2,830	--	5,478	
Other Equipment	931	798	--	1,729	
	$ 3,579	$ 3,628	$ --	$ 7,207	

Taiwan Wax Company Limited

Statement of Short-term Borrowings

December 31, 2023

Statement 10

Expressed in Thousands of New Taiwan Dollars

Loan Type	End-of-Period Balance	Loan Term	Interest Rate	Range Financing Amount	Collateral or Guarantee	Note
Guaranteed Loans						
Mega International Commercial Bank	$ 180,000	112.10.31-113.11.06	Note	180,000	Land and Buildings	
Hua Nan Commercial Bank	444,800	112.10.31-113.03.12	Note	600,000	Land and Buildings	
King's Town Bank	451,090	112.12.01-113.03.20	Note	480,640	US Dollar Time Deposit	
Yuanta Commercial Bank	523,000	112.11.16-113.02.05	Note	600,000	US Dollar Time Deposit	
Chang Hwa Bank	98,390	112.03.30-113.04.18	Note	300,000	US Dollar Time Deposit	
Panhsin Bank	267,370	112.11.13-113.03.12	Note	300,000	US Dollar Time Deposit	
O-Bank	297,000	112.11.06-113.02.11	Note	300,000	US Dollar Time Deposit	
	$ 2,261,650					

Note: The interest rate range is 1.75% to 2.20%.

Taiwan Wax Company Ltd.

Statement of Long-term Borrowings

December 31, 2023

Statement 11

Expressed in Thousands of New Taiwan Dollars

Creditor	Summary	Loan amount	Contract period	Interest rate range	Collateral or guarantee	Note
Panhsin Bank	Secured Loan	$ 40,400	108.04.24-113.04.24	Note	Rental Assets	
Hua Nan Commercial Bank	Secured Loan	15,833	109.07.08-114.07.08	Note	Land and Buildings	
First Commercial Bank	Secured Loan	46,411	111.08.30-126.08.30	Note	Rental Assets	
		102,644				
Less: Classified as part due within 1 year		(53,323)				
		$ 49,321				

Note: The interest rate range is 2.20% to 2.32%.

Taiwan Wax Company Ltd.

Statement of Lease Liabilities

December 31, 2023

Statement 12

Expressed in thousands of New Taiwan dollars

Item	Summary	Lease term	Discount rate	Amount	Note
Transportation Equipment	--	24-36 months	1.33%~1.45%	$ 2,730	
Other Equipment	Utilization of solar power system equipment	240 months	1.45%	14,445	
				17,175	
Less: Classified as current portion				(2,971)	
Lease liabilities – non-current				$ 14,204	

Taiwan Wax Company Ltd.

Statement of Net Operating Revenue

January 1 to December 31, 2023

Statement 13

Expressed in Thousands of New Taiwan Dollars

Item	Quantity	Amount	Note
Customer Contract Revenue			
Wax product sales revenue	3,935,947KG	$ 147,901	
Procurement service revenue	--	81,189	
Rental income			
Photovoltaic equipment rental income	--	23,648	
Customer Contract Revenue		$ 252,738	

Taiwan Wax Company Limited

Statement of Cost of Sales

January 1 to December 31, 2023

Expressed in Thousands of New Taiwan Dollars

Item	Amount	
	Subtotal	Total
Opening Inventory of Goods	$ 1,621	
Plus: Materials Purchased for the Period (net)	--	
Less: Closing Inventory of Goods	(1,621)	
Cost of Goods Sold		$ --
Opening Inventory of Materials	79	
Plus: Materials Purchased for the Period (net)	--	
Less: Closing Inventory of Materials	(79)	
Direct Raw Material Consumption for the Period		--
Opening Inventory of Materials	3,555	
Plus: Materials Purchased for the Period (net)	884	
Less: Closing Inventory of Materials	(3,544)	
Indirect Raw Material Consumption for the Period		895
Direct Labor		--
Manufacturing Expenses		16,645
Total Manufacturing Cost		17,540
Opening Work-in-Progress		304
Less: Closing Work-in-Progress Inventory		(304)
Add: Purchases for the Period (net)		109,379
Cost of Finished Goods		126,919
Opening Finished Goods Inventory		48,157
Less: Closing Finished Goods Inventory		(23,917)
Less: Transfer to Advertising Expenses, etc.		(45)
Production and Sales Cost		151,114
Add: Inventory Write-down and Recovery Benefits		(27,606)
Add: Solar Energy Lease Costs		13,158
Operating Expenses		$ 136,666

Taiwan Wax Company Limited

Statement of Manufacturing Expenses

January 1 to December 31, 2023

Statement 15

Expressed in Thousands of New Taiwan Dollars

Item	Summary	Amount	Note
Indirect labor		$ 6,217	Items with amounts exceeding 5% of the account balance
Insurance expenses		1,134	
Energy costs		2,900	
Others		6,394	
		$ 16,645	

Taiwan Wax Company Limited

Statement of Operating Expenses

January 1 to December 31, 2023

Statement 16

Expressed in Thousands of New Taiwan Dollars

Item	Selling expenses	Administrative expenses	Total	Note
Salary expenses	$ 2,534	$ 11,458	$ 13,992	Items with amounts exceeding 5% of the account balance
Freight expenses	2,462	2	2,464	
Entertainment expenses	8	2,819	2,827	
Depreciation	--	3,853	3,853	
Service expenses	--	1,969	1,969	
Other expenses	1,423	12,556	13,979	
	$ 6,427	$ 32,657	$ 39,084	

Taiwan Wax Company Limited

Current employee benefits, depreciation, depletion and amortization expenses categorized by function

January 1 to December 31, 2023 and 2022

Statement 17

Expressed in thousands of New Taiwan dollars

	2023			2022		
	Items classified as operating costs	Items classified as operating expenses	Total	Items classified as operating costs	Items classified as operating expenses	Total
Employee benefits expense						
Salary expense	$ 6,217	$ 13,992	$ 20,209	$ 5,811	$ 13,394	$ 19,205
Labor and health insurance expenses	765	1,214	1,979	733	1,287	2,020
Pension expenses	318	601	919	304	582	886
Director remuneration	--	1,310	1,310	--	1,190	1,190
Other employee benefits expense	199	463	662	191	289	480
	$ 7,499	$ 17,580	$ 25,079	$ 7,039	$ 16,742	$ 23,781
Depreciation	$ 12,964	$ 3,853	$ 16,817	$ 15,599	$ 4,416	$ 20,015
Amortization expense	$ --	$ --	$ --	$ --	$ --	$ --

Note 1: The average number of employees of the Company in 2023 and 2022 was 36 and 35, respectively, with 8 and 7 directors who did not concurrently serve as employees.

Note 2: The average employee benefits expense in 2023 and 2022 was NT$849 thousand and NT$807 thousand, respectively.

Note 3: The average employee salary expense in 2023 and 2022 was NT$722 thousand and NT$686 thousand, respectively. The average employee salary expense increased by 5.23% year-on-year.

Note 4: The remuneration for supervisors in 2023 and 2022 was NT$0 thousand and NT$1,70 thousand, respectively.

Note5：company's Compensation policy

1.Director's Compensation Policy:

In accordance with the Company's articles of incorporation and the regulations of the Compensation Committee, as recommended by the Compensation Committee and approved by the Board of Directors.

(1)Director's Remuneration: In accordance with Article 18-2 of the Company's Articles of Incorporation: "The Company shall allocate no less than 1% of its profits for employee compensation and no more than 3% for director and supervisor remuneration."

(2)Independent Director's Compensation: Payment of transportation and miscellaneous expenses.

(3)Transportation and Miscellaneous Expenses: Payment of transportation and miscellaneous expenses.

2.Executive's Compensation Policy:

The remuneration for executives is determined by the Compensation Committee, consisting of three independent directors appointed by the Board of Directors. The committee formulates policies, systems, standards, and structures for performance evaluation and remuneration. The compensation for executives is determined based on industry benchmarks, and bonus payments are contingent upon the Company's earnings and performance.

3.Employee's Compensation Policy:

The main components of employee compensation include base salary, bonuses, and employee benefits. The base salary is determined based on job responsibilities, taking into account market conditions, company financial status, and organizational structure. Bonuses and employee benefits are linked to the Company's annual earnings and individual performance evaluations. Additionally, the Company may adjust salaries annually based on market salary trends and business conditions.

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: NTD thousand

Item \ Year	2022	2023	Difference	
			Amount	%
Current assets	1,883,129	2,793,569	910,440	48.35
Property, plant and equipment	559,334	766,485	207,151	37.04
Other assets	182,138	213,094	30,956	17.00
Total assets	2,624,601	3,773,148	1,148,547	43.76
Current liabilities	1,210,708	2,348,026	1,137,318	93.94
Non-current liabilities	149,601	120,613	(28,988)	(19.38)
Total liabilities	1,360,309	2,468,639	1,108,330	81.48
Share capital	935,593	935,593	0	0.00
Retained earnings	168,885	207,187	38,302	23.27
Others	11,496	13,411	1,915	16.66
Non-controlling interest	0	0	0	0.00
Total Stockholders' Equity	1,264,292	1,304,509	40,217	3.18

Explanation of variance in ratio analysis: (explanation of variance in ratios that have changed by 20% or more)

1. Current assets increased by NT$910,440 thousand in the current period mainly due to:
   (1) An increase of NT$1,190,529 thousand in other financial assets, which were USD time deposits.
   (2) A decrease of NT$246,352 thousand in temporary payments, which were payments for purchase services.
2. Current liabilities increased by NT$1,137,318 thousand in the current period mainly due to an increase of NT$1,104,130 thousand in short-term borrowings due to operational needs
3. Retained earnings increased by NT$38,302 thousand mainly due to the transfer of the 2023 net income to retained earnings.

Two. Financial Performance

(I) Analysis of Financial Performance

Unit: NTD thousand

Item	2022	2023	Amount Variance	Change ratio (%)
Operating revenue	482,012	392,001	(90,011)	(18.67)
Operating expenses	(381,296)	(273,949)	(107,347)	(28.15)
Gross profit	100,716	118,052	17,336	17.21
Operating expenses	(235,885)	(69,275)	(166,610)	(70.63)
Net operating income (loss)	(135,169)	48,777	183,946	136.09
Non-operating income and expenses	13,813	(10,317)	(24,130)	(174.69)
Net income before tax	(121,356)	38,460	159,816	131.69
Income tax paid	(2,279)	(158)	(2,121)	(93.07)
Current net income (loss) from continuing operations	(123,635)	38,302	161,937	130.98
Profit (loss) from discontinued operations	0	0	0	0.00
Current net income (loss)	(123,635)	38,302	161,937	130.98

Explanation of variance in ratio analysis: (explanation of variance in ratios that have changed by 20% or more)

1. Operating costs decreased by NT$107,347 thousand in the current period mainly due to the decrease in the sales of wax products in the current period compared to the previous period.
2. Operating expenses decreased by NT$166,610 thousand in the current period primarily due to a decrease of NT$154,787 thousand in expected credit losses in the current period from the previous period.
3. Non-operating income and expenses decreased by NT$24,130 thousand in the current period mainly due to
   (1) An increase of NT$47,293 thousand in interest income;
   (2) An increase of NT$21,908 thousand in finance costs;
   (3) A net foreign exchange loss of NT$57,993 thousand.
4. Income tax expenses decreased by NT$2,121 thousand in the current period mainly due to the payment of tax on the undistributed earnings for 2021 in 2022, amounting to NT$2,270 thousand.

(II) Expected sales quantity and basis: The Company has not prepared or disclosed any financial forecast, so it is not applicable.

(III) 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: NTD thousand

Item \ Year	2023	2022	Variance
Operating activities	355,540	(139,041)	355.71
Investing activities	(1,485,148)	(223,028)	(565.90)
Financing activities	1,110,866	396,749	179.99
Explanation of variance in ratio analysis: 1. Operating activities: The net cash outflow increased due to the decrease in other current assets. 2. Investing activities: The net cash outflow decreased mainly due to the time deposit made in USD and the purchase of land. 3. Financing activities: The net cash inflow increased mainly due to the increase in short-term borrowings for financing.			

II. Analysis of Cash Flow Liquidity in the Next Year

Unit: NTD thousand

Beginning cash balance	Estimated net cash flow from operating activities for the whole year	Net cash flow from other activities for the whole year	Expected cash surplus (shortfall) amount	Remedial measures for expected cash shortfall	
				Investment Plans	Financing Plans
111,785	10,142	(42,983)	78,944	—	—
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.

II. 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

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 changes:

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 changes:

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”.

III. 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 of mergers and acquisitions, and measures to be taken in response: The Company has no mergers and acquisitions in progress.

VIII. Expected benefits and possible risks of factory expansion, and measures to be taken in response: The Company has no factory expansion in progress.

IX. Risks associated with any concentration of sales or purchasing operations, and measures to be taken in response:

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 measures to be taken in response: None.

XI. Effect upon and risk to the company associated with any change in governance personnel or top management, and measures to be taken in response:

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 of information security risk assessment and analysis, and measures to be taken in response:

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 measures to be taken in response: None.

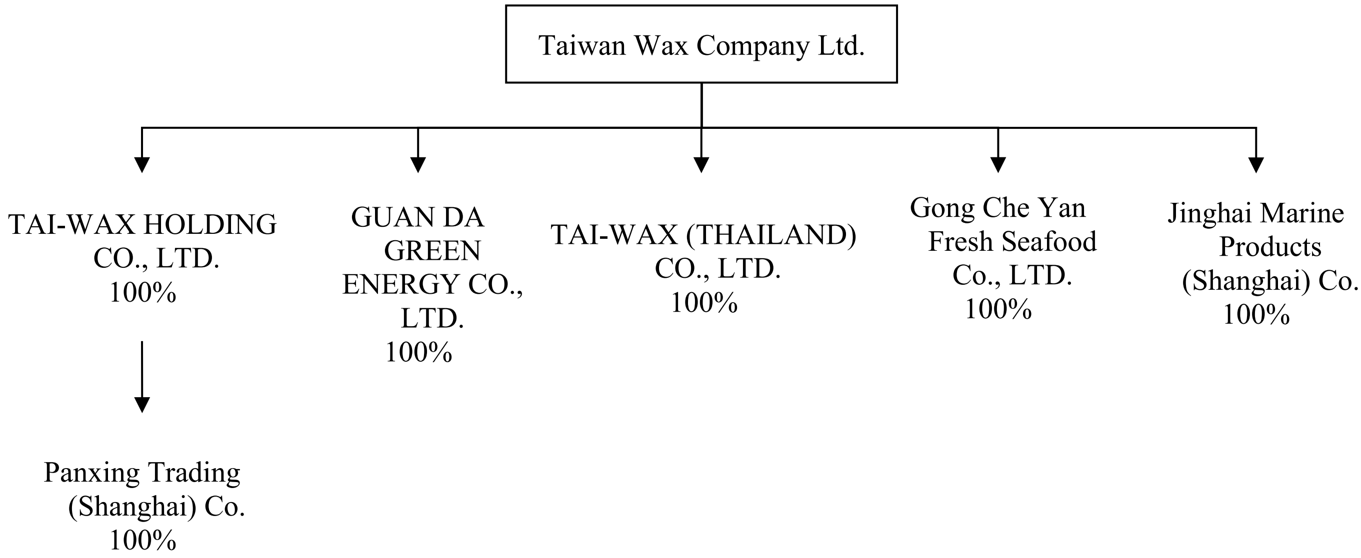
Seven. Other Significant Events: None.

Special Disclosure

One. Summary of Affiliated Companies

I. Consolidated financial statements of related parties

(I) Organizational chart of related parties.



(II) Information on Affiliated Companies Unit: NTD thousand

Company Name	Date of Establishment	Address	Paid-in capital	Main business or production items
TAI-WAX HOLDING CO.,LTD	2014.9.02	Suite106,Premier Building,Victoria,Mahe,Seychelles	112,659	Investment Business
TAI-WAX(THAILAND) CO., LTD	2015.6.10	12 Soi-Ngamwongwan47 Yak20,Ngamwongwan Road,Tungsonghong, Laksi Sub-District, Bangkok 10210	5,580	Sales of Formulated waxes and creative products
Panxing Trading (Shanghai) Co.	2015.5.08	Room A3, 2nd Floor, Building 2, No. 317, Mei Gui North Road, China (Shanghai) Pilot Free Trade Zone	31,968	Sales of Formulated waxes and creative products
GUAN DA GREEN ENERGY CO., LTD.	2018.7.19	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.	2019.9.25	17F., No. 99, Xinpu 6th St., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)	20,000	Sales of aquatic and agricultural products

Jinghai Marine Products (Shanghai) Co.	2020.9.25	Building 5, No. 8, Lian Yang Road, Industrial Zone, Songjiang District, Shanghai, China	288,476	Sales of aquatic products

(III) Information on the Directors and General Manager of each Affiliated Company

Company Name	Title	Name or Representative	Shareholding	
			Number of shares	Shareholding Ratio
TAI WAX HOLDING CO.,LTD	Chairman	Zi-Jun Lin	-	-
TAI-WAX(THAILAND) CO., LTD	GM	Mo Liang Bian	600	1%
Panxing Trading (Shanghai) Co.	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 Marine Products (Shanghai) Co.	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 affiliated companies: Please refer to pages 96-175.

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 2023 (from January 1, 2023 to December 31, 2023), 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: None

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.