

Stock Code: 1217

AGV Products Corporation

2024 Annual General Meeting

Agenda Handbook

June 21, 2024

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AGV Products Corporation
**2024 Annual General Meeting
Procedure**

- I. Announcing the number of shares represented by the attending shareholders to commence the meeting
- II. The Chairperson's opening speech
- III. Matters to be reported
- IV. Matters to be ratified
- V. Matters to be discussed
- VI. Impromptu motions
- VII. Adjournment

Agenda of AGV Products Corporation's 2024 Annual General Meeting

- I. Date: 9 a.m., June 21 (Friday), 2024
- II. Location: 5F., Alishan Ballroom, Nice Prince Hotel
(5F., No. 600, Zhongxiao Rd., East Dist., Chiayi City)
- III. Shareholders meeting will be held by means of : physical shareholders meeting
- IV. The Chairperson's opening speech
- V. Matters to be reported:
 - (I) 2023 Business Report of the Company.
 - (II) The Audit Committee's review report on the 2023 financial statements.
 - (III) Report on the distribution of remuneration to directors and employees for 2023.
 - (IV) Report on private placement of common stocks for cash capital increase for 2023.
 - (V) Report on the distribution of cash dividends from retained earnings for 2023.
 - (VI) Report on the implementation of the improvement plan established due to the loaning of excessive funds to others by the subsidiary AGV International (BVI) Limited.
- VI. Matters to be ratified:
 - (I) Proposal for the 2023 financial statements.
 - (II) Proposal for the 2023 appropriation of earnings.
- VII. Matters to be discussed:
 - (I) Proposal for amendments to the "Articles of Incorporation".
 - (II) Proposal for amendments to the "Rules of Procedure for Shareholders' Meeting".
 - (III) Proposal of common share issuing by private placement of cash capital increase.
- VIII. Impromptu motions
- IX. Adjournment

Matters to be reported

- I. The 2023 business report of the Company ready for approval:
Business report attached (please refer to Pages 15~20 of the Handbook)
- II. The Audit Committee's review report on the 2023 financial statements ready for approval:
Audit Committee's review report attached (please refer to Page 21 of the Handbook)
- III. Report on the distribution of remuneration to directors and employees for 2023 ready for approval:
The profit of the Company in 2023 was NTD 232,595,046 (pre-tax profit before deducting remuneration distributed to employees and directors). According to the Company's Articles of Incorporation, 1% thereof, i.e. NTD 2,325,000, is distributed as remuneration to directors and 2% thereof, i.e. NTD 4,652,000, is distributed as remuneration to employees. All remunerations are distributed in cash.
- IV. Report on private placement of common stocks for cash capital increase in 2023 ready for approval:
The Company's 2023 Annual General Meeting resolved that it shall not exceed the range of 100,000,000 shares and may be carried out in batches within one year of the date of the resolution of the meeting. Said private placement has not been carried out so far. The Board of Directors meeting was resolved on March 11, 2024 to approve that it should not be continued within the residual period.
- V. Report on the distribution of cash dividends from retained earnings for 2023 ready for approval:
Pursuant to Article 30-1 of the Articles of Incorporation, the Board of Directors adopted a resolution on March 11, 2024 to allocate NTD 113,738,067 from the distributable earnings of 2023 as cash dividends for shareholders, to be distributed at NTD 0.23 per share on May 24, 2024.

VI. Report on the implementation of the improvement plan established due to the loaning of excessive funds to others by the subsidiary AGV International (BVI) Limited, hereby submitted for review:

1. In accordance with Letter Jin-Guan-Zheng-Shen-Zi No. 1130337597 dated March 27, 2024 from the Financial Supervisory Commission.

2. Description of the reason:

The net value of the subsidiary AGV International (BVI) Limited on December 31, 2023 decreased due to share payments returned from its capital reduction, resulting in a total of NTD12,316 thousand of funds (the actual balance of funds loaned was NTD0 thousand) loaned by it to Taiwan First Biotechnology Corp., which exceeded NTD8,621 thousand, the limit of loans to an individual borrower.

3. Responses and follow-up control measures:

The amount of the funds loaned by the subsidiary AGV International (BVI) Limited to Taiwan First Biotechnology Corp. was fully recovered in 2023. An improvement plan has been established in accordance with Article 16 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies and the letter from the Financial Supervisory Commission. On March 29, 2024, the board of directors of the subsidiary AGV International (BVI) Limited held a meeting to cancel the amount of the funds loaned to comply with the regulations. In the future, a new checking field will be added to the book for loaning of funds for real-time control of their amounts to prevent any such amount exceeding the limit.

Matters to be ratified

Motion No. 1 Proposed by the board of directors

Proposal: Ratification of the proposal for the 2023 financial statements.

Description: I. The Company's 2023 business report and financial statements (including the consolidated financial statements) have been reviewed by the Audit Committee and resolved by the Board of Directors.
II. Said financial statements were audited and attested by Crowe (TW) CPAs.
III. For the attached 2023 business report, independent auditors' report and financial statements (including consolidated financial statements), please refer to Pages 15–20 and Pages 22–47 of the Handbook.

Resolution:

Motion No. 2 Proposed by the board of directors

Proposal: Ratification of the statement for 2023 appropriation of earnings.

Description: The Company's after-tax net profit of 2023 was NTD 200,936,451, and the Company has prepared the 2023 table of earnings distribution. See page 48 of this Handbook.

Resolution:

Matters to be discussed

Motion No. 1 Proposed by the board of directors

Proposal: Resolution of the proposal for amendments to the “Articles of Incorporation”

Description: I. Amendment is made in compliance with laws and regulations and actual needs.

II. The Comparison Table of Amended Provisions is as follows:

Amended provision	Current provision	Description
<p><u>Article 12-1</u> The Company may convene a shareholders’ meeting by means of video conferencing or other methods promulgated by the central competent authority. Where the competent authority has provided otherwise for the criteria, procedures and other requirements which a <u>video conference</u> shall meet, such provisions shall prevail.</p>	<p><u>Article 12-1</u> The Company may convene a shareholders’ meeting by means of video conferencing or other methods promulgated by the central competent authority. Where the competent authority has provided otherwise for the criteria, procedures and other requirements which a <u>shareholders’ meeting held via video conferencing</u> shall meet, such provisions shall prevail.</p>	<p>In accordance with the law and actual operational needs.</p>
<p>Article 30-1 Where there are earnings after closing of the accounts in a fiscal year, in addition to paying taxes and making up for the losses from prior years, an amount equivalent to 10% of such earnings shall be set aside as legal reserves, and an amount of special reserves shall be set aside or reversed from the after-tax</p>	<p>Article 30-1 Where there are earnings after closing of the accounts in a fiscal year, in addition to paying taxes and making up for the losses from prior years, an amount equivalent to 10% of such earnings shall be set aside as legal reserves, and an amount of special reserves shall be set aside or reversed from the after-tax</p>	<p>In accordance with the law and actual operational needs.</p>

Amended provision	Current provision	Description
<p>net profit of the current year plus items other than the after-tax net profit of the current year with respect to the reduction of shareholders' equity and net increase in the fair value of investment property occurring in the current year. After the dividends to be distributed in the current year for distribution of preferred shares and the accumulated undistributed dividends in prior years are distributed, the Board of Directors shall prepare a proposal for distribution of earnings, excluding the part to be retained, and submit the proposal to the shareholders' meeting for a resolution. The proposal for the Company's stock dividends or legal reserve distributed from earnings or capital surplus to be paid in cash, in whole or in part, shall be subject to a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to a shareholders' meeting. The food industry is in a</p>	<p>net profit of the current year plus items other than the after-tax net profit of the current year with respect to the reduction of shareholders' equity and net increase in the fair value of investment property occurring in the current year. After the dividends to be distributed in the current year for distribution of preferred shares and the accumulated undistributed dividends in prior years are distributed, the Board of Directors shall prepare a proposal for distribution of earnings, excluding the part to be retained, and submit the proposal to the shareholders' meeting for a resolution. The proposal for the Company's stock dividends or legal reserve distributed from earnings or capital surplus to be paid in cash, in whole or in part, shall be subject to a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to a shareholders' meeting. The food industry is in a</p>	

Amended provision	Current provision	Description
<p>changing environment and the Company is at a 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 stock or cash dividends. Taking into account the Company's growth rate and capital expenditure, <u>Cash dividends</u> provided that shall be no less than 10% of the total dividends distributed for the current year. Dividends less than NTD0.1 per share will not be distributed in cash.</p>	<p>changing environment and the Company is at a 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 stock or cash dividends. Taking into account the Company's growth rate and capital expenditure, <u>dividends shall be distributed in shares first, and the remaining may</u> be distributed in cash, provided that the latter shall be no less than 10% of the total dividends distributed for the current year. Dividends less than NTD0.1 per share will not be distributed in cash, <u>and will instead be distributed in shares.</u></p>	
<p>Article 33 The Articles of Incorporation was established on June 14, 1971. The 1st amendment was made on August 17, 1972.The 39th amendment was made on</p>	<p>Article 33 The Articles of Incorporation was established on June 14, 1971. The 1st amendment was made on August 17, 1972.The 39th amendment was made on</p>	<p>Added a date of amendment.</p>

Amended provision	Current provision	Description
June 24, 2022. <u>The 40th amendment was made on June 21, 2024.</u>	June 24, 2022.	

III. For the original “Articles of Incorporation”, please refer to Pages 60–72 of the Handbook.

Resolution:

Motion No. 2 Proposed by the board of directors

Proposal: Resolution of the proposal for amendments to the “Rules of Procedure for Shareholders’ Meeting”

Description: I. Amendment is made in compliance with laws and regulations and actual needs.

II. The Comparison Table of Amended Provisions is as follows:

Amended provision	Current provision	Description
<p><u>Article 1-1:</u> <u>Unless otherwise provided by law, shareholders’ meetings of the Company shall be convened by the Board of Directors.</u> <u>Unless otherwise provided by the Regulations Governing the Administration of Shareholder Services of Public Companies, the convening of a shareholders’ meeting via video conference by the Company shall be set forth in the Articles of Incorporation and subject to a resolution of the Board of Directors. A shareholders’ meeting convened via video conference shall be subject to a resolution approved by a majority of the directors attending a Board of Directors meeting with the attendance of at least two-thirds of all directors.</u> <u>Any change of the form in which the shareholders’ meeting is held</u></p>		In accordance with the law and actual operational needs.

