[Stock Code: 1217]

AGV Products Corporation and its Subsidiaries

Consolidated Financial Report and Independent Auditors' Report

2019 and 2020

Company address: No. 11, Gongye 2nd Rd., Touqiao Industrial Zone, Xingnan Village, Minxiong Township, Chiayi County

Company Tel.: (05)221-1521

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AGV Products Corporation
Statement of Declaration

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2020 (January 1, 2020 – December 31, 2020) pursuant to the Criteria Governing Preparation of Affiliation Report, Consolidated Business Report and Consolidated Financial Statement of Affiliated Enterprises are the same as those to be included into the consolidated financial report of the parent company and subsidiaries pursuant to the Statement of International Financial Reporting Standards (IFRS) No. 10 approved by the Financial Supervisory Commission. Further, the related information to be disclosed in the consolidated financial report of affiliated enterprises has been disclosed in the aforementioned consolidated financial report of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare a consolidated financial report of affiliated enterprises separately.

Declared by:

Company name: AGV Products Corporation
Responsible person: Kuan-Han Chen

March 23, 2021

Independent Auditors' Report

To AGV Products Corporation:

Audit opinions

We have audited the standalone balance sheet of AGV Products Corporation and subsidiaries (hereinafter referred to as the "AGV Group") as of December 31, 2020 and 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated cash flow statement for the periods January 1 to December 31, 2020 and 2019, and the accompanying footnotes (including a summary of major accounting policies). In our opinion, based on our audit results and other independent auditors' report (please refer to the other matters section), all material disclosures of the consolidated financial report mentioned above were prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers," international financial reporting standards approved by the Financial Supervisory Commission, the International Accounting Standards, and interpretations thereof, and presented a fair view of the consolidated financial position of AGV Group as at December 31, 2020 and 2019, and business performance and cash flow for the periods January 1 to December 31, 2020 and 2019.

Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statement by Certified Public Accountants and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Report section of our report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of AGV Group in accordance with the Code of Ethics for Professional Accountants, and with the other responsibilities of the Code of Ethics performed as well. According to our audits and the other independent auditors' report, we believe to have obtained sufficient and appropriate audit evidence in order to be used as the basis for the opinion.

Key audit matters

"Key audit matters" means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2020 consolidated financial report of AGV Group. These matters were addressed in the content of our audit of the consolidated financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

The key audit matters of the 2020 consolidated financial report of AGV Group are described as follows:

I. Fair value evaluation of investment property

For detailed accounting policy on investment property, please refer to Note 4(12) of the consolidated financial report, and for descriptions on the recording basis and evaluation status of investment property, please refer to Note 6(12) of the consolidated financial statements.

Description of key audit matters:

As of December 31, 2020, the held investment property totaled NTD2,647,279 thousand, accounted for 19.84% of the total assets and was measured in fair value model subsequently. The recognized variable income generated from fair value changes totaled NTD30,135 thousand in 2020, accounted for 9.71% of net income before tax. The evaluation was mainly based on an analysis of discounted cash flow and land development, under the condition that the income was calculated according to market rent and value by commissioned external appraiser. The analysis relied on the evaluation and judgment of an external appraiser based on overall usage, local or market conditions of the subject property and the assumptions and estimates related to profit rate and discount rates adopted for evaluation contained material uncertainty. Thus, we consider the fair value evaluation of investment property as a key audit matter when auditing the parent company only financial report of AGV Group.

Corresponding audit process:

Our main audit process includes checking the consistency of inventory and appraisal data provided for external appraisers by management, evaluating the accuracy of investment property classifications based on the understanding of the Company and checking the recoverable amount and recorded amount in the value appraisal report of independent evaluation issued by the Company based on the external appraiser, reviewing the reasonableness of related assumptions and appraisal content (including method, analysis period and discount rate) and evaluating the qualification and independence of such external appraisers. The appropriateness and completeness of information disclosed in the notes on consolidated financial report is also evaluated.

II. Recognition of revenue

Please refer to Note 4(19) of the consolidated financial report for detailed accounting policy on income recognition. Please refer to Note 6(27) of the consolidated financial report for income details.

The main business of the AGV Group refers to the manufacturing, processing, and sales of products related to drinks and canned foods. The transaction terms agreed to in the sales contract signed with the customer will affect the judgment of the AGV Group regarding whether the income recognition timing meets the time in which the customer owns the right to set the price and use the same and takes the responsibility for resale along with the obsolescence risk of the product. Therefore, we consider the income recognition test in 2020 as a key audit matter when auditing the consolidated financial report of the AGV Group.

Our main audit process includes understanding the sales system of AGV Group, such as the sales channels and selling customers, checking agreements related to sales contracts signed with main trading customers and randomly checking shipment and income recognition operation procedure records in 2020 (including checking the consistency of the date, amount and counterparty in the shipping order and invoice). We also conduct a comparison of two terms regarding the main trading customers, including the comparison of accounts receivable turnover rate, accounts receivable turnover days and credit period, and inquires of the top ten trading counterparties in two terms with major changes to evaluate the reasonableness of transaction amount and counterparty and execution cut-offs for operating revenue recognition and shipping voucher forms before and after the balance sheet date.

Other information

As stated in Note 4(3) of the consolidated financial report, we have not audited partial financial statements of some subsidiaries and the investment under the equity method in said consolidated report, instead other CPAs did. Thus, in our opinions expressed on the consolidated financial report, the amounts listed in the report for those companies were based on the other independent auditors' report. The total assets of subsidiaries were NTD6,888 thousand and NTD9,272 thousand as of December 31, 2020 and 2019, accounting for 0.05% and 0.07% of total consolidated assets, respectively, and the total liabilities were NTD1,288 thousand and NTD1,235 thousand as of December 31, 2020 and 2019, accounting for 0.02% and 0.02% of total consolidated liabilities, respectively. In 2020 and 2019, the operating revenues were NTD0 and NTD40 thousand, accounting for 0% of net consolidated operating revenue and the total comprehensive incomes were NTD(2,094) thousand and NTD(2,943) thousand, accounting for (0.49%) and (1.65%) of total consolidated comprehensive income, respectively; in addition, the investments in these affiliates under the equity method were NTD1,818,191 thousand and NTD1,647,386 thousand as of December 31, 2020 and 2019, accounting for 13.63% and 12.77% of total consolidated assets, respectively. In 2020 and 2019, the recognized shares of profit or loss from affiliates and joint ventures under the equity method were NTD95,297 thousand and NTD51,256 thousand, accounting for 30.71% and 73.13% of consolidated pre-tax income, respectively, while the recognized shares of other comprehensive income from affiliates and joint ventures under the equity method were NTD90,957 thousand and NTD73,414 thousand, accounting for 50.13% and 65.09% of other net consolidated comprehensive income, respectively.

AGV Products Corporation had duly worked out the 2020 and 2019 parent company only financial report for which we have duly worked out a standard type Audit Report with unqualified (unreserved) opinion for reference.

Responsibilities of the Management and the Governance Unit with Governance for the Consolidated Financial Report

Management is responsible for preparing the appropriate consolidated financial report in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. Additionally, it is responsible for maintaining the internal control mechanism that is related to and necessary for the preparation of the consolidated financial report. As a result, it can ensure material misstatement due to fraud or error does not occur in the consolidated financial report.

In preparing the consolidated financial report, management is also responsible for assessing the ability of the AGV Group 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 AGV Group or cease operations, or there is a lack of any option except for liquidation or suspension.

The governance unit (including the audit committee) of AGV Group is responsible for supervising the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial reports 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 generally accepted auditing standards will always detect a material misstatement when it exists. Untruthful expressions might have been caused by fraud or errors. If individual values or an overview of untruthful expressions can be reasonably expected to affect economic decisions made by users of consolidated financial report, they are considered significant.

As part of an audit in accordance with generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. The CPAs also perform the following tasks:

I. Identify and assess the risk of material misstatement of the consolidated financial report due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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.

II. 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 internal control of AGV Group.

III. Evaluate the adequacy of accounting policies adopted by management and the legitimacy of accounting estimates and related disclosures made.

IV. 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 ability of AGV Group to continue as a going concern. In cases where we consider that events or circumstances have significant uncertainty in this regard, then relevant disclosure of the consolidated financial report shall be provided in the auditors' report to allow users of the consolidated financial report to be aware of such events or circumstances, or shall revise our opinion when such disclosure is considered inappropriate. 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 AGV Group to cease to continue as a going concern.

V. Evaluate the overall presentation, structure and content of the consolidated financial report (including relevant notes), and whether the consolidated financial report represents the underlying transactions and events in a manner that achieves fair presentation.

VI. Obtain sufficient and appropriate audit evidence on the financial information of individual companies within AGV Group in order to express an opinion on the consolidated financial report. Our responsibilities as auditors are to instruct, supervise and execute audits and form audit opinions on AGV Group.

Communications made by the CPAs with governance units include the planned scope and timing of inspection as well as significant inspection findings (including significant deficiencies found with internal control during inspection).

We also provide those in charge of governance with a statement that we have complied with the Code of Ethics for Professional Accountants regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, where applicable (including related protection measures).

The independent auditor has used communications with the governing unit as the basis to determine the key audit matters to be performed on the 2020 consolidated financial report of AGV Group. 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 communications.

Crowe (TW) CPAs
CPA: Shu-Man Tsai

CPA: Ching-Lin Li

Approval No.: Jin-Guan-Zheng-Shen-Zi No. 10200032833
March 23, 2021

AGV Products Corporation and its Subsidiaries
Consolidated Balance Sheet
December 31, 2020 and 2019

Unit: NTD thousand

Code	Assets	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Current assets				
1100	Cash and cash equivalent (Note 6(1))	$ 669,519	5	$ 614,057	5
1110	Financial assets at fair value through profit and loss – current (Notes 6 (2))	35,658	-	31,035	-
1150	Receivable notes, net (Note 6(3))	41,580	-	39,051	-
1160	Note receivables – the related party, net (Note 7)	19,394	-	32,333	-
1170	Accounts receivable, net (Note 6(4))	511,606	4	537,805	4
1180	Accounts receivable – the related party, net (Note 7)	19,339	-	12,557	-
1200	Other receivables (Note 6(5))	17,857	-	76,080	1
1210	Other accounts receivable – the related party (Note 7)	23,434	-	17,199	-
1220	Income tax assets in the current period	226	-	715	-
130x	Inventories (Note 6(6))	742,160	7	634,564	5
1410	Prepayments (Note 6(7))	124,997	1	106,875	1
1476	Other financial assets – current (Note 6(14))	30,278	-	71,000	1
1479	Other current assets – others	3,565	-	3,701	-
11xx	Total current assets	2,239,613	17	2,176,972	17
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 6(8))	1,156,453	9	1,113,441	9
1550	Investment under the equity method (Note 6(9))	3,837,867	29	3,453,582	28
1600	Property, plant and equipment (Note 6(10))	2,962,648	22	2,987,712	23
1755	Right-of-use assets (Note 6(11))	175,872	1	153,209	1
1760	Investment property, net (Note 6(12))	2,647,279	20	2,617,144	20
1780	Intangible assets (Note 6(13))	9,102	-	11,269	-
1840	Deferred income tax assets (Note 6(32))	257,215	2	321,033	2
1920	Refundable deposit	9,963	-	12,793	-
1980	Other financial assets – non-current (Note 6(14))	27,521	-	27,278	-
1990	Other non-current assets – others (Note 6(15))	17,326	-	21,553	-
15xx	Total non-current assets	11,101,246	83	10,719,014	83
1xxx	Total assets	$ 13,340,859	100	$ 12,895,986	100
	Liability and equity				
	Current liabilities				
2100	Short-term loans (Note 6(16))	$ 928,592	7	$ 1,230,228	10
2130	Contract liabilities – current	11,761	-	8,369	-
2150	Notes payable	79,565	1	68,302	1
2160	Notes receivable – the related party (Note 7)	12,210	-	7,108	-
2170	Accounts payable	92,523	1	87,497	1
2180	Accounts payable – the related party (Note 7)	617,882	5	541,198	4
2200	Other payable (Note 6(17))	578,272	4	419,230	3
2230	Current income tax liabilities	7,003	-	3,051	-
2250	Liability reserve – current (Note 6(18))	23,440	-	23,102	-
2280	Lease liabilities – current (Note 6(11))	16,036	-	11,335	-
2310	Collections	455	-	355	-
2320	Long-term liabilities due within a year or operating cycle (Note 6(20))	1,133,137	9	940,929	7
2399	Other current liabilities (Note 6(19))	5,076	-	5,344	-
21xx	Total current liabilities	3,505,952	27	3,346,048	26

(Continued)

Code	Liability and equity	December 31, 2020 Amount	%	December 31, 2019 Amount	%
	Non-current liabilities				
2540	Long-term loans (Note 6(20))	$ 2,694,544	20	$ 2,823,147	22
2570	Deferred income tax liabilities (Note 6(32))	141,458	1	154,236	1
2580	Lease liabilities – non-current (Note 6(11))	33,566	-	17,591	-
2640	Net defined benefit liabilities – non-current (Note 6(21))	99,068	1	104,524	1
2645	Guarantee deposits	7,797	-	11,174	-
25xx	Total non-current liabilities	2,976,433	22	3,110,672	24
2xxx	Total liabilities	6,482,385	49	6,456,720	50
	Equity				
	Equity attributable to parent company shareholders				
3100	Capital stock (Note 6(22))				
3110	Common stock	4,945,134	37	4,945,134	39
3200	Capital reserve (Note 6(23))	268,647	2	266,323	2
3300	Retained earnings (Note 6(24))				
3310	Legal reserve	43,485	-	38,680	-
3320	Special reserve	562,804	4	512,381	4
3350	Undistributed earnings	213,970	2	55,227	-
3400	Other equity (Note 6(25))	55,312	-	(136,823)	(1)
31xx	Total equity attributable to the parent company	6,089,352	45	5,680,922	44
36xx	Non-controlling equity (Note 6(26))	769,122	6	758,344	6
3xxx	Total equity	6,858,474	51	6,439,266	50
	Total liabilities and equity	$ 13,340,859	100	$ 12,895,986	100

(Please refer to the notes of the consolidated financial report)

Chairman: Kuan-Han Chen President: Chih-Chan Chen Head of Accounting: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Income Statement
January 1 to December 31, 2020 and 2019

Unit: NTD thousand

Code	Item	2020 Amount	2020 %	2019 Amount	2019 %
4000	Operating revenue (Note 6(27))	$ 4,614,486	100	$ 4,468,238	100
5000	Operating cost (Note 6(6))	(3,095,482)	(67)	(3,057,727)	(68)
5900	Gross profit (gross loss)	1,519,004	33	1,410,511	32
	Operating expenses				
6100	Selling expenses	(949,874)	(20)	(934,891)	(21)
6200	Management expenses	(311,920)	(7)	(306,090)	(7)
6300	Research and Development expenses	(41,890)	(1)	(42,452)	(1)
6450	Expected credit impairment losses (gains) (Note 6(4))	781	-	4,956	-
6000	Total operating expenses	(1,302,903)	(28)	(1,278,477)	(29)
6900	Operating profits (losses)	216,101	5	132,034	3
	Non-operating income and expenses				
7100	Interest revenue	586	-	806	-
7010	Other revenue (Note 6(29))	59,347	1	52,651	1
7020	Other profits and losses (Notes 6(30))	24,621	1	5,683	-
7050	Finance costs (Note 6(31))	(123,695)	(3)	(132,455)	(2)
7055	Expected credit impairment gains (losses)	(42,226)	(1)	(87,809)	(2)
7060	Share of profit or loss of affiliates and joint ventures under the equity method	175,576	4	99,181	2
7000	Total non-operating income and expense	94,209	2	(61,943)	(1)
7900	Net profit (loss) before tax	310,310	7	70,091	2
7950	Income tax benefit (expenses) (Note 6(32))	(60,916)	(1)	(4,758)	-
8200	Current net profit (loss)	249,394	6	65,333	2
	Other comprehensive income (Note 6(33))				
8310	Items not reclassified to profit or loss				
8311	Re-measurement of defined benefit plan	(7,674)	-	4,531	-
8316	Unrealized valuation profit or loss from equity instrument investments measured at fair value through other comprehensive income	40,604	1	71,076	2
8320	Share of other comprehensive income from affiliates and joint ventures under the equity method	157,301	3	85,260	2
8349	Income tax related to items not reclassified	1,535	-	(906)	-
8360	Items may be subsequently reclassified as profit or loss				
8361	Exchange difference in the financial statement translation of foreign operations	(11,991)	-	(43,976)	(1)
8367	Unrealized valuation profit or loss of debt financial assets measured at fair value through other comprehensive income	(850)	-	(500)	-
8370	Share of other comprehensive income from affiliates and joint ventures under the equity method	1,531	-	(5,673)	-
8399	Income tax related to items may be reclassified	980	-	2,976	-
8300	Other comprehensive income (net)	181,436	4	112,788	3
8500	Total comprehensive income in the current period	$ 430,830	10	$ 178,121	5
8600	Net profit(loss) attributable to:				
8610	Parent company owner (net profit/loss)	$ 232,904	6	$ 48,069	2
8620	Non-controlling equity (net profit/loss)	16,490	-	17,264	-
		$ 249,394	6	$ 65,333	2
8700	Total comprehensive income attributable to:				
8710	Parent company owner (comprehensive income)	$ 411,837	10	$ 154,436	4
8720	Non-controlling equity (comprehensive income)	18,993	-	23,685	1
		$ 430,830	10	$ 178,121	5
	Earnings per share				
9750	Basic EPS (Note 6(34))	$ 0.47		$ 0.10	
9850	Diluted EPS (Note 6(34))	$ 0.47		$ 0.10	

(Please refer to the notes of the consolidated financial report)

Chairman: Kuan-Han Chen　　President: Chih-Chan Chen　　Head of Accounting: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2020 and 2019

Unit:NTD thousand

	Equity attributable to parent company shareholders									
			Retained earnings			Other items of interest				
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	Total equity attributable to the parent company	Non-controlling equity	Total equities
Balance on January 1, 2019	$ 4,945,134	$ 259,233	$ 33,890	$ 386,865	$ 130,306	$ (32,028)	$ (193,033)	$ 5,530,367	$ 741,593	$ 6,271,960
Appropriation and distribution of earnings:										
Allocated legal reserve	-	-	4,790	-	(4,790)	-	-	-	-	-
Allocated special reserve	-	-	-	125,516	(125,516)	-	-	-	-	-
Changes of affiliates and joint ventures under the equity method	-	7,090	-	-	(9,969)	-	(1,002)	(3,881)	649	(3,232)
2019 net profit (loss)	-	-	-	-	48,069	-	-	48,069	17,264	65,333
2019 Other comprehensive income	-	-	-	-	1,445	(45,895)	150,817	106,367	6,421	112,788
2019 Total comprehensive income	-	-	-	-	49,514	(45,895)	150,817	154,436	23,685	178,121
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	(7,583)	(7,583)
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	15,682	-	(15,682)	-	-	-
Balance on December 31, 2019	4,945,134	266,323	38,680	512,381	55,227	(77,923)	(58,900)	5,680,922	758,344	6,439,266
Appropriation and distribution of earnings:										
Allocated legal reserve	-	-	4,805	-	(4,805)	-	-	-	-	-
Allocated special reserve	-	-	-	50,423	(50,423)	-	-	-	-	-
Changes of affiliates and joint ventures under the equity method	-	2,324	-	-	(5,731)	-	-	(3,407)	(2,132)	(5,539)
2020 net profit (loss)	-	-	-	-	232,904	-	-	232,904	16,490	249,394
2020 Other comprehensive income	-	-	-	-	(13,202)	(9,537)	201,672	178,933	2,503	181,436
2020 Total comprehensive income	-	-	-	-	219,702	(9,537)	201,672	411,837	18,993	430,830
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	(6,083)	(6,083)
Balance on December 31, 2020	$ 4,945,134	$ 268,647	$ 43,485	$ 562,804	$ 213,970	$ (87,460)	$ 142,772	$ 6,089,352	$ 769,122	$ 6,858,474

(Please refer to the notes of the consolidated financial report)

Chairman: Kuan-Han Chen | President: Chih-Chan Chen | Head of Accounting: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2020 and 2019

Unit: NTD thousand

Item	2020	2019
Cash flows from operating activities		
Current net profit (loss) before tax	$ 310,310	$ 70,091
Adjustments		
Income, expenses, and losses		
Depreciation expenses	131,039	136,150
Amortization expenses	4,074	5,438
Expected credit impairment losses (gains)	41,445	82,853
Net loss (gain) from financial assets and liabilities at fair value through profit or loss	(4,672)	(4,461)
Interest expenses	123,695	132,455
Interest revenue	(586)	(806)
Dividend revenue	(15,669)	(18,825)
Share of loss (profit) of affiliates and joint ventures under the equity method	(175,576)	(99,181)
Loss (gain) from disposal and scrap of property, plant and equipment	254	(115)
Property, plant, and equipment recognized as expenses	-	28
Loss (gain) from disposal of investment	-	(1,892)
Impairment loss of non-financial assets	8,805	-
Loss (gain) due to fair value adjustment in investment property	(30,135)	(35,264)
Other items	44	305
Total income/expense items	82,718	196,685
Changes of assets/liabilities related to operating activities		
Net changes in assets related to operating activities		
Increase (decrease) in financial assets compulsorily measured at fair values through profit or loss	-	(5,178)
Decrease (increase) in notes receivable	10,520	4,690
Decrease (increase) in accounts receivable	20,064	(17,276)
Decrease (increase) in other accounts receivable	18,374	(10,242)
Decrease (increase) of inventory	(107,596)	19,445
Decrease (increase) in prepayments	(18,129)	(14,350)
Decrease (increase) in other current assets	136	(280)
Total net changes in assets related to operating activities	(76,631)	(23,191)
Net changes in liabilities related to operations		
Increase (decrease) in contract liabilities	3,392	1,308
Increase (decrease) in notes payable	16,365	(17,491)
Increase (decrease) in accounts payable	81,710	(61,842)
Increase (decrease) in other payables	40,310	14,931
Increase (decrease) in liability reserve	338	3,367
Increase (decrease) in collections	100	(640)
Increase (decrease) in other current liabilities	(268)	351
Increase (decrease) in net defined benefit liabilities	(13,123)	(13,152)
Total net changes in liabilities related to operating activities	128,824	(73,168)
Total net changes in assets and liabilities related to operating activities	52,193	(96,359)
Total adjustments	134,911	100,326
Cash inflow (outflow) from operations	445,221	170,417
Interest received	586	806

(Continued)

(Brought forward)

Item	2020	2019
Stock dividend received	$ 53,704	$ 60,560
Returned (paid) income tax	(2,722)	(6,620)
Net cash inflow (outflow) from operating activities	496,789	225,163
Cash flows from investment activities		
Acquisition of financial assets measured at fair value through other comprehensive income	(3,800)	(54,001)
Disposal of financial assets measured at fair value through other comprehensive income	-	72,793
Acquisition of investment under the equity method	(15,000)	(15,755)
Disposal of investments under the equity method	-	10,000
Refunds from decapitalization of the invested company under the equity method	-	6,470
Acquisition of property, plant and equipment	(50,208)	(53,427)
Disposal of property, plant and equipment	179	5,777
Increase in refundable deposit	-	(4,868)
Decrease in refundable deposit	2,830	-
Other accounts receivable – decrease of the related party	-	15,665
Acquisition of intangible assets	(1,636)	(272)
Increase in other financial assets	-	(19,297)
Decrease in other financial assets	40,479	-
Increase in other non-current assets	-	(1,013)
Decrease in other non-current assets	4,227	-
Net cash inflow (outflow) from investment activities	(22,929)	(37,928)
Cash flow from financing activities		
Decrease in short-term loans	(301,636)	(91,433)
Proceeds from long-term loans	1,000,000	2,148,000
Repayment of long-term loans	(934,661)	(1,866,621)
Increase in guarantee deposits	-	3,535
Decrease in guarantee deposits	(3,377)	-
Decrease in other payables	(1,200)	(588)
Lease principle repayment	(11,430)	(11,981)
Interest paid	(124,524)	(135,727)
Changes in non-controlling equity	(6,083)	(7,583)
Net cash inflow (outflow) from financing activities	(382,911)	37,602
Impact of change in exchange rate upon cash & cash equivalents	(35,487)	4,178
Increase (decrease) in cash and cash equivalents in the current period	55,462	229,015
Balance of cash and cash equivalents, beginning	614,057	385,042
Balance of cash and cash equivalents, ending	$ 669,519	$ 614,057

(Please refer to the notes of the consolidated financial report)

Chairman: Kuan-Han Chen   President: Chih-Chan Chen   Head of Accounting: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Notes on Consolidated Financial Report
January 1 to December 31, 2020 and 2019
(Unless otherwise specified, all amounts are in the unit of NTD thousand)

I. Company History

(I) Formerly known as Global Industrial Co. Ltd., AGV Products Corporation (hereinafter referred to as the "Company"), was established on June, 1971 and was officially renamed AGV Products Corporation on September, 1983. The Company mainly engaged in the manufacturing, processing, and sales of canned foods, such as drinks, beans, mushrooms, bamboo shoots and pickles as well as the rental and sales of public housing and commercial buildings built by construction contractors. For the main operating activities of the Company and its subsidiaries (hereinafter referred to as the Group), please refer to Note 4(3)2. Besides, the Company does not have a ultimate parent company.

(II) The consolidated financial report is expressed in New Taiwan Dollars, the functional currency adopted by the Group.

II. Approval Date and Procedures of the Financial Report

The consolidated financial report was released after being approved by the board of directors on March 23, 2021.

III. New Standards, Amendments, and Interpretations Adopted

(I) Effect of adopting the amended Regulations Governing the Preparation of Financial Report by Securities Issuers, newly promulgated IFRS, IAS, IFRIC, and SIC (hereinafter referred to as the "IFRSs") endorsed by the Financial Supervisory Commission (hereinafter referred to as the "FSC"):

The following table lists the applicable newly promulgated, amended and revised standards and interpretations of IFRS endorsed by the FSC in 2020.

New, Amended, or Revised Standards and Interpretations	Effective Date promulgated by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020
Amendments to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020 (Note)

(Note) The FSC approved that the enterprise can apply this amendment earlier in January 1, 2020.

The Group evaluated that the above standards and interpretations applicable have no significant impact on the financial status and business results of the Group.

(II) Effect of not adopting the newly promulgated or revised IFRS, IAS, IFRIC, and SIC endorsed by the FSC:

The following table lists the applicable newly promulgated, amended and revised standards and interpretations of IFRS endorsed by the FSC in 2021.

New, Amended, or Revised Standards and Interpretations	Effective Date promulgated by IASB
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	June 25, 2020 (effective since the promulgation date)
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform – Phase 2"	January 1, 2021 (Note)

(Note) The amendment is applicable to the reporting period starting from January 1, 2021.

The Group evaluated that the above standards and interpretations applicable have no significant impact on the financial status and business results of the Group.

(III) Impacts of IFRS issued by IASB but not yet approved by FSC:

The following table lists the newly promulgated, amended, and revised standards and interpretations of IFRS issued by IASB but not yet approved by FSC:

New, Amended, or Revised Standards and Interpretations	Effective date promulgated 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	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"	January 1, 2022 (Note 2)
Amendments to IAS 37 "Onerous Contracts – Cost of Fulfilling a Contract"	January 1, 2022 (Note 3)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 4)
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note 5)
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023

(Note 1) Unless otherwise specified, said newly promulgated/amended/revised standards and interpretations take effect during the annual reporting period starting after such date.

(Note 2) For amended content which shall be retroactively applied by the enterprise, those shall only apply to the property, plant and equipment meeting necessary location and status with expected operation method of management after the start date of the earliest period (January 1, 2021) expressed in the financial statements that first adopted such amended content by the enterprise.

(Note 3) Such amendment is applicable to contracts not performing all obligations as of January 1, 2022.

(Note 4) Such amendment is applicable to business merger with date of acquisition in the annual reporting period starting after January 1, 2022.

(Note 5) Amendments to IFRS 9 are applicable to the exchange or clause modification of financial liabilities occurred during the annual reporting period starting January 1, 2022; amendments to IAS 41 are applicable to the fair value measurement during the annual reporting period starting January 1, 2022; amendments to IFRS 1 are retroactively applicable to the annual reporting period starting January 1, 2022.

1. Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"

   When the amendment is used to clarify and judge whether to classify the liability as non-current, it shall evaluate whether the Group has the rights to extend the settlement period for at least 12 months after the reporting period on the date of the end of the reporting period. If the Group has these rights on the date of the end of the reporting period, the liability shall be classified as non-current, no matter whether the Group is expected to exercise the rights. If the Group will comply with certain conditions to have the right to defer the liability settlement, the Group must comply with certain conditions on the date of the end of the reporting period, even if the accommodator tests whether the Group complies with such conditions later than the date of the end of the reporting period. For the purpose of liability classification, said settlement refers to the transferring of cash, other economic resource or the Group's equity instrument to the counterparty to offset liabilities. However, if the liabilities have terms that give counterparties the option to be repaid in the form of transferring the Group's equity instruments, and if such option is recognized into equity independently based on IAS 32 "Financial Statements: Presentation," the classification of liabilities is not affected.

2. Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

   The amendment specifies that the generated item with sales proceeds enabling the property, plant and equipment to meet necessary location and status with the expected operation method of management shall not be the cost deduction of such asset. The generated item shall be measured by IAS 2 "Inventories" and the sales proceeds and costs shall be recognized as profit or loss based on applicable standards.

   The amendment is applicable to the property, plant and equipment meeting necessary location and status with expected operation method of management after January 1, 2021 (the start date of the earliest presentation period). When first applying the amendment, the Group will recognize the accumulated effects that first applied that amendment as the adjustment to the beginning balance of retained earnings (or other composition of equity, where appropriate) from the start date of the earliest presentation period and restate the information during the comparative periods.

3. Amendments to IAS 37 "Onerous Contracts – Cost of Fulfilling a Contract"

   The amendment specifies that when assessing the onerousness of the contract, the "cost of fulfilling a contract" shall include the additional cost of contract fulfillment (e.g. direct labor and materials) and the amortization of other costs directly related to contract fulfilling (e.g. depreciation expense amortization of property, plant and equipment used for contract fulfilling).

   When first applying the amendment, the Group will recognize the accumulated effects as retained earnings on the date of the initial application.

4. Amendments to IFRS 3 "Reference to the Conceptual Framework"

   The amendment updated the index of the conceptual framework and added the provision that the acquiree shall apply IFRIC 21 "Levies" to determine whether the date of acquisition has obligation items that generate a liability to pay levies.

5. Annual Improvements to IFRS Standards 2018–2020

   The annual improvements to IFRS Standards 2018–2020 include the amendment to several standards. The amendment to IFRS 9 clarifies whether there is significant difference when assessing the exchange or clause modification of financial liabilities. When comparing whether there exists a 10% difference in the discounted cash flow value of the new and old contractual terms (including net amount of payment due to new contract signing or contract modification), said payment shall only include the payment made between the borrower and the lender.

6. Amendments to IAS 1 "Disclosure of Accounting Policies"

   The amendment improved the disclosure of accounting policies to provide more effective information for main users of financial statements.

7. Amendments to IAS 8 "Definition of Accounting Estimates"

   The amendment defined the accounting estimates as the currency amount of financial statements subject to uncertainty measurements and provided further description and examples to assist the enterprise in identifying changes in accounting policies and accounting estimates.

As of the announcement date of the consolidated financial report, the Group continues to assess the impact of the aforementioned standards and interpretations on the financial status and financial performance of the Group, and relevant impacts will be disclosed after the completion of the assessment.

IV. Summary of Significant Accounting Policies

The significant accounting policies adopted by the consolidated financial report is as follows. Unless otherwise provided, the policies are applicable to all the reporting periods.

(I) Compliance Statement

The consolidated financial report were prepared in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC and SIC (hereinafter referred to as the "IFRSs") endorsed by FSC.

(II) Basis of preparation

1. Except the following important items, the consolidated financial report has been duly prepared on the basis of historical costs:
   (1) The financial assets and liabilities (including derivatives) measured at fair value through profit or loss which are measured at fair value.
   (2) Financial assets measured at fair value through other comprehensive income which are measured at fair value.
   (3) Defined benefit liabilities recognized based on the net pension fund assets deducting the present value of defined benefit obligations.
2. The preparation of consolidated financial report that complies with IFRSs endorsed by FSC requires some important accounting estimates. The application of the Group's accounting policy also requires management to use their judgment during the process. For items involving high judgment or complexity or items involving important estimates and assumptions of the companies included consolidated financial report, please refer to the description in Note 5.

(III) Basis of consolidation

1. Principle for preparation of consolidated financial report:
   (1) The Group included all of the subsidiaries into the consolidated financial report. Subsidiaries refer to the entities controlled by the Group (including structured entities). When the Group is exposed to the changes of remuneration participated in by the entities or is entitled to changes of remuneration, and is able to influence said remuneration by virtue of its power over the entities, the Group is held as controlling the entities. The subsidiaries are included into the consolidated financial statements on the date when the Group acquires the controlling power, and the consolidation shall be suspended as of the date when the Group forfeits the controlling power.
   (2) Unrealized gains and losses on transactions between the Group and subsidiaries were written off. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
   (3) Elements of the profit of loss and other comprehensive income shall be attributed to the owner of parent company and non-controlling equity. The total comprehensive income shall be attributed to the owner of parent company and non-controlling equity, even if the non-controlling equity suffers loss.
   (4) When the change in the shareholdings on a subsidiary does not result in a loss of control (and transactions with non-controlling equity), it should be treated as an equity transaction with the shareholders. The price difference between the adjustment value of non-controlling equity and fair value of paid or collected considerations shall be stated into equity directly.
   (5) When the Group forfeits control over its subsidiaries, its residual investment in its subsidiaries shall be re-measured based on fair value, and identified as the fair value of financial assets recognized initially or cost of the investment in affiliates or joint ventures recognized initially, as the price difference between the fair value and book value. Where the accounting treatment for all amounts related to the subsidiary as recognized in other comprehensive income

previously is identical with the basis for the Group's direct disposition of related assets or liabilities, namely, when the related assets or liabilities are disposed of, the profit or loss recognized in other comprehensive income previously will be reclassified as profit or loss. When the Group loses control over the subsidiary, such profit or loss shall be reclassified into income from equity.

2. The subsidiaries included in the consolidated financial report are as follows:

Invested company/subsidiaries	Principal business	Shareholding or capital contribution ratio	
		December 31, 2020	December 31, 2019
(1) AGV Products Corporation (hereinafter referred to as the "Company")			
Apoland Resource International (BVI) Corp.	Re-investment business	100.00%	100.00%
Defender Private Security Inc.	Security business	100.00%	100.00%
Aco Distribution Corp.	Proprietary business	100.00%	100.00%
Sasaya Vitagreen Co., Ltd.	Proprietary business	100.00%	100.00%

Invested company/subsidiaries	Principal business	Shareholding or capital contribution ratio	
		December 31, 2020	December 31, 2019
Sontenkan Resort Development Co., Ltd.	Leisure and recreation business	100.00%	100.00%
AGV International (BVI) Limited	Re-investment business	100.00%	100.00%
Alpha International Developments Limited	Re-investment business	100.00%	100.00%
Koya Biotech Corp. (original Koya Agriculture Biotech Corp.)	Gardening	87.90%	93.12%
Hope Choice Distribution Corp.	Proprietary business	100.00%	100.00%
Mascot International (BVI) Corporation	Re-investment business	96.91%	96.91%
Apoland Development (Singapore) Pte Ltd.	Re-investment business	93.08%	92.88%
Hopeland Distribution Corp.	Proprietary business	81.00%	81.00%
Yunlin Dairy Technology Corp.	Dairy manufacturing	75.83%	75.83%
AGV Biohealthy Food Limited	Re-investment business	29.75%	29.75%
Aiken Biotechnology International Co., Ltd.	Biotechnology service	53.77%	53.77%
AGV First Biotech Food (BVI) Limited.	Re-investment business	100.00%	100.00%
(2) Apoland Resource International (BVI) Corp.			

	AGV & NICE (USA)	Marketing business	57.14%	57.14%
	Mascot International (BVI) Corporation	Re-investment business	3.09%	3.09%
	Apoland Development (Singapore) Pte Ltd.	Re-investment business	2.26%	2.33%
(3)	Apoland Development (Singapore) Pte Ltd.			
	Shanghai AGV Foods Co., Ltd.	Food	100.00%	100.00%
(4)	Mascot International (BVI) Corporation			
	Asia Pacific Product Development Co.	Planting, processing and export of vegetables	95.27%	95.27%
	Apoland Development (Singapore) Pte Ltd.	Re-investment business	4.66%	4.79%
(5)	Defender Private Security Inc.			
	Yunlin Dairy Technology Corp.	Dairy manufacturing	0.70%	0.70%
(6)	Koya Biotech Corp. (original Koya Agriculture Biotech Corp.)			
	Yunlin Dairy Technology Corp.	Dairy manufacturing	1.04%	1.04%
(7)	Alpha International Developments Limited			
	Xiamen Aijian Traders Co., Ltd.	Food	84.92%	84.92%
(8)	AGV First Biotech Food (BVI) Limited.			
	Shandong AGV Food Technology Co., Ltd.	Food	100.00%	100.00%
(9)	Aiken Biotechnology International Co., Ltd.			
	Rosahill Leisure Industry Co., Ltd.	Proprietary business	70.00%	70.00%
	AGV Biohealthy Food Limited	Re-investment business	30.38%	30.38%
(10)	Asia Pacific Product Development Co.			
	Xingrong Limited	Gardening	100.00%	100.00%

A. Increase or decrease of merged subsidiaries: None.

B. Subsidiaries not included into the consolidated financial report: None.

C. Different adjustment and treatment by subsidiaries in the accounting period: None.

D. Important restrictions:
Cash and bank deposit of NTD20,496 thousand saved in China is subject to the local foreign exchange control. The foreign exchange control restricts the outward remitting of fund to regions beyond the border of China (except via normal dividends).

E. Subsidiaries holding securities issued by the parent company: None.

F. Information on subsidiaries with important non-controlling equity:

Name of subsidiary	Shareholding ratio	December 31, 2020 Non-controlling equity	December 31, 2020 Profit or loss distributed to non-controlling equity
AGV First Biotech Food (BVI) Limited. and its subsidiaries	(Note)	$ 552,289	$ -
Others		216,833	16,490
Total		$ 769,122	$ 16,490

Name of subsidiary	Shareholding ratio	December 31, 2019 Non-controlling equity	December 31, 2019 Profit or loss distributed to non-controlling equity
AGV First Biotech Food (BVI) Limited. and its subsidiaries	(Note)	$ 552,242	$ -
Others		206,102	17,264
Total		$ 758,344	$ 17,264

Note: This does not belong to the preferred share equity of AGV First Biotech Food (BVI) Limited. held by the Group.

(2) For information on the subsidiaries' main business place and country in which the company registered, please refer to Table 8 and Table 9 in Note 13.

(3) The summarized financial information is as follows:

A. Balance sheet:

Item	AGV First Biotech Food (BVI) Limited. and its subsidiaries December 31, 2020	December 31, 2019
Current assets	$ 25,904	$ 25,336
Non-current assets	796,532	760,137
Current liabilities	134,904	96,503
Non-current liabilities	-	859
Equity	$ 687,532	$ 688,111

B. Statement of comprehensive income:

	AGV First Biotech Food (BVI) Limited. and its subsidiaries 2020	2019
Revenue	$ -	$ -
Current net profit	$ (27,901)	$ (38,934)
Other comprehensive income (net income after tax)	11,054	(28,877)
Total comprehensive income in the current period	$ (16,847)	$ (67,811)
Net profit attributable to non-controlling interests	$ -	$ -
Comprehensive income attributable to non-controlling Interests	$ -	$ -

	2020	2019
Dividend paid for non-controlling equity	$ -	$ -

C. Cash flow statement:

	AGV First Biotech Food (BVI) Limited. and its subsidiaries	
	2020	2019
Net cash inflow (outflow) from operating activities	$ (14,815)	$ (11,494)
Net cash inflow (outflow) from investment activities	(2,514)	386
Net cash inflow (outflow) from financing activities	15,409	7,020
Exchange rate effect	(880)	3,091
Increase (decrease) in cash and cash equivalents in the current period	$ (2,800)	$ (997)
Balance of cash and cash equivalents, beginning	5,189	6,186
Balance of cash and cash equivalents, ending	$ 2,389	$ 5,189

(IV) Foreign currency translation

1. The item listed in the financial statements of the Group's entities shall be measured by the currency (i.e. functional currency) applicable in the main economic environment in which its business is situated. The consolidated financial report is expressed in "New Taiwan Dollars," the functional currency adopted by the Company.
2. When the respective entities prepared for the standalone financial report, the transactions conducted in currencies other than the entities' functional currencies (foreign currencies) were converted based on the exchange rates quoted on the date of transactions. The monetary items in foreign currencies converted again at the spot exchange rate closed at the end date of the reporting period. The exchange differences are recognized in the current profit or loss. The non-monetary items in foreign currency measured at fair value were converted at the exchange rates quoted on the date on which the fair value was determined while the exchange differences generated were recognized in the current profit or loss. However, when the change in fair value was recognized in other comprehensive income, the exchange difference so incurred was recognized in other comprehensive income. The non-monetary items measured at historical costs were converted based on the exchange rate quoted on the date of transaction and were not converted anew.
3. Upon preparation of the consolidated financial report, the assets and liabilities of the foreign operating institutions were converted to NTD based on the spot exchange rate closed at the end of reporting period; the income and expenses were converted based on the average exchange rates while the resulted exchange differences were recognized under other comprehensive income and accumulated in the exchange difference in the financial statement translation of foreign operations under equity (and properly distributed to non-controlling equity).

(V) Standards in differentiating current and non-current assets and liabilities

1. Assets that match any of the following conditions shall be classified as current assets:
   (1) Assets expected to be realized, intended to be sold or consumed over normal operating cycles.
   (2) Primarily for trading purposes.

(3) Assets expected to be realized within 12 months after the balance sheet date.
(4) Cash or cash equivalents, except those that are intended to be swapped or settled against debt in more than 12 months after the balance sheet date, and those with restricted uses.

The Group listed all assets that did not comply with the following conditions as non-current.

2. Liabilities that match any of the following conditions shall be classified as current liabilities:
(1) Liabilities expected to be settled in normal operating cycles.
(2) Primarily for trading purposes.
(3) Liabilities expected to be settled within 12 months after the balance sheet date. (it is classified as current liability, even if it is later refinanced or rearranged into long-term liabilities at any time between the balance sheet date and approval and announcement date of the financial report).
(4) Liabilities with due date that cannot be unconditionally extended to more than 12 months after the balance sheet date. Liabilities under the terms that give counterparties the option to repay in the form of equity instruments without an effect on their classification due to such terms.

The Group listed all liabilities that did not comply with the following conditions as non-current.

(VI) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term investments (including time deposits with initial maturity dates within three months) with high liquidity that are readily convertible to specified amounts of cash with insignificant risk of changes in value.

(VII) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of such financial instruments.

The financial assets and liabilities are measured at fair value upon initial recognition. Upon initial recognition, the transaction costs which can be directly attributable to the acquired or issued financial assets or liabilities (excluding the financial assets and liabilities measured at fair value through profit or loss) shall be added or deducted from the financial assets or liabilities at fair value. The transaction costs which can be directly attributed to the financial assets or liabilities measured at fair value are immediately recognized as profit or loss.

1. Financial assets
(1) Measurement category

On a regular purchase or sale basis, financial assets were recognized using the trade date accounting.

The category of financial assets held by the Group are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, debt instrument investments measured at fair value through other comprehensive income and equity instrument investments measured at fair value through other comprehensive income.

A. Financial assets measured at fair value through profit or loss

The financial assets measured at fair value through profit or loss include financial assets measured compulsorily at fair value through profit or loss and designated to be measured at fair value through profit or loss. Financial assets measured compulsorily at fair value through profit or loss include the Group’s unspecified equity instrument investments measured at fair value through other comprehensive income and those not meeting the classification of debt instrument investment measured at amortized cost or fair value through other comprehensive income.

The Group will specify the financial assets to be measured at fair value through profit or loss upon initial recognition if they meet any of the following conditions:

(a) The financial asset is a mixed (combined) contract; or

(b) The financial asset cannot be eliminated or the significant minimizing measurement or recognition is different; or

The financial asset is an investment managed by basis of fair value as well as its performance evaluation based on written risk management or investment strategy.

The financial assets measured at fair value through profit or loss are measured at fair value and the generated dividend and interest are recognized as other revenue and interest revenue, respectively. Also, the profit or loss generated from re-measurement is recognized as other profit or loss. Please refer to Note 12(3) for the determination of fair value.

B. Financial assets measured at amortized cost

Shall the financial assets invested by the Group meet the following two conditions at the same time, they are classified as financial assets measured at amortized cost:

(a) Being held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After the initial recognition, the financial assets measured at amortized cost are measured at the amortized cost after the total book amount decided by the effective interest method less any impairment loss. Any exchange gain or loss in foreign currency is recognized as income.

Except in the following two circumstances, the interest revenue is calculated at the effective interest rate multiplying by the total book amount of the financial assets:

(c) For purchased or originated credit-impaired financial assets, the interest revenue is calculated at the effective interest rate multiplying by the amortized cost of the financial assets upon credit adjustment.

(d) For those assets other than purchased or originated credit-impaired financial assets, which, however, became the purchased or originated credit-impaired financial assets subsequently, the interest revenue is calculated at the effective interest rate multiplying by their amortized cost.

C. Debt instrument investments measured at fair value through other comprehensive income

Shall the debt instrument investment of the Group meet the following two conditions at the same time, they are classified as financial assets measured at fair value through other comprehensive income:

(a) Being held within a business model in which the objective is achieve via collection of contractual cash flow and sale of financial assets; and

(b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The debt financial assets measured at fair value through other comprehensive income is measured at fair value. The interest revenue, exchange gain or loss and impairment loss or reversal gain by the effective interest method in changes of book value is recognized as profit or loss while other changes are recognized as other comprehensive income and reclassified as profit or loss upon the investment disposition.

D. Equity instrument investments measured at fair value through other comprehensive income

The Group may, at initial recognition, irrevocably make a choice to measure the equity instrument investment held not for transaction and not recognized or having consideration by the merger acquiree at fair value through other comprehensive income.

Equity instrument investments measured at fair value through other comprehensive income are measured at fair value and the subsequent fair value changes are recognized as other comprehensive income and accumulated in other equity. During the disposal of investments, the profit or loss accumulated in other equity is directly transferred to the retained earnings without being reclassified as profit or loss.

The dividend of equity instrument investments measured at fair value through other comprehensive income is immediately recognized upon the confirmation of the consolidated company's right of receiving, excluding dividend representing obvious recovery of partial investment cost.

(2) Impairment of financial assets

A. On each balance sheet date, the Group evaluates the financial assets (including the accounts receivable) measured at amortized cost and the impairment loss of rentals receivable based on the expected credit loss.

B. The allowance of losses on accounts receivable and rentals receivable are all recognized based on the lifetime expected credit loss. For other debt instrument investments, the credit risk is evaluated for whether there are any significant increases after the initial recognition. If not, the allowance loss is recognized based on the expected credit losses of 12 months; if there are any significant increases, the allowance loss is recognized based on the lifetime expected credit losses.

C. Expected credit losses is the weighted average credit losses adopting the occurrence of a default risk as the weight. 12-month expected credit losses are expected credit losses that result from those default events on financial instruments that are possible within 12 months after the reporting date. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the life of the financial instruments.

D. The book amount of all impairment losses on financial assets are reduced via the allowance account. However, the loss allowance of debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income without reducing its book value.

(3) Derecognition of financial assets

The Group will derecognize financial assets when meeting one of the following conditions:

A. The interests on a contract for financial assets-based cash flow ceased to be effective.

B. The interests on a contract for collecting financial assets-based cash flow are transferred and almost all risks and returns of all ownership over the financial assets are transferred.

C. All risks and returns of all ownership over the financial assets are not transferred or retained and the control of financial assets is not retained.

Where the entire financial asset measured at amortized cost is derecognized, the difference between the book amount and collected consideration is recognized as profit or loss. Where the entire debt instrument investment measured at fair value through other comprehensive income is derecognized, the difference between the book amount and collected considerations plus any accumulated profit or loss recognized as other comprehensive income is recognized as profit or loss. Where the entire equity instrument investment measured at fair value through other comprehensive income is derecognized, the accumulated profit or loss is directly transferred to the retained earnings without being reclassified as profit or loss.

2. Equity instruments

The obligation and equity instruments issued by the Company are classified into financial liabilities or equities according to definitions of financial liabilities and equity instruments referred to in an agreement.

Equity instruments are the contracts commending the enterprise's residual equity of assets net of liabilities. The equity instruments issued by the Group should be recognized based on the payment of acquisition less the direct issuing cost.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities that are not held for the purpose of sale and are not designated to be measured at fair value through profit or loss are measured at amortized cost on the closing date of the subsequent accounting period.

(2) Derecognition of financial liabilities

The Group will derecognize financial liabilities when the obligation is rescinded, discharged, or expired. During the derecognition of a financial liability, the difference between the book amount of the financial liability and the total consideration amount paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized as profit or loss.

(VIII) Inventory

Inventories are measured at the lower of cost or net realizable value adopting the perpetual inventory system while the cost is determined by weighted average method. The cost of finished products and goods in process includes material, direct labor, other direct costs and manufacturing expenses related to production (amortized based on normal productivity) without loan cost. The item-by-item comparison method is adopted when comparing the cost or net realizable value, whichever is lower. Net realizable value is the balance of the estimated selling price deducting the estimated cost needed to complete the work and related variable selling expenses.

(IX) Investment/affiliates under the equity method

1. The affiliates refer to an entity upon which the Group has significant impact without any control and often holds more than 20% of voting shares directly or indirectly. The investment of the Group in affiliates adopts the equity method and is recognized based on cost upon acquisition.

2. The shares of profit or loss acquired from affiliates by the Group were recognized as current profit or loss and shares of other comprehensive income were recognized as

other comprehensive income. In the event that the Group's shares of loss in an affiliate equal or exceed its equity in the affiliate (including any unsecured accounts receivable), the Group will recognize extra losses only in the event of legal obligations, presumed obligations or payment made by the Group on behalf of the affiliate.

3. The unrealized profit or loss generated from the transactions between the Group and affiliates were written off based on the Group's equity ratio of the affiliates; the unrealized loss was written off unless the evidence displayed the impairment of transferred assets in such transaction. The accounting policies of the affiliates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
4. When the Group forfeits control over the affiliates, its residual investment in the affiliates shall be re-measured based on fair value. The price difference between the fair value and book value is stated into current income.
5. In case the Group loses its significant impact on an affiliate upon the disposal of the affiliate, the accounting treatment for all amounts related to the affiliate as previously recognized in other comprehensive income is identical with the basis for the Group's direct disposition of related assets or liabilities, namely, when the related assets or liabilities are disposed of, the profit or loss previously recognized in other comprehensive income will be reclassified as profit or loss. When the Group losses control over the affiliate, such profit or loss shall be reclassified as income from equity. Provided that, where it still has material influence over the affiliated companies, the amount previously recognized in other comprehensive income is transferred according the method stated above based on proportion.
6. Where the Group forfeits its material influence over an affiliate when the Group disposes of the affiliate, the capital surplus related to the affiliate will be stated as income, provided that where it still has material influence over the affiliate, the capital surplus shall be stated as income based on the proportion of disposition.

(X) Property, plant and equipment

1. Property, plant and equipment is accounted based on the acquisition cost and the relevant interest is capitalized during the purchase and construction period.
2. The subsequent cost is included in the book value of assets or recognized as single asset only when future economic benefits related to such an item will result in probable inflow to the Group and the cost of such item can be measured reliably. The book value of the replaced part shall be derecognized. All other maintenance expenses are recognized as current profit or loss upon occurring.
3. No depreciation of land is required. Other property, plants, and equipment adopts the cost model and the depreciation is calculated based on the estimated useful years under the straight-line method. The Group reviews the residual value, estimated useful years and depreciation method of each asset at the end of each fiscal year. If the expected values of the residual value and useful years are different from the previous estimate or the expected consumption pattern used in future economic benefits of such asset has significant changes, it is conducted based on the changes in accounting estimate specified in IFRS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" since the date of the change. The useful years of each asset are as follows:

Houses and buildings	3 to 60 years
Machinery and equipment	3 to 32 years
Other equipment	2 to 36 years

4. The property, plant and equipment is derecognized upon disposition or expectation that future economic benefits cannot be generated due to usage or disposal of the property, plant and equipment. The amount of profit or loss generated from the derecognition of the property, plant, and equipment refers to the difference between the disposal proceeds and the book amount of the asset and is recognized in current profit or loss.

(XI) Lease

The Group assess whether the contract contains a lease upon on the formation date of the contract. If the contract includes a lease component and one or various additional lease or non-lease components, the Group uses the relative single price of each lease component and aggregated single price of non-lease components as the basis to allocate the consideration of the contract to individual lease components.

1. The Group was the Lessee

For all other leases of the Group, the right-of-use assets and lease liabilities are recognized from the starting date of leases, except the leases of low-value underlying assets and short-term leases are recognized as expenses on the straight-line basis.

Right-of-use assets

The right-of-use assets are originally measured at cost (including the original measured amount of lease liability, the lease payment paid before the lease starts deducing received lease incentives, original direct cost and the estimated costs for the restoration of the underlying assets); subsequently, they are measured at cost deducting the accumulated depreciation and accumulated impairment loss while the re-measurement of the lease liabilities is also adjusted.

The right-of-use assets on the straight-line basis provide depreciation from the start date of lease up to the expiration of useful years or when the lease period expires, the earlier prevailing. However, the depreciation is made from the start date of lease to expiration of useful years if the ownership of the underlying asset can be acquired upon the expiry date of the lease or the cost of right-of-use asset reflects the exercise of purchase options.

Lease liabilities

Lease liabilities are measured based on the present value of the lease payment (including the fixed payment, substantive fixed payment and variable lease payments depending on the index or rate). If the implied interest rate of a lease is easy to confirm, the rate is applied to discount the lease payment. If the rate is not easy to confirm, the lessee incremental loan interest rate will be applied.

Subsequently, the lease liabilities are measured at the amortized cost under the effective interest method, and interest expenses are allocated during the lease periods. If there is any change in lease period, assessment relating the purchase options of underlying assets, residual guarantee amount of the expected payment or the indices or fares determining the lease payments will result in changes of future lease payment, the Group re-measures the lease liabilities, and relatively adjusts the right-of-use assets; provided the book value of the right-of-use asset has decreased to zero, the remaining re-measured amount is recognized in the income/loss. The lease liabilities are recognized in the balance sheet by line item.

2. The Group was the Lessor

Upon the sublease of right-of-use assets, the Group adopts the use-of-right assets (instead of underlying assets) to determine the sublease classification. However, if the main lease is applicable to the Group’s waived short-term lease, such sublease is classified as operating lease.

In case the lease transfers most risks and returns attached to the underlying assets, it is classified as a finance lease; otherwise it is classified as an operating lease.

The lease payments under finance lease include the fixed payment, substantive fixed payment, variable lease payments depending on the index or rate, guaranteed residual value, exercise price when exercising the purchase termination options and penalty due to lease termination reflected in the lease period deducting received lease incentives payable. The net lease investment is based on the total present value of lease payment receivable and unsecured residual value and is expressed as finance lease receivable. The Group amortizes the finance income in the lease period adopting systematic and reasonable basis to reflect the fixed rate of return of unexpired net lease investment received by the Group during each period.

Under the operating lease, the lease payment less the lease incentives is recognized as lease income based on the straight-line method. The original direct cost generated from acquisition of the operating lease is the book amount added to the underlying asset and is recognized as expense during the duration of leasehold on the recognition basis which is the same as the lease income.

(XII) Investment property

The investment property is the property held to earn lease payment or capital increment or for both purposes (including property under construction due to such purpose). The investment property also includes lands held without deciding any future purposes yet.

The investment property is initially measured at cost (including transaction cost). Besides a few investment properties unable to be measured at cost because the fair value cannot be determined reliably resulting from the parameters under the income approach or under the land development approach cannot be acquired reliably, the profit or loss generated from changes in fair value is subsequently recognized in current profit or loss by the fair value model.

The investment property is reclassified as property, plant and equipment based on the fair value on the start date of private use.

When the property of property, plant and equipment is reclassified as investment property on the end date of private use, the difference in the original book value and fair value is recognized in other comprehensive income.

The amount of profit or loss generated from the disposal of investment property refers to the difference between the disposal proceeds and the book amount of the asset and is recognized in the profit or loss.

(XIII) Intangible assets

Intangible assets with limited useful life individually acquired are measured at cost less accumulated amortization and impairment. The amount of amortization is calculated based on the following useful years under a straight-line method: the cost of computer software is 2 to 10 years. The patent and trademark is based on the economic benefits or contract term. The estimated useful life and amortization method is reviewed at the end of the reporting period and any impact of changes in estimates is deferred.

Intangible assets are derecognized upon the disposal or expectation of those unable to generate future economic benefits due to usage or disposal. The amount of profit or loss generated from the derecognition of intangible assets refers to the difference between the disposal proceeds and the book amount of the asset and is recognized in the profit or loss.

Intangible assets are derecognized upon the disposal or expectation of those unable to generate future economic benefits due to usage or disposal. The amount of profit or loss generated from the derecognition of intangible assets refers to the difference between the disposal proceeds and the book amount of the asset and is recognized in the profit or loss.

(XIV) Impairment of non-financial assets

The Group will estimate the recoverable amount of the assets which show signs of impairment on the balance sheet date, and impairment loss will be recognized if the recoverable amount is lower than the book value. The recoverable amount is the fair value of an asset less the selling cost or the use value, whichever is higher. If the impairment loss of assets recognized in previous years no longer existed, it is reversed within the scope of loss amount recognized in the previous year.

(XV) Liability reserve

The liability reserve is recognized when the Company has a present statutory or presumed obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The liability reserve is measured by best estimated present value paid to settle the obligation on the balance sheet date. The discount rate adopts the pre-tax discount rate that reflects the specific risk assessment of the current market toward the time value of money and the liabilities. The discounted amortization is then recognized as interest expenses. The future operating loss shall not be recognized in the liability reserve.

(XVI) Employee benefit

1. Short-term employee benefit

   Short-term employee benefit is measured at an undiscounted amount expected to be paid and is recognized as expense when the related services are provided.

2. Pension

   (1) Defined contribution plan

   Under the defined contribution plan, every contribution made to the pension fund is recognized as pension cost in the period occurred using the accrual basis. Prepaid contributions may be stated as assets, insofar as it may be refunded in cash or the future payment is reduced.

   (2) Defined benefit plan

   A. The obligation of the defined benefit plan is converted to the present value based on the future benefit earned from the services provided by the employees in the current period or in the past and is presented by the present value of defined benefit obligation on the balance sheet date deducting the fair value of the plan assets. An actuary uses the Projected Unit Credit Method to estimate the defined benefit obligations each year. The discount rate is based on the market yield rate of government bonds (on the balance sheet date) that have the same currency and period on the end of the fiscal year and the defined benefit plan.

   B. The re-measurement generated from the defined benefit plan is stated as other comprehensive income in the period when it is incurred, and presented in the retained earnings.

   C. Expenses related to the service cost in the previous period are immediately recognized as profit or loss.

3. Remuneration to employees and directors

   The remuneration to employees and directors is recognized as expenses and liabilities only when legal or presumed obligation is constituted and the value thereof may be estimated reasonably. Subsequently, if the actual distributed amount resolved is different from the estimate, the difference shall be treated as a change in accounting estimate.

4. Termination benefits

   Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the decision to terminate an employee’s employment before the normal retirement date, or an employee’s decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group will not state the benefits as expenses until the offer of benefits be withdrawn or the related reorganization cost is stated, whichever earlier. It is not expected that benefits falling due more than 12 months at the end date of the reporting period are discounted to their present value.

(XVII) Capital stock

Common stock is classified as equity. The classification of preferred shares is based on the substance of the contract agreement and the definition of financial liabilities and equity instruments, and is assessed based on specific rights of the preferred shares. When presenting the basic characteristics of financial liabilities, these are classified as liabilities, otherwise they are classified as equity. The additional cost directly attributable to issuing new shares or stock options is recognized as deductions of proceeds in the equity.

(XVIII) Income Tax

1. The income tax consists of current income tax and deferred income tax. The income tax is recognized in the profit or loss except the income taxes relevant to the items which are recognized under other comprehensive income or directly counted into the items of equity, is recognized under other comprehensive income or directly counted into equity respectively.
2. The Group calculates the income tax related to the current period based on the statutory tax rate or tax rate substantially enacted in the countries where the Group is operating and generating taxable income on the balance sheet date. Management shall evaluate the status of income tax returns within the statutory period defined by the related income tax laws, and shall be responsible for the income tax expected to be paid to the tax collection authority. The income tax levied on the undistributed earnings based on the Income Tax Act will be recognized based on actual distribution of earnings in the year after the year when the earnings are generated, upon approval of the motion for allocation of earnings at a shareholders' meeting.
3. The deferred income tax is recognized based on the temporary difference generated from the taxation basis for assets and liabilities and the book value thereof on the balance sheet using the balance sheet approach. The deferred income tax liabilities resulting from the initial recognition of goodwill shall not be recognized. The deferred income tax resulting from the initial recognition of assets or liabilities in a transaction (exclusive of business mergers) shall not be recognized, insofar as the accounting profit or taxable income (taxable loss) is not affected by the transaction. All taxable provisional differences relevant to the investment in subsidiaries and affiliated companies were recognized as deferred income tax liabilities, except an event while the Group could control the time point of recovery of the control over the provisional difference or while said provisional difference would be very likely not recoverable in the foreseeable future. The deferred income tax is based on the tax rate expected to be applicable when the assets are expected to be realized or liabilities to be repaid. The tax rate shall be the tax rate (tax laws) which had been enacted or had been substantially enacted on the balance sheet date.
4. The temporary difference, unused tax losses and unused tax credits within the range of probable future taxable income available for use are recognized as deferred income tax assets and the deferred income tax assets which are recognized and unrecognized shall be re-evaluated on the end date of each reporting period.
5. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. The tax benefit generated from the purchase of equipment or technology, R&D expenses, HR training expenses and equity investment adopts income tax credits for accounting.

(XIX) Recognition of revenue

The Group’s recognition principle of revenue from contracts with customers is recognized as revenue according to the following steps:

(1) Identify the customer's contract;
(2) Identify the performance obligation in the contract;
(3) Decide the transaction price;
(4) Amortize the transaction price to the performance obligation in the contract;
(5) Recognize the revenue upon the fulfillment of performance obligation.

For contracts in which the interval between product transfer or labor services and consideration collection is within 1 year, the transaction price of its material financial parts cannot be adjusted.

2. Revenue from the sale of products and processing

The sales revenue of products is generated from the sale of drinks and canned foods. Upon arrival or shipment of the product to the destination designated by customers, the customers have already owned the right to set the price and use the same, and taken the responsibility for resale along with the obsolescence risk of the products. Thus, the Group recognized the revenue and accounts receivable at that moment; it is presented by net amount deducting sales return, quantity discount and discount.

Upon contract processing, the control of ownership over the processing product has not been transferred. Thus, the revenue is not recognized upon material intake.

3. Management service revenue

The security service provided by the Group is a service which shall be priced or negotiated alone and the service is provided based on contract period. Because the Group provides service during the contract period, the customer will acquire the service benefit during the contract period. This belongs to gradual fulfillment of performance obligation over time and therefore it is recognized as revenue under the straight-line method over time.

(XX) Costs of loans

The loan cost of the assets that meet the essential requirement and are directly attributable to the acquisition, construction, or production of assets is deemed part of the asset cost until all of the necessary activities completed for the asset to reach its intended use or sale state.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the loan cost that meets the essential requirement of capitalization.

In addition to the transaction stated in the preceding paragraph, all other loan costs are recognized as profit or loss upon occurring.

V. Major sources of uncertainty to significant accounting judgments, estimates and assumptions

The Group includes the economic impact due to the epidemic situation of COVID-19 in the consideration of significant accounting estimates and will continue to review the basic estimates and assumptions. If the amendment to estimates will only affect the current period, it will be recognized in the period in which the amendment is made; if the amendment of the accounting estimates will simultaneously affect both current and future periods, it will be recognized in the period of the amendment and future periods.

When preparing the consolidated financial report, the important judgments, accounting estimates and assumptions adopted by the Group for accounting policies are as follows:

(I) Significant judgments adopted by the accounting policy

1. Business model judgment of financial asset classification

The Group assess the business model of financial assets based on the joint management level reflecting the financial asset group to achieve certain operation purpose. The estimate shall consider all relevant evidence, including performance measurement methods for assets, risks affecting performance and determination method of remuneration to relevant managers. The application of judgment is also required. The Group continues to assess the appropriateness of its business model and monitors financial assets measured at amortized cost derecognized before expiration and debt instrument investment measured at fair value through other comprehensive income to understand its reason for disposition and assess whether the disposition complies with the objective of business model. If the business model has changed, the Group will reclassify financial assets and defer the application since the date of reclassification based on the regulations of IFRS 9.

2. Recognition of revenue

The Group determines to serve as the principal or agent of such transaction according to whether the control of such product or labor service has been acquired before transferring specific product or labor service to the customer based on IFRS 15. When determined as the agent of transaction, the net transaction amount will be recognized as revenue.

The Group will be the principal when meeting one of the following conditions:

(1) The Group acquires the control of such product or asset from the counterparty before transferring the product or other assets to the customer; or
(2) The Group controls the right of labor services provided by the counterparty and therefore has the capability to guide the counterparty as the substitute to provide labor services to the customer; or
(3) The Group acquires the control of product or labor services from the counterparty to combine with other products or labor services and provide specific product or labor service for the customer.

The indicators used to assist the Group in determining whether to acquire the control of such product or asset before transferring specific products or labor services to the customer include (but not limited to):

(1) The Group takes the main responsibility to complete the commitment of specific product or labor service.
(2) The Group bears the inventory risk before transferring specific products or labor services to the customer or bears the inventory risk after transferring the control to the customer (e.g. The customer has the right to return goods).
(3) The Group has the discretionary power to set the price.

3. Lease period

When determining the lease period, the Group considers all relevant facts and circumstances regarding the economic inducement generated to exercise (or not exercise) the option, including expected changes in all facts and circumstances since the start date to the date of option exercising. The considered factors include the contractual terms and conditions in the option period, significant leasehold improvements conducted (or expected to be conducted) during the contract period and the importance of underlying assets to the operation of the Group. When material matters or significant changes in circumstances occur within the Group's scope of control, the lease period will be re-evaluated.

4. Judgments with significant impact on affiliates

As stated in Note 6(9) "Investments under the equity method," the Group's shareholding ratio on NICE Enterprise Co., Ltd., Zhuqi Lionhead Mountain Leisure Development Co., Ltd. and Kuo Cheng Investment Development Corp. were 28.24%, 40% and 47.62%, respectively, and the Group is the largest shareholder. Other shareholding is not extremely separated after relatively considering the number of voting shares held by other shareholders and its distribution. Therefore, the Group does not have control over said companies since it cannot guide their relevant activities. The management of the Group considers the Group to only has significant impact on said companies and therefore listed those as the affiliates of the Group.

As stated in Note 6(9) "Investments under the equity method," the Group's held 43.83% of the voting shares of Taiwan First Biotechnology Corp. and the Group is the only largest shareholder. After consideration, the shareholders agreed that the decision-making unit regarding activities related to Taiwan First Biotechnology Corp. is the board of directors and no shareholder can assign a sufficient number of seats that determine the resolution of the board of directors. Therefore, the Group does not have control over Taiwan First Biotechnology Corp. since it cannot guide their relevant activities. The management of the Group considers the Group only has significant impact on Taiwan First Biotechnology Corp. and therefore listed those as affiliates of the Group.

(II) Important accounting estimates and assumptions

1. Recognition of revenue

Sales revenue shall be recognized when transferring the control of product or labor service to the customer to meet the performance obligation, deducting relevant sales return, discount and other similar discounts estimated. The sales return and discounts are estimated based on historical experience and other known causes and the Group periodically reviews the reasonableness of estimates.

2. Estimated impairment of financial assets

The estimated impairment of the accounts receivable is based on the default rate and expected loss ratio assumed by the Group. The Group takes historical experience, current market conditions, and forward-looking information into consideration to make assumptions and selects the input value of impairment assessment. If the actual cash flow in the future is less than estimated, significant impairment losses may occur.

3. Fair value measurement and valuation process

In cases where the assets and liabilities measured at fair value have no open quotation in active market, the Group decides whether to commission external appraisal and determine appropriate fair value evaluation technology according to relevant regulations or judgment. If the fair value estimate cannot acquire Level 1 input, the investment of unlisted stocks by the Group refers to information regarding the invested company's financial status and operating result analysis, recent transaction price, quotation of same equity instrument in a not active market, quotation of similar instrument in active market and comparable company valuation multiples; for derivatives, the input is determined by reference of market price or interest rate and characteristics of derivatives. If the actual changes in input in the future is different from expectation, there might be changes in fair value. The Group regularly updates various inputs based on the market conditions to monitor the appropriateness of fair value measurement.

4. Impairment evaluation of tangible and intangible assets

During the process of asset impairment assessment, the Group shall rely on subjective judgment to determine the useful life of the independent cash flow assets and possible income and expenses in the future for certain asset groups based on the operating model of assets and industrial characteristics. Any change in the estimation due to the changes of economic situation or the Group's strategies may result in significant impairment in the future.

5. Assessment of impairment on equity-accounted investments

When there are signs of impairment loss suggesting certain investments under the equity method might be impaired causing the book amount to be unable to be recovered, the Group will immediately evaluate the impairment of such investments. The Group evaluates the recoverable amount based on the held discount value of estimated expected cash flow or discount value of expected receivable cash dividends and future cash flow generated from disposal of investment by the invested companies, and analyzes the reasonableness of relevant assumptions.

6. Realizability of deferred income tax assets

Deferred tax assets are recognized when there are likely to have sufficient taxable income available for the deductible temporary difference. To evaluate the realizability of deferred income tax assets, management has to exert judgment and estimation, including the hypotheses about expectations toward growth and profit rate of future sale revenue, tax-free period, applicable income tax credit and taxation planning. The transformation of global economic environments and industrial environments and changes in laws and regulations, if any, might result in material adjustment on deferred income tax assets.

7. Valuation of inventory

Inventory shall be evaluated on the basis of lowering the cost and net realizable value. As such, the Group must make judgments and estimates to determine the net realizable value of the inventory at the end of the reporting period. The Group assesses the amount of normal wearing out and phasing out of inventory or inventory with no market price and writes off the cost of inventory from net realizable value at the end of reporting period.

8. Calculation of net defined benefit liabilities

In the calculation of the defined benefit obligation, the Group shall make use of judgments and estimates to determine relevant actuarial assumption on the end date of the reporting period, including the discount rate and rate of future salary increase. Any change in the actuarial assumptions may have significant impact on the defined benefit obligation amount of the Group.

9. Incremental loan rate of interest of the lessee

When deciding the incremental loan rate of interest of the lessee for the lease payment discount, the same currency and interest rate without risk in relevant periods are used as the reference rate and the estimated credit risk premium of the lessee and certain lease adjustments (e.g. factors such as certain and attached collateral of assets) is also taken into consideration.

VI. Description of significant accounting items

(I) Cash and Cash equivalents

Item	December 31, 2020	December 31, 2019
Cash	$ 3,709	$ 3,230
Checking deposit	685	30
Savings deposit	641,453	587,785
Cash equivalents		
Time deposit with initial maturity date within three months	23,672	23,012
Total	$ 669,519	$ 614,057

1. The financial institutions trading with the Group are those of excellent credit standing and the Group trades with various financial institutions to spread the credit risk. Thus, the possibility of expected default is low.
2. The cash and cash equivalents of the Group have not been pledged.

(II) Financial assets at fair value through profit or loss – current

Item	December 31, 2020	December 31, 2019
Measured compulsorily at fair value through profit or loss		
TWSE/TPEx listed stocks	$ 35,658	$ 31,035

1. The Group’s net profit (loss) recognized were NTD4,672 thousand and NTD4,461 thousand in 2020 and 2019, respectively.
2. The Group does not pledge any financial asset measured at fair value through profit or loss.

3. For relevant credit risk management and evaluation methods, please refer to Note 12.

(III) Receivable notes, net

Item	December 31, 2020	December 31, 2019
Carried at amortized cost		
Total book amount	$ 41,630	$ 39,198
Less: Allowance loss	(50)	(147)
Receivable notes, net	$ 41,580	$ 39,051

1. The notes receivables of the Group have not been pledged.
2. For disclosures related to the allowance loss of notes receivable, please refer to description in Note 6(4).

(IV) Accounts receivable, net

Item	December 31, 2020	December 31, 2019
Carried at amortized cost		
Total book amount	$ 516,315	$ 543,169
Less: Allowance loss	(4,709)	(5,364)
Accounts receivable, net	$ 511,606	$ 537,805

1. For the Group's accounts receivable generated from sale of products. The average credit period is O/A 30–90 days. The credit standard is established according to the industrial characteristics, business scale and profit condition of the trading counterparty.
2. The accounts receivables of the Group have not been pledged.
3. The Group adopts the simplified approach of IFRS 9 to recognize the allowance losses on accounts receivable based on the lifetime expected credit loss. The expected credit losses throughout the duration is calculated based on the provision matrix and takes the past default record of the customer, the present financial status and the economic situation of the industry into consideration. According to the Group's historical experience of credit losses, the loss types of different customer groups have no significant difference. Thus, the provision matrix does not further classify the group of customers and the rate of expected credit losses is established based on the overdue days of accounts receivable.
4. The loss allowance (including the related party) for notes and accounts receivable of the Group based on the provision matrix is as follows:

December 31, 2020	Expected credit loss	Total book amount	Allowance loss (expected credit losses throughout the duration)	Amortized cost
Undue	0%–1%	$ 587,994	$ (621)	$ 587,373
Overdue 0–30 days	0%–1%	2,856	(9)	2,847
Overdue 31–90 days	0%–20%	1,920	(221)	1,699
Overdue 91–180 days	0%–30%	-	-	-
Overdue 181–365 days	0%–50%	-	-	-
Counterparty with signs of default	0%–100%	3,943	(3,943)	-
Total		$ 596,713	$ (4,794)	$ 591,919

December 31, 2019	Expected credit loss	Total book amount	Allowance loss (expected credit losses throughout the duration)	Amortized cost
Undue	0%–1%	$ 620,082	$ (1,295)	$ 618,787
Overdue 0–30 days	0%–1%	2,478	(25)	2,453
Overdue 31–90 days	0%–20%	590	(118)	472
Overdue 91–180 days	0%–30%	-	-	-
Overdue 181–365 days	0%–50%	55	(21)	34
Counterparty with signs of default	0%–100%	4,092	(4,092)	-
Total		$ 627,297	$ (5,551)	$ 621,746

5. The statement of changes in the loss allowance for the notes and accounts receivable (including the related party) is as follows:

Item	2020	2019
Balance – beginning	$ 5,551	$ 10,567
Plus: Impairment loss appropriated	-	-
Less: Impairment loss reversed	(781)	(4,956)
Less: Irrecoverable amounts written off	-	-
Less: Difference in foreign currency translation	24	(60)
Balance – ending	$ 4,794	$ 5,551

Other credit enhancements held by above accounts receivable: None.

When there is objective evidence showing that the trading counterparty is facing serious financial difficulty and the recoverable amount cannot be reasonably expected, the Group shall directly write off relevant accounts receivable. However, the Group will continue to pursue recourse, and the recovered amount from recourse is recognized as profit or loss. The Group's accounts receivable of the contract amount written off in 2020 and 2019 were NTD0.

6. For relevant credit risk management and evaluation methods, please refer to Note 12.

(V) Other accounts receivable

Item	December 31, 2020	December 31, 2019
Investment refunds receivable	$ 96,404	$ 101,009
Dividend receivable	-	8,427
Compensation receivable	3,777	7,289
Other receivable	15,951	28,902
Total	$ 116,132	$ 145,627
Less: Allowance loss	(98,275)	(69,547)
Net amount	$ 17,857	$ 76,080

1. Regarding the investment refunds receivable, the description related to the transaction, lawsuit and reconciliation of both parties is as follows:
   (1) The Group invested HKD26,240 thousand in MAS Media Group Limited (hereinafter referred to as MAS Media) on March, 2011 and expected to improve product advertising in Mainland China, Hong Kong and Macao by holing the equity of Macau Asia Satellite Television Company., Limited.

According to the agreement in the stock agreement signed by both parties, MAS Media should be listed in Hong Kong stock market before the end of 2011. However, the listing plan had changed.

(2) The Group requested MAS Media return the investment amount listed above according to the contract later on, but MAS Media defaulted and did not refund the investment amount. The Group submitted the arbitration to Hong Kong International Arbitration Centre during April, 2013 and won the arbitration. Therefore, the Group reclassified the amount originally recognized as financial assets measured at cost to other accounts receivable.

(3) Hong Kong International Arbitration Centre inquired the latest situation of the arbitration by letter on May, 2016. We also requested the counterparty execute the reconciliation to maintain the Company's rights in various manners.

(4) On September, 2016, the counterparty proposed the arbitration agreement via email, the contents of which are as follows: (1) the counterparty shall repay HKD20,000 thousand invested (in which the Group accounted for 65.6%) within 30 days after the signing of arbitration agreement; (2) transfer HKD20,000 thousand of MAS Media's equity within 60 days after the signing of arbitration agreement (in which the Group accounted for 65.6%); however, the Group expressed dissent with said content and communicated with the counterparty regarding the repayment promise and hypothecation agreement such as the interest, lawsuit expenses and equity transfer via the attorney on December, 2016.

(5) The Group filed a criminal suit of fraud against 3 persons including the responsible person Lin, who was the senior management member of MAS Media that came to Taiwan to invite the Group to invest, to Taipei District Prosecutors Office on July, 2018. The case was transferred to Taipei City Field Office for investigation by the Taipei District Prosecutors Office and is still under investment currently. The case was not closed yet and the future investigation and result of court judgment does not have an impact on the investment refund of MAS Media request by the Group and the Group's right to execute the arbitration judgment of Hong Kong International Arbitration Centre.

(6) For the refund matters communicated by the Hong Kong attorney assigned by the counterparty on May, 2020, the main contents are as follows:

A. 50% amount shall be paid in cash within 3 months after the signing of a settlement agreement.

B. 50% amount shall be offset by stocks with value equivalent to a Growth Enterprise Market listed company and shall be completed within 4 months after the signing of a settlement agreement.

C. The interest of investment amount shall be paid within 9 months after the settlement agreement becomes effective.

D. A precondition to settlement agreement is the acquisition of application withdrawal granted by the court.

(7) Currently, the attorneys of both parties were negotiating for said settlement contents of (6) proposed by the counterparty, because we claimed that the refund shall be paid in cash to withdraw the lawsuit.

(8) For the investment refunds as of December 31, 2020 and 2019, the recognized accumulated impairment amount were NTD96,404 thousand and NTD67,676 thousand, respectively.

2. The Group's expected credit losses of other accounts receivable recognized (reversed) were NTD33,319 thousand and NTD69,779 thousand in 2020 and 2019, respectively.

(VI) Cost of inventory and sales

Item	December 31, 2020	December 31, 2019
Raw material	$ 132,035	$ 106,943
Supplies	69,188	66,691
Goods in process	70,607	70,144
Finished goods and products	480,072	401,852
Other inventories	-	5,194
Subtotal	$ 751,902	$ 650,824
Less: Allowance for inventory devaluation and loss	(9,742)	(16,260)
Net amount	$ 742,160	$ 634,564

1. Losses related to inventory recognized as sales cost in the current period are as follows:

Item	2020	2019
Cost of sold inventory	$ 3,014,485	$ 2,968,245
Manufacturing expenses not amortized	67,770	74,825
Loss (revaluation gain) on inventory devaluation	(6,546)	(209)
Loss on scrapped inventory	23,137	15,333
Loss (gain) on inventory and revenue from scraps	(3,392)	(552)
Exchange rate effect	28	85
Total operating cost	$ 3,095,482	$ 3,057,727

2. Because the Group offset the inventory to net realizable value in 2020 and 2019 and the rebound on net realizable value of inventory due to the price increase of partial products and consumption of partial inventory, the recognized loss (revaluation gain) on inventory devaluation were NTD(6,546) thousand and NTD209 thousand, respectively.
3. The inventory of the Group has not been pledged.

(VII) Prepayments

Item	December 31, 2020	December 31, 2019
Refundable tax	$ 65,067	$ 65,960
Prepayment for goods	18,656	19,135
Other prepayments	41,274	21,780
Total	$ 124,997	$ 106,875

For transactions of the related party, please refer to Note 7(3)6.

(VIII) Financial assets measured at fair value through other comprehensive income

Item	December 31, 2020	December 31, 2019
Non-current		
Debt instruments		
TWSE/TPEx unlisted preferred stocks	$ 50,000	$ 50,000
Valuation adjustment	(23,350)	(22,500)
Subtotal	$ 26,650	$ 27,500
Equity instruments		
TWSE/TPEx listed stocks	$ 282,049	$ 282,049
TWSE/TPEx unlisted stocks	904,251	900,452
Unlisted foreign stocks	23,699	24,002
Valuation adjustment	(80,196)	(120,562)
Subtotal	$ 1,129,803	$ 1,085,941

Total	$ 1,156,453	$ 1,113,441

1. The Group chose to invest in TWSE/TPEx unlisted preferred shares with stable dividend collection and are sold to achieve targets and these are classified as financial assets measured at fair value through other comprehensive income. The fair value of such investment as of December 31, 2020 and 2019 were NTD26,650 thousand and NTD27,500 thousand, respectively.
2. The Group invested in TWSE/TPEx and foreign listed and unlisted stocks based on mid and long-term investment purpose and expected to gain profit from long-term investment. The management of the Group considers that if the changes in short-term fair value of such investment is recognized as profit or loss, it is not consistent with the previous long-term investment planning. Thus, management chose to specify that such investment to be measured at fair value through other comprehensive income.
3. The Group adjusted its investment positions to diversify risks and sold part of the stocks based on fair value in 2020 and 2019. The relevant other equity – unrealized profit or loss of financial assets measured at fair value through other comprehensive income of NTD0 and NTD15,682 thousand, respectively, were re-stated as retained earnings.
4. TWSE/TPEx listed stocks – The investment in Kai Chieh International Investment Ltd. was based on the principal guarantee agreement. As of December 31, 2020 and 2019, the counterparty provided 7,327 thousand shares of Kai Chieh as the pledge of the Company. Please refer to Table 3 of Note 13.
5. The Group pledged part of financial assets measured at fair value through other comprehensive income as collateral for the loans of the Company in December 31, 2020 and 2019. Please refer to Note 8.
6. For relevant credit risk management and evaluation methods, please refer to Note 12.

(IX) Investment under the equity method

Invested company	December 31, 2020	December 31, 2019
Affiliated companies:		
Important affiliates:		
NICE Enterprise Co., Ltd.	$ 1,157,202	$ 1,068,214
Taiwan First Biotechnology Corp.	1,205,458	1,088,920
Nice Plaza Co., Ltd.	526,809	461,348
Individual unimportant affiliates	933,591	821,767
Subtotal	$ 3,823,060	$ 3,440,249
Joint ventures:		
Individual unimportant joint ventures	$ 14,807	$ 13,333
Total	$ 3,837,867	$ 3,453,582

1. Affiliated companies:
   (1) The basic information of affiliates important to the Group is as follows:

	Shareholding ratio (%)	
Company name	December 31, 2020	December 31, 2019
NICE Enterprise Co., Ltd.	28.24%	28.24%
Taiwan First Biotechnology Corp.	43.83%	43.83%
Nice Plaza Co., Ltd.	32.81%	28.94%

For information such as the nature, main place of business and country where the company is registered for the above affiliates, please refer to Table 8 and Table 9 in Note 13.

(2) The financial information of the Group's affiliated companies is summarized as follows:

A. Balance sheet

	Nice Enterprise Co., Ltd.	
	December 31, 2020	December 31, 2019
Current assets	$ 3,148,017	$ 3,010,967
Non-current assets	4,343,713	4,067,593
Current liabilities	1,999,277	1,998,058
Non-current liabilities	1,555,080	1,521,910
Equity	$ 3,937,373	$ 3,558,592
Shares of the affiliates' net assets	$ 1,111,892	$ 1,004,926
Internal profit or loss	(7,247)	9,478
Deferred credits	29,584	30,837
Goodwill	22,973	22,973
Book value of affiliates	$ 1,157,202	$ 1,068,214

	Taiwan First Biotechnology Corp.	
	December 31, 2020	December 31, 2019
Current assets	$ 1,274,818	$ 1,102,128
Non-current assets	3,380,376	3,333,822
Current liabilities	993,569	983,250
Non-current liabilities	1,340,195	1,417,126
Equity	$ 2,321,430	$ 2,035,574
Shares of the affiliates' net assets	$ 1,017,298	$ 892,030
Internal profit or loss	(12,794)	(6,727)
Deferred credits	32,404	35,067
Goodwill	168,550	168,550
Book value of affiliates	$ 1,205,458	$ 1,088,920

	Nice Plaza Co., Ltd.	
	December 31, 2020	December 31, 2019
Current assets	$ 121,596	$ 101,154
Non-current assets	4,875,636	4,945,430
Current liabilities	363,843	411,051
Non-current liabilities	3,095,692	3,041,115
Equity	$ 1,537,697	$ 1,594,418
Shares of the affiliates' net assets	$ 504,557	$ 461,348
Deferred credits	22,252	-
Book value of affiliates	$ 526,809	$ 461,348

B. Statement of comprehensive income

	Nice Enterprise Co., Ltd.	
	2020	2019
Operating revenue	$ 2,980,785	$ 2,368,681
Current net profit	$ 255,365	$ 157,079
Other comprehensive income (net income after tax)	149,397	74,053
Total comprehensive income in the current period	$ 404,762	$ 231,132
Dividend acquired from affiliates	$ 7,384	$ 4,922

	Taiwan First Biotechnology Corp.	
	2020	2019
Operating revenue	$ 2,018,267	$ 1,711,950
Current net profit	$ 240,873	$ 138,597
Other comprehensive income (net income after tax)	124,573	18,512
Total comprehensive income in the current period	$ 365,446	$ 157,109
Dividend acquired from affiliates	$ 34,878	$ 29,065

	Nice Plaza Co., Ltd.	
	2020	2019
Operating revenue	$ 507,511	$ 635,582
Current net profit	$ (69,110)	$ (28,710)
Other comprehensive income (net income after tax)	11,889	11,767
Total comprehensive income in the current period	$ (57,221)	$ (16,943)
Dividend acquired from affiliates	$ -	$ -

(3) The Group's total shares of individual unimportant affiliates is summarized as follows:

	2020	2019
Shares held:		
Current net profit	$ 26,412	$ 8,191
Other comprehensive income (net income after tax)	76,142	47,389
Total comprehensive income in the current period	$ 102,554	$ 55,580

2. Joint ventures:

The Group's total shares of individual unimportant joint ventures is summarized as follows:

	2020	2019
Shares held:		
Current net profit	$ 1,474	$ 123
Other comprehensive income (net income after tax)	-	-
Total comprehensive income in the current period	$ 1,474	$ 123

3. For investment under the equity method, share of profit or loss and other comprehensive income held by the Group, besides Zhuqi Lionhead Mountain Leisure Development Co., Ltd., Acts Bioscience Inc., New Zealand Cosmetic Laboratories Limited and Bioken Laboratories Inc. were not calculated based on the financial report audited by the CPA in 2020 and 2019, the remaining ones were calculated based on the financial report audited by the CPA; however, the management of the Group considered the financial reports of said companies not audited by the CPA to have no significant impact.

4. The Group pledged part of investments under the equity method as collateral for the loans of the Company in December 31, 2020 and 2019. Please refer to Note 8.

(X) Property, plant and equipment

Item	December 31, 2020	December 31, 2019
Land	$ 1,382,211	$ 1,382,211
Houses and buildings	1,560,610	1,541,319
Machinery and equipment	1,959,830	1,956,902
Other equipment	714,200	719,967
Equipment pending acceptance and construction in progress	623,899	567,231
Total cost	$ 6,240,750	$ 6,167,630
Less: Accumulated depreciation	(3,256,069)	(3,166,864)
Accumulated impairment	(22,033)	(13,054)
Total	$ 2,962,648	$ 2,987,712

	Land	Houses and buildings	Machinery and equipment	Other equipment	Equipment pending acceptance and Construction in progress	Total
Costs						
Balance, January 1, 2020	$ 1,382,211	$ 1,541,319	$ 1,956,902	$ 719,967	$ 567,231	$ 6,167,630
Increase	-	914	-	653	85,794	87,361
Disposal	-	(546)	(12,971)	(18,417)	(93)	(32,027)
Reclassified	-	-	-	-	(5,500)	(5,500)
as right-of-use assets	-	14,671	6,398	11,481	(32,550)	-
Impact of the exchange difference	-	4,252	9,501	516	9,017	23,286
Balance, December 31, 2020	$ 1,382,211	$ 1,560,610	$ 1,959,830	$ 714,200	$ 623,899	$ 6,240,750
Accumulated depreciation and impairment						
Balance, January 1, 2020	$ -	$ 976,993	$ 1,566,060	$ 636,865	$ -	$ 3,179,918
Depreciation expenses	-	38,022	53,419	22,690	-	114,131
Disposal	-	(427)	(12,971)	(18,196)	-	(31,594)
Reclassification	-	-	-	-	-	-
Impairment loss provided (reversed)	-	-	-	-	8,805	8,805
Impact of the exchange difference	-	432	5,873	364	173	6,842
Balance, December 31, 2020	$ -	$ 1,015,020	$ 1,612,381	$ 641,723	$ 8,978	$ 3,278,102

	Land	Houses and buildings	Machinery and equipment	Other equipment	Equipment pending acceptance and Construction in progress	Total
Costs						
Balance, January 1, 2019	$ 1,382,211	$ 1,570,331	$ 1,966,970	$ 720,115	$ 586,461	$ 6,226,088
Increase	-	768	7,265	1,967	46,775	56,775

Disposal	-	(1,394)	(18,758)	(9,379)	(5,317)	(34,848)
Reclassification	-	2,496	26,139	8,905	(37,540)	-
Requisition transfer expenses	-	-	-	-	(28)	(28)
Derecognition	-	(9,330)	-	(15)	-	(9,345)
Impact of the exchange difference	-	(21,552)	(24,714)	(1,626)	(23,120)	(71,012)
Balance, December 31, 2019	$ 1,382,211	$ 1,541,319	$ 1,956,902	$ 719,967	$ 567,231	$ 6,167,630
Accumulated depreciation and impairment						
Balance, January 1, 2019	$ -	$ 958,899	$ 1,542,423	$ 622,702	$ -	$ 3,124,024
Depreciation expenses	-	39,596	56,122	24,738	-	120,456
Disposal	-	(1,220)	(18,605)	(9,376)	-	(29,201)
Reclassification	-	-	-	-	-	-
Derecognition	-	(9,330)	-	(15)	-	(9,345)
Impact of the exchange difference	-	(10,952)	(13,880)	(1,184)	-	(26,016)
Balance, December 31, 2019	$ -	$ 976,993	$ 1,566,060	$ 636,865	$ -	$ 3,179,918

1. Current increases and adjustments of the cash flow statement due to the acquisition of property, plant, and equipment are as follows:

Item	2020	2019
Increase of property, plant and equipment	$ 87,361	$ 56,775
Increase/decrease of payables on equipment	(37,153)	(3,348)
Paid cash amount for purchase of property, plant and equipment	$ 50,208	$ 53,427

2. For the capitalized interest amount, please see Note 6(31).
3. For more information about property, plant and equipment provided as collateral, please refer to Note 8.
4. As of December 31, 2020 and 2019, due to the restriction of relevant laws, the land temporarily registered in the name of others which cannot be registered by the name of Company was NTD16,632 thousand. However, the mortgage registration was conducted as a security measure to secure the right of the Company.
5. The impairment losses recognized by the Group in 2020 and 2019 were NTD8,805 thousand and NTD0, respectively. Because the expected recoverable amount from part of the production equipment is less than the book amount, the book value of related equipment cannot be recovered by usage or sale. Therefore, the impairment loss recognized in 2020 was NTD8,805 thousand. Said residual value of disposition is classified as Level 3 fair value.
6. The book balance regarding the uncompleted construction of the subsidiary of the Group – Shandong AGV Food Technology Co., Ltd. was NTD594,872 thousand as of December 31, 2020. Please refer to Note 9(6) for the relevant lawsuit and suspension of construction.

(XI) Lease agreement

1. Right-of-use assets

Item	December 31, 2020	December 31, 2019

Right of land use	$ 129,875	$ 127,796
Land and building	17,870	15,081
Machine and equipment	51,511	16,694
Other equipment	7,565	9,202
Total cost	$ 206,821	$ 168,773
Less: Accumulated depreciation	(30,949)	(15,564)
Net amount	$ 175,872	$ 153,209

Costs	Right of land use	Land and building	Machinery and equipment	Other equipment	Total
Balance, January 1, 2020	$ 127,796	$ 15,081	$ 16,694	$ 9,202	$ 168,773
Increase in the current period	-	3,539	29,317	-	32,856
Re-stated property, plant and equipment	-	-	5,500	-	5,500
Decrease in the current period	-	(750)	-	-	(750)
Derecognition in the current period	-	-	-	(1,637)	(1,637)
Exchange rate effect	2,079	-	-	-	2,079
Balance, December 31, 2020	$ 129,875	$ 17,870	$ 51,511	$ 7,565	$ 206,821
Accumulated depreciation and impairment					
Balance, January 1, 2020	$ 3,200	$ 4,868	$ 3,780	$ 3,716	$ 15,564
Depreciation expenses	3,190	4,999	5,934	2,785	16,908
Derecognition in the current period	-	-	-	(1,637)	(1,637)
Impairment loss provided (reversed)	-	-	-	-	-
Exchange rate effect	114	-	-	-	114
Balance, December 31, 2020	$ 6,504	$ 9,867	$ 9,714	$ 4,864	$ 30,949

Costs	Right of land use	Land and building	Machinery and equipment	Other equipment	Total
Balance, January 1, 2019	$ -	$ -	$ -	$ -	$ -
Adjustment of initial application of IFRS 16	133,206	15,081	16,694	6,158	171,139
Increase in the current period	-	-	-	3,044	3,044
Decrease in the current period	-	-	-	-	-
Exchange rate effect	(5,410)	-	-	-	(5,410)
Balance, December 31, 2019	$ 127,796	$ 15,081	$ 16,694	$ 9,202	$ 168,773
Accumulated depreciation and impairment					
Balance, January 1, 2019	$ -	$ -	$ -	$ -	$ -
Depreciation expenses	3,330	4,868	3,780	3,716	15,694
Impairment loss provided (reversed)	-	-	-	-	-
Exchange rate effect	(130)	-	-	-	(130)
Balance, December 31, 2019	$ 3,200	$ 4,868	$ 3,780	$ 3,716	$ 15,564

Besides the addition and depreciation expenses listed above, the use-of-right assets of the Group had no significant sublease or impairment in 2020 and 2019.

2. Lease liabilities

	December 31, 2020	December 31, 2019
Book amount of lease liabilities		

Current	$ 16,036	$ 11,335
Non-current	$ 33,566	$ 17,591

The range of discount rates for lease liabilities is stated as follows:

	December 31, 2020	December 31, 2019
Land and building	1.04%-2.54%	2.54%
Machine and equipment	2.2%-2.54%	2.54%
Other equipment	1.04%-2.54%	2.2%-2.54%

For maturity analysis on lease liabilities, please refer to Note 12(2).

3. Important lease activities and terms

The Group leases lands and buildings, machines and other equipment for operational use. The lease period is 3-50 years and the Group included the right of renewal of those with expired lease periods in the lease liabilities. According to the contract agreement, the Group shall not sublease assets of a leased item to others without the approval of the lessor. As of December 31, 2020 and 2019, there is no sign of impairment regarding the right-of-use assets, therefore the impairment evaluation was not conducted.

4. Sublease: None.
5. Other information about the lease
   (1) For the Group's agreement of investment property leased as operating lease, please refer to Note 6(12).
   (2) The information on expensed related current leases is as follows:

Item	2020	2019
Short-term lease expenses	$ 5,838	$ 5,884
Expenses of lease of low-price assets	$ 669	$ -
Variable lease payment not included in measurement of lease liabilities Paid expenses	$ -	$ -
Total cash outflow of lease (Note)	$ 17,937	$ 17,865

(Note): This includes the principal payment of current lease liabilities.

The Group chose to exempt those meeting short-term lease and lease of low-price assets from recognition and not recognize related right-of-use assets and lease liabilities of such leases.

(XII) Net amount of investment property

Item	December 31, 2020	December 31, 2019
Measured at fair value – commissioned appraisal	$ 2,596,327	$ 2,566,192
Measured at cost	50,952	50,952
Total	$ 2,647,279	$ 2,617,144

1. Investment property measured at fair value

Item	2020	2019
Balance – beginning	$ 2,566,192	$ 2,530,928
Gains from valuation	30,135	35,264
Balance – ending	$ 2,596,327	$ 2,566,192

   (1) The fair values of investment property as of December 31, 2020 and 2019 were appraised by CPA Tien-Ching Hsieh of CPAC and CPA Wen-Hsiang Chen of

Chen Wen-Hsiang Real Estate Appraisers Firm with domestic appraiser qualification on January 5, 2021, December 20 and 31, 2020 and December 11, 12, 20 and 23, 2019.

(2) Besides undeveloped land, the fair value of investment assets is appraised based on the income approach. The fair value will increase when increase of future net cash inflow or decrease of discount rate is estimated. The important assumptions are as follows:

Item	December 31, 2020	December 31, 2019
Estimated future cash inflow	$ 2,175,191	$ 2,186,540
Estimated future cash outflow	37,345	40,459
Estimated future net cash inflow	$ 2,137,846	$ 2,146,081
Discount rate	2.095%-2.27%	2.04%-2.54%

A. The monthly market rental of regions in which the investment property located is NTD155 to NTD10,579 per Taiwanese ping. The similar comparable item in the market is NTD159 to NTD9,997 per Taiwanese ping.

B. The future cash inflow estimated to be generated from investment property includes rent revenue, deposit interest revenue and disposition value at ending. The rent revenue is based on the Company's current lease contracts and market rental conditions and is estimated in consideration of the annual growth rate of future rental. The revenue analysis period is estimated by 10 years; the deposit interest revenue is estimated based on the interest rate of a one-year timed deposit; the disposition value at ending is estimated based on the direct capitalization under the income approach. The future cash outflow estimated to be generated from investment property includes expenses of land tax, house tax, insurance premium and maintenance fee. The expenses are estimated based on current expense standard and takes the adjustment of land value announced in the future and the tax rate specified in the House Tax Act.

C. The discount rate is calculated based on the floating interest rate on a 2-year time deposit of a small amount, as posted by the Chunghwa Post Co., Ltd., plus 1.25-1.5 %.

(3) Because the land at Jianguo Section in Dounan Township, Yunlin County, Zhuweizi Section in Chiayi City, Zhongzhuang Section in Chiayi City, Wujiancuo Section in Zhuqi Township and Datan Section in Xingang Township held by the Company is not developed, the fair value is appraised based on the land development analysis method. The important assumptions are as follows. The fair value will increase when the estimated total sales amount increases, the profit margin increases or the overall capital interest rate decreases. The relevant information is as follows:

Item	December 31, 2020	December 31, 2019
Estimated total sales amount	$ 1,836,189	$ 1,805,778
Profit margin	15%～18%	15%～18%
Overall capital interest rate	0.71%～1.53%	0.81%～1.77%

After the Company considers relevant regulations, an optimistic domestic overall economic forecast, local land use conditions and market conditions, the land or building area available for sale regarding the land after development is estimated in the most effective manner to estimate the total sales amount.

2. Investment property measured at cost

Item	2020	2019
Balance – beginning	$ 50,952	$ 50,952
Increase	-	-
Balance – ending	$ 50,952	$ 50,952

The investment property of the Group locates in the land at Wujiancuo Section in Zhuqi Township, Datan Section and Houdihu Subsection in Xingang Township. Because such land is categorized as farming and grazing lands, the Group cannot reliably acquire parameters under the income approach or under the land development approach. Therefore, the fair value of such land cannot be determined reliably.

3. The lease period of the investment property is 1 year without option of lease extension. The lessee does not have a bargain purchase option for such asset after the end of the lease period.
4. Rent revenue and direct operating expenses from investment property:

Item	2020	2019
Rent revenue from investment property	$ 5,234	$ 5,234
Direct operating expenses generated from investment property generating current rent revenue	$ 2,359	$ 2,296
Direct operating expenses generated from investment property not generating current rent revenue	$ 1,224	$ 1,229

5. The total lease payment receivable in the future regarding investment property leased as operating leases in 2020 and 2019 is as follows:

	December 31, 2020	December 31, 2019
First year	$ 1,377	$ 2,546
The 2nd to 5th years	-	-
More than 5 years	-	-
Total	$ 1,377	$ 2,546

6. The fair value of the Group's investment property as of December 31, 2020 and 2019 were NTD2,596,327 thousand and NTD2,566,192 thousand, respectively, which was based on the valuation result of independent appraiser. The valuation adopting the income approach and land development approach is classified as Level 3 fair value. Please refer to Note 12.
7. For information of investment property provided as collateral, please refer to Note 8.
8. As of December 31, 2020 and 2019, due to the restriction of the laws, the land temporary registered in the name of others which cannot be registered by the name of Company was NTD50,952 thousand. However, the mortgage registration was conducted as a security measure to secure the rights of the Company.

(XIII) Intangible assets

Item	December 31, 2020	December 31, 2019
Patent	$ 5,000	$ 5,000
Computer software cost	36,619	35,058
Trademark	21,733	21,733

Total cost	$ 63,352	$ 61,791
Less: Accumulated amortization	(54,250)	(50,522)
Net amount	$ 9,102	$ 11,269

	Patent	Computer software cost	Trademark	Total
Costs				
Balance, January 1, 2020	$ 5,000	$ 35,058	$ 21,733	$ 61,791
Increase	-	1,636	-	1,636
Disposal	-	-	-	-
Derecognition	-	-	-	-
Reclassified as expenses	-	(44)	-	(44)
Impact of the exchange difference	-	(31)	-	(31)
Balance, December 31, 2020	$ 5,000	$ 36,619	$ 21,733	$ 63,352
Accumulated amortization				
Balance, January 1, 2020	$ 4,547	$ 31,850	$ 14,125	$ 50,522
Amortization expenses	453	1,446	2,175	4,074
Disposal	-	-	-	-
Derecognition	-	-	-	-
Impact of the exchange difference	-	(346)	-	(346)
Balance, December 31, 2020	$ 5,000	$ 32,950	$ 16,300	$ 54,250

	Patent	Computer software cost	Trademark	Total
Costs				
Balance, January 1, 2019	$ 5,000	$ 35,578	$ 21,733	$ 62,311
Increase	-	272	-	272
Derecognition	-	(250)	-	(250)
Reclassified as expenses	-	(305)	-	(305)
Impact of the exchange difference	-	(237)	-	(237)
Balance, December 31, 2019	$ 5,000	$ 35,058	$ 21,733	$ 61,791
Accumulated amortization				
Balance, January 1, 2019	$ 4,092	$ 29,465	$ 11,952	$ 45,509
Amortization expenses	455	2,810	2,173	5,438
Derecognition	-	(250)	-	(250)
Impact of the exchange difference	-	(175)	-	(175)
Balance, December 31, 2019	$ 4,547	$ 31,850	$ 14,125	$ 50,522

(XIV) Other financial assets

Item	December 31, 2020	December 31, 2019
Pledged bank deposits	$ 57,799	$ 98,278

Current	$ 30,278	$ 71,000
Non-current	$ 27,521	$ 27,278

(XV) Other non-current assets – others

Item	December 31, 2020	December 31, 2019
Long-term prepaid expenses	$ 17,326	$ 21,553

(XVI) Short-term loans

Item	December 31, 2020	December 31, 2019
Credit loans	$ 388,278	$ 670,316
Mortgage loan	540,314	559,912
Total	$ 928,592	$ 1,230,228
Interest rate interval	1.50%-5.66%	1.79%-5.66%

For short-term loans, part of bank deposits and investment property are provided as collateral by the Group, please refer to Note 8.

(XVII) Other payables

Item	December 31, 2020	December 31, 2019
Commission payable	$ 108,400	$ 108,333
Remuneration and bonus payable	160,978	126,895
Payables on equipment	52,808	15,655
Advertisement expenses payable	25,221	27,358
Insurance payable	9,204	8,270
Accounts payable for shares	81,874	-
Other payable	139,787	132,719
Total	$ 578,272	$ 419,230

(XVIII) Liability reserve – current

Item	Employee benefit	Item	Employee benefit
January 1, 2020	$ 23,102	January 1, 2019	$ 19,735
Current increase of liability reserve	19,589	Current increase of liability reserve	23,102
Liability reserve used currently	(13,506)	Liability reserve used currently	(15,342)
Unused amount reversed currently	(5,745)	Unused amount reversed currently	(4,393)
December 31, 2020	$ 23,440	December 31, 2019	$ 23,102

The employee benefit liability reserve refers to the recognition regarding the vested right of short-term service leave for employees.

(XIX) Other current liabilities

Item	December 31, 2020	December 31, 2019
Refund liabilities	$ 5,076	$ 5,344

(XX) Long-term loans and liabilities due within a year or operating cycle

Lending institution	December 31, 2020	December 31, 2019
Bank syndicated loans – Parent company	$ 1,676,900	$ 1,689,500
Secured bank loans	1,927,333	1,911,367
Unsecured bank loans	239,195	177,222
Total	$ 3,843,428	$ 3,778,089
Less: Unamortized discount	(15,747)	(14,013)
Less: Long-term liabilities due within a year	(1,133,137)	(940,929)

Long-term loans	$ 2,694,544	$ 2,823,147
Interest rate interval	1.421%-3.467%	1.67%-3.658%

1. For long-term loans, the Group provides part of property, plant and equipment, investment property, investment under the equity method and bank deposit as collateral, please refer to Note 8.
2. The loan of NTD270,000 thousand by the subsidiary Koya Corp. originally should have expired on December 31, 2020. However, it has acquired the reply form from the bank to extend the duration to December 31, 2021 at the beginning of 2021. Also, other important conditions met the requirement of related loan conditions after review, such as the term of life and construction progress of the Dapumei project shall be conducted within the specified period and the provision of the letter of support regarding the shareholding no less than 90% by the parent company and the affiliates (which had acquired the approval of the borrowing bank).
3. According to the provisions of the syndicated loan contract, the consolidated financial report audited and attested by the CPA shall be used to calculate and maintain financial ratios such as specific current ratio, liability ratio, interest earned ratio and tangible net worth during the loan period; after review, the relevant financial ratios in 2020 and 2019 financial reports all complied with the provisions of the loan contract.

(XXI) Pension

1. Defined contribution plan
   (1) The Company and its subsidiaries located in the territory of the Republic of China applied the pension system under the “Labor Pension Act,” which was identified as a defined contribution plan managed by the government. Under the plan, the Company contributed 6% of each employee’s salary to the personal account maintained at the Bureau of Labor Insurance on a monthly basis; subsidiaries beyond the borders of the Republic of China participated in the defined contribution plan conducted by the local government and contributed pension to the local government on a monthly basis.
   (2) The total expense amount recognized by the Group in the consolidated statement of comprehensive income based on contribution ratios specified in the defined contribution plan in 2020 and 2019 were NTD19,088 thousand and NTD22,297 thousand, respectively.
2. Defined benefit plan
   (1) The employee pension system established by the Group is a defined benefit plan based on the “Labor Standards Act.” The payment of the employee pension is calculated based on their years of service and the average salary for six months prior to the approval date of retirement. The Company has an amount equivalent to 2%–13% of the total monthly salary of employees appropriated and deposited in the specific account with Bank of Taiwan in the name of the Labor Pension Reserve Committee. Before the end of the fiscal year, if the pension account balance is insufficient to pay for the employees expecting to meet the retirement conditions in the following year, the spread amount shall be deposited by the Company in a lump sum in the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor. The Group has no right to affect the investment management strategies.
   (2) The amount of defined benefit plan recognized in the consolidated balance sheet by the Group is shown below:

Item	December 31, 2020	December 31, 2019
Current values of the ascertained fringe benefit obligations	$ 264,461	$ 271,924
Fair values of the planned assets	(166,351)	(168,365)

Defined benefit liabilities (assets)	$ 98,110	$ 103,559
Net assets recognized in the balance sheet	$ (958)	$ (965)
Net liabilities recognized in the balance sheet	$ 99,068	$ 104,524

(3) The changes in the defined benefit liabilities are listed as follows:

2020

Item	Current values of the ascertained fringe benefit obligations	Fair values of the planned assets	Defined benefit liabilities
Balance, January 1	$ 271,924	$ (168,365)	$ 103,559
Service cost			
Service cost in the current period	1,500	-	1,500
Interest expenses (revenue)	2,629	(1,699)	930
Recognized as profit and/or loss	$ 4,129	$ (1,699)	$ 2,430
Re-measurement amount			
Return on plan assets (excluding amount included in net interest)	$ -	$ (5,139)	$ (5,139)
Actuarial losses (gains) –			
Effects of changes in financial assumptions	3,529	-	3,529
Adjustment through experience	9,284	-	9,284
Recognized under other comprehensive income	$ 12,813	$ (5,139)	$ 7,674
Appropriated by employer	(2,086)	(11,761)	(13,847)
Benefit payment	(23,097)	20,613	(2,484)
Transfer-out from the affiliates	778	-	778
Balance, December 31	$ 264,461	$ (166,351)	$ 98,110

2019

Item	Current values of the ascertained fringe benefit obligations	Fair values of the planned assets	Defined benefit liabilities
Balance, January 1	$ 286,536	$ (165,295)	$ 121,241
Service cost			
Service cost in the current period	2,043	-	2,043
Interest expenses (revenue)	3,116	(1,932)	1,184
Recognized as profit and/or loss	$ 5,159	$ (1,932)	$ 3,227
Re-measurement amount			
Return on plan assets (excluding amount included in net interest)	$ -	$ (5,817)	$ (5,817)
Actuarial losses (gains) –			
Effects of changes in financial assumptions	1,896	-	1,896
Adjustment through experience	(610)	-	(610)
Recognized under other comprehensive income	$ 1,286	$ (5,817)	$ (4,531)
Appropriated by employer	-	(13,586)	(13,586)
Benefit payment	(21,057)	18,265	(2,792)

Balance, December 31	$ 271,924	$ (168,365)	$ 103,559

(4) The Group is exposed to the following risks due to the employee pension system based on the "Labor Standards Act":

A. Investment risk

The Bureau of Labor Funds, Ministry of Labor will utilize the pension fund for investment in domestic (foreign) equity securities, debt securities bank deposits in self utilization and mandated management manner. However, the distributed amount for the Group's plan assets shall not be less than the revenue calculated by 2-year time deposit rate of the local bank.

B. Interest rate risk

The decrease in interest rate of government bonds will increase the present value of the defined benefit obligation. However, the return on investment of plan assets will also increases. Both can partially offset the impact on defined benefit liabilities.

C. Salary risk

The present value of defined benefit obligation is calculated based on the future salary of the members of the plan. Thus, the salary increase in members of the plan will increase the present value of defined benefit obligation.

(5) The Group's present value of the defined benefit obligation is calculated by qualified actuaries. The important assumptions on the measurement date are as follows:

	Measurement date	
Item	December 31, 2020	December 31, 2019
Discount rate	0.75%	1.00%-1.30%
Anticipated raise ratio of salaries	1.00%	1.00%
Average maturity of defined benefit obligation	9.6–12.6 years	10.4–12.7 years

A. The assumption of future mortality rate adopts Terms Life Chart of Annuity for estimation.

B. In case the principal actuarial assumptions have reasonable and potential changes, when all other assumptions remain unchanged, the increase (decrease) amount in present value of defined benefit obligation is as follows:

Item	December 31, 2020	December 31, 2019
Discount rate		
Increase by 0.25%	$ (3,529)	$ (4,081)
Decrease by 0.25%	$ 3,648	$ 4,219
Anticipated raise ratio of salaries		
Increase by 1%	$ 15,258	$ 17,692
Decrease by 1%	$ (13,664)	$ (15,777)

Because actuarial assumptions might be relevant to each other, changes in one single actuarial assumption is not exactly possible. Therefore, the sensitivity analysis may not reflect the actual changes in the present value of the defined benefit obligation.

(6) The Group plans to contribute NTD8,147 thousand for the pension plan in 2021.

(XXII) Common stock

1. The Company's outstanding common stock and amount at beginning and ending is adjusted as follows:

Item	2020 Shares (thousand shares)	2020 Amount	2019 Shares (thousand shares)	2019 Amount
January 1	494,513	$ 4,945,134	494,513	$ 4,945,134
Cash capital increase	-	-	-	-
December 31	494,513	$ 4,945,134	494,513	$ 4,945,134

2. As of December 31, 2020, the Company's authorized capital was NTD8,800,000 thousand which was divided into 880,000 thousand shares. The paid-in capital was NTD4,945,134 thousand.

(XXIII) Capital surplus

Item	December 31, 2020	December 31, 2019
Stock premium	$ 28,973	$ 28,973
Difference between actual price and book value of the subsidiary's stock actually acquired or disposed	144,001	144,001
Changes of affiliates and joint ventures recognized under the equity method	83,069	80,745
Treasury stock trading	7,354	7,354
Recognized changes in the ownership equity of the subsidiary	5,250	5,250
Total	$ 268,647	$ 266,323

According to the Company Act, for the capital reserve including shares issued at premium excessing the par value and gains in the form of gifts, besides covering losses, the Company shall distribute capital reserve by issuing new shares or in cash, in proportion to the original shareholding ratio of the shareholders when the Company incurs no loss. In addition, according to relevant regulations of the Securities and Exchange Act, the capital surplus mentioned above that can be capitalized annually shall not exceed 10% of the total paid-in capital. When the reserve is insufficient to cover the capital losses, the Company shall not use capital reserves to offset it. The capital reserve generated due to the investment adopting the equity method shall not be used for any purpose.

(XXIV) Retained earnings and dividend policy

1. If the Company has earnings at the year's final accounting, it shall first be used to pay income tax and make up any cumulative losses in accordance with laws, and 10% of the balance shall be appropriated as legal reserve, unless the existing legal reserve reaches the amount of the Company's paid-in capital. The rest of the balance shall be used for provision or reversal of special reserves pursuant to laws. The residual balance, if any, shall be added to cumulative undistributed earnings. The Board of Directors shall preserve part of the earnings and then draft a proposal for allocation of the remaining earnings based on business conditions and submit the same to the shareholders' meeting for the approval of the dividend and bonus distribution to the shareholders.

   The food industry is in a changing environment and the Company is at the stage of stable growth. To meet the demand for operating funds as the business grows and to develop long-term financial planning for sustainable development, dividends are distributed, in principle, based on the appropriation rate of more than 50% (included) from the distributable surplus. The Company distributes dividends in the form of stocks and cash, and the former is preferred in consideration of the growth rate and capital expenditure of Company. The remaining dividends are distributed in cash at a rate not less than 10% (included) than the total distributable dividends in the current year. Dividends in cash will not be distributed if the amount of the dividends distributable per share is less than NTD0.1 and dividends in stock will be distributed as a replacement.

2. The legal reserve shall not be used unless for covering losses or issuing new shares or in cash in proportion to the original shareholding ratio of the shareholders. The new shares or cash allocated shall be no more than 25% of the paid-in capital.

3. Special reserve

Item	December 31, 2020	December 31, 2019
(1) Appropriation of other equity debit balance	$ 60,792	$ 60,792
(2) Appropriation of initial application of IFRSs	93,685	93,685
(3) Appropriation of investment property measured at fair value	408,327	357,904
Total	$ 562,804	$ 512,381

(1) Pursuant to laws, when allocating earnings, the Company shall provide the special reserve from the credit balance under other equities on the balance sheet date in current year and then may allocate the earnings. Where the credit balance under other equities is reversed, the reversed amount may be included into the allocatable earnings.

(2) Appropriation of initial application of IFRSs
When first adopting the IFRSs, the Company re-stated NTD158,125 thousand of the accumulative translation adjustment and unrealized revaluation increase to the retained earnings. However, the retained earnings increase generated from first adoption of IFRSs was insufficient for recognition. Therefore, NTD93,685 thousand of retained earnings increase generated from first adoption of IFRSs was recognized as special reserves.

(3) Appropriation of investment property measured at fair value

Item	Amount
Appropriation of investment property first measured at fair value	$ 393,347
Appropriation of investment property measured at fair value	14,980
Appropriation as of December 31, 2020	$ 408,327

As of December 31, 2020, the special reserve is classified as accumulated net fair value increase of investment property (without considering the impact of legal reserves and income tax) and the unrecognized amount due to insufficient accumulated earnings totaled NTD757,986 thousand.

4. The following are the proposals for appropriation of profit or loss in 2019 and 2018 approved by the shareholders' meeting of the Company in June, 2020 and 2019:

Item	Earnings distribution	
	2019	2018

Legal reserve	$ 4,805	$ 4,790
Special reserve	50,423	125,516
Total	$ 55,228	$ 130,306

5. The Company held the proposal for 2020 earnings distribution on March 23, 2021. As of December 31, 2020, the accumulated net fair value increase of investment property still remained to be recognized as a special reserve, therefore the dividends for shareholders was not distributed.
6. For implementation of earnings distribution proposed by the Board of Directors and resolved by the shareholders' meetings, please visit the "Market Observation Post System" of the TWSE for inquiry.

(XXV) Other items of interest

Item	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	Total
Balance, January 1, 2020	$ (77,923)	$ (58,900)	$ (136,823)
Exchange difference in the financial statement translation of foreign operations	(9,837)	-	(9,837)
Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	-	37,234	37,234
Share of affiliates and joint ventures under the equity method	300	164,438	164,738
Balance, December 31, 2020	$ (87,460)	$ 142,772	$ 55,312

Item	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	Total
Balance, January 1, 2019	$ (32,028)	$ (193,033)	$ (225,061)
Exchange difference in the financial statement translation of foreign operations	(40,733)	-	(40,733)
Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	-	63,406	63,406
Share of affiliates and joint ventures under the equity method	(5,162)	87,411	82,249
Disposal of equity instrument measured at fair value through other comprehensive income	-	(15,682)	(15,682)

Unrealized gain or loss on equity instrument investments at fair value through other comprehensive income – recognition based on shareholding ratio	-	(1,002)	(1,002)
Balance, December 31, 2019	$ (77,923)	$ (58,900)	$ (136,823)

(XXVI) Non-controlling equity

Item	2020	2019
Balance – beginning	$ 758,344	$ 741,593
Share attributable to non-controlling equity:		
Current net profit (loss)	16,490	17,264
Other comprehensive income in current period	2,503	6,421
Cash capital increase of subsidiary	10,000	6,161
Changes in affiliates and joint ventures under the equity method	(2,132)	649
Cash dividends distributed to non-controlling equity	(16,083)	(13,041)
Decrease of non-controlling equity	-	(703)
Balance – ending	$ 769,122	$ 758,344

(XXVII) Operating revenue

Item	2020	2019
Revenue from customer contracts		
Sales revenue	$ 4,801,694	$ 4,634,632
Revenue from processing	165,569	135,660
Management service revenue	57,422	48,069
Total operating revenue from customer contracts	$ 5,024,685	$ 4,818,361
Less: Sales return	(39,677)	(15,422)
Sales discount	(372,362)	(336,541)
Net operating revenue from customer contracts	$ 4,612,646	$ 4,466,398
Other operating income	1,840	1,840
Net operating revenue	$ 4,614,486	$ 4,468,238

1. Details of customer contracts

(1) Sales revenue

The Company mainly engages in the selling of drinks and canned foods to wholesalers and retailers. According to general commercial practices, the Company accepts returns of goods and provides full refunds. If the contract has specified related rights for the return of goods, the contents of the contract shall prevail. Considering experience accumulated in the past, the Company estimates the refund rate at the highest possible amount to recognize the refund liabilities (as other current liabilities). Other products are sold according to the fixed price agreed to and the agreed promotional price in the contract.

(2) Revenue from processing

This mainly refers to the revenue generated from the processing provided according to the contract and is recognized based on the completion progress of the contract. However, if one certain task is more important than other tasks in the labor services provided, the recognition of revenue shall defer to the completion of those certain tasks.

(3) Management service revenue

This mainly refers to the revenue generated from the security service provided according to the contract. The personnel is sent to provide service based on the contract and completes the performance obligation over time. Also, the service revenue is collected based on the fixed price agreed in the contract.

2. Details of revenue from customer contracts

The revenue of the Group can be classified by the following main product lines and geographical areas:

2020:

	Drinks and canned foods	Processing	Management service	Total
Main area and market				
Taiwan	$ 4,296,974	$ 138,518	$ 57,422	$ 4,492,914
Mainland China	92,681	27,051	-	119,732
Total	$ 4,389,655	$ 165,569	$ 57,422	$ 4,612,646
Product line				
Tradition series	$ 1,074,960	$ -	$ -	$ 1,074,960
Dessert series	728,892	8,382	-	737,274
Drink series	1,415,463	103,345	-	1,518,808
Oat milk series	898,123	53,842	-	951,965
Oil series	86,666	-	-	86,666
Health series	22,063	-	-	22,063
Others	163,488	-	57,422	220,910
Total	$ 4,389,655	$ 165,569	$ 57,422	$ 4,612,646
Timing of revenue recognition				
Fulfillment of performance obligation at certain timing	$ 4,389,655	$ 165,569	$ -	$ 4,555,224
Gradual fulfillment of performance obligation over time	-	-	57,422	57,422
Total	$ 4,389,655	$ 165,569	$ 57,422	$ 4,612,646

2019:

	Drinks and canned foods	Processing	Management service	Total
Main area and market				
Taiwan	$ 4,185,625	$ 101,221	$ 48,069	$ 4,334,915
Mainland China	97,044	34,439	-	131,483
Total	$ 4,282,669	$ 135,660	$ 48,069	$ 4,466,398
Product line				
Tradition series	$ 984,231	$ -	$ -	$ 984,231
Dessert series	721,464	10,088	-	731,552
Drink series	1,551,241	81,082	-	1,632,323
Oat milk series	767,831	44,490	-	812,321
Oil series	82,037	-	-	82,037
Health series	25,621	-	-	25,621
Others	150,244	-	48,069	198,313

Total	$ 4,282,669	$ 135,660	$ 48,069	$ 4,466,398
Timing of revenue recognition				
Fulfillment of performance obligation at certain timing	$ 4,282,669	$ 135,660	$ -	$ 4,418,329
Gradual fulfillment of performance obligation over time	-	-	48,069	48,069
Total	$ 4,282,669	$ 135,660	$ 48,069	$ 4,466,398

3. Contract balance

The accounts receivable, contract assets and liabilities related to revenue from customer contracts recognized by the Group are as follows:

	December 31, 2020	December 31, 2019
Receivable	$ 591,919	$ 621,746
Contract assets	-	-
Total	$ 591,919	$ 621,746
Contract liabilities – current	$ 11,761	$ 8,369

(1) Significant changes in contract assets and liabilities

The changes in contract assets and liabilities are mainly due to the difference between the timing of performance obligation fulfillment and the timing of customer payment. There are no other significant changes.

(2) The following is the amount of the contract liabilities from the beginning of the period and fulfilled performance obligation in previous period recognized as current revenue:

Amount recognized as current revenue	2020	2019
Contract liabilities from the beginning of the period	$ 8,369	$ 7,061
Fulfilled performance obligation from the previous period	$ -	$ -

(XXVIII) Employee benefits, depreciation, depletion and amortization expenses

	2020		
By nature	As operating costs	As operating expenses	Total
Employee benefit expenses			
Salary expenses	$ 195,999	$ 371,697	$ 567,696
Expenses for labor and health insurance	19,864	25,531	45,395
Pension expenses	9,422	12,096	21,518
Other employee benefit expenses	31,130	20,396	51,526
Depreciation expenses (Note 1)	85,856	43,824	129,680
Amortization expenses	30	4,044	4,074
Total	$ 342,301	$ 477,588	$ 819,889

	2019		
By nature	As operating costs	As operating expenses	Total

Employee benefit expenses			
Salary expenses	$ 185,595	$ 328,652	$ 514,247
Expenses for labor and health insurance	19,690	24,903	44,593
Pension expenses	11,361	14,163	25,524
Other employee benefit expenses	30,574	21,524	52,098
Depreciation expenses (Note 2)	91,540	42,152	133,692
Amortization expenses	21	5,417	5,438
Total	$ 338,781	$ 436,811	$ 775,592

(Note 1): This does not include the leased asset depreciation expenses of NTD1,359 thousand stated in non-operating expenses.

(Note 2): This does not include the leased asset depreciation expenses of NTD2,458 thousand stated in non-operating expenses.

1. The Company shall allocate no less than 1% of the current pre-tax profit before deducting the remuneration distributed to employees and the directors as the remuneration to employees and no more than 1% thereof as the remuneration to directors. Should there be any change to the annual consolidated financial report after the reporting date, the accounting treatment shall be applied, and the adjustment accounted for in the next year.
2. The Company's board of directors resolved to pass the 2020 and 2019 remunerations to employees and directors on March 23, 2021 and March 26, 2020, respectively. The relevant amount recognized in the financial report is as follows:

	2020		2019	
	Employee Compensation	Remuneration to directors	Employee Compensation	Remuneration to directors
Distributed amount resolved	$ 2,985	$ 2,984	$ 451	$ 450
Amount recognized in annual financial statements	5,970	2,984	451	450
Difference	$ (2,985)	$ -	$ -	$ -

The difference between the 2020 remuneration distributed to employees resolved by the board of directors and the amount in the financial report was mainly due to the changes in accounting estimates and will be recognized as profit or loss for adjustment in 2021; in addition, the remuneration to employees was distributed in cash.

3. For information related to the remuneration to employees, directors, and supervisors approved by the Company, please visit the "Market Observation Post System" of TWSE for further inquiry.

(XXIX) Other revenue

Item	2020	2019
Rental revenue	$ 8,618	$ 5,993
Dividend revenue	15,669	18,825
Revenue from relief packages	5,146	-
Others	29,914	27,833
Total	$ 59,347	$ 52,651

(XXX) Other gains and losses

Item	2020	2019

Financial assets measured at fair value through profit or loss	$ 4,672	$ 4,461
measured at fair value through profit or loss		
Gain (loss) of foreign exchange, net	33,150	(9,296)
Gain (loss) on disposal of property, plant and equipment	(254)	115
Gain (loss) on disposal of investment	-	1,892
Lease cost	(4,236)	(5,710)
Gain (loss) from fair value adjustment	30,135	35,264
Impairment loss of property, plant and equipment	(8,805)	-
Others	(30,041)	(21,043)
Total	$ 24,621	$ 5,683

(XXXI) Financial cost

Item	2020	2019
Interest from bank loans	$ 109,110	$ 115,845
Other finance costs	13,999	15,928
Lease liabilities	922	860
Subtotal	$ 124,031	$ 132,633
Less: Capitalized amount of qualifying assets	(336)	(178)
Financial cost	$ 123,695	$ 132,455
Interest rate interval	1.421%–5.66%	1.67%–5.66%

(XXXII) Income Tax

1. Income tax expenses

(1) The components of income tax expenses are as follows:

Item	2020	2019
Income tax in the current period		
Income tax generated in the current period	$ 6,848	$ 5,969
Overestimated/underestimated income tax in previous year	159	63
Additional tax levied on undistributed earnings	156	3
Total income tax in the current period	$ 7,163	$ 6,035
Deferred income tax		
Initial occurrence and reversal of temporary difference	$ 53,753	$ (1,277)
Deferred income tax expenses	$ 53,753	$ (1,277)
Income tax expenses (gains)	$ 60,916	$ 4,758

(2) Income tax expenses (gains) related to other comprehensive income:

Item	2020	2019
Exchange difference in the financial statement translation of foreign operations	$ (980)	$ (2,976)
Re-measurement of defined benefit pension plan	(1,535)	906
Total	$ (2,515)	$ (2,070)

2. The adjustments of current accounting income and income tax expenses recognized as profit or loss are as follows:

Item	2020	2019
Net profit before tax	$ 310,310	$ 70,091
Tax calculated based on net profit before tax at the statutory tax rate	$ 55,511	$ (12,488)
Tax effects of adjustments		
Effects not included in the calculation of taxable income		
Losses (gains) from adjustment of unrealized fair value	(6,027)	(7,053)
Other adjustments	(27,626)	16,991
Deduction of losses	(15,010)	8,519
Overestimated/underestimated income tax in previous year	159	63
Additional tax levied on undistributed earnings	156	3
Net change in deferred income tax	53,753	(1,277)
Income tax expenses recognized as profit or loss	$ 60,916	$ 4,758

The entity tax rate specified in the Income Tax Act of Republic of China applicable to the Group is 20% and the applicable tax rate for undistributed earnings is 5%; the tax generated from other jurisdictions is calculated based on the applicable tax rate of each relevant jurisdiction.

The amendment to domestic Statute for Industrial Innovation was announced by the President on July, 2019, stating that if a certain amount of the undistributed earnings is used for reinvestment in specific assets or technology, such investment amounts may be deducted from the calculation of undistributed earnings from 2018 on. During the calculation of undistributed earnings in 2020 and 2019, the Group has deducted the capital expense amount used for reinvestment from the undistributed earnings in 2019 and 2018.

3. Deferred income tax assets or liabilities generated due to temporary difference, deduction of losses and investment credit:

	2020				
Item	Balance – beginning	Recognized as profit (loss)	Recognized in other comprehensive profit (loss)	Exchange rate effect	Balance – ending
Deferred income tax assets:					
Temporary difference					
Investment losses (gains) under the equity method	$ 231,247	$ (25,099)	$ -	$ -	$ 206,148
Re-measurement of defined benefit	21,287	(2,616)	1,736	-	20,407
Unused deduction of losses	60,410	(37,422)	-	-	22,988
Others	8,089	(1,476)	1,059	-	7,672
Subtotal	$ 321,033	$ (66,613)	$ 2,795	$ -	$ 257,215
Deferred income tax liabilities					
Temporary difference					

Increment tax on land value	$ (134,477)	$ 145	$ -	$ -	$ (134,332)
Exchange difference					
Others	(19,759)	12,715	(280)	198	(7,126)
Subtotal	$ (154,236)	$ 12,860	$ (280)	$ 198	$ (141,458)
Total	$ 166,797	$ (53,753)	$ 2,515	$ 198$	$ 115,757

Item	2019				
	Balance – beginning	Recognized as profit (loss)	Recognized in other comprehensive profit (loss)	Exchange rate effect	Balance – ending
Deferred income tax assets:					
Temporary difference					
Investment losses (gains) under the equity method	$ 230,628	$ 619	$ -	$ -	$ 231,247
Re-measurement of defined benefit	24,741	(2,515)	(939)	-	21,287
Unused deduction of losses	56,341	4,069	-	-	60,410
Others	5,095	322	2,672	-	8,089
Subtotal	$ 316,805	$ 2,495	$ 1,733	$ -	$ 321,033
Deferred income tax liabilities					
Temporary difference					
Increment tax on land value	$ (134,182)	$ (295)	$ -	$ -	$ (134,477)
Exchange difference					
Others	(19,510)	(923)	337	337	(19,759)
Subtotal	$ (153,692)	$ (1,218)	$ 337	$ 337	$ (154,236)
Total	$ 163,113	$ 1,277	$ 2,070	$ 337$	$ 166,797

4. Items not recognized as deferred tax assets

Item	December 31, 2020	December 31, 2019
Temporary difference	$ 291,327	$ 248,423
Unused deduction of losses	206,011	219,898
Total	$ 497,338	$ 468,321

5. The tax collection authorities have authorized the income tax of profit-seeking enterprises reported the Company as of 2018.

(XXXIII) Other comprehensive income

Item	2020		
	Before tax	Income tax (expenses) gains	Net amount after tax
Items not reclassified to profit or loss:			
Re-measurement of defined benefit plan	$ (7,674)	$ 1,535	$ (6,139)
Unrealized valuation gains and losses from equity instrument investments measured at fair value through other comprehensive income	40,604	-	40,604
Share of affiliates and joint ventures under the equity method	157,301	-	157,301
Subtotal	$ 190,231	$ 1,535	$ 191,766
Items may be subsequently reclassified as profit or loss:			
Share of affiliates and joint ventures under the equity method			

Exchange difference in the financial statement translation of foreign operations	$ (11,991)	$ 2,211	$ (9,780)
Unrealized valuation profit or loss of debt financial assets measured at fair value through other comprehensive income	(850)	-	(850)
Share of affiliates and joint ventures under the equity method	1,531	(1,231)	300
Subtotal	$ (11,310)	$ 980	$ (10,330)
Recognized under other comprehensive income	$ 178,921	$ 2,515	$ 181,436

Item	2019		
	Before tax	Income tax (expenses) gains	Net amount after tax
Items not reclassified to profit or loss:			
Re-measurement of defined benefit plan	$ 4,531	$ (906)	$ 3,625
Unrealized valuation gains and losses from equity instrument investments measured at fair value through other comprehensive income	71,076	-	71,076
Share of affiliates and joint ventures under the equity method	85,260	-	85,260
Subtotal	$ 160,867	$ (906)	$ 159,961
Items may be subsequently reclassified as profit or loss:			
Share of affiliates and joint ventures under the equity method			
Exchange difference in the financial statement translation of foreign operations	$ (43,976)	$ 2,465	$ (41,511)
Unrealized valuation profit or loss of debt financial assets measured at fair value through other comprehensive income	(500)	-	(500)
Share of affiliates and joint ventures under the equity method	(5,673)	511	(5,162)
Subtotal	$ (50,149)	$ 2,976	$ (47,173)
Recognized under other comprehensive income	$ 110,718	$ 2,070	$ 112,788

(XXXIV) Earnings per common stock

Item	2020	2019
A. Basic EPS:		
Current net profit	$ 232,904	$ 48,069
Weighted average number of current outstanding shares (thousand shares)	494,513	494,513
Basic EPS (after tax) (NTD)	$ 0.47	$ 0.10
B. Diluted EPS:		
Current net profit	$ 232,904	$ 48,069
Effect of dilutive potential common stocks	-	-
Current net profit to be used to calculate diluted EPS	$ 232,904	$ 48,069

Weighted average number of current outstanding shares (thousand shares)	$ 494,513	$ 494,513
Effects of remuneration to employees (Note)	316	75
Weighted average number of outstanding common stock to be used to calculate diluted EPS (thousand shares)	$ 494,829	$ 494,588
Diluted EPS (after tax) (NTD)	$ 0.47	$ 0.10

(Note) When the Company chooses to distribute remuneration to employees in the form of shares or cash, the diluted EPS is calculated in case the remuneration to employees is distributed in shares and the weighted average outstanding shares is included in the dilutive potential common stocks. When calculating diluted EPS before distributing the resolved shares as remuneration to employees in the following year, the dilutive effect of potential common stocks shall also be considered.

VII. Transactions of the related party

(I) Parent company and ultimate controller:

The Company is the ultimate controller of the Group.

(II) Name of the related party and relationship

Name of the related party	Relationship with the Company
Taiwan First Biotechnology Corp.	Affiliated companies
Nicostar Capital Investment (BVI) Ltd.	Affiliated companies
Tongjitang Medicinal Biotech Corp.	Affiliated companies
Gangjing Co., Ltd.	Affiliated companies
Tai Fu International Corp.	Affiliated companies
Hopeman Distribution Co., Ltd.	Affiliated companies
Yanjing AGV International Company Limited	Affiliated companies
Nice Enterprise Co., Ltd.	Affiliated companies
Heding International Development Co., Ltd.	Affiliated companies
Nice Plaza Co., Ltd.	Affiliated companies
Dongruntang Biotech Corp.	Affiliated companies
Zhuqi Lionhead Mountain Leisure Development Co., Ltd.	Affiliated companies
Songshan Village Co., Ltd.	Affiliated companies
Acts Bioscience Inc.	Affiliated companies
Kuo Cheng Investment Development Corp.	Affiliated companies
Taiwan NJC Corporation	Other related parties
NICECO International Corp.	Other related parties
Janfusun Fancyworld Corp.	Other related parties
Tangsheng International Co., Ltd.	Other related parties
Tangli Culture Media Co., Ltd.	Other related parties
Jinan AGV Products Corporation	Other related parties

Name of the related party	Relationship with the Company
Eastern Taiwan Cultural & Creative Co., Ltd.	Other related parties
Koyaka Biotech Co., Ltd.	Other related parties
Chen Ten-Tao Cultural and Education Foundation	Other related parties
Yueshan Investment Co., Ltd.	Other related parties
Lujing Landscape Co., Ltd.	Other related parties
Shinekeep International Corp.	Other related parties
Taiwan Cosmetics Co., Ltd.	Other related parties
Zhengda Fenghuang Shanzhuang Co., Ltd.	Other related parties
Thunder Tiger Corporation	Other related parties
Prize Products Corporation	Other related parties
Baige Biotech Inc.	Other related parties
Ho Yuan Investment Co., Ltd.	Other related parties
IBF VC	Other related parties
Gelan Co., Ltd.	Other related parties
Yue Guan International Development Co., Ltd.	Other related parties
Jinzhou Development Co., Ltd.	Other related parties
Goldbank Investment Development Corp.	Other related parties
All Pass Bio-Tec Co., Ltd.	Other related parties
Taiwan Mineral Water Corp.	Other related parties
Jinan Ponpon Co., Ltd.	Other related parties
Apoland International Corp.	Other related parties
Nice Capital & Finance Corp.	Other related parties
Taiwan Sanyejia Co., Ltd.	Other related parties
Kuludrink Kombucha Ltd.	Other related parties
Bi-Hsia Ma	Other related parties

(III) Major transactions with the related party:

The balance and transaction between the Group and its subsidiaries (as related parties of the Company) have been written off from the consolidated financial statements and were not disclosed accordingly. The details about transactions between the Group and other related parties are disclosed as follows:

1. Operating revenue

Item	Category/Name of the related party	2020	2019
Sales revenue	Affiliated companies	$ 67,022	$ 44,779
	Other related parties		
	NICECO International Corp.	112,807	104,863
	Others	18,228	22,172
	Total	$ 198,057	$ 171,814
Rental income	Affiliated companies	$ 1,804	$ 1,804
	Other related parties	36	36

Total	$ 1,840	$ 1,840

(1) Sales revenue:

Said terms of sale have no significant difference from those of the general distributors. The collection period is O/A 30–90 days based on the distribution channels. However, the collection can be extended with interest accrued upon the agreement of both parties.

(2) Rental revenue:

For the lease of the Group to said companies, the lease price is based on contract agreements and the rental is collected on a monthly or quarterly basis.

2. Purchase

Type of the related party	2020	2019
Affiliated companies		
Taiwan First Biotechnology Corp.	$ 1,104,606	$ 1,080,585
Others	32,941	31,771
Other related parties		
NICECO International Corp.	247,239	212,909
Others	36,427	42,010
Total	$ 1,421,213	$ 1,367,275

Said purchase price has no significant difference from those of the general suppliers. Regarding payment method, besides commissioning other related parties to import goods, the Company follows the example of export practice to prepay part of the payment for goods. The balance was paid in full in the following month upon the receipt of goods while others adopts O/A 45–90 days for payment. The grace period is 1–5 months. However, the grace period can be extended upon the agreement of both parties.

3. Receivable accounts of the related party (excluding funds loaned to the related party)

Item	Category/Name of the related party	December 31, 2020	December 31, 2019
Notes receivable	Affiliated companies	$ 64	$ 71
	Other related parties		
	NICECO International Corp.	19,151	32,029
	Others	198	265
	Total	$ 19,413	$ 32,365
	Less: Allowance loss	(19)	(32)
	Net amount	$ 19,394	$ 32,333
Accounts receivable	Affiliated companies	$ 4,412	$ 3,774
	Other related parties	14,943	8,791
	Total	$ 19,355	$ 12,565
	Less: Allowance loss	(16)	(8)
	Net amount	$ 19,339	$ 12,557
Other accounts receivable	Affiliated companies	$ 10,175	$ 8,600
	Other related parties	31,428	33,758
	Total	$ 41,603	$ 42,358
	Less: Allowance loss	(18,169)	(25,159)
	Net amount	$ 23,434	$ 17,199

(Note) The Group’s expected credit losses of other accounts receivable recognized (reversed) were NTD8,907 thousand and NTD18,030 thousand in 2020 and 2019, respectively.

4. Accounts payable to the related party (excluding loans from the related party)

Item	Type of the related party	December 31, 2020	December 31, 2019
Notes payable	Affiliated companies	$ 2,945	$ 1,656
	Other related parties	9,265	5,452
	Total	$ 12,210	$ 7,108
Accounts payable	Affiliated companies		
	Taiwan First Biotechnology Corp.	$ 587,284	$ 532,558
	Others	5,196	4,083
	Other related parties	25,402	4,557
	Total	$ 617,882	$ 541,198
Other payables	Affiliated companies	$ 22,038	$ 26,941
	Other related parties	22,859	22,865
	Total	$ 44,897	$ 49,806

5. Collections

Category/Name of the related party	December 31, 2020	December 31, 2019
Other related parties	$ -	$ 3

6. Prepayments

Category/Name of the related party	December 31, 2020	December 31, 2019
Affiliated companies		
Nice Plaza Co., Ltd.	$ 21,417	$ 15,000
Other related parties		
NICECO International Corp.	11,855	5,510
Others	925	-
Total	$ 34,197	$ 20,510

7. Guarantee deposits

Category/Name of the related party	December 31, 2020	December 31, 2019
Affiliated companies		
Dongruntang Biotech Corp.	$ -	$ 2,148
Others	348	151
Other related parties		
Jinan AGV Products Corporation	831	818
Total	$ 1,179	$ 3,117

8. Property transaction

(1) Acquisition of property, plant and equipment:

Category/Name of the related party	2020	2019
Affiliated companies	$ -	$ 124

(2) Acquisition of financial assets:

2020:

Category/Name of the related party	Transaction item	Transaction amount
Affiliated companies		
Nice Enterprise Co., Ltd.	1,500 thousand shares of Qixing Resort Co., Ltd.	$ 15,000

Said share transaction price refers to the net worth per share of the invested company and is determined after price negotiation between both parties. As of December 31, 2020, all of the transaction prices have been paid in full.

2019: None.

(3) Disposition of financial assets:

2020: None.

		2019	
Category/Counterparty of the related party	Transaction item	Amount sold	Profit or loss from sales
Affiliated companies			
Taiwan First Biotechnology Corp.	Equity of Global Securities Finance Corporation (Note)	$ 25,154	$ 2,910
Taiwan First Biotechnology Corp.	Equity of UPAMC Global Innovative Tech Fund (Note)	18,137	196
Taiwan First Biotechnology Corp.	Equity of Nice Capital & Finance Corp.d. (Note)	20,400	5,400
	Total	$ 63,691	$ 8,506

(Note): Said profit or loss from sales is the disposition of financial assets measured at fair value through other comprehensive income. The changes in accumulated net fair value is re-stated from other equity to retained earnings upon disposition.

Said transaction price is determined after price negotiation between both parties. As of December 31, 2019, all of the transaction prices have been collected in full.

9. Lease agreement

(1) Right-of-use assets acquired from lease

Category/Name of the related party	Lease item	2020	2019
Acquisition of right-of-use assets	Institute of Health Science		
Affiliated companies		$ -	$ 8,744

Category/Name of the related party	December 31, 2020	December 31, 2019
Lease liabilities		
Affiliated companies	$ 3,303	$ 5,903

Category/Name of the related party	2020	2019
Interest expenses		
Affiliated companies	$ 96	$ 183

(2) Lease expenses

Category/Name of the related party	2020	2019
Affiliated companies	$ 356	$ 312

Said lease conditions are based on contract agreements and the rental is paid on a monthly or quarterly basis.

10. Lease agreement: Please refer to Note 7(3)14.
11. Loaning of funds to the related party: None.
12. Loans from the related party:

(1) Balance – ending

Type of the related party	December 31, 2020	December 31, 2019
Other related parties	$ 22,784	$ 23,984

(2) Interest expense: None.

13. Endorsement and guarantee: None.
14. Others

(1) Various revenues

Category/Name of the related party	2020	2019
Affiliated companies		
Taiwan First Biotechnology Corp.	$ 4,742	$ 4,538
Others	555	793
Other related parties		
Tangli Culture Media Co., Ltd.	3,371	3,371
Nice Capital & Finance Corp.	7,436	-
Others	4,915	785
Total	$ 21,019	$ 9,487

This mainly refers to rent revenue and other revenues. Said lease prices are based on contract agreements and the rental is collected on a monthly or quarterly basis.

(2) Various expenditures

Category/Name of the related party	2020	2019
Affiliated companies		
Hopeman Distribution Co., Ltd.	$ 136,209	$ 129,268
Others (Note)	11,721	8,793
Other related parties		
Tangli Culture Media Co., Ltd.	221,109	225,918
Others	22,567	23,950
Total	$ 391,606	$ 387,929

(Note): This excludes the collection/payment of warehousing fees.

A. To promote the sale of products, the Group commissioned Tangli Culture Media to provide advertisement planning services, which is responsible for product market surveys as well as product and advertisement planning. The payment is based on the contract agreement and settled on a monthly basis. The amount is paid within 30 days after the settlement.

B. Hopeman Distribution is commissioned to deliver products manufactured and sold by the Group, and the product delivery expenses is calculated based on a certain ratio of net sales.

C. Other expenses such as management consultation services are paid according to the contract agreement.

(3) The Group's participation in the cash capital increase, claims converted into capital increases and increases in amounts invested in the related party is as follows:

2020: None.

2019:

Invested company	Increase of investment		Shareholding ratio	
	Shares (thousand shares)	Amount	Before capital increase	After capital increase
Dongruntang Biotech Corp.	3,286	$ 15,555	34.90%	29.53%

(4) Part of the Group's land is registered in the name of the related party and the details are as follows:

Type of the related party	Land number
Bi-Hsia Ma	Land No. 155 and 156, Songzijiao Section, Minxiong Township, Land No. 183 and 184, Datan Subsection, Datan Section, Xingang Township, Land No. 378, Houdihu Subsection, Houdihu Section, Xingang Township, Land No. 461-8, Kantoucuo Section, Gukeng Township, Yunlin County, Land No. 158, 154-3, 160-7, 160-23, 160-21, 165-3, 160-30 and 159, Songzijiao Section, Minxiong Township and Land No. 600 and 601, Wujiancuo Section, Zhuqi Township.

(IV) Information about remuneration to key management

Category/Name of the related party	2020	2019
Salary and other short-term employee benefits	$ 25,759	$ 22,031
Benefits after severance/retirement	731	701
Other long-term employee benefits	1,046	805
Total	$ 27,536	$ 23,537

VIII. Pledged assets

The following assets were pledged for various loans and performance guarantees:

Item	December 31, 2020	December 31, 2019
Pledged demand deposits	$ 57,799	$ 98,278
Investment under the equity method	894,833	852,870
Property, plant and equipment (net amount)	1,643,316	1,659,203
Investment property	2,636,500	2,605,470
Total	$ 5,232,448	$ 5,215,821

IX. Major contingent liabilities and commitments made under unrecognized contracts

(I) As of December 31, 2020 and 2019, the guarantee notes issued for loan limit guarantees by the Group were NTD3,743,200 thousand and NTD4,644,200 thousand, respectively, which were recognized as guarantee notes paid and guarantee notes payable.

(II) As of December 31, 2020 and 2019, the guarantee notes and accounts received by the Group for performance guarantees of construction and assuring claims of payment for goods were NTD61,724 thousand and NTD49,737 thousand, respectively, which were recognized as guarantee notes and accounts received and guarantee notes and accounts receivable.

(III) As of December 31, 2019 and 2020, the details regarding the unused letters of credit issued by the Group are as follows:

Unit: NTD thousand

Item	December 31, 2020	December 31, 2019
Amount of letter of credit	USD 2,186	USD 1,437
Guarantee amount	-	-

(IV) As of December 31, 2020 and 2019, for the endorsements/guarantees for others by the Group, please refer to Table 2 of Note 13.

(V) Significant capital expenses signed but not occurred:

Item	December 31, 2020	December 31, 2019
Property, plant, and equipment (Note)	$ 160,559	$ 151,871

(Note) For the lawsuit and suspension of construction related to the subsidiary of the Group – Shandong AGV Food Technology Co., Ltd., please refer to Note 9(6).

(VI) The lawsuit and construction suspension regarding the plant construction of Shandong AGV Food Technology Co., Ltd.:

1. A subsidiary of the Group, Shandong AGV Food Technology Co., Ltd. (hereinafter referred to as the Shandong AGV) constructed the Jiyang plant of Shandong AGV in 2014 and commissioned Shandong Taian Construction Group Co., Ltd. (hereinafter referred to as Shandong Taian) as the turnkey solutions provider for the construction of Shandong AGV Jiyang plant. The construction contract was a framework contract for the construction of the entire plant area. After Shandong AGV signed A1, A3 and A12 contract construction with Shandong Taian: (1) Due to construction delays in 2018, it filed a civil action against Shandong AGV regarding unsigned construction contracts and part of the construction amount and related interest for construction in progress without reaching an acceptable level, and the calamined amount was RMB19,985 thousand in May 25, 2020; (2) It also filed a provisional seizure for part of Shandong AGV's property to the court on April 16, 2020; (3) Shandong AGV received the court verdict from Jiyang District People's Court on July 8, 2020, stating that Shandong Taian should pay RMB12,769 thousand as the constriction amount and related interest; (4) Shandong AGV disagreed with the verdict and appealed to a higher court in July, 2020, and received the final judgment from Shandong, Jinan Intermediate People's Court, stating that Shandong AGV should pay RMB11,454 thousand of the remaining constriction amount and related interest to Shandong Taian. In addition, RMB359 thousand in trial expenses was recognized by Shandong AGV in 2020; (5) Shandong AGV paid the construction amount, interest and trial expenses totalizing RMB11,898 thousand to Jiyang District People's Court on January 20, 2021 (please refer to description in 3.).
2. Shandong AGV filed a suit against Shandong Taian for damages compensation due to default and claimed compensation of RMB41,055 thousand to Jinan Intermediate People's Court on June 19, 2020. The court session commenced for exchange of evidence in September and October, 2020. The court session commenced on January 29, 2021. Both parties made an appraisal concerning the devaluation loss of Tetra Pak equipment claimed by Shandong AGV. The report provided by the appraisal company specified that this part of Shandong AGV did not exist in tangible, economic and functional impairment. However, the interest loss generated during the idle period was RMB9,560 thousand. Shandong Taian agreed to proceed with the negotiation. If the negotiation cannot be achieved by both parties, direct judgment will be given by the Jinan Intermediate People's Court.

3. Due to the fact that the suit against Shandong Taian for damages compensation due to default by Shandong AGV was still in progress (please refer to the description in 2.), to prevent the risk of property concealment or no property for execution by Shandong Taian after Shandong AGV acquires favorable judgment against Shandong Taian, Shandong AGV decided to conduct provisional property seizure and applied to Jinan Intermediate People's Court for preserving the claim of construction amount made by Shandong Taian against Shandong AGV based on the preceding judgment. Taiping General Insurance Co., Ltd. served as the guarantor of Shandong AGV and issued the letter of guarantee to secure the deposit payable on December 17, 2020, which was approved by Shandong, Jinan Intermediate People's Court. Jiyang District People's Court confirmed to receive the judgment of Shandong, Jinan Intermediate People's Court on January 22, 2021, and temporarily did not distribute said RMB11,898 thousand paid by Shandong AGV to Shandong Taian.
4. The construction base of Shandong AGV changed from industrial land to comprehensive residential land. The base in which the new uncompleted construction is located may be expropriated by Jinan City Government and Land and Resources Bureau in the future due to the change in land use. According to the Regulation on the Expropriation of Buildings on State-owned Land and Compensation of Mainland China, the people's government at the city or county level shall provide subsidy and reward for landowners; thus, in case of future expropriation, the Land and Resources Bureau shall provide compensation for expropriation based on the appraisal amount of the authenticating institution. For compensation given by the Land and Resources Bureau to Shandong AGV according to the relevant laws, the appraised construction cost used as the basis of compensation may not be the same as the contract construction cost appraised in the court verdict. It is considered that the construction cost of the construction contract signed by Shandong AGV may be recovered based on the expropriation compensation procedure, which may not result in loss for Shandong AGV.

X. Losses due to major disasters: None.

XI. Significant subsequent events: None.

XII. Others

(I) Management over capital risks

The Group must retain sufficient capital to meet the needs of extensions as well as plant and equipment improvements. Thus, the capital management of the Group is to ensure the necessary financial resources and business plans to meet the needs of working capital, capital expenses, R&D expenses and repayment of debts required within the following 12 months.

(II) Financial instruments

1. Financial risk of financial instruments

<u>Financial risk management policy</u>

Various types of financial risks have an impact on the daily operation of the Group, including the market risk (including the exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. To reduce relevant financial risks, the Group is devoted to identifying, assessing and hedging the uncertainty of the market to minimize the adverse impact of changes in the market on the Company’s financial performance.

The board of directors audited the Group’s major financial activities in accordance with the relevant norms and internal control systems. Upon implementation of the financial plan, the Group must faithfully comply with the relevant financial operation procedures regarding financial risk management and the division of authority and responsibility.

<u>Nature and degree of important financial risk</u>

(1) Market risk

A. Exchange rate risk

(a) The Group is exposed to exchange rate risk resulting from the sale, procurement and loan transactions and net investment in the foreign operation measured with a currency other than the functional currency of the Group. New Taiwan Dollar is the main functional currency of the Group, while RMB and USD is also included. These transactions are denominated in the major currency of USD and RMB. To avoid the decrease in the foreign asset value and fluctuation of the future cash flow due to changes in the exchange rate, the Group uses foreign currency loans to hedge the risk of exchange rates. The net investment in the foreign operation was for strategic investment, therefore the Group did not adopt any hedging policy against it.

(b) Foreign exchange exposure and sensitivity analysis (before consolidated write-off):

			December 31, 2020			
			Amount recognized	Sensitivity analysis		
	Foreign currency	Exchange rate	(NTD)	Extent of change	Impact on profit or loss	Impact on equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD : NTD	873	28.48	24,851	1% appreciation	249	-
USD : RMB	5	6.5249	154	1% appreciation	2	-
HKD : USD	904	0.1290	3,320	1% appreciation	33	-
Non-monetary items						
Investment under the equity method						
USD : NTD	23,094	28.48	657,729	1% appreciation	-	6,577
NZD : USD	74	0.7226	1,527	1% appreciation	-	15
RMB : USD	180,848	0.1533	789,370	1% appreciation	-	7,894
VND : USD	4,805,773	0.000038975	5,334	1% appreciation	-	53
Financial liabilities						
Monetary items						
USD : RMB	5,239	6.5249	149,201	1% appreciation	(1,492)	-
USD : NTD	628	28.48	17,898	1% appreciation	(179)	-

			December 31, 2019			
			Amount recognized	Sensitivity analysis		
	Foreign currency	Exchange rate	(NTD)	Extent of change	Impact on profit or loss	Impact on equity
(Foreign currency: Functional currency)						

Financial assets						
Monetary items						
USD : NTD	814	29.98	24,417	1% appreciation	244	-
USD : RMB	79	6.9762	2,383	1% appreciation	24	-
HKD : USD	905	0.1284	3,484	1% appreciation	35	-
Non-monetary items						
Investment under the equity method						
USD : NTD	23,447	29.98	702,941	1% appreciation	-	7,029
NZD : USD	77	0.6734	1,554	1% appreciation	-	16
RMB : USD	194,536	0.1433	836,013	1% appreciation	-	8,360
VND : USD	6,544,124	0.000039026	7,657	1% appreciation	-	77
Financial liabilities						
Monetary items						
USD : RMB	13,994	6.9762	419,553	1% appreciation	(4,196)	-

If all other variable factors remain unchanged, if the currency value of NTD relatively increases against said currency, there may have equivalent but adverse impact on the amount reflecting said currency on December 31, 2020 and 2019.

(c) The Group's total amount of all exchange gain (loss) (including the realized and unrealized) from monetary items due to significant impacts of exchange rate fluctuation were NTD33,150 thousand and NTD(9,296) thousand in 2020 and 2019, respectively.

B. Price risk

Due to the fact that the equity instrument investment held by the Group indicated in the consolidated balance sheet were classified as financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive income, the Group suffers the price risk of financial instruments.

The Group mainly invested in TWSE/TPEx and foreign listed and unlisted stocks, beneficiary certificates and debt instruments, and the price of such equity and debt instrument is affected by the uncertainty of the investment's future value.

If the prices of equity and debt instruments increase or decrease by 1%, the profit or loss after tax will increase or (decrease) NTD357 thousand and NTD310 thousand in 2020 and 2019, respectively, due to the increase or decrease in the fair value of financial assets measured at fair value through profit or loss. The comprehensive income after tax will increase or (decrease) NTD11,565 thousand and NTD11,134 thousand in 2020 and 2019, respectively, due to the increase or decrease in the fair value of financial assets measured at fair value through other comprehensive income.

C. Interest rate risk

The book amount of the Group's financial assets and financial liabilities exposed to interest rate exposure on the reporting date is as follows:

Item	Book amount December 31, 2020	Book amount December 31, 2019
Interest rate risk with fair value:		
Financial assets	$ 25,222	$ 23,012
Financial liabilities	49,602	28,926
Net amount	$ 74,824	$ 51,938
Interest rate risk with cash flow:		
Financial assets	$ 699,252	$ 686,063
Financial liabilities	(4,756,273)	(4,994,304)
Net amount	$ (4,057,021)	$ (4,308,241)

(a) Sensitivity analysis of interest rate risk with fair value

The Group invested in preferred shares that are not able to be transferred to common stocks, and the annual percentage rate of annual dividends is 3.5% based on the issuing method, which is classified as fixed interest rate. Thus, it is not exposed to the risk of changes in future market interest rates. In addition to those mentioned above, the Group does not classify any financial assets or liabilities with fixed interest rate as financial assets measured at fair value through profit or loss or measured at fair value through other comprehensive income, and does not specify derivatives (interest rate exchange) as hedging instruments in the hedge account model of fair value. Therefore, the changes in interest rate on the reporting date will not impact profit or loss and other comprehensive net profits.

(b) Sensitivity analysis of interest rate risks with cash flow

The Group's financial instrument of the variable interest rate are assets (liabilities) with variable interest rates. The changes in market interest rates will result in changes in the effective rate and cause changes in future cash flow. The net profit in 2020 and 2019 will increase (increase) NTD(40,570) thousand and NTD(43,082) thousand, respectively, for every 1% decrease (increase) in market interest rate.

(2) Credit risk

The Group's credit risk is the risk of financial loss that would be incurred by the Group if its customers or financial instrument trading counterparty fail to perform their contracts. This is mainly due to the trading counterparty being unable to pay the accounts payable based on the payment conditions and the contractual cash flows of debt instrument investment classified as measured at amortized cost and fair value through profit or loss.

Credit risk related to the operation

To maintain the quality of the accounts receivable, the Group has established a procedure to manage the credit risk related to the operation. The risk analysis of individual customers shall consider various factors which may impact the solvency of the customer, including the financial status, credit rating, internal credit rating of the Group, historical transaction record and current economic situation of the customer.

Financial credit risk

The credit risk of bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Finance Department of the Group. Since the transaction counterparties and the contract performance parties of the Group are banks of excellent credit standing and financial institutions or corporate entities with investment levels, there are no non-compliance issues; therefore, there is no significant credit risk. In addition, for indicators and level information on impairment of financial credit risks regarding debt financial assets measured at fair value through other comprehensive income, please refer to the description in C., D. and E.

A. Concentration of credit risk

As of December 31, 2019 and 2018, the receivable balance of the top 10 customers accounted for 57.26% and 53.44% of the Group's receivable balance, respectively. The concentration of the credit risk for other accounts receivable was relatively insignificant.

B. Measurement of expected credit impairment loss

a. Accounts receivable: For the simplified approach adopted, please refer to Note 6(4).

b. Judgment basis of significant increase in credit risk: Please refer to the description (D) in the following.

C. The indicators to determine the debt instrument investment as credit impairment used by the Group is as follows:

(A) The issuer has significant financial difficulty or faces possible bankruptcy or other financial reorganization;

(B) The active market of financial assets extinguishes due to financial difficulties of the issuer;

(C) The dividend or principal payments delay or non-performance by the issuer;

(D) National or regional adverse economic changes related to the default of the issuer.

D. The credit risk rating information on debt instrument investment measured at fair value through other comprehensive income recognized by the Group is as follows:

a. Credit risk rating:

Credit rating	Definition	Recognition basis of expected credit loss
Normal	Debtors with low credit risk and sufficient capability to pay off contractual cash flow within the overdue period less than 30 days	12-month expected credit loss
Abnormal	Credit risk increases significantly for overdue more than 30 days or since initial recognition	Expected credit loss throughout the duration (without credit impairment)
Default	Overdue more than 90 days or has evidence of credit impairment	Expected credit loss throughout the duration (with credit impairment)
Written off	There is evidence showing that the debtor is facing serious financial difficulty and the recoverable amount cannot be reasonably expected by the Group, e.g. overdue more than 180 days	Direct written off

(a) The total book amount of debt instrument investments disclosed according to credit risk rating and the applicable rate of expected credit loss is as follows:

Credit rating	Expected credit loss	December 31, 2020	December 31, 2019
Normal	0%-1%	$ 26,650	$ 27,500

Abnormal	20%	-	-
Default	30%-50%	-	-
Written off	100%	-	-

E. The collateral and other credit enhancements held to hedge the credit risk of financial assets:

The information related to the financial impact on the amount of maximum credit risk exposure regarding the financial assets recognized in the consolidated balance sheet and collateral held by the Group, overall agreement on net settlement and other credit enhancements is shown in the following table:

		Amount of decrease in maximum credit risk exposure			
December 31, 2020	Book amount	Collateral	Overall agreement on net settlement	Other credit enhancement	Total
Financial instruments applicable to the impairment regulation of IFRS 9:					
Debt instrument investment measured at fair value through other comprehensive income	$ 26,650	$ -	$ -	$ -	$ -
Financial instruments not applicable to the impairment regulation of IFRS 9:					
Financial assets measured at fair value through profit or loss	35,658	-	-	-	-
Financial assets measured at fair value through other comprehensive income	1,129,803	45,354	-	-	45,354
Total	$ 1,192,111	$ 45,354	$ -	$ -	$ 45,354

		Amount of decrease in maximum credit risk exposure			
December 31, 2019	Book amount	Collateral	Overall agreement on net settlement	Other credit enhancement	Total
Financial instruments applicable to the impairment regulation of IFRS 9:					
Debt instrument investment measured at fair value through other comprehensive income	$ 27,500	$ -	$ -	$ -	$ -
Financial instruments not applicable to the impairment regulation of IFRS 9:					
Financial assets measured at fair value through profit or loss	31,035	-	-	-	-
Financial assets measured at fair value through other comprehensive income	1,085,941	71,072	-	-	71,072
Total	$ 1,144,476	$ 71,072	$ -	$ -	$ 71,072

(3) Liquidity risk

A. Liquidity risk management

The purpose of the Group's liquidity risk management is to maintain the cash and cash equivalents required for operation and sufficient bank financing credit line to ensure adequate financial flexibility of the Group.

B. Maturity analysis on asset liabilities

The following table is the summarized analysis of the Group's financial liability with agreed repayment period based on the expiry date and undiscounted amount due:

December 31, 2020

Non-derivative financial liabilities	Within 6 months	7–12 months	1–2 years	2–5 years	More than 5 years	Contractual cash flow	Book amount
Short-term loans	$ 898,656	$ 29,936	$ -	$ -	$ -	$ 928,592	$ 928,592
Notes payable	91,775	-	-	-	-	91,775	91,775
Accounts payable	710,405	-	-	-	-	710,405	710,405
Other payables	499,276	55,976	-	23,020	-	578,272	578,272
Long-term loans (including those due within 1 year)	572,150	572,849	937,481	1,760,948	-	3,843,428	3,827,681
Lease liabilities	8,367	8,367	15,994	13,635	6,000	52,363	49,602
Guarantee deposits	3,732	4,065	-	-	-	7,797	7,797
Total	$ 2,784,361	$ 671,193	$ 953,475	$ 1,797,603	$ 6,000	$ 6,212,632	$ 6,194,124

Further information of maturity analysis on lease liabilities is as follows:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	Over 20 years	Total undiscounted Total lease payment
Lease liabilities	$ 16,734	$ 29,629	$ 6,000	$ -	$ -	$ -	$ 52,363

December 31, 2019

Non-derivative financial liabilities	Within 6 months	7–12 months	1–2 years	2–5 years	More than 5 years	Contractual cash flow	Book amount
Short-term loans	$ 1,198,710	$ 31,518	$ -	$ -	$ -	$ 1,230,228	$ 1,230,228
Notes payable	75,355	55	-	-	-	75,410	75,410
Accounts payable	628,695	-	-	-	-	628,695	628,695
Other payables	333,683	85,547	-	-	-	419,230	419,230
Long-term loans (including those due within 1 year)	322,700	357,000	1,090,356	2,008,033	-	3,778,089	3,764,076
Lease liabilities	7,409	7,409	15,641	1,667	-	32,126	28,926
Guarantee deposits	6,779	3,535	860	-	-	11,174	11,174
Total	$ 2,573,331	$ 485,064	$ 1,106,857	$ 2,009,700	$ -	$ 6,174,952	$ 6,157,739

Further information of maturity analysis on lease liabilities is as follows:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	Over 20 years	Total undiscounted Total lease payment
Lease liabilities	$ 14,818	$ 15,641	$ 1,667	$ -	$ -	$ -	$ 32,126

The Group does not expect the maturity analysis of cash flows will be significantly pre-matured or that the actual amount will be significantly different.

2. Categories of financial instruments

The book amount of the Group's various financial assets and financial liabilities as of December 31, 2019 and 2020 are as follows:

	December 31, 2020	December 31, 2019
Financial assets		
Financial assets measured at amortized cost		
Cash and Cash equivalents	$ 669,519	$ 614,057
Notes and accounts receivable (including the related party)	591,919	621,746

Other accounts receivable (including the related party)	41,291	93,279
Other financial assets – current	30,278	71,000
Refundable deposit	9,963	12,793
Other financial assets – non-current	27,521	27,278
Financial assets measured at fair value through profit or loss	35,658	31,035
Financial assets measured at fair value through other comprehensive income – non-current	1,156,453	1,113,441
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term loans	928,592	1,230,228
Notes and accounts payable (including the related party)	802,180	704,105
Other payables	578,272	419,230
Long-term loans due within a year or operating cycle	1,133,137	940,929
Long-term loans	2,694,544	2,823,147
Guarantee deposits	7,797	11,174
Lease liabilities (including current and non-current)	49,602	28,926

(III) Fair value information:

1. For information on the fair value of the Group's financial assets and liabilities not measured at fair value, please refer to Note 12(3)3. Description. For information on the fair value of the Group's investment property measured at fair value, please refer to Note 6(12).
2. Definition of three fair value levels

   Level 1:

   The input of this level refers to open quotations of similar instruments traded in an active market. The active market refers to markets meeting all of the conditions below: there is homogeneity in all products traded in the market; potential buyers and sellers can be found in the market at any time and price information is accessible by the public. The value of beneficiary certificates with quoted active market price invested by the Company all belongs to this level.

   Level 2:

   The input of this level refers to the observable price other than open active market quotations, including direct (such as price) and indirect (information inferred from prices) input values that can be obtained from an active market.

   Level 3:

   The input of this level refers to input parameters for fair value measurement which are not based on the observable input parameters which are available in the market. The Group's equity instrument investments not in an active market and the investments of convertible preferred shares all belong to this level.
3. Financial assets not at fair value:

   The Group's financial instruments not measured at fair value, such as cash and cash equivalents, accounts receivable, other financial assets, refundable deposit, short-term loans, accounts payable, lease liabilities (including current and non-current), long-term loans (including those due within a year) and book amount of guarantee deposits, are close to the reasonable amount of the fair value.

4. Fair value level information:

The Group's financial assets and investment property measured at fair value is based on repetition and measured at fair value. The information of the Group's fair value levels is shown in the following table:

Item	December 31, 2020 Level 1	Level 2	Level 3	Total
Assets:				
Fair value with repetition				
Financial assets measured at fair value through profit or loss				
TWSE/TPEx listed stocks	$ 35,658	$ -	$ -	$ 35,658
Financial assets measured at fair value through other comprehensive income				
TWSE/TPEx listed stocks	114,760	-	-	114,760
TWSE/TPEx unlisted stocks	-	-	205,075	205,075
Unlisted foreign stocks	-	-	10,303	10,303
TWSE/TPEx unlisted preferred stocks	-	-	826,315	826,315
Investment property (Note)	-	-	2,596,327	2,596,327
Total	$ 150,418	$ -	$ 3,638,020	$ 3,788,438

Item	December 31, 2019 Level 1	Level 2	Level 3	Total
Assets:				
Fair value with repetition				
Financial assets measured at fair value through profit or loss				
TWSE/TPEx listed stocks	$ 31,035	$ -	$ -	$ 31,035
Financial assets measured at fair value through other comprehensive income				
TWSE/TPEx listed stocks	130,730	-	-	130,730
TWSE/TPEx unlisted stocks	-	-	212,484	212,484
Unlisted foreign stocks	-	-	10,788	10,788
TWSE/TPEx unlisted preferred stocks	-	-	759,439	759,439
Investment property (Note)	-	-	2,566,192	2,566,192
Total	$ 161,765	$ -	$ 3,548,903	$ 3,710,668

(Note): This is the investment property adopting the fair value model.

5. Evaluation technology for instruments measured at fair value:

(1) Financial instruments:

A. If a financial instrument has a quoted price in the active market, the quoted price will be the fair value. The market price announced by the Taiwan Stock Exchange Corporation and exchange with CGBs which was determined as popular securities is the basis for the fair value of the listed (OTC) equity instrument and debt instrument with open quotation of the active market.

If the open quotation of the financial instrument can be timely and frequently acquired from exchanges, brokers, underwriters, industrial unions, pricing service institutions or competent authorities, and the price represents actual and fair market transactions which occur frequently, then the financial instrument has an open quotation of the active market. If the conditions mentioned above are not fulfilled, the market is not viewed as an active one. Generally, great bid-ask spread, significant increase in bid-ask spread or less trading volume are indices of an inactive market.

If the financial instrument possessed by the Group is in the active market, its fair value is listed by category and attribute below:

(a) TWSE/TPEx listed stocks: closing price.

B. Except for financial instruments in the active market, the fair value of other financial instruments is based on the evaluation technology or the quotation of the counterparty. The fair value acquired through the evaluation technology can take reference from other substantial conditions and present fair value, cash flow discount methods and other evaluation technologies used on similar financial instruments, including market information that can be acquired on the balance sheet date. The information is then used on a calculation model.

The TWSE/TPEx unlisted stocks held by the Group without an active market adopts the market approach to estimate fair value. The determination is evaluated based on reference to the evaluations of similar types of companies, third party quotations, net worth of the Company and operation status. In addition, the major unobservable input mainly refers to the current discount. However, the possible changes in current discounts may not cause significant possible financial impact, therefore the quantitative information is not disclosed.

(2) Investment property

A. The fair value evaluation technology adopted by the Group for the investment property measured at fair value is based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and commissioned external appraisal for calculation based on income approach and land development approach. The information on relevant parameter assumptions and input is as follows:

(a) Cash flow: Cash flow shall be valuated on the basis of existing lease contracts, rent at local market rates, or current market rents for similar comparable properties in the same location and condition, and overvalued and undervalued comparable properties shall be excluded. If there is a period-end value, the discounted present period-end value may be added.

(b) Analysis period: When there is no specified period for the income, the analysis period in principle shall not be longer than 10 years; when there is a specified period for the income, the income shall be estimated for the remainder of the specified period.

(c) Discount rate: The discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus the estimate for the individual characteristics of the investment property. The language "based on a certain interest rate" means the interest rate may not be lower than the floating interest rate on a 2-year time deposit of a small amount, as posted by the Chunghwa Post Co., Ltd., plus 0.75% to 1.5%.

B. The output of the valuation model is the rough estimate of the estimate and the valuation technology may not reflect all relevant factors regarding the non-financial instruments held by the Group. Therefore, the estimate of the valuation model will be properly adjusted based on external parameters, such as the model risk or current risk. According to the management policy of fair value evaluation model and related controlling procedure of the

Group, management believes that the adjustment of valuation is appropriate and necessary to appropriately present the fair value of non-financial instruments in the balance sheet. The price information and parameters used during valuation have been carefully assessed and adjusted based on current market conditions.

6. Transfer between Level 1 and Level 2: None.
7. Statement of changes in Level 3:
   (1) Financial instruments:

Item	Financial assets measured at fair value through other comprehensive income – equity instrument	Financial assets measured at fair value through other comprehensive income – debt instrument	Total
January 1, 2020	$ 955,211	$ 27,500	$ 982,711
Current acquisition	3,800	-	3,800
Current disposition	-	-	-
Recognized under other comprehensive income	56,574	(850)	55,724
Foreign currency translation	(542)	-	(542)
December 31, 2020	$ 1,015,043	$ 26,650	$ 1,041,693

Item	Financial assets measured at fair value through other comprehensive income – equity instrument	Financial assets measured at fair value through other comprehensive income – debt instrument	Total
January 1, 2019	$ 901,139	$ 28,000	$ 929,139
Current acquisition	54,000	-	54,000
Current disposition	(72,793)	-	(72,793)
Recognized under other comprehensive income	73,298	(500)	72,798
Foreign currency translation	(433)	-	(433)
December 31, 2019	$ 955,211	$ 27,500	$ 982,711

   (2) Investment property:

Item	2020	2019
January 1	$ 2,566,192	$ 2,530,928
Fair value adjustment	30,135	35,264
December 31	$ 2,596,327	$ 2,566,192

8. Quantitative information used on measuring the fair value of major unobservable input (Level 3):
   (1) Financial instruments:
   The TWSE/TPEx unlisted stocks and preferred shares held by the Group without an active market adopt the market approach to estimate fair value. The determination is evaluated based on reference to evaluation of same type of companies, third party quotation, the net worth of the Company and operation status. In addition, the major unobservable input mainly refers to the current discount. However, the possible changes in current discounts may not cause

significant possible financial impact, therefore the quantitative information is not disclosed.

(2) Investment property:

	December 31, 2020 Fair value	Evaluation technology	Unobservable major input	Interval (Weighted average)	Relation between inputs and fair value
Investment property:					
Income approach	$ 1,887,501	Cash flow discount analysis approach	Discount rate	2.095%-2.27%	The higher the discount rate or revenue capitalization rate, the lower the fair value. The higher the proper rate of return or overall capital interest rate, the lower the fair value.
			Revenue capitalization rate of period-end value capitalization rate	0.50%-2.27%	
Land development approach	708,826	Land development analysis method	Proper profit margin	15%-18%	
			Overall capital interest rate	0.71%-1.53%	
Total	$ 2,596,327				

	December 31, 2019 Fair value	Evaluation technology	Unobservable major input	Interval (Weighted average)	Relation between inputs and fair value
Investment property:					
Income approach	$ 1,865,100	Cash flow discount analysis approach	Discount rate	2.04%-2.54%	The higher the discount rate or revenue capitalization rate, the lower the fair value. The higher the proper rate of return or overall capital interest rate, the lower the fair value.
			Revenue capitalization rate of period-end value capitalization rate	0.52%-2.54%	
Land development approach	701,092	Land development analysis method	Proper profit margin	15%-18%	
			Overall capital interest rate	0.81%-1.77%	
Total	$ 2,566,192				

9. Valuation process of fair value classified as Level 3:

For the Group’s evaluation process for fair value classified as Level 3, the finance department is responsible for conducting independent fair value validation for the relevant financial instruments. The department confirms the reasonableness of the evaluation result by making the evaluation result closer to the market status with information from independent sources, confirming the information source is independent, reliable and consistent with other resources and represents executable price, regularly calibrating their evaluation model, conducting roll-back testing, updating required input values and data as well as other necessary fair value adjustments for their evaluation model. The investment property is appraised by a commissioned external appraiser.

10. Fair value measurement of financial assets and liabilities classified as Level 3 and the sensitivity analysis of reasonably possible alternative regarding the fair value: None.

(IV) Transfer of financial assets: None.

(V) Offsetting of financial assets and liabilities: None.

XIII. Noted Disclosures

(I) Information related to major transactions (before consolidated write-off):

1. Loaning funds to others: Table 1.
2. Endorsements and guarantees for others: Table 2.
3. Marketable securities held at ending: Table 3.
4. Accumulated amount of the same marketable security purchased or sold reaching NTD300 million or more than 20% of the paid-in capital: None.
5. Amount on acquisition of property reaching NTD300 million or more than 20% of the paid-in capital: Table 4.
6. Amount on disposal of real estate reaching NTD300 million or more than 20% of the Paid-in capital: None.
7. Purchase/sale amount of transactions with the related party reaching NTD100 million or more than 20% of the paid-in capital: Table 5.
8. Accounts receivable from the related party reaching NTD100 million or more than 20% of the paid-in capital: Table 6.
9. Transactions of derivatives: None.
10. Business relationships and important transactions between parent company and subsidiaries: Table 7.

(II) Information related to reinvested enterprises: Table 8.

(III) Information on investment in Mainland China: Table 9.

(IV) Major shareholders information: Table 10.

Table 1

AGV Products Corporation and its Subsidiaries
Loaning funds to others
December 31, 2020

Unit: NTD and foreign currency thousands

No.	Lending company	Debtor	Trading item	Whether a related party or not	Maximum balance in the current period	Balance – ending	Amount actually disbursed	Interest rate interval	Nature of loans to others (Note 3)	Amount of business transactions	Reasons for short-term financing	Allowance for bad debt	Collateral		Limit of loans to particular borrower (Note 1)	Maximum limit of loans (Note 2)
													Name	Value		
1	Apoland Resource International (BVI) Corp.	Apoland Development (Singapore) Pte Ltd.	Other accounts receivable	Yes	71,200 (USD2,500)	71,200 (USD2,500)	61,631 (USD2,164)	-	2	-	Working capital	-	-	-	496,520 (USD17,434)	496,520 (USD17,434)
		AGV First Biotech Food (BVI) Limited.	Other accounts receivable	Yes	17,088 (USD 600)	17,088 (USD 600)	17,088 (USD 600)	-	2	-	Working capital	-	-	-	496,520 (USD17,434)	
2	Mascot International (BVI) Corporation	Apoland Development (Singapore) Pte Ltd.	Other accounts receivable	Yes	14,240 (USD 500)	14,240 (USD 500)	14,240 (USD 500)	-	2	-	Working capital	-	-	-	338,969 (USD11,902)	338,969 (USD11,902)
		AGV First Biotech Food (BVI) Limited.	Other accounts receivable	Yes	11,392 (USD 400)	11,392 (USD 400)	11,392 (USD 400)	-	2	-	Working capital	-	-	-	338,969 (USD11,902)	
3	Apoland Development (Singapore) Pte Ltd.	Shanghai AGV Foods Co., Ltd.	Other accounts receivable	Yes	342,045 (USD 12,010)	342,045 (USD 12,010)	342,045 (USD 12,010)	-	2	-	Working capital	-	-	-	1,618,575 (USD56,832)	1,618,575 (USD56,832)
4	AGV First Biotech Food (BVI) Limited.	Shandong AGV Food Technology Co., Ltd.	Other accounts receivable	Yes	146,672 (USD 5,150)	146,672 (USD 5,150)	77,836 (USD 2,733)	-	2	-	Working capital	-	-	-	3,437,650 (USD120,704)	3,437,650 (USD120,704)
5	AGV International (BVI) Limited	AGV First Biotech Food (BVI) Limited.	Other accounts receivable	Yes	11,107 (USD 390)	11,107 (USD 390)	11,107 (USD 390)	-	2	-	Working capital	-	-	-	65,988 (USD2,317)	65,988 (USD2,317)
6	AGV Biohealthy Food Limited	AGV First Biotech Food (BVI) Limited.	Other accounts receivable	Yes	8,259 (USD 290)	8,259 (USD 290)	8,259 (USD 290)	-	2	-	Working capital	-	-	-	25,005 (USD878)	25,005 (USD878)

Note 1. Limit of loans to individual borrower:

1. The Company:
   (1) The accumulated amount of loans to each company that is in business with the Company may not exceed the amount of business transactions conducted in the most recent year. The business transaction amount refers to the purchasing or selling amount between both parties, whichever is higher.

(2) For companies that need short-term financing, the loan amount to each company shall not exceed 20% of the net value of the Company.

2. Subsidiaries:
   (1) The accumulated amount of loans to each company that is in business with the Company may not exceed the amount of business transactions conducted in the most recent year. The business transaction amount refers to the purchasing or selling amount between both parties, whichever is higher.
   (2) Companies needing short-term financing:
   Foreign subsidiaries – Apoland Development (Singapore) Pte Ltd., Mascot International (BVI) Corporation, Apoland Resource International (BVI) Corp., Taiwan First Biotechnology Corp. and AGV International (BVI) Limited: the loan amount of each company shall not exceed 20% of the net value of the company in the financial report certified by the independent auditor in the most recent period. For financing amounts between overseas companies with 100% voting shares held by the parent company directly and indirectly, these shall not exceed 5 times of the net value of such company in the financial report certified by the independent auditor in the most recent period; AGV Biohealthy Food Limited: the individual loan amount shall not exceed 40% of the net value of the company in the financial report certified by the independent auditor in the most recent period.

Note 2. Limit of total loans:

1. The Company: It shall not exceed 50% of the Company's net value; it shall not exceed 20% of the Company's net value for the same counterparty. The accumulated balance of short-term financing shall not exceed 40% of the Company's net value.
2. Subsidiaries: Overseas subsidiaries – Apoland Development (Singapore) Pte Ltd., Mascot International (BVI) Corporation, Apoland Resource International (BVI) Corp., Taiwan First Biotechnology Corp. and AGV International (BVI) Limited: the amount shall not exceed 40% of the net value of the Company in the financial report certified by the independent auditor in the most recent period. For financing amounts between overseas companies with 100% voting shares held by the parent company directly and indirectly, these shall not exceed 5 times of the net value of such company in the financial report certified by the independent auditor in the most recent period.

Note 3. Loaning of funds is completed in the following ways:

1. Please fill in 1 for those in business with the Company.
2. Please fill in 2 for in those needing short-term financing.

Note 4: Said transactions between the parent company and the subsidiaries had been written off in the consolidated statements.

Table 2

AGV Products Corporation and its Subsidiaries
Endorsement and guarantee made for others
December 31, 2020

Unit: NTD thousand

No. (Note 1)	Name of endorsing/guaranteeing company	Counterparty of endorsement/guarantee		Limit of endorsement/guarantee on particular enterprise (Note 2)	Maximum balance of endorsement/guarantee made during the current period	Balance of endorsement/guarantee at end of the period	Amount actually disbursed	Endorsement/guarantee secured by company assets	Ratio of the accumulated endorsement/guarantee amount to the net worth in the most recent financial statement	Maximum limit of endorsement/guarantee (Note 3)	As the parent company's endorsements/guarantees toward subsidiary(ies)	As a subsidiary's endorsements/guarantees toward its parent company	As the endorsements/guarantees toward the mainland China area
		Company name	Relationship (Note 1)										
0	AGV Products Corporation	Sontenkan Resort Development Co., Ltd.	2	2,435,741	792,000	792,000	506,500	-	13.01%	5,480,417	Yes	No	No
		Yunlin Dairy Technology Corp.	2	2,435,741	180,000	180,000	67,660	-	2.96%	5,480,417	Yes	No	No

Note 1: The relationship between the endorsing/guaranteeing subject and the endorsed/guaranteed subject is classified into 7 categories as follows. Please specify the type:

(1) A company with which it does business.
(2) A company in which the Company directly or indirectly holds more than 50% of voting shares.
(3) A company directly or indirectly holds more than 50% of the Company's voting shares.
(4) A company in which the Company directly or indirectly holds more than 90% of voting shares.
(5) Companies in the same industry or joint builders for which the public company fulfills its contractual obligations by providing mutual endorsements/guarantees, for the purposes of undertaking a construction project.
(6) Companies for which all capital contributing shareholders make endorsements/guarantees due to their jointly invested company in proportion to their shareholding percentages.
(7) Companies in the same industry which provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-sale homes pursuant to the Consumer Protection Act for each other.

Note 2: The endorsement and guarantee amount made by the Company and its subsidiaries (for a single enterprise): it shall not exceed 40% of the Company's net value in the most recent financial statements.

Note 3: The total endorsement and guarantee amount made by the Company and its subsidiaries for other companies: it shall not exceed 90% of the Company's net value in the most recent financial statements.

Table 3

AGV Products Corporation and its Subsidiaries
Marketable securities held at end of year
December 31, 2020

Unit: Thousand shares; NTD and foreign currency thousands

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
0	AGV Products Corporation	Share / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	10,332	29,448	4.07%	29,448	
		Share / Kai Chieh International Investment Ltd.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	2,413	60,287	2.31%	60,287	(Note 1)
		Share / Nice Capital & Finance Corp.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	6,950	91,416	10.81%	91,416	
		Share / Eastern Taiwan Cultural & Creative Co., Ltd.	The director of the company is the first-degree relative of the Company's Chairman	Financial assets at fair value through other comprehensive profit or loss – non-current	6,750	29,640	15.00%	29,640	
		Share / Likeda Development Co., Ltd.	The director of the company is the second-degree relative of the Company's Vice Chairman	Financial assets at fair value through other comprehensive profit or loss – non-current	3,900	-	5.20%	-	
		Share / Tangli Culture Media Co., Ltd.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	2,200	22,688	18.97%	22,688	
		Share / Pushi Venture Capital Co., Ltd.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	114	515	0.27%	515	
		Share / Aique International Co., Ltd.	The chairman of the company is the Chairman of the Company given above	Financial assets at fair value through other comprehensive profit or loss – non-current	18	160	18.00%	160	
		Common stocks from private placement / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	8,074	22,285	3.18%	22,285	
		Share / B&B International Development Co., Ltd.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	1,000	12,391	0.69%	12,391	

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
		Share / Taiwan Aixianjia Biotech Corp.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets at fair value through other comprehensive profit or loss – non-current	540	4,749	18.95%	4,749	
		Preferred share / Sontenkan Resort Development Co., Ltd. – 2016	Subsidiary of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	15,000	140,100	-	140,100	
		Preferred share / Nice Capital & Finance Corp. – 2015	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	6,171	93,305	-	93,305	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	4,733	71,563	-	71,563	
		Preferred shares / Tangli Culture Media Co., Ltd. – Class A	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	15,000	180,750	-	180,750	
		Preferred shares / Tangli Culture Media Co., Ltd. – Class C	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	5,500	62,810	-	62,810	
		Preferred share / NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Financial assets at fair value through other comprehensive profit or loss – non-current	3,000	23,070	-	23,070	
		Preferred share / Kuo Cheng Investment Development Corp.	Affiliated companies	Financial assets at fair value through other comprehensive profit or loss – non-current	2,484	37,583	-	37,583	
		Preferred share / Sontenkan Resort Development Co., Ltd. – Class D	Subsidiary of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	3,000	27,450	-	27,450	
		Preferred share / Taiwan Aibaonuo Biotech Co., Ltd.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	600	4,296	-	4,296	
		Total				914,506		914,506	
1	Mascot International (BVI) Corporation	Share / Four Seas Efood Holdings Ltd.	—	Financial assets measured at fair value through profit or loss – current	350	887 (USD 31)	-	887 (USD 31)	
		Share / Amkey Venture Capital Fund Inc.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	301	10,303 (USD 362)	10.26%	10,303 (USD 362)	

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
2	Aco Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through profit or loss – current	411	5,287	0.01%	5,287	
3	Koya Biotech Corp. (original Koya Agriculture Biotech Corp.)	Common stocks from private placement / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	646	1,783	0.25%	1,783	
		Common stock / Leadgau Organic Co., Ltd.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	240	1,952	2.40%	1,952	
		Common stock / Koyaka Biotech Co., Ltd.	The chairman of the corporate director of the company is the president of the Company given above	Financial assets at fair value through other comprehensive profit or loss – non-current	39	-	10.00%	-	
		Preferred share / Nice Investment Development Ltd.	Affiliated companies	Financial assets at fair value through other comprehensive profit or loss – non-current	3,000	51,870	-	51,870	
4	Hope Choice Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through profit or loss – current	842	10,823	0.03%	10,823	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	1,000	15,120	-	15,120	
5	Sontenkan Resort Development Co., Ltd.	Share / Goldbank Investment Development Corp.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	40	284	0.22%	284	
		Share / Lijing Entertainment Co., Ltd.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	650	103	2.41%	103	
		Preferred share / Eastern Taiwan Cultural & Creative Co., Ltd.	The director of the company is the first-degree relative of the Company's Chairman	Financial assets at fair value through other comprehensive profit or loss – non-current	3,000	15,780	-	15,780	
		Preferred share / Tangli Culture Media Co., Ltd.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	4,000	47,920	-	47,920	
		Preferred share / Kuo Cheng Investment Development Corp.	Affiliated companies	Financial assets at fair value through other comprehensive profit or loss – non-current	2,116	32,015	-	32,015	

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
		Preferred share / NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Financial assets at fair value through other comprehensive profit or loss – non-current	2,000	15,380	-	15,380	
		Preferred share / Zitong International Corp.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	7,200	65,088	-	65,088	
		Preferred share / Liantong Developments, Co., Ltd.	The director of the company is the Director of the Company given above	Financial assets at fair value through other comprehensive profit or loss – non-current	5,000	26,650	-	26,650	
		Share / New Takayama Leisure and Entertainment Co., Ltd	—	Financial assets at fair value through other comprehensive profit or loss – non-current	380	3,472	19.00%	3,472	
7	Aiken Biotechnology International Co., Ltd.	Share / IBF Financial Holdings Co., Ltd.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through profit or loss – current	694	8,922	0.02%	8,922	
		Share / B&B International Development Co., Ltd.	—	Financial assets at fair value through other comprehensive profit or loss – non-current	3,000	37,174	2.06%	37,174	
		Share / Zhengda Fenghuang Shanzhuang Co., Ltd.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	54	530	18.00%	530	
		Preferred share / AGV First Biotech Food (BVI) Limited.	Subsidiary of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	100	2,110	-	2,110	
		Share / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	336	958	0.13%	958	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	1,617	24,449	-	24,449	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	500	7,560	-	7,560	
8	Hopeland Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through profit or loss – current	244	3,139	0.01%	3,139	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	300	4,536	-	4,536	

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
9	Shandong AGV Food Technology Co., Ltd.	Share / Jinan AGV Products Corporation	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	902	-	18.00%	-	
10	Rosahill Leisure Industry Co., Ltd.	Share / IBF Financial Holdings Co., Ltd.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through profit or loss – current	514	6,600	0.02%	6,600	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	80	1,210	-	1,210	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	1,800	27,216	-	27,216	
11	TECO Image Systems Co., Ltd.	Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	1,000	15,120	-	15,120	
12	Defender Private Security Inc.	Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	200	3,024	-	3,024	

(Note 1): The shares held by the name of the Group number 2,413 thousand shares with a market price of NTD14,933 thousand. Because the counterparty of the investment item has pledged 7,327 thousand shares of Kai Chieh to the Group as a principal guarantee, the market price adding the pledged shares was NTD60,287 thousand.

(Note 2): Said transactions between the parent company and the subsidiaries had been written off in the consolidated statements.

Table 4

AGV Products Corporation and its Subsidiaries

Amount on acquisition of property reaching NTD300 million or more than 20% of the paid-in capital

January 1 to December 31, 2020

Unit: RMB thousand

Company disposing property	Asset name	Date of occurrence	Transaction amount	Payment of proceeds	Counterparty	Affiliation	Information about the previous transfer, if the trading counterpart is a related party.				Reference for price determination	Purpose and status	Other covenants
							Owner	Relationship with the issuer	Date of transfer	Amount			
Shandong AGV Food Technology Co., Ltd.	Plant	During December, 2012	RMB188,514	RMB143,974	Shandong Taian Construction Group Co., Ltd. and Fujian Liantai Construction Co., Ltd.	—	—	—	—	—	Contract made after price comparison	For operation and production / construction suspended	(Note)

Note: For a description of said suspended construction and unpaid amounts, please refer to the consolidated Note 9(6).

Table 5

AGV Products Corporation and its Subsidiaries

Purchase/sale amount of transactions with the related party reaching NTD100 million or more than 20% of the paid-in capital

January 1 to December 31, 2020

Unit: NTD thousand

Purchasing (selling) company	Counterparty	Affiliation	Transaction status				Distinctive terms and conditions of trade and the reasons		Notes/accounts receivable (payable)			Remarks
			Purchase (sale)	Amount	Percentage in purchase (sales) amount	Duration	Unit price	Duration	Balance		Percentage in total accounts/notes receivable (payable)	
AGV Products Corporation	Taiwan First Biotechnology Corp.	Invested company evaluated under the equity method	Purchase	1,100,510	44.69%	O/A 60 days	Equivalent	The grace period was extended for 1–5 months after the agreement of both parties	Accounts payable	582,832	84.84%	
	NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Purchase	215,413	8.75%	Partial payment for goods was made in advance, balance paid in full in the following month upon the receipt of goods	Equivalent	Equivalent	Accounts payable	19,317	2.79%	
			Sale	142,613	3.64%	O/A 90 days	Equivalent	Equivalent	Notes receivable Accounts receivable	19,151 13,192	62.09% 2.59%	
	Hope Choice Distribution Corp.	Subsidiary of the Company	Sale	566,181	14.44%	O/A 45–60 days	Equivalent	Equivalent	Accounts receivable	39,180	7.70%	
	Aco Distribution Corp.	Subsidiary of the Company	Sale	205,341	5.24%	O/A 45–60 days	Equivalent	Equivalent	Accounts receivable	30,450	5.98 %	

Note: Said transactions between the parent company and the subsidiaries had been written off in the consolidated statements.

Table 6

AGV Products Corporation and its Subsidiaries
Accounts receivable from the related party reaching NTD100 million or more than 20% of the paid-in capital
December 31, 2020

Unit: NTD thousand

Stated company of account receivable	Name of the counterparty	Affiliation	Balance of receivable accounts from the related party	Working capital	Overdue receivable accounts of the related party		Subsequent recovered amount of receivable accounts from the related party	Allowance for bad debt
					Amount	Treatment		
Apoland Development (Singapore) Pte Ltd.	Shanghai AGV Foods Co., Ltd.	Subsidiary of the Company	369,410 (Note 2)	(Note 3)	-	(Note 1)	-	-

(Note 1): The collections of the Company made from the related party follow the example of the collection policy of similar transactions made with the non-related party in principle. However, in case said policy cannot be executed due to insufficient funds or losses of the related party, the Company may defer the collection because the full support of subsidiaries by the Company to achieve the global business target of the Company is a more important consideration.

(Note 2): This includes NTD342,045 thousand in financing receivable, NTD14,825 thousand in machine and equipment accounts receivable and NTD12,540 thousand in other receivables.

(Note 3): This mainly refers to other accounts receivable and therefore the turnover calculation of shall not apply.

(Note 4): Amount recovered as of March 23, 2021.

(Note 5): Said transactions between the parent company and the subsidiaries had been written off in the consolidated statements.

Table 7

AGV Products Corporation and its Subsidiaries

Business relationship and important transactions between parent company and subsidiaries

December 31, 2020

Individual transactions with amount less than NTD100 million (included) are not disclosed; it is disclosed in aspect of assets and revenue while the corresponding transaction is not disclosed.

Unit: NTD thousand

No. (Note 1)	Name of trader	Trading counterpart	Relationship with the counterparty (Note 2)	Transaction			
				Title	Amount	Trading conditions	Percentage in total consolidated revenue or assets (Note 3)
-	AGV Products Corporation	Hope Choice Distribution Corp.	1	Sales revenue	566,181	Equivalent to the price of the distributor, the collection period is O/A 45–60 days	12.27%
		Aco Distribution Corp.	1	Sales revenue	205,341	Equivalent to the price of the distributor, the collection period is O/A 45–60 days	4.45%
1	Apoland Development (Singapore) Pte Ltd.	Shanghai AGV Foods Co., Ltd.	1	Other accounts receivable	369,410	N/A	2.77%

Note 1: Transactions between parent company and its subsidiaries are numbered as follows:

1. 0 for the parent company.
2. The subsidiaries are numbered in sequential order from 1 and so on.

Note 2: Related-party transactions are divided into the three categories as follows:

1. Parent company to subsidiaries.
2. Subsidiaries to parent company.
3. Subsidiaries to subsidiaries.

Note 3: For computing the ratio of trade amount to total sales revenue or total assets, if it is for asset and liability account, the computation is based on the ratio of ending balance to total consolidated assets; however, if it is for income and expense account, the computation is based on the ratio of interim cumulative amount to total consolidated revenue.

Note 4: Said transactions between the parent company and the subsidiaries had been written off in the consolidated statements.

Table 8

AGV Products Corporation and its Subsidiaries
Information related to reinvested enterprises
December 31, 2020

Unit: Thousand shares; NTD thousand

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment gain or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
AGV Products Corporation	Apoland Resource International (BVI) Corp.	British Virgin Islands	Re-investment business	377,745	377,745	11,510	100.00	99,305	(1,532)	(1,532)	
	Defender Private Security Inc.	Chiayi City	Security business	45,409	45,409	4,000	100.00	52,996	4,600	4,600	
	Koya Biotech Corp. (original Koya Agriculture Biotech Corp.)	Yunlin County	Gardening	196,452	186,452	14,528	87.90	106,303	(15,279)	(13,711)	
	Aco Distribution Corp.	Chiayi City	Proprietary business	40,023	40,023	5,472	100.00	103,115	10,921	10,770	
	Sasaya Vitagreen Co., Ltd.	Chiayi City	Proprietary business	5,000	5,000	500	100.00	4,488	(38)	(22)	
	AGV International (BVI) Limited	British Virgin Islands	Re-investment business	13,397	13,397	460	100.00	13,198	3	3	
	Sontenkan Resort Development Co., Ltd.	Chiayi City	Leisure and recreation business	1,151,951	981,951	138,889	100.00	1,435,590	(44,099)	(44,099)	
	Alpha International Developments Limited	British Virgin Islands	Re-investment business	73,885	73,885	2,433	100.00	27,454	1,057	1,057	
	Hope Choice Distribution Corp.	Chiayi City	Proprietary business	66,948	66,948	6,500	100.00	84,723	10,799	10,579	
	Mascot International (BVI) Corporation	British Virgin Islands	Re-investment business	295,682	295,682	9,413	96.91	60,448	(36,540)	(35,412)	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	1,328,203	1,293,579	54,322	93.08	260,334	(18,276)	(16,716)	
	Hopeland Distribution Corp.	Taipei City	Proprietary business	12,665	12,665	1,215	81.00	17,999	3,377	2,901	
	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	35,597	35,597	4,755	75.83	103,650	32,715	24,819	
	Taiwan First Biotechnology Corp.	Chiayi County	Food manufacturing	974,348	974,348	54,757	41.28	1,130,310	240,873	90,851	(Note 1)

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment gain or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
	AGV Biohealthy Food Limited	British Virgin Islands	Re-investment business	23,311	23,311	783	29.75	18,596	(1,034)	(308)	
	Aiken Biotechnology International Co., Ltd.	Chiayi City	Biotechnology service	48,000	48,000	5,757	53.77	82,217	14,020	7,456	
	AGV First Biotech Food (BVI) Limited.	British Virgin Islands	Re-investment business	653,375	637,106	25,613	100.00	132,657	(27,901)	(27,901)	
	Yanjing AGV International Company Limited	Taipei City	Proprietary business	25,000	25,000	2,500	50.00	14,807	2,949	1,474	
	Heding International Development Co., Ltd.	Chiayi City	Re-investment business	201,836	201,836	16,788	48.98	152,727	12,168	5,961	
	First Bio Venture (BVI) Capital	British Virgin Islands	Re-investment business	797	797	25	49.00	707	2	1	
	Kuo Cheng Investment Development Corp.	Taipei City	Investment business	50,000	50,000	5,000	47.62	104,499	18,186	8,660	
	Hopeman Distribution Co., Ltd.	Taipei City	Logistics business	69,518	69,518	6,950	43.44	55,032	18,184	7,899	
	Nice Investment Development Ltd.	Taipei City	Investment business	48,000	48,000	4,800	36.64	152,917	25,535	9,356	
	Nicostar Capital Investment (BVI) Ltd.	British Virgin Islands	Re-investment business	51,095	51,095	1,764	36.21	26,038	(7,654)	(2,771)	
	Eastern Taiwan Resources Development Co., Ltd.	Taipei City	Entertainment business	58,800	58,800	5,880	32.94	33,807	(13,156)	(4,334)	
	Tongjitang Medicinal Biotech Corp.	Taipei City	Medical biotechnology	50,000	50,000	5,000	26.27	49,338	1,229	323	
	Nice Enterprise Co., Ltd.	Chiayi County	Household chemicals	625,910	625,910	49,224	28.24	1,157,202	255,366	70,860	
	Tai Fu International Corp.	New Taipei City	Food manufacturing	72,970	72,970	8,615	24.83	116,397	11,144	2,767	
Apoland Resource International (BVI) Corp.	AGV & NICE(USA)	U.S.	Marketing business	1,139 (USD 40)	1,139 (USD 40)	40	57.14	-	-	-	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	13,613 (USD 478)	13,613 (USD 478)	1,320	2.26	6,389 (USD 224)	(18,276) (USD -618)	(417) (USD -14)	
	Mascot International (BVI) Corporation	British Virgin Islands	Re-investment business	5,325 (USD 187)	5,325 (USD 187)	300	3.09	1,930 (USD 68)	(36,540) (USD-1,237)	(1,129) (USD -38)	

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment gain or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
Mascot International (BVI) Corporation	Asia Pacific Product Development Co.	Vietnam	Processing and export of vegetables	51,634 (USD1,813)	51,634 (USD1,813)	1,813	95.27	5,334 (USD 187)	(2,094) (USD -71)	(1,995) (USD -68)	
	New Zealand Cosmetic Laboratories Limited	New Zealand	Cosmetics	11,563 (USD 406)	11,563 (USD 406)	639	28.71	1,527 (USD 54)	(183) (USD -6)	(53) (USD -2)	
	Bioken Laboratories Inc.	U.S.	Biotechnology	1,139 (USD 40)	1,139 (USD 40)	40	26.67	-	(248) (USD -8)	(66) (USD -2)	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	34,062 (USD1,196)	34,062 (USD1,196)	2,721	4.66	13,171 (USD 462)	(18,276) (USD -618)	(859) (USD -29)	
Asia Pacific Product Development Co.	Xingrong Limited	Vietnam	Gardening	2,447	2,423	-	100.00	-	(261)	(261)	
AGV Biotechnology (BVI) Products Corporation	Dongruntang Biotech Corp.	China	Food	60,634 (USD2,129)	60,634 (USD2,129)	13,971	29.53	48,060 (USD1,687)	(3,534) (USD -120)	(1,044) (USD -35)	
Aco Distribution Corp.	Tai Fu International Corp.	New Taipei City	Food manufacturing	15,000	15,000	4,956	14.29	67,467	11,144	1,592	
	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	20,600	20,600	969	0.73	23,528	240,873	1,716	
Koya Biotech Corp. (original Koya Agriculture Biotech Corp.)	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	513	513	65	1.04	1,421	32,715	340	
Hope Choice Distribution Corp.	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	10,350	10,350	459	0.35	11,726	240,873	809	
Defender Private Security Inc.	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	35,340	35,340	1,945	1.47	39,894	240,873	3,450	
	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	314	314	44	0.70	956	32,715	229	

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment gain or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
Sontenkan Resort Development Co., Ltd.	Zhuqi Lionhead Mountain Leisure Development Co., Ltd.	Chiayi County	Landscape and interior design	400	400	40	40.00	244	(12)	(4)	
	Liantong Developments, Co., Ltd.	Chiayi City	Housing construction and building rental and sales	32,663	32,663	5,188	30.52	28,125	(313)	(98)	
	Bravo Bakery Corp.	Taipei City	Food manufacturing and sales	20,943	20,943	2,400	24.00	-	-	-	
	Eastern Taiwan Resources Development Co., Ltd.	Taipei City	Entertainment business	5,971	5,971	930	5.21	5,347	(13,156)	(685)	
	Qixing Resort Co., Ltd.	Yunlin County	Tourism and recreation	90,000	75,000	9,000	34.68	89,750	(152)	(86)	
	Nice Plaza Co., Ltd.	Chiayi City	Department store, hotel	581,874	500,000	56,700	32.81	526,809	(69,110)	(19,997)	(Note 2)
Aiken Biotechnology International Co., Ltd.	Acts Bioscience Inc.	Chiayi City	Health food and sales	121	121	13	21.00	159	(17)	(4)	
	Rosahill Leisure Industry Co., Ltd.	Chiayi City	Proprietary business	17,500	17,500	1,750	70.00	39,046	13,886	9,720	
	Songshan Village Co., Ltd.	Chiayi City	Floriculture	2,921	2,921	292	22.45	453	(4,460)	(1,001)	
	AGV Biohealthy Food Limited	British Virgin Islands	Re-investment business	25,856	25,856	800	30.38	18,992	(1,034)	(314)	
	Qixing Resort Co., Ltd.	Yunlin County	Tourism and recreation	1,000	1,000	100	0.39	997	(152)	-	

(Note 1): The Group pledged 21,000 thousand shares of Taiwan First Biotechnology to the Bank of Taiwan as collateral for a syndicated loan.
(Note 2): The subsidiary of the Group – Sontenkan Resort Development Co., Ltd. pledged 50,000 thousand shares of Nice Plaza as collateral for a long-term loan.
(Note 3): Said transactions between the parent company and the subsidiaries had been written off in the consolidated statements.

Table 9

AGV Products Corporation and its Subsidiaries
Information on investments in Mainland China
December 31, 2020

(1) Information on investments in Mainland China

Unit: Foreign currency thousands; NTD thousand

Name of investor	Name of invested company in Mainland China	Principal business	Paid-in capital	Investment method (Note 1)	Cumulative outward investment amount remitted from Taiwan – beginning of the period	Investment amount outward remitted or recovered in the current period		Cumulative outward investment amount remitted from Taiwan – ending of the period	Net income of investee	Shareholdings of the Company's direct or indirect investment	Recognized investment gain or loss (Note 2)	Book value of investment at ending	Investment revenue received in Taiwan in the current period
						Remitted outward	Repatriated						
AGV Products Corporation	Shanghai AGV Foods Co., Ltd.	Food	1,130,926	(二)	802,352 (USD28,172)	-	-	802,352 (USD28,172)	(30,994) (USD-1,049)	100%	(30,994) (USD -1,049) (二).2	30,260 (USD 1,062)	None
	Xiamen Aijian Traders Co., Ltd.	Food	56,675 (USD 1,990)	(二)	48,131 (USD 1,690)	-	-	48,131 (USD 1,690)	1,233 (USD 42)	84.92%	1,047 (USD 35) (二).2	24,754 (USD 869)	None
	Shandong AGV Food Technology Co., Ltd.	Food	1,186,192 (USD41,650)	(二)	486,483 (USD17,082)	-	-	486,483 (USD17,082)	(27,895) (USD -944)	100%	(27,895) (USD -944) (二).2	171,000 (USD 6,004) (註 4)	None
	Zhangzhou Pientzehuang AGV Biohealthy Food Limited	Food	230,517 (USD 8,094)	(二)	41,733 (USD 1,466)	-	-	41,733 (USD 1,466)	(15,308) (USD -518)	18.11%	(2,771) (USD -94) (二).2	17,630 (USD 619)	None
	Dongruntang Biotech Corp.	Food	206,541 (USD 7,252)	(二)	25,485 (USD 895)	-	-	25,485 (USD 895)	(3,534) (USD -120)	16.64%	(588) (USD -20) (二).3	48,060 (USD 1,687)	None

Name of investor	Name of invested company in Mainland China	Accumulated outward investments remitted from Taiwan to China at ending	Investment amount approved by Investment Commission, MOEA	Ceiling on investment in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs (Note 3)
AGV Products Corporation	Shanghai AGV Foods Co., Ltd.	802,352 (USD 28,172)	1,113,200 (USD 39,087)	3,653,612
	Xiamen Aijian Traders Co., Ltd.	48,131 (USD 1,690)	48,131 (USD 1,690)	
	Shandong AGV Food Technology Co., Ltd.	486,483 (USD 17,082)	569,526 (USD 19,997)	
	Zhangzhou Pientzehuang AGV Biohealthy Food Limited	41,733 (USD 1,466)	41,733 (USD 1,466)	
	Dongruntang Biotech Corp.	25,485 (USD 895)	76,937 (USD 2,701)	

Note 1: The investment method can be classified into three categories. Please specify the type:

(I) Engaged in direct investment in Mainland China.

(II) Investment in Mainland China through a third region.

Shanghai AGV Foods Co., Ltd.: This is a reinvestment in Shanghai AGV Foods Co., Ltd. by the Company and subsidiaries Mascot International (BVI) Corporation and Apoland International Corp. through reinvestment in Apoland Development (Singapore) Pte Ltd.

Xiamen Aijian Traders Co., Ltd.: This is a reinvestment in Xiamen Aijian Traders Co., Ltd. by the Company through reinvestment in Alpha International Developments Limited

Shandong AGV Food Technology Co., Ltd.: This is a reinvestment in Shandong AGV Food Technology Co., Ltd. by the Company through reinvestment in AGV First Biotech Food (BVI) Limited.

Zhangzhou Pientzehuang AGV Biohealthy Food Limited: This is a reinvestment in Zhangzhou Pientzehuang AGV Biohealthy Food Limited by the Company through reinvestment in Nicostar Capital Investment (BVI) Ltd.

Dongruntang Biotech Corp.: This is a reinvestment in Dongruntang Biotech Corp. by the Company through reinvestment in AGV Biohealthy Food Limited.

(III) Other methods.

Note 2: In the column of the investment income recognized in the current period:

(I) It shall be specified if the investment is in preparation without any investment income.

(II) The base for the recognition of investment income can be classified into three categories, and shall be specified.

1. The financial statements audited and attested by the international accounting firm associated with the ROC CPA firms;
2. Financial statements audited and attested by the CPA firm of the parent company in Taiwan

3. Others.

Note 3: The limit is calculated based on the regulation in the “Principle of Review on Investment and Technical Cooperation in Mainland China” issued by the Investment Commission on August 29, 2008.

Note 4: This does not include the reinvestment in Shandong AGV Food Technology Co., Ltd. by Taiwan First Biotechnology Corp. through reinvestment of USD18,100 thousand preferred shares of AGV First Biotech Food (BVI) Limited.

Note 5: Said transactions between the parent company and the subsidiaries had been written off in the consolidated statements.

(2) Major transactions with the invested companies in Mainland China occurring directly or indirectly via third regions in 2020:

1. Major transactions with the invested companies in Mainland China: Please refer to Table 6 and 7 in Note 13.
2. Financing with the invested companies in Mainland China: Please refer to Table 1 in Note 13.
3. Guarantees and endorsements made for invested companies in Mainland China: None.

Table 10

AGV Products Corporation and its Subsidiaries
Major Shareholders Information
December 31, 2020

Major Shareholders	Shares held	Shareholding ratio
Ho Yuan Investment Co., Ltd.	33,222,258	6.71%

Note: The major shareholders information in the Table is the information of the Company's total common stocks and preferred shares with completion of non-physical delivery (including treasury stock) reaching above 5% held by the shareholders. The information is calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter. The capital stock recorded in the Company's financial report and the non-physical share delivery actually completed by the Company may vary due to different calculation basis for preparation.

XIV. Segment Information

(I) General information:

The management of the Group has identified the segment to be reported based on reporting information used by the decision-makers upon establishing a decision. The decision-makers of the Group carry on the business by product type or labor service type and classify the main reportable segments as a room temperature segment, low temperature segment, international trade segment, health segment and OEM segment. Information related to the operation of partial subsidiaries is not included in the operating decision report due to their small scale of operation. Therefore, the subsidiaries are not included in the reportable segment but their business results are combined into the "Other operating segment."

(II) Measurement of segment information:

The decision-makers of the Group evaluate the performance of business segment by net income before tax excluding the impact regarding share of profit or loss of affiliates and joint ventures under the equity method, dividend revenue, disposition of investment profit or loss, net profit (loss) of financial assets and liabilities measured at fair value through profit or loss which are measured at fair value and profit from repurchased corporate bond. Relevant share of profit or loss of affiliates and joint ventures under the equity method, dividend revenue, disposition of investment profit or loss, net profit (loss) of financial assets and liabilities measured at fair value through profit or loss which are measured at fair value and profit from repurchased corporate bond are managed based on the Group without being amortized to the business segment.

(III) Financial information of segment:

2020:

Item	Room temperature segment	Low temperature segment	International trade segment	Health segment	Other segment	Adjustment and elimination	Total
Revenue							
Income from external customers	$ 3,568,678	$ 660,570	$ 165,635	$ 121,174	$ 98,429	$ -	$ 4,614,486
Inter-segment income	938,523	96,736	29,890	31,377	79,253	(1,175,779)	-
Total revenues	$ 4,507,201	$ 757,306	$ 195,525	$ 152,551	$ 177,682	$(1,175,779)	$ 4,614,486
Segment profit and loss	$ 106,242	$ 49,415	$ 18,759	$ 18,059	$ (101,108)	$ 1,696	$ 93,063

2019:

Item	Room temperature segment	Low temperature segment	International trade segment	Health segment	Other segment	Adjustment and elimination	Total
Revenue							
Income from external customers	$ 3,359,884	$ 672,112	$ 193,528	$ 152,639	$ 90,075	$ -	$ 4,468,238
Inter-segment income	936,563	113,993	30,329	44,406	76,876	(1,202,167)	-
Total revenues	$ 4,296,447	$ 786,105	$ 223,857	$ 197,045	$ 166,951	$(1,202,167)	$ 4,468,238
Segment profit and loss	$ (65,958)	$ 40,704	$ 20,200	$ 23,521	$ (108,008)	$ 9	$ (89,532)

(IV) Adjustment information on segment profit or loss, assets and liabilities:

The external revenue reported to the main decision-makers adopts the same measurement method as the revenue in the statement of profit and loss.

The adjustment of segment net profit and loss and pre-tax profit from continuing operational units is as follows:

Item	2020	2019
Net profit or loss from reportable segment	$ 93,063	$ (89,532)
Dividend revenue	15,669	18,825
Share of profit or loss of affiliates and joint ventures recognized under the equity method	175,576	99,181
Net profit (loss) of financial assets and liabilities measured at fair value through profit or loss	4,672	4,461
Gain (loss) on disposal of investment	-	1,892
Impairment loss of property, plant and equipment	(8,805)	-
Gain (loss) from fair value adjustment	30,135	35,264
Profit or loss before tax	$ 310,310	$ 70,091

(V) Information by product type and labor service type:

The information on the Group's revenue from external customers is as follows:

Product name	2020	2019
Tradition series	$ 1,074,960	$ 984,231
Dessert series	737,274	731,552
Drink series	1,518,808	1,632,323
Oat milk series	951,965	812,321
Oil series	86,666	82,037
Health series	22,063	25,621
Others	222,750	200,153
Total	$ 4,614,486	$ 4,468,238

(VI) Information by regions:

1. Revenue from external customers (classified by the customers' countries):

Region	2020	2019
Taiwan	$ 4,494,754	$ 4,336,755
Mainland China	119,732	131,483
Total	$ 4,614,486	$ 4,468,238

2. Non-current assets:

Region	December 31, 2020	December 31, 2019
Taiwan	$ 8,852,885	$ 8,453,322
Mainland China	771,750	765,712
Others	25,459	25,435
Total	$ 9,650,094	$ 9,244,469

XV. Reclassification of accounting items

To align with the presentation of 2020 consolidated financial statements, partial accounting items in 2019 were reclassified. A description of these changes is as follows:

1. Cash flow statement items

Accounting items	Before reclassification	Difference	After reclassification
Operating activities			
Increase (decrease) in other financial assets	(12,000)	12,000	-
Investment activities			
Increase in other financial assets	(7,297)	(12,000)	(19,297)