Amended provision	Current provision	Description
<p><u>shall be subject to a resolution of the Board of Directors and shall be made, at the latest, before the notice of the shareholders' meeting is sent.</u></p>		
<p>Article 20: Where the shareholder's meeting is held via video conference, the notice of the meeting shall specify the following information:</p> <ol style="list-style-type: none"> I. The manner in which a shareholder attends a video conference and exercises his/her rights. II. Procedures in the event of any hindrance caused by an act of God, an incident or any other force majeure situation to the video conference platform or attendance via video conference, including at least the following information: (Omitted) III. Where the meeting is held via video conference, the notice of the meeting shall also specify appropriate alternative measures available for shareholders who have difficulties in attending the meeting via video conference. <u>Except for the circumstances under Paragraph 6, Article 44-9 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shareholders shall at least be provided with connection</u> 	<p>Article 20: Where the shareholder's meeting is held via video conference, the notice of the meeting shall specify the following information:</p> <ol style="list-style-type: none"> I. The manner in which a shareholder attends a video conference and exercises his/her rights. II. Procedures in the event of any hindrance caused by an act of God, an incident or any other force majeure situation to the video conference platform or attendance via video conference, including at least the following information: (Omitted) III. Where the meeting is held via video conference, the notice of the meeting shall also specify appropriate alternative measures available for shareholders who have difficulties in attending the meeting via video conference. 	<p>In accordance with the law and actual operational needs.</p>

Amended provision	Current provision	Description
<u>equipment and necessary assistance, and the period during which shareholders may apply to the Company and other relevant information requiring attention shall be specified.</u>		

III. For the original “Rules of Procedure for Shareholders’ Meeting”, please refer to Pages 49–59 of the Handbook.

Resolution:

Motion No. 3 Proposed by the board of directors

Proposal: Resolution to the proposal for common share issuing by private placement of cash capital increase.

Description: I. To increase working capital, capital expenses and respond to the future development needs of the Company, the Company plans to issue common shares by private placement of cash capital increase while taking the timeliness, convenience and issuing cost of financing into consideration.

II. The common shares issuing by private placement of cash capital increase shall be conducted within the limit of 100,000,000 shares of private placement.

III. According to Article 43-6 of the “Securities and Exchange Act” and provisions of the “Directions for Public Companies Conducting Private Placements of Securities,” matters related to the private placement are as follows:

1. The basis and reasonableness for setting of private placement price:
The reference price of private placement shall be calculated based on the higher of the following two calculations:

(1) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction.

(2) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction.

The price per share fixed for privately placed common shares may not be lower than 80 percent of the reference price and not lower than NTD10 par value. The method of price setting shall be reasonable according to applicable regulations. The board of directors is authorized by the shareholders' meeting to determine the actual determination date of the price and private placement price within the percentage scope resolved at the shareholders' meeting depending on the specified place and capital market conditions in the future based on the laws and regulations.

2. The method of selecting the placee for that selection:

(1) Specific persons will be selected pursuant to Article 43-6 of the Securities and Exchange Act and Order Jin-Guan-Zheng-Fa-Zi No. 1120383220 dated September 12, 2023 from the Financial Supervisory Commission, and only from strategic investors. It is proposed that the shareholders' meeting authorize the Board of Directors to review the eligibility of offerees.

(2) In response to the rapid change of environment and the booming market, we plan to introduce strategic partners and aggressively expand the deployment of the Company in related fields to increase revenue and improve profitability.

3. Reasons necessitating the private placement and anticipated benefits:

(1) Reasons of not adopting public offering: When taking timeliness, convenience and issuing cost of financing into consideration, the rapid and convenient characteristics of private placement with the restriction on free transfer within three years can ensure the stable and long-term relationship between the Company and strategic investors. Therefore, we plan to adopt private placement for fundraising.

- (2) Private placement limits: It shall not exceed the range of 100,000,000 shares and may be carried out in closings within one year of the date of the resolution of the shareholders' meeting. The closings shall not exceed three times.
 - (3) The use of funds raised by the private placement: Funds raised in each private placement are used to increase working capital, capital expenses and respond to the future development needs of the Company.
 - (4) Anticipated benefits: Each closing is held to integrate the advantages of the Company and the strategic partner to get a head start in the market while creating long-term and stable performance and profits.
- IV. The rights and obligations regarding the private placement of common shares:
The rights and obligations regarding the private placement of common shares are the same as those of common shares issued by the Company, in principle; however, according to the regulations of the Securities and Exchange Act, within three years from the delivery date, the Company of privately placed common shares may not resell the common shares except for those transfer counterparty specified in Article 43-8 of the Securities and Exchange Act. Where three full years have elapsed since the delivery date of the privately placed common shares, the board of directors is authorized to apply to the competent authority for the rearrangement of public issuing and listing depending on the current condition based on related regulations.
- V. Besides the percentage for the private placement pricing, we propose to the shareholders' meeting for the authorization of the board of directors to adjust, establish and conduct the main contents of this private placement based on market conditions, including relevant matters such as actual issue price, issue shares, issue conditions, plan items, amount of funds raised and anticipated benefits as well as other matters related to the issuing plan. In case of future changes in laws and regulations, amendment under the instruction of the competent authority or establishment or amendment

made according to operation assessment or in response to objective market environment, the board of directors shall also be authorized to handle the matters with full power.

- VI. To align with the private placements of securities conducted this time, we propose to the shareholders' meeting for the authorization of the Chairman to sign and discuss all contracts and documents related to the private placement plan on behalf of the Company and to conduct all matters required for this private placement plan.
- VII. Any matters not specified in the previous paragraph shall be handled in accordance with laws and regulations by the board of directors.

Resolution:

Impromptu motions

Adjournment

Business Report

I. 2023 Business Report

Unit: NTD thousand

Item	2023	%	2022	%	Growth rate of amount (%)
Operating revenue	4,900,038	100.0	4,800,625	100.0	2.1
Gross sales margin	1,413,713	28.9	1,436,950	29.9	-1.6
Operating expense	1,284,939	26.2	1,265,682	26.4	1.5
Net operating profit	128,774	2.6	171,268	3.6	-24.8
Pre-tax profit	260,742	5.3	303,262	6.3	-14.0
Net profit	217,600	4.4	287,793	6.0	-24.4

In 2023, AGV recorded a consolidated operating revenue of NTD4,900,030,000, an increase of NTD99.41 million from the previous year at a growth rate of 2.1%. Due to higher costs of raw materials, the gross profit margin declined by 1% compared to the same period of the previous year, resulting in a decrease of NTD23.23 million in the gross profit. As a result of overall proper control of the operating expense, the expense ratio decreased by 0.2%. The operating expense increased by NTD19.26 million due to revenue growth, generating a net operating profit of NTD128,770,000, which was NTD42.49 million less compared to the same period of the previous year. The pre-tax profit was NTD260,740,000, and the net profit less the income tax expense was NTD217,600,000.

II. Summary of the 2024 business plan

The following are AGV's business strategies for 2023:

1. Maximization of [corporate values]: Focusing on sustainable development and fulfilling corporate social responsibility.
2. Maximization of [competitive advantages]: Strengthening R&D, production, planning and marketing, and building competitive barriers.
3. Maximization of [growth momentum]: Exploring blue ocean platforms and leading the consumption trend.
4. Maximization of [resource integration]: Combining industry, government, academia, and the private sector to enhance the synergy of a win-win situation.

As the COVID-19 pandemic, the biggest variable affecting industrial trends in the past four years, subsides, 2024 will be a major turning point for a new wave of trends in the food industry. In this regard, the industry is generally optimistic about the trends of food and consumer demand in 2024. It is expected that years of slow development and stagnant consumption experienced by the food industry will lead to a trend of growth in the medium-to-long term in the future. Therefore, our team's business policy for 2024 will be reoriented according to recent variables in the overall environment and uncertainties in the aspects of politics, the economy, the pandemic and people's livelihoods. Our team has summarized the following operational strategies for 2024 for AGV:

- I. [Strengthening red ocean channels and developing blue ocean platforms]: Strengthening cooperation with existing channels and increasing opportunities for market products
 1. Channel alliances and deepened cooperation: Product management analysis, and cooperation in commercialization and promotion, to strengthen cooperation in production and sales.
 2. Product innovation and brand investment: New products meeting the demand, and integration of media advertising and promotion, to increase the efficiency of resource investment.
 3. Formula development and OEM R&D and production: Product customization services, and professional OEM integration, to enhance two-way cooperation for a win-win situation.
 4. International cooperation and strategic reciprocity: Alliances between the world's leading manufacturers, and authorized trading by agent, to achieve revenue growth and increased profit.
 5. Online channels without borders: A diverse range of e-commerce channels, and direct logistics services, to meet diverse market needs.
 6. Special market and group needs: low-carbon government and leisure, and religion and health for the old and young, with stable revenues to prevent competition.
- II. [Building a growth engine and enhancing operating efficiency]: Activating the six forces driving growth and creating conditions for long-term profits

1. Seeking mechanized and automated production and manufacturing, assessment of the introduction of AI, and emphasis on production management scheduling, to reduce wear-and-tear and production costs.
 2. Strengthening occupational knowledge and skills, on-the-job training, certifications of external training, and passing down of skills, to improve the level of professionalism.
 3. Optimizing procurement costs, attaching importance to the supplier evaluation system, and continued development and vertical integration of new suppliers, to optimize cost management.
 4. Training human resources, strengthening industry-academia collaboration, developing talent with general and professional skills, and encouraging on-the-job training to expand the talent pool.
 5. Investment in R&D and innovation, strengthening investments in the sub-institutes for biotechnology and food safety of the Institute of Health Science, and accumulating intellectual property and patents, to achieve product uniqueness and food safety protection.
 6. Making use of the group's synergy, by combining cross-brand products with existing and new strategic units, to increase the efficiency of R&D, production and sales resources.
- III. [Following policy trends and increasing corporate values]: Integrating internal and external resources of our company and enhancing its corporate values and goodwill
1. In response to short-term trends in politics, the economy and people's livelihoods at home and abroad: presidential election, inflation, AI, and functional foods.
 2. In response to medium-term trends in politics, the economy and people's livelihoods at home and abroad: regional tensions, deflation, green energy and carbon reduction, and plant-based products.
 3. In response to long-term trends in politics, the economy and people's livelihoods at home and abroad: US-China confrontation, economic cycles, sustainable development, and the health industry.
 4. Concentrating resources to achieve revenue growth, increases in three margins (gross profit margin, operating profit margin,

- and net profit margin) and enhanced market values, to ensure the financial interests of shareholders and related parties.
5. Cooperating with the government in fulfilling the objectives of corporate responsibility, net-zero carbon reduction and environmental sustainability, to enhance AGV's goodwill and social value.
 6. Seeking to support short-, medium- and long-term performance with financial and non-financial targets to ensure stable and progressive corporate values.

The following is a summary of the 2024 business plan:

1. AGV's development of new products:

Regardless of the changes in the times and in market trends and consumer demand, and despite the unpredictable changes in decision-making faced by brands and consumers due to the impacts of COVID-19, inflation, war and economic recession, health is the only product value that remains unchanged for consumers. AGV's brand vision of "For a Healthy Tomorrow" is truly close to the real needs of the consumer market. We will focus more on products with health as the core, and substantive aspects with functions, convenience, quality, safety and values as the peripheral.

Taiwan's fast moving consumer goods market is a leading indicator of the global market due to its position at the forefront of the global food industry, and it having a developed food industry, R&D and innovation capabilities, and advanced manufacturing processes. Its prosperous economy and open market has given rise to favorable two-way conditions for manufacturers, channels and consumers. Its consumers, being loyal to brands and also willing to try new things, are highly receptive to new foreign products and concepts, and their spending behavior is largely influenced by their own living habits, buying mentality, product preferences and spending ideas. AGV possesses capabilities for the one-stop integration of R&D, production, planning, and marketing in the areas of market research, product R&D, production, manufacturing, quality control, marketing, advertising and sales. In response to internal/external environmental variables, competition, consumption trends and market trends, AGV has

determined the direction of new product development for the following main products in 2024 in accordance with its annual operating strategy:

(1) Cultural cuisines - Focusing on deliciousness and convenience and meeting the needs of different timings and groups:

Traditional Taiwanese cuisines - Tube Savory Rice Pudding, tube sticky rice cake, plant-based canned fish, Kantan grass jelly, and mixed congee with five grains.

(2) Healthy drinks - Focusing on health functions and meeting various functional needs:

Functional drinks with oat - Premium Oat Drink (Maca-Zinc), Japanese-style green tea numbered Jian-Zi, and multi-fiber tea drinks.

III. Prospects for the future:

In 2024, in response to changes in the political and economic environments as well as market trends at home and abroad, our team will continue to complete four medium-to-long-term business strategies to lay a firm foundation for the next century in terms of corporate sustainable management and accumulating corporate values for the purpose of achieving our operating targets and maximizing shareholders' interests, taking into account our short-, medium-, and long-term operational missions and visions:

(1) Enhancing corporate values and focusing on sustainable development (financial and non-financial values, shareholders' interests, and social responsibilities)

(2) Optimizing operations management and connecting the benefits of management (benefits of management: production, sales, human resources, R&D, finance and accounting)

(3) Creating niche advantages and establishing a strong position (niche advantages: group, brands, products, R&D, and technologies)

(4) Step-by-step growth strategies for the short, medium, and long terms (product positioning, brand advantages, strategic alliances, and biotech park)

In addition to being financially responsible to shareholders, a company must also be socially and environmentally responsible to bring a positive impact to the society and environment as a corporate citizen. In short, this refers to the management philosophy where a

company integrates the concept of “sustainable development” into its operational policies. AGV recognizes that rather than being a burden, corporate social responsibility is the force driving business owners and the public to broaden their views and enhance their vision concerning business management. In the future, our team is committed to upholding and implementing a sustainable development strategic layout (SDSL), while simultaneously meeting the needs of corporate development regarding corporate social performance (CSP) and corporate financial performance (CFP). Our team will make adjustments from time to time, contingent upon changes in domestic and foreign trends, systems, or laws. We believe that this is the only way to fulfill our greatest responsibilities as a corporate citizen toward our company, shareholders, employees and related parties, and even the country and society where we grow up.

In 2024, our overall business policy will continue to strengthen the four strategic directions for 2023 and further implement the operational strategies for 2024:

- I. Continuing to strengthen the four strategic directions for 2023:
 - [Corporate values] Focusing on sustainable development and fulfilling corporate social responsibility
 - [Competitive advantages] Strengthening R&D, production, planning and marketing, and building competitive barriers
 - [Growth momentum] Exploring blue ocean platforms and leading the consumption trend
 - [Resource integration] Combining industry, government, academia, and the private sector to enhance the synergy of a win-win situation
- II. Implementation of the operational strategies for 2024:
 - [Strengthening red ocean channels and developing blue ocean platforms]: Strengthening cooperation with existing channels and increasing opportunities for market products
 - [Building a growth engine and enhancing operating efficiency]: Activating the six forces driving growth and creating conditions for long-term profits
 - [Following policy trends and increasing corporate values]: Integrating internal and external resources of our company and enhancing its corporate values and goodwill

Chairman:

President:

Accounting Officer:

Audit Committee's Review Report of AGV Products Corporation

Authorized

The 2023 business report, financial statements and appropriation of earnings of the Company were prepared by the Board of Directors and the financial statements have been audited by CPA Shu-Man Tsai and CPA Ling-Wen Huang of Crowe (TW) CPAs, and no nonconformities were found. We hereby issue the above report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Proposed
for approval.

For
The Company's 2024 Annual General Meeting

Audit Committee convener: Yung-Chien Wu

Audit Committee member: Yung-Fu Tseng

Audit Committee member: Wei-Lung Chen

March 11, 2024

Independent Auditors' Report and Financial Statements

To AGV Products Corporation:

Audit opinions

We have audited the parent company only balance sheet of AGV Products Corporation as of December 31, 2023 and 2022, as well as the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only statement of cash flows for the periods January 1 to December 31, 2023 and 2022, and the accompanying footnotes (including the summary of major accounting policies).

In our opinion, based on our audit results and the other independent auditors' report (please refer to the Other matters section), all material disclosures of the parent company only financial statements mentioned above were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, giving a fair presentation of the parent company only financial position of AGV Products Corporation as of December 31, 2023 and 2022, and the parent company only financial performance and cash flows for the periods January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and relevant auditing standards. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only 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 Products Corporation in accordance with the Code of Ethics for Professional Accountants, and have performed the other responsibilities of the Code of Ethics. 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 our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in the audit of the parent company only financial report of AGV Products Corporation for 2023. These matters were addressed in the content of our audit of the parent company only financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

The following are the key audit matters in the parent company only financial report of AGV Products Corporation for 2023:

I. Fair value evaluation of investment property

For the accounting policy on investment property, see Note 4(11) of the parent company only financial report; for a description of the accounting basis and evaluation of investment property, see Note 6(10) of the parent company only financial report.

Description of key audit matters:

As of December 31, 2023, investment property held totaled NTD 1,595,025 thousand, accounting for 13.19% of total assets, and it was subsequently measured using the fair value model. The recognized variable income generated from fair value changes totaled NTD 49,049 thousand in 2023, accounting for 21.52% of the 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 a commissioned external appraiser. The analysis relied on the evaluation and judgment of an external appraiser based on overall usage, and local or market conditions of the subject property. The assumptions and estimates related to profit rate and discount rate 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 Products Corporation.

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 classification 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 external appraiser to the Company, reviewing the reasonableness of related assumptions and appraisal content (including the method, analysis period and discount rate) and evaluating the qualification and independence of such external appraiser. The appropriateness and completeness of information disclosed in the notes to the parent company only financial report is also evaluated.

II. Recognition of revenue

For the accounting policy on revenue recognition, see Note 4(18) of the financial report; for the details of revenue, see Note 6(23) of the financial report.

The main business of AGV Products Corporation consists of the manufacturing, processing and sale of products related to drinks and canned foods. The transaction terms agreed in the sales contract signed with the customer will affect the judgment of AGV Products Corporation 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 has taken the responsibility for resale along with the obsolescence risk of the product. Therefore, we consider the test for recognition of the revenue of 2023 as a key audit matter when auditing the parent company only financial report of AGV Products Corporation.

Our main audit procedures include understanding the sales system of AGV Products Corporation, such as the sales channels and sales targets, checking agreements related to sales contracts signed with the main trading customers and randomly checking shipment and income recognition operation procedure records in 2023 (including checking the consistency of the date, amount and counterparty in the shipping order and invoice). We also conducted a comparison of two periods regarding the main trading customers, including a comparison of the accounts receivable turnover rate, accounts receivable turnover days and loan periods, and understanding of the top 10 counterparties in two periods with major changes to evaluate the reasonableness of the transaction amount and counterparty and execution cut-offs for operating revenue recognition and shipping voucher forms before and after the balance sheet date.

Other matters

We have not audited the financial statements of some associated companies disposed under the equity method in said parent company only financial reports of 2023 and 2022; this has been done by other CPAs. Thus, in our opinions expressed on the parent company only financial report, the amounts listed in the statement of associated companies were based on the other independent auditors' report. The investments in these investee companies under the equity method amounted to NTD 1,866,199 thousand and NTD 1,704,152 thousand as of December 31, 2023 and 2022, respectively, accounting for 15.44% and 14.46% of the total assets, respectively. The share of profit or loss from associates and joint ventures under the equity method amounted to NTD 80,285 thousand and NTD 36,043 thousand for the periods of January 1 to December 31, 2023 and 2022, respectively, accounting for 35.22% and 12.86% of the net income before tax, respectively. The share of other comprehensive income from associates and joint ventures under the equity method amounted to NTD 106,824 thousand and NTD (176,962) thousand, respectively accounting for 232.42% and (1,932.74)% of other net comprehensive income, respectively.

Responsibilities of management and the governance unit for the parent company only financial report

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

In preparing the parent company only financial report, management is also responsible for assessing the ability of AGV Products Corporation 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 Products Corporation or to cease operations, or there is a lack of any option except for liquidation or suspension.

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

Independent auditor's responsibilities for the audit of the parent company only financial report

Our objectives are to obtain reasonable assurance about whether the parent company only financial report 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 means a high degree of assurance. However, there is no guarantee that any material misstatement contained in the parent company only financial report will be discovered during an audit conducted in accordance with relevant auditing standards. Misstatements might have been caused by fraud or errors. If individual values or an overview of misstatements can be reasonably expected to affect economic decisions made by users of parent company only financial report, they are considered significant.

We rely on our professional judgment and professional skepticism during an audit conducted in accordance with relevant auditing standards. We also perform the following tasks:

- I. Identify and assess the risk of material misstatement of the parent company only 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 Products Corporation.
- 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 Products Corporation 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 parent company only financial report shall be provided in the auditors' report to allow users of the parent company only financial report to be aware of such events or circumstances, or we 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 Products Corporation to cease to continue as a going concern.

V. Evaluate the overall presentation, structure and content of the parent company only financial report (including relevant notes), and whether the parent company only 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 Products Corporation in order to express an opinion on the parent company only financial report. Our responsibilities as auditors are to instruct, supervise and execute audits and form an audit opinion on AGV Products Corporation.

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 key audit matters in the audit of the parent company only financial report of AGV Products Corporation for 2023 have been determined by us from those matters about which we have communicated with the governing unit. We describe these matters in our auditors' report unless laws or regulations preclude public disclosure about these matters, 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: Ling-Wen Huang

Approval No.: Jin-Guan-Zheng-
Shen-Zi No. 10200032833

March 11, 2024

AGV Products Corporation
Parent Company Only Balance Sheet
December 31, 2023 and 2022

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Unit: NTD thousand				
	Current assets				
1100	Cash and cash equivalent (Note 6(1))	\$ 266,221	2	\$ 295,067	3
1110	Financial assets at fair value through profit and loss – current (Notes 6 (2))	207,737	2	50,377	-
1150	Net notes receivable (Note 6(3))	8,576	-	9,061	-
1160	Net notes receivable – related parties (Note 7)	21,498	-	16,709	-
1170	Net accounts receivable (Note 6(4))	479,843	4	506,924	4
1180	Net accounts receivable – related parties (Note 7)	102,989	1	135,625	1
1200	Other accounts receivable	10,702	-	11,412	-
1210	Other accounts receivable – related parties (Note 7)	63,993	1	36,091	-
1220	Income tax assets in the current period	240	-	234	-
130x	Inventories (Note 6(5))	771,988	6	858,031	9
1410	Prepayments	62,409	1	56,944	-
1479	Other current assets – others	1,743	-	2,594	-
11xx	Total current assets	1,997,939	17	1,979,069	17
	Non-current assets				
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 6(6))	1,028,292	9	1,113,167	9
1550	Investment accounted for using the equity method (Note 6(7))	6,233,453	52	6,050,637	51
1600	Property, plant and equipment (Note 6(8))	1,001,883	8	916,830	8
1755	Right-of-use assets (Note 6(9))	18,347	-	20,228	-
1760	Net investment property (Note 6(10))	1,595,025	13	1,458,986	12
1780	Intangible assets (Note 6(11))	1,718	-	2,874	-
1840	Deferred income tax assets (Note 6(28))	158,217	1	184,365	2
1920	Refundable deposits	17,113	-	30,570	1
1980	Other financial assets – non-current (Note 6(13))	20,129	-	20,030	-
1990	Other non-current assets – other (Note 6(12))	17,868	-	12,325	-
15xx	Total non-current assets	10,092,045	83	9,810,012	83
1xxx	Total assets	\$ 12,089,984	100	\$ 11,789,081	100
	Liabilities and equity				
	Current liabilities				
2100	Short-term loans (Note 6(14))	\$ 674,167	6	\$ 658,333	6
2130	Contract liabilities – current (Note 6(23))	11,735	-	4,674	-
2150	Notes payable	66,640	1	61,369	1
2170	Accounts payable	74,277	1	74,909	1
2180	Accounts payable – related parties (Note 7)	598,716	5	450,896	4
2200	Other payables (Note 6(15))	281,207	2	293,709	2
2220	Other payables – related parties (Note 7)	39,204	-	50,821	-
2230	Current income tax liabilities	165	-	-	-
2250	Liability provision – current (Note 6(16))	20,531	-	18,556	-
2280	Lease liabilities – current (Note 6(9))	7,802	-	8,506	-
2310	Advance receipts (Note 7)	3	-	3	-
2320	Long-term liabilities maturing within a year or operating cycle (Note 6(18))	417,655	3	401,655	3
2399	Other current liabilities	2,482	-	3,717	-
21xx	Total current liabilities	2,194,584	18	2,027,148	17

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Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Non-current liabilities				
2540	Long-term loans (Note 6(18))	2,933,142	25	2,829,797	25
2570	Deferred income tax liabilities (Note 6(28))	123,523	1	123,486	1
2580	Lease liabilities – non-current (Note 6(9))	11,178	-	13,337	-
2640	Net defined benefit liabilities – non-current (Note 6(17))	26,169	-	40,221	-
2645	Guarantee deposits	2,078	-	2,100	-
25xx	Total non-current liabilities	3,096,090	26	3,008,941	26
2xxx	Total liabilities	5,290,674	44	5,036,089	43
	Equity				
3100	Share capital (Note 6(19))				
3110	Common share capital	4,945,134	41	4,945,134	42
3200	Capital reserve (Note 6(20))	268,144	2	268,746	2
3300	Retained earnings (Note 6(21))				
3310	Legal reserve	114,720	1	83,884	1
3320	Special reserve	789,030	7	763,705	6
3350	Undistributed earnings	261,834	2	322,695	3
3400	Other equity (Note 6(22))	420,448	3	368,828	3
3xxx	Total equity	6,799,310	56	6,752,992	57
	Total liabilities and equity	\$ 12,089,984	100	\$ 11,789,081	100

Chairman: Kuan-Han Chen

President: Chih-Chan Chen

Accounting Manager: He-Shun Chang

AGV Products Corporation
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Code	Item	2023		Unit: NTD thousand 2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(23))	\$ 4,052,607	100	\$ 4,014,234	100
5000	Operating cost (Note 6(5))	(2,913,990)	(72)	(2,849,193)	(71)
5900	Gross profit (gross loss)	1,138,617	28	1,165,041	29
5910	Unrealized profit from sales	(4,595)	-	(5,845)	-
5920	Realized profit from sales	5,845	-	6,421	-
	Operating expense				
6100	Selling expenses	(698,034)	(17)	(688,546)	(17)
6200	Management expenses	(231,120)	(6)	(231,392)	(6)
6300	Research and development expenses	(45,443)	(1)	(45,606)	(1)
6450	Expected credit impairment profits (losses) (Note 6(4))	53	-	(16)	-
6000	Total operating expenses	(974,544)	(24)	(965,560)	(24)
6900	Operating profits (losses)	165,323	4	200,057	5
	Non-operating income and expenses				
7100	Interest revenue	1,971	-	822	-
7010	Other revenue (Note 6(25))	50,047	1	49,644	1
7020	Other profits and losses (Note 6(26))	24,919	1	165,362	4
7050	Financial cost (Note 6(27))	(98,779)	(2)	(82,451)	(2)
7070	Share of profit or loss from subsidiaries, associates and joint ventures under the equity method	84,463	2	(53,053)	(1)
7000	Total non-operating income and expense	62,621	2	80,324	2
7900	Net profit (loss) before tax	227,944	6	280,381	7
7950	Income tax profit (Note 6(28))	(27,008)	(1)	(2,491)	-
8200	Current net profit (loss)	200,936	5	277,890	7
	Other comprehensive income (Note 6(30))				
	Items not reclassified to profit or loss				
8310	Re-measurement of defined benefit plan	(3,969)	-	19,701	-
8312	Appreciation on revaluation of property	87,587	2	-	-
8316	Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income	(86,415)	(2)	152,569	4
8330	Share of other comprehensive income from subsidiaries, associates and joint ventures under the equity method	55,178	1	(234,919)	(6)
8349	Income tax related to items not reclassified	(135)	-	(3,940)	-
8360	Items that may be subsequently reclassified as profit or loss				
8380	Share of other comprehensive income from subsidiaries, associates and joint ventures under the equity method	(7,078)	-	80,139	2
8399	Income tax related to items that may be reclassified	793	-	(4,394)	-
8300	Other comprehensive income (net)	45,961	1	9,156	-
8500	Total comprehensive income in the current period	\$ 246,897	6	\$ 287,046	7
	Earnings per share				
9750	Basic EPS (Note 6(31))	\$ 0.41		\$ 0.56	
9850	Diluted EPS (Note 6(31))	\$ 0.41		\$ 0.56	

Chairman: Kuan-Han Chen

President: Chih-Chan Chen

Accounting Manager: He-Shun Chang

AGV Products Corporation
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Retained earnings					Other equity items				Total equity
	Common share capital	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	Appreciation on revaluation of property		
Balance as of January 1, 2022	\$ 4,945,134	\$ 268,647	\$ 64,882	\$ 755,377	\$ 190,023	\$ (103,812)	\$ 501,060	-	-	\$ 6,621,311
Appropriation and distribution of earnings:										
Allocated legal reserve	-	-	19,002	-	(19,002)	-	-	-	-	-
Allocated special reserve	-	-	-	8,328	(8,328)	-	-	-	-	-
Cash dividend for common shares	-	-	-	-	(148,354)	-	-	-	-	(148,354)
Changes of associates and joint ventures under the equity method	-	99	-	-	(7,110)	-	-	-	-	(7,011)
Net profit (loss) for 2022	-	-	-	-	277,890	-	-	-	-	277,890
Other comprehensive income for 2022	-	-	-	-	20,279	69,545	(80,668)	-	-	9,156
Total comprehensive income for 2022	-	-	-	-	298,169	69,545	(80,668)	-	-	287,046
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	17,297	-	(17,297)	-	-	-
Balance on December 31, 2022	4,945,134	268,746	83,884	763,705	322,695	(34,267)	403,095	-	-	6,752,992
Appropriation and distribution of earnings:										
Allocated legal reserve	-	-	30,836	-	(30,836)	-	-	-	-	-
Allocated special reserve	-	-	-	25,325	(25,325)	-	-	-	-	-
Cash dividend for common shares	-	-	-	-	(197,805)	-	-	-	-	(197,805)
Changes of associates and joint ventures under the equity method	-	(602)	-	-	(2,172)	-	-	-	-	(2,774)
Net profit (loss) for 2023	-	-	-	-	200,936	-	-	-	-	200,936
Other comprehensive income for 2023	-	-	-	-	(5,738)	(9,185)	(25,774)	86,658	-	45,961
Total comprehensive income for 2023	-	-	-	-	195,198	(9,185)	(25,774)	86,658	-	246,897
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	79	-	(79)	-	-	-
Balance on December 31, 2023	\$ 4,945,134	\$ 268,144	\$ 114,720	\$ 789,030	\$ 261,834	\$ (43,452)	\$ 377,242	\$ 86,658	-	\$ 6,799,310

Chairman: Kuan-Han Chen

President: Chih-Chan Chen

Accounting Manager: He-Shun Chang

AGV Products Corporation
Parent Company Only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Item	2023	Unit: NTD thousand 2022
Cash flows from operating activities		
Current net profit (loss) before tax	\$ 227,944	\$ 280,381
Adjustments		
Income, expenses, and losses		
Depreciation expenses	64,468	64,807
Amortization expenses	1,211	1,180
Expected credit impairment losses (profits)	(53)	16
Net loss (profit) from financial assets and liabilities at fair value through profit or loss	(2,829)	(5,796)
Interest expenses	98,779	82,451
Interest revenue	(1,971)	(822)
Dividend revenue	(10,722)	(11,499)
Share of losses (profits) from subsidiaries, associates and joint ventures under the equity method	(84,463)	53,053
Losses (profits) from disposal and scrap of property, plant and equipment	401	(23)
Loss (Profit) on disposal of investments	-	(178,362)
Unrealized profits (losses) from sales	4,595	5,845
Realized losses (profits) from sales	(5,845)	(6,421)
Losses (profits) due to fair value adjustment in investment property	(49,049)	(11,532)
Total income/expense items	<u>14,522</u>	<u>(7,103)</u>
Changes of assets/liabilities related to operating activities		
Net changes in assets related to operating activities		
Decrease (Increase) in financial assets measured at fair value through profit/loss on a mandatory basis	(154,531)	(44,581)
Decrease (increase) in notes receivable	486	4
Decrease (increase) in notes receivable – related parties	(4,794)	(3,475)
Decrease (increase) in accounts receivable	27,108	(37,645)
Decrease (increase) in accounts receivable – related parties	32,666	(19,386)
Decrease (increase) in other accounts receivable	710	(821)
Other accounts receivable – decrease (increase) for related parties	(2,826)	2,486
Decrease (increase) in inventory	86,043	(145,256)
Decrease (increase) in prepayments	(5,465)	(1,073)
Decrease (increase) in other current assets	851	211
Total net changes in assets related to operating activities	<u>(19,752)</u>	<u>(249,536)</u>
Net changes in liabilities related to operations		
Increase (decrease) in contract liabilities	7,061	2,448
Increase (decrease) in notes payable	5,271	(4,229)
Increase (decrease) in accounts payable	(632)	4,706
Increase (decrease) in accounts payable – related parties	147,820	3,428
Increase (decrease) in other payables	(15,997)	15,333
Other payables – increase (decrease) for related parties	(11,617)	3,003
Increase (decrease) in liability reserve	1,975	613
Increase (decrease) in other current liabilities	(1,235)	(348)
Increase (decrease) in net defined benefit liabilities	(18,021)	(8,788)
Total net changes in liabilities related to operating activities	<u>114,625</u>	<u>16,166</u>

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Item	2023	2022
Total net changes in assets and liabilities related to operating activities	\$ 94,873	\$ (233,370)
Total adjustments	<u>109,395</u>	<u>(240,473)</u>
Cash inflow (outflow) from operations	337,339	39,908
Interest received	1,971	941
Stock dividend received	105,191	139,203
Returned (paid) income tax	(6)	74
Net cash inflow (outflow) from operating activities	<u>444,495</u>	<u>180,126</u>
Cash flows from investment activities		
Acquisition of financial assets measured at fair value through other comprehensive income	-	(87,900)
Disposal of financial assets measured at fair value through other comprehensive income	-	5,291
Refunds from decapitalization of financial assets measured at fair value through other comprehensive income	-	58,486
Acquisition of investment under the equity method	(240,724)	(96,550)
Share payments returned on capital reduction in investee companies accounted for using the equity method	67,862	-
Acquisition of property, plant and equipment	(138,089)	(25,962)
Disposal of property, plant and equipment	-	724
Decrease in refundable deposits	13,457	22,985
Acquisition of intangible assets	(55)	(1,409)
Increase in other financial assets	(99)	(30)
Increase in other non-current assets	(5,543)	-
Decrease in other non-current assets	-	12,648
Net cash inflow (outflow) from investment activities	<u>(303,191)</u>	<u>(111,717)</u>
Cash flow from financing activities		
Increase in short-term loans	15,834	228,333
Proceeds from long-term loans	675,000	248,000
Repayment of long-term loans	(557,167)	(330,829)
Increase in guarantee deposits	-	777
Decrease in guarantee deposits	(22)	-
Lease principle repayment	(8,708)	(8,306)
Distribution of cash dividends	(197,805)	(148,354)
Interest paid	(97,282)	(80,512)
Net cash inflow (outflow) from financing activities	<u>(170,150)</u>	<u>(90,891)</u>
Increase (decrease) in cash and cash equivalents in the current period	(28,846)	(22,482)
Balance of cash and cash equivalents, beginning	295,067	317,549
Balance of cash and cash equivalents, ending	<u>\$ 266,221</u>	<u>\$ 295,067</u>

Chairman: Kuan-Han Chen

President: Chih-Chan Chen

Accounting Manager: He-Shun Chang

Independent Auditors' Report and Consolidated Financial Statements

To AGV Products Corporation:

Audit opinions

We have audited the consolidated balance sheet of AGV Products Corporation and its subsidiaries (hereinafter referred to as the "AGV Group") as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the periods January 1 to December 31, 2023 and 2022, and the accompanying footnotes (including the 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 the 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, giving a fair presentation of the consolidated financial position of AGV Group as of December 31, 2023 and 2022, and the consolidated financial performance and cash flows for the periods January 1 to December 31, 2023 and 2022.

Basis of audit opinion

We conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and relevant 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 have performed the other responsibilities of the Code of Ethics. 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 our 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 2023 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 2023 consolidated financial report of AGV Group are as follows:

I. Fair value evaluation of investment property

For the detailed accounting policy on investment property, please refer to Note 4(12) of the consolidated financial report, and for descriptions of 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, 2023, the held investment property totaled NTD 3,180,182 thousand, accounting for 22.68% of the total assets, and it was subsequently measured using the fair value model. The recognized variable income generated from fair value changes totaled NTD 52,193 thousand in 2023, accounting for 20.02% of the 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 a 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. 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 consolidated 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 external appraiser to the Company, 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 to consolidated financial report is also evaluated.

II. Recognition of revenue

Please refer to Note 4(19) of the consolidated financial report for the 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 is 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 responsibility for resale along with the obsolescence risk of the product. Therefore, we consider the income recognition test in 2023 as a key audit matter when auditing the consolidated financial report of the AGV Group.

Our main audit procedures include understanding the sales system of AGV Group, such as the sales channels and sales targets, checking agreements related to sales contracts signed with main trading customers and randomly checking shipment and income recognition operation procedure records in 2023 (including checking the consistency of the date, amount and counterparty in the shipping order and invoice). We also conducted a comparison of two periods regarding the main trading customers, including a comparison of the accounts receivable turnover rate, accounts receivable turnover days and loan periods, and understanding of the top 10 counterparties in two periods with major changes to evaluate the reasonableness of the transaction amount and counterparty and execution cut-offs for operating revenue recognition and shipping voucher forms before and after the balance sheet date.

Other matters

As stated in Note 4(3) of the consolidated financial report, we have not audited the financial statements of some subsidiaries and investments under the equity method in said consolidated financial report, which has been done by other CPAs. 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. As of December 31, 2023, and 2022, the total assets of subsidiaries were NTD 4,227 thousand and NTD 4,408 thousand, accounting for 0.03% of total consolidated assets, respectively, and the total liabilities were NTD 2,686 thousand and NTD 1,469 thousand, accounting for 0.04% and 0.02% of total consolidated liabilities, respectively. In 2023 and 2022, the operating revenues were both NTD 0 thousand, accounting for 0% of the net consolidated operating revenue, and the total comprehensive incomes were NTD (1,352) thousand and NTD (1,568) thousand, accounting for (0.53%) and (0.52%) of the total consolidated comprehensive income, respectively. In addition, the investments in these associates under the equity method were NTD 2,022,427 thousand and NTD 1,855,221 thousand as of December 31, 2023 and 2022, accounting for 14.42% and 13.49% of the total consolidated assets, respectively. In 2023 and 2022, the recognized shares of profit/loss from associates and joint ventures under the equity method were NTD 81,291 thousand and NTD 35,467 thousand, accounting for 31.18% and 11.70% of the consolidated pre-tax profit, respectively, while the recognized shares of other comprehensive income from associates and joint ventures under the equity method were NTD 110,960 thousand and NTD (192,634) thousand, accounting for 291.20% and (1,650.70)% of other net consolidated comprehensive income, respectively.

AGV Products Corporation has duly worked out the 2023 and 2022 parent company only financial report for which we have duly worked out a standard type Audit Report with unqualified opinion for reference.

Responsibilities of the management and the governance unit for the consolidated financial report

Management is responsible for preparing the appropriate consolidated financial report in accordance with the 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 means a high degree of assurance. However, there is no guarantee that any material misstatement contained in the consolidated financial report will be discovered during an audit conducted in accordance with relevant auditing standards. Misstatements might have been caused by fraud or errors. If individual values or an overview of misstatements can be reasonably expected to affect economic decisions made by users of consolidated financial report, they are considered significant.

We rely on our professional judgment and professional skepticism during an audit conducted in accordance with relevant auditing standards. We 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 we 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 an audit opinion 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 2023 consolidated financial report of AGV Group. We describe these matters in our auditors' report unless laws or regulations preclude public disclosure about these matters, 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: Ling-Wen Huang

Approval No.: Jin-Guan-Zheng-
Shen-Zi No. 10200032833
March 11, 2024

AGV Products Corporation and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Unit: NTD thousand					
Current assets					
1100	Cash and cash equivalent (Note 6(1))	\$ 591,247	4	\$ 616,521	4
1110	Financial assets at fair value through profit and loss – current (Notes 6 (2))	247,264	2	86,994	1
1150	Net notes receivable (Note 6(3))	43,171	-	42,595	-
1160	Net notes receivable – related parties (Note 7)	21,498	-	16,817	-
1170	Net accounts receivable (Note 6(4))	604,451	4	627,535	5
1180	Net accounts receivable – related parties (Note 7)	11,743	-	41,962	-
1200	Other receivables (Note 6(5))	17,839	-	16,681	-
1210	Other accounts receivable – related parties (Note 7)	63,094	-	32,130	-
1220	Income tax assets in the current period	425	-	247	-
130x	Inventories (Note 6(6))	891,424	8	966,278	8
1410	Prepayments (Note 6(7))	103,453	1	108,100	1
1479	Other current assets – others	2,312	-	3,213	-
11xx	Total current assets	2,597,921	19	2,559,073	19
Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 6(8))	1,344,104	10	1,396,582	10
1550	Investment under the equity method (Note 6(9))	4,414,855	30	4,218,220	31
1600	Property, plant and equipment (Note 6(10))	2,058,769	15	2,449,187	18
1755	Right-of-use assets (Note 6(11))	172,966	1	174,159	1
1760	Investment property, net (Note 6(12))	3,180,182	23	2,663,489	19
1780	Intangible assets (Note 6(13))	6,222	-	7,727	-
1840	Deferred income tax assets (Note 6(32))	164,372	1	190,890	1
1920	Refundable deposits	18,027	-	48,007	1
1980	Other financial assets – non-current (Note 6(14))	32,748	1	27,838	-
1990	Other non-current assets – others (Note 6(15))	31,544	-	20,017	-
15xx	Total non-current assets	11,423,789	81	11,196,116	81
1xxx	Total assets	\$ 14,021,710	100	\$ 13,755,189	100
Liabilities and equity					
Current liabilities					
2100	Short-term loans (Note 6(16))	\$ 888,612	7	\$ 1,186,202	8
2130	Contract liabilities – current	15,209	-	13,714	-
2150	Notes payable	89,151	1	85,492	1
2160	Notes receivable – the related party (Note 7)	3,830	-	4,916	-
2170	Accounts payable	87,718	1	86,437	1
2180	Accounts payable – related parties (Note 7)	604,052	4	456,546	3
2200	Other payable (Note 6(17))	463,349	3	483,625	4
2230	Current income tax liabilities	11,744	-	10,462	-
2250	Liability reserve – current (Note 6(18))	27,758	-	25,747	-
2280	Lease liabilities – current (Note 6(11))	17,365	-	17,671	-
2310	Advance receipts	588	-	669	-
2320	Long-term liabilities maturing within a year or operating cycle (Note 6(20))	431,729	3	482,828	4
2399	Other current liabilities (Note 6(19))	3,173	-	4,474	-
21xx	Total current liabilities	2,644,278	19	2,858,783	21

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Code	Liabilities and equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Non-current liabilities				
2540	Long-term loans (Note 6(20))	3,575,502	26	3,134,172	23
2570	Deferred income tax liabilities (Note 6(32))	142,392	1	142,141	1
2580	Lease liabilities – non-current (Note 6(11))	41,145	-	37,036	-
2620	Long-term notes and accounts payable – related parties (Note 7)	6,141	-	6,142	-
2640	Net defined benefit liabilities – non-current (Note 6(21))	37,328	-	51,554	-
2645	Guarantee deposits	10,433	-	7,889	-
25xx	Total non-current liabilities	<u>3,812,941</u>	<u>27</u>	<u>3,378,934</u>	<u>24</u>
2xxx	Total liabilities	<u>6,457,219</u>	<u>46</u>	<u>6,237,717</u>	<u>45</u>
	Equity				
	Equity attributable to parent company shareholders				
3100	Capital stock (Note 6(22))				
3110	Common share capital	4,945,134	36	4,945,134	35
3200	Capital reserve (Note 6(23))	268,144	2	268,746	2
3300	Retained earnings (Note 6(24))				
3310	Legal reserve	114,720	1	83,884	1
3320	Special reserve	789,030	5	763,705	6
3350	Undistributed earnings	261,834	2	322,695	2
3400	Other equity (Note 6(25))	420,448	3	368,828	3
31xx	Total equity attributable to the parent company	<u>6,799,310</u>	<u>49</u>	<u>6,752,992</u>	<u>49</u>
36xx	Non-controlling equity (Note 6(26))	<u>765,181</u>	<u>5</u>	<u>764,480</u>	<u>6</u>
3xxx	Total equity	<u>7,564,491</u>	<u>54</u>	<u>7,517,472</u>	<u>55</u>
	Total liabilities and equity	<u>\$ 14,021,710</u>	<u>100</u>	<u>\$ 13,755,189</u>	<u>100</u>

Chairman: Kuan-Han Chen

President: Chih-Chan Chen

Accounting Manager: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Code	Item	2023		Unit: NTD thousand 2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(27))	\$ 4,900,038	100	\$ 4,800,625	100
5000	Operating cost (Note 6(6))	(3,486,325)	(72)	(3,363,675)	(70)
5900	Gross profit (gross loss)	1,413,713	28	1,436,950	30
	Operating expense				
6100	Selling expenses	(917,363)	(19)	(899,680)	(18)
6200	Management expenses	(317,411)	(6)	(317,432)	(7)
6300	Research and development expenses	(48,171)	(1)	(48,551)	(1)
6450	Expected credit impairment profits (losses) (Note 6(4))	(1,994)	-	(19)	-
6000	Total operating expenses	(1,284,939)	(26)	(1,265,682)	(26)
6900	Operating profits (losses)	128,774	2	171,268	4
	Non-operating income and expenses				
7100	Interest revenue	4,470	-	1,683	-
7010	Other revenue (Note 6(29))	58,234	1	56,933	1
7020	Other profits and losses (Notes 6(30))	14,452	-	84,996	2
7050	Finance costs (Note 6(31))	(132,766)	(3)	(119,325)	(2)
7055	Expected credit impairment profits (losses)	(410)	-	(448)	-
7060	Share of profit or loss of associates and joint ventures under the equity method	187,988	5	108,155	2
7000	Total non-operating income and expense	131,968	3	131,994	3
7900	Net profit (loss) before tax	260,742	5	303,262	7
7950	Income tax benefit (expenses) (Note 6(32))	(43,142)	(1)	(15,469)	-
8200	Current net profit (loss)	217,600	4	287,793	7
	Other comprehensive income (Note 6(34))				
8310	Items not reclassified to profit or loss				
8311	Re-measurement of defined benefit plan	(4,787)	-	22,503	-
8312	Appreciation on revaluation of property	87,587	2	-	-
8316	Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income	(131,897)	(3)	137,925	4
8320	Share of other comprehensive income from associates and joint ventures under the equity method	93,912	2	(221,263)	(5)
8349	Income tax related to items not reclassified	29	-	(4,501)	-
8360	Items that may be subsequently reclassified as profit or loss				
8361	Exchange difference in the financial statement translation of foreign operations	(5,572)	-	70,711	1
8367	Unrealized valuation profit or loss of debt financial assets at fair value through other comprehensive income	2,900	-	6,200	-
8370	Share of other comprehensive income from associates and joint ventures under the equity method	(4,908)	-	4,627	-
8399	Income tax related to items that may be reclassified	840	-	(4,533)	-
8300	Other comprehensive income (net)	38,104	1	11,669	-
8500	Total comprehensive income in the current period	\$ 255,704	5	\$ 299,462	7
8600	Net profit(loss) attributable to:				
8610	Parent company owner (net profit/loss)	\$ 200,936	4	\$ 277,890	7
8620	Non-controlling equity (net profit/loss)	16,664	-	9,903	-
		\$ 217,600	4	\$ 287,793	7
8700	Total comprehensive income attributable to:				
8710	Parent company owner (comprehensive income)	\$ 246,897	5	\$ 287,046	7
8720	Non-controlling equity (comprehensive income)	8,807	-	12,416	-
		\$ 255,704	5	\$ 299,462	7
	Earnings per share				
9750	Basic EPS (Note 6(35))	\$ 0.41		\$ 0.56	
9850	Diluted EPS (Note 6(35))	\$ 0.41		\$ 0.56	

Chairman: Kuan-Han Chen

President: Chih-Chan Chen

Accounting Manager: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Equity attributable to parent company shareholders										
	Retained earnings					Other equity items					
	Common share capital	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	Appreciation on revaluation of property	Total equity attributable to the parent company	Non-controlling equity	Total equity
Balance as of January 1, 2022	\$ 4,945,134	\$ 268,647	\$ 64,882	\$ 755,377	\$ 190,023	\$ (103,812)	\$ 501,060	\$ -	\$ 6,621,311	\$ 776,058	\$ 7,397,369
Appropriation and distribution of earnings:											
Allocated legal reserve	-	-	19,002	-	(19,002)	-	-	-	-	-	-
Allocated special reserve	-	-	-	8,328	(8,328)	-	-	-	-	-	-
Cash dividend for common shares	-	-	-	-	(148,354)	-	-	-	(148,354)	-	(148,354)
Changes of associates and joint ventures under the equity method	-	99	-	-	(7,110)	-	-	-	(7,011)	-	(7,011)
Net profit (loss) for 2022	-	-	-	-	277,890	-	-	-	277,890	9,903	287,793
Other comprehensive income for 2022	-	-	-	-	20,279	69,545	(80,668)	-	9,156	2,513	11,669
Total comprehensive income for 2022	-	-	-	-	298,169	69,545	(80,668)	-	287,046	12,416	299,462
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	(23,994)	(23,994)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	17,297	-	(17,297)	-	-	-	-
Balance on December 31, 2022	4,945,134	268,746	83,884	763,705	322,695	(34,267)	403,095	-	6,752,992	764,480	7,517,472
Appropriation and distribution of earnings:											
Allocated legal reserve	-	-	30,836	-	(30,836)	-	-	-	-	-	-
Allocated special reserve	-	-	-	25,325	(25,325)	-	-	-	-	-	-
Cash dividend for common shares	-	-	-	-	(197,805)	-	-	-	(197,805)	-	(197,805)
Changes of associates and joint ventures under the equity method	-	(602)	-	-	(2,172)	-	-	-	(2,774)	-	(2,774)
Net profit (loss) for 2023	-	-	-	-	200,936	-	-	-	200,936	16,664	217,600
Other comprehensive income for 2023	-	-	-	-	(5,738)	(9,185)	(25,774)	86,658	45,961	(7,857)	38,104
Total comprehensive income for 2023	-	-	-	-	195,198	(9,185)	(25,774)	86,658	246,897	8,807	255,704
Increase/decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	(8,106)	(8,106)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	79	-	(79)	-	-	-	-
Balance on December 31, 2023	\$ 4,945,134	\$ 268,144	\$ 114,720	\$ 789,030	\$ 261,834	\$ (43,452)	\$ 377,242	\$ 86,658	\$ 6,799,310	\$ 765,181	\$ 7,564,491

Chairman: Kuan-Han Chen

President: Chih-Chan Chen

Accounting Manager: He-Shun Chang

AGV Products Corporation and its Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Item	2023	Unit: NTD thousand 2022
Cash flows from operating activities		
Current net profit (loss) before tax	\$ 260,742	\$ 303,262
Adjustments		
Income, expenses, and losses		
Depreciation expenses	129,048	128,777
Amortization expenses	1,913	2,065
Expected credit impairment losses (profits)	2,404	467
Net loss (profit) from financial assets and liabilities at fair value through profit or loss	(5,736)	5,674
Interest expenses	132,766	119,325
Interest revenue	(4,470)	(1,683)
Dividend revenue	(16,778)	(19,925)
Share of loss (profit) of associates and joint ventures under the equity method	(187,988)	(108,155)
Losses (profits) from disposal and scrap of property, plant and equipment	164	4,265
Amount of property, plant and equipment reclassified as expenses	167	-
Loss (Profit) on disposal of investments	-	(178,362)
Impairment loss of non-financial assets	18,552	21,519
Losses (profits) due to fair value adjustment in investment property	(52,193)	(10,274)
Other items	(13)	(27)
Total income/expense items	<u>17,836</u>	<u>(36,334)</u>
Changes of assets/liabilities related to operating activities		
Net changes in assets related to operating activities		
Decrease (Increase) in financial assets measured at fair value through profit/loss on a mandatory basis	(154,532)	(46,824)
Decrease (increase) in notes receivable	(5,263)	1,667
Decrease (increase) in accounts receivable	51,314	(72,056)
Decrease (increase) in other accounts receivable	(2,239)	(16,901)
Decrease (increase) in inventory	74,854	(164,949)
Decrease (increase) in prepayments	4,647	31,394
Decrease (increase) in other current assets	901	450
Total net changes in assets related to operating activities	<u>(30,318)</u>	<u>(267,219)</u>
Net changes in liabilities related to operations		
Increase (decrease) in contract liabilities	1,495	2,025
Increase (decrease) in notes payable	2,573	(10,475)
Increase (decrease) in accounts payable	148,787	11,884
Increase (decrease) in other payables	(24,427)	20,624
Increase (decrease) in liability reserve	2,011	1,059
Increase (decrease) in advance receipts	(81)	1,283
Increase (decrease) in other current liabilities	(1,301)	(631)
Increase (decrease) in net defined benefit liabilities	(19,013)	(9,385)
Total net changes in liabilities related to operating activities	<u>110,044</u>	<u>16,384</u>
Total net changes in assets and liabilities related to operating activities	<u>79,726</u>	<u>(250,835)</u>
Total adjustments	<u>97,562</u>	<u>(287,169)</u>
Cash inflow (outflow) from operations	358,304	16,093
Interest received	4,470	1,668

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Item	2023	2022
Stock dividend received	\$ 84,930	\$ 123,317
Returned (paid) income tax	(14,400)	(12,505)
Net cash inflow (outflow) from operating activities	433,304	128,573
Cash flows from investment activities		
Acquisition of financial assets measured at fair value through other comprehensive income	(76,690)	-
Disposal of financial assets measured at fair value through other comprehensive income	-	5,291
Refunds from decapitalization of financial assets measured at fair value through other comprehensive income	-	58,486
Acquisition of investment under the equity method	(20,800)	(29,350)
Disposal of subsidiaries	-	(41,144)
Acquisition of property, plant and equipment	(124,545)	(62,276)
Disposal of property, plant and equipment	780	1,691
Increase in refundable deposits	-	(48,011)
Decrease in refundable deposits	29,980	-
Acquisition of intangible assets	(414)	(1,459)
Increase in other financial assets	(4,910)	(271)
Increase in other non-current assets	(11,527)	-
Decrease in other non-current assets	-	11,426
Net cash inflow (outflow) from investment activities	(208,126)	(105,617)
Cash flow from financing activities		
Increase in short-term loans	-	285,369
Decrease in short-term loans	(297,590)	-
Proceeds from long-term loans	1,335,000	248,000
Repayment of long-term loans	(946,167)	(414,829)
Increase in guarantee deposits	2,544	4,979
Increase in other payables - related parties	-	3,515
Decrease in other payables - related parties	(5)	-
Lease principle repayment	(18,992)	(18,072)
Distribution of cash dividends	(197,805)	(148,354)
Interest paid	(130,702)	(116,441)
Changes in non-controlling equity	(8,106)	114
Net cash inflow (outflow) from financing activities	(261,823)	(155,719)
Impact of change in exchange rate upon cash & cash equivalents	11,371	61,697
Increase (decrease) in cash and cash equivalents in the current period	(25,274)	(71,066)
Balance of cash and cash equivalents, beginning	616,521	687,587
Balance of cash and cash equivalents, ending	\$ 591,247	\$ 616,521

Chairman: Kuan-Han Chen

President: Chih-Chan Chen

Accounting Manager: He-Shun Chang

AGV Products Corporation
2023 Appropriation of Earnings

Unit: NTD

Summary	Amount
Undistributed earnings at beginning	68,728,128
Actuarial income on defined benefit plan recognized in retained earnings	(5,737,875)
Changes of affiliates and joint ventures under the equity method	(2,171,614)
Disposal of equity instrument measured at fair value through other comprehensive income	79,555
Adjusted undistributed earnings	60,898,194
2023 net profit (loss) after tax	200,936,451
Distributable earnings	261,834,645
Allocated legal reserve	(19,310,652)
Allocated special reserve	(126,930,731)
Distributed shareholder cash dividend at NTD 0.23 per share	(113,738,067)
Undistributed earnings at ending	1,855,195

Chairman:

President:

Accounting Officer:

Rules of Procedure for Shareholders' Meeting of AGV Products Corporation

June 9, 2023

Amendment approved at general shareholders' meeting

Article 1: The Company's shareholders' meeting, unless otherwise provided by law, shall be handled in accordance with the Rules of Procedure for Shareholders' Meetings.

Article 2: When signing in, an attending shareholder (or his/her proxy) shall hand in a sign-in card.

Where the shareholders' meeting is held via video conference, any shareholder intending to attend the meeting via video conference shall register with the Company two days prior to the meeting.

Article 3: Attendance and voting at the shareholders' meeting shall be calculated based on shares.

The number of attending shares shall be calculated based on the number of shares in the attendance book or sign-in cards handed in and that of shares checking in through the video conference platform, plus the number of shares whose voting rights have been exercised in writing or electronically.

Article 3-1: The venue for the shareholders' meeting shall be in a place where the Company is located or any location easily accessible to shareholders and suitable for the shareholders' meeting. The meeting start time shall be no earlier than 9:00 a.m. and no later than 3:00 p.m. Any decision regarding the venue and time of such meeting shall give full consideration to the opinions of independent directors.

Any shareholders' meeting held via video conference is not subject to the restriction on the meeting venue under the preceding paragraph.

Article 4: Unless otherwise specified in the Company Act, the Chairman shall chair shareholders' meetings. In case the Chairman is on leave or cannot exercise his or her power and authority for whatever reasons, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to exercise his or her power and authority for whatever reasons, the Chairman shall designate one of the Directors, or where the

Chairman does not designate a Director, the Directors shall elect from among themselves an acting Chairman.

Article 5: The Company may appoint retained attorney(s), certified public accountant(s) or relevant personnel to participate in a shareholders' meeting.

The personnel administering the shareholders' meeting shall wear ID badges or badges.

Article 6: The Company shall, from the time it starts to accept shareholder check-ins, make uninterrupted audio and video recordings of the processes of shareholder check-in, meeting, voting and vote counting.

The audio and video recordings under the preceding paragraph shall be retained for at least one year. Where any shareholder has filed a lawsuit pursuant to Article 189 of the Company Act, such recordings shall be retained until conclusion of the lawsuit.

Where the shareholder's meeting is held via video conference, the Company shall retain the records of information including the registration and entries of shareholders, their check-in, questions and voting records and the result of vote counting, and shall make uninterrupted audio and video recordings of the full process of the video conference.

The information and audio and video recordings under the preceding paragraph shall be properly retained during the existence of the Company, with the audio and video recordings provided to the video conference service provider engaged by the Company for retention.

Where the shareholder's meeting is held via video conference, it is advised that the Company make audio and video recordings of the back-end operating interface of the video conference platform.

Article 7: Where the number of shares represented by the attending shareholders (or their proxies) reaches a majority of the total outstanding shares, the chairperson shall call the meeting to order and announce the numbers of non-voting shares and attending shares and other related information. If attendance still falls below the legal quorum at the start time of the meeting, the chairperson may postpone the meeting no more than twice, and the total duration of such postponement shall not exceed one hour. Where, after two postponements, the number of shares

represented by the attending shareholders still fails to reach one-third of the total outstanding shares, the chairperson shall declare the meeting adjourned due to lack of quorum. If the meeting is held via video conference, the Company shall also announce such adjournment on the video conference platform of the meeting.

If, after two postponements, the number of shares represented by the attending shareholders (or their proxies) still falls short of the quorum but has reached or exceeded one-third of the total outstanding shares, a provisional resolution may be adopted by a majority of the voting rights of the attending shareholders, and all shareholders shall be notified of the provisional resolution indicating that another shareholders' meeting will be convened within one month. If the meeting is held via video conference, any shareholder intending to attend the meeting via video conference shall register again with the Company in accordance with Article 2.

Following the adoption of a provisional resolution under the preceding paragraph, if the number of shares represented by the attending shareholders (or their proxies) has reached the legal quorum prior to the conclusion of the meeting, the chairperson may, in accordance with Article 174 of the Company Act, call a re-vote by the meeting on the provisional resolution adopted.

Article 8: The agenda of the shareholders' meeting shall be set by the Board of Directors, and relevant motions (including impromptu motions and amendments to original motions) shall be voted on a case-by-case basis. The meeting shall proceed in the order set in the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chairperson may not announce the adjournment without the resolution of the board of directors until a resolution is reached with regard to the agenda (including impromptu motions) arranged in accordance with the preceding two paragraphs.

If the chairperson declares the adjournment of the meeting in violation of the Rules of Procedure, other members of the board of directors shall immediately assist the present shareholders at the

meeting representing a majority of the voting rights to elect a chairperson to continue the meeting based on statutory procedure. After the meeting is resolved to be adjourned, shareholders cannot elect another chairperson or seek another venue for continuation of the meeting.

Article 9: When the shareholder's meeting is in session, the Company may adopt electronic or written means for voting; in so doing, the Company shall specify the details of voting by written or electronic means in the notice of the shareholders' meeting. Shareholders casting their votes in written or electronic means shall be deemed to be attending the meeting in person. But votes on impromptu motions or amendments to original motions shall be deemed as their abstention from voting on these motions. Therefore, the Company shall avoid proposing impromptu motions or amendments to original motions.

Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholders' meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. In case of repeated expressions of intent, the initial intent so expressed shall stand unless declaration for the revocation of the previous expression of intent is made.

Where any shareholder who has exercised voting rights in writing or electronically intends to attend the shareholders' meeting in person or via video conference, the shareholder shall, two days prior to the meeting, revoke his/her declaration of intent for such exercise under the preceding paragraph in the same manner in which he/she has exercised voting rights. Where such revocation is not made within the said time limit, the voting rights exercised in writing or electronically shall prevail. Where any shareholder exercising voting rights in writing or electronically has appointed a proxy to attend the shareholders' meeting by a letter of attorney, the voting rights exercised by the appointed proxy at the meeting shall prevail.

Article 10: Before making a speech, the attending shareholders (or proxies) must fill out and submit a speech memo stating the purpose of the speech, the shareholder account number (or attendance card number) and the account name for the chairperson to determine the order of speakers.

The attending shareholders (or proxies) who have submitted a speech memo but do not speak shall be deemed to have not spoken. In case the contents of the speech delivered are irrelevant to the contents in the speech memo, the confirmed contents shall prevail.

When a shareholder has the floor, all other shareholders shall not interfere unless at the consent of the chairperson or the shareholder who holds the floor. Any unrestrained action shall be discouraged by the chairperson.

Article 11: Except with consent of the chairperson, no shareholder (or his/her proxy) may give a statement more than twice on the same proposal, and each statement shall be given for no longer than five minutes.

If a shareholder's statement has violated the requirements under the preceding paragraph or gone beyond the scope of the proposal, the chairperson may stop the shareholder from continuing his/her statement.

Where the shareholder's meeting is held via video conference, any shareholder attending the meeting via video conference may, after the chairperson calls the meeting to order and before he/she declares the meeting adjourned, ask questions in a textual form on the video conference platform of the meeting no more than twice for each proposal with no more than 200 words per question.

Any question under the preceding paragraph that has not violated the requirements or gone beyond the scope of the proposal should be disclosed on the video conference platform of the meeting for public information.

Article 12: Where the shareholders may be the government or institutions, more than one representative may be assigned to attend the meeting. Where an institutional shareholder may be appointed as a proxy to attend the shareholders' meeting, such institutional shareholders may appoint only one representative to the meeting.

When an institutional shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13: After a present shareholder completes speech, the chairperson may respond either in person or through a relevant designated

person.

Article 14: The chairperson may announce to discontinue further discussions and arrange sufficient voting time if the motion and amendment or impromptu motion proposed by the shareholder is considered to have been sufficiently described and discussed to proceed with the vote.

Article 15: The ballot monitoring and counting staff for a voting or election process shall be appointed by the Chairman. A monitoring personnel shall be appointed only from among shareholders.

The ballots for the voting or election process of the shareholders' meeting in a shareholders' meeting shall be counted in an open manner inside the venue, and the outcome shall be announced on-the-spot after the counting process is completed, including the statistics for the voting rights which shall be covered into the written records.

Where directors and supervisors are elected in a shareholders' meeting, the election shall be duly conducted in accordance with the Rules Governing the Election of Directors defined by the Company. The outcome of the election shall be announced on-the-spot, including the names of elected directors with the number of election powers so won by them and the names of directors not elected and number of votes they received.

Article 16: Unless otherwise provided by the Company Act and the Articles of Incorporation, any proposal subject to a vote shall be approved by a majority of the voting rights represented by the attending shareholders. At the time of voting, the chairperson or a person appointed by him/her shall, for each proposal, announce the total number of voting rights represented by the attending shareholders, after which shareholders shall vote on the proposal. The results of shareholders voting for and against or abstaining with respect to each proposal shall be uploaded to the MOPS on the same day of the meeting.

A shareholder shall have one voting right per share, except for any shareholder who is subject to restrictions or who has no voting rights under paragraph 2, Article 179 of the Company Act. If, except for a trust company or any shareholder service agent approved by the competent authority for securities, a proxy is appointed by two or more shareholders, the voting rights represented by the proxy may not exceed 3% of the voting rights

represented by the total outstanding shares, and no such excess voting rights will be calculated.

Where the shareholder's meeting is held via video conference, any shareholder attending the meeting via video conference shall, after the chairperson calls the meeting to order, cast votes through the video conference platform for proposals and elections before the chairperson announces the end of voting. Failure to do so within the said time limit will be deemed as abstention.

Where the shareholder's meeting is held via video conference, all votes shall be counted together after the chairperson announces the end of voting, with the results of voting and elections announced thereafter.

In the case of any video-conference-aided shareholders' meeting convened by the Company, if any shareholder who has registered to attend the meeting via video conference in accordance with Article 2 intended to attend the physical meeting in person, the shareholder shall, two days prior to the meeting, revoke his/her registration in the same manner in which he/she has registered. Where such revocation is not made within the said time limit, the shareholder may only attend the meeting via video conference.

Any shareholder who exercises voting rights in writing or electronically without revoking his/her intent of such exercise and attends the shareholders' meeting via video conference may not exercise voting rights on any original proposal, propose any amendment to any original proposal, or exercise voting rights on any amendment to any original proposal, except with respect to an extraordinary motion.

Article 17: When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 18: When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including impromptu motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue. The resolution may be adopted at a shareholders' meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19: The chairperson may direct proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructs the proceedings and refuses to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 20: Where the shareholder's meeting is held via video conference, the notice of the meeting shall specify the following information:

1. The manner in which a shareholder attends a video conference and exercises his/her rights.
2. Procedures in the event of any hindrance caused by an act of God, an incident or any other force majeure situation to the video conference platform or attendance via video conference, including at least the following information:
 - (1) The duration of failure to eliminate such hindrance that requires postponement or resumption of the meeting, and the date of the postponed or resumed meeting.
 - (2) Any shareholder who has not registered to attend the original meeting via video conference may not attend the postponed or resumed meeting.
 - (3) Where any video-conference-aided shareholders' meeting convened by the Company cannot resume via video conference, the meeting shall resume if the total

number of attending shares less the number of shares attending the meeting via video conference equals or exceeds the legal quorum of the meeting. Any shareholder attending the meeting via video conference shall have the number of his/her attending shares included in the total number of shares held by the attending shareholders, and shall be deemed to have abstained with respect to all proposals for the meeting.

(4) Procedures in the event where the results of all proposals have been announced without any extraordinary motion proposed.

3. Where the meeting is held via video conference, the notice of the meeting shall also specify appropriate alternative measures available for shareholders who have difficulties in attending the meeting via video conference.

Article 21: Where the shareholders' meeting is held via video conference, the Company shall disclose the results of voting for proposals and elections in a real-time manner on the video conference platform of the meeting after the end of voting as required, and shall keep them disclosed for at least 15 minutes after the chairperson declares the meeting adjourned.

Article 22: For any shareholders' meeting held via video conference, the chairperson and minutes taker shall be located in the same place domestically, and the chairperson shall announce the address of the place at the meeting.

Article 23: For any shareholders' meeting held via video conference, the Company may provide a simple connection testing service to shareholders prior to the meeting, and may provide relevant services on a real-time basis prior to and during the meeting to help address technical problems in communication.

Where the shareholders' meeting is held via video conference, the chairperson shall, at the time the meeting is called to order, announce that except for the circumstance under paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies where postponement or resumption of the meeting is not required, Article 182 of the Company Act is not applicable to the date for postponement or resumption of the meeting within five days if,

before the chairperson declares the meeting adjourned, any hindrance caused by an act of God, an incident or any other force majeure situation to the video conference platform or attendance via video conference has lasted for no less than 30 minutes.

Where postponement or resumption of the meeting under the preceding paragraph is required, any shareholder who has not registered to attend the original meeting via video conference may not attend the postponed or resumed meeting.

Where postponement or resumption of the meeting under paragraph 2 is required, with respect to any shareholder who has registered to attend the original meeting via video conference and completed check-in but has failed to attend the postponed or resumed meeting, the number of his/her attending shares and the numbers of his/her voting rights exercised for proposals and elections at the original meeting shall be included in the total number of shares and the numbers of voting rights for proposals and elections held by the shareholders attending the postponed or resumed meeting.

Where the shareholders' meeting is postponed or resumed in accordance with paragraph 2, new discussion and resolution on any proposal for which voting and vote counting have been completed and for which the result of voting or a list of elected directors has been announced is not required.

Where any video-conference-aided shareholders' meeting convened by the Company cannot resume via video conference under paragraph 2, the meeting shall resume if the total number of attending shares less the number of shares attending via video conference equals or exceeds the legal quorum of the meeting without requiring any postponement or resumption in accordance with paragraph 2.

In the event of resumption of the meeting under the preceding paragraph, any shareholder attending the meeting via video conference shall have the number of his/her attending shares included in the total number of shares held by the attending shareholders, and shall be deemed to have abstained with respect to all proposals for the meeting.

Where the Company postpones or resumes the shareholders' meeting in accordance with paragraph 2, preparatory work shall

be carried out based on the date of the original meeting and the relevant requirements pursuant to paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

The periods set forth in the second half of Article 12 and paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies and paragraph 2, Article 44-5, Article 44-15 and paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies shall be based on the date for postponement or resumption of the shareholders' meeting by the Company in accordance with paragraph 2.

Article 24: Where the shareholders' meeting is held via video conference, appropriate alternative measures shall be available for shareholders who have difficulties in attending the meeting via video conference.

Article 25: Matters not provided in this Rules shall be subject to the Company Act and the Articles of Incorporation.

Article 26: This Rules or any amendment hereto shall be implemented after approval by the shareholders' meeting.

Articles of Incorporation of AGV Products Corporation

Amendment approved at the annual shareholders' meeting
on June 24, 2022

Chapter 1 General Rules

Article 1 The Company was organized in accordance with the regulations governing companies limited by shares in the Company Act and was named AGV Products Corporation.

Article 2 The business items of the Company are as follows:

- (1) Manufacturing, processing, and sales of canned foods, such as vegetables, fruit, meat, aquatic products, kelp, shellfish, beans, mushrooms, bamboo shoots, pickles, vegetable foods, thick soup, and congee.
- (2) Manufacturing, processing, and sales of fruit and vegetable juice, soft drinks, mineral water, packaged drinking water, sport drinks, coffee, tea, herbal tea, soy (rice) milk, and energy drinks.
- (3) Manufacturing, processing, and sales of frozen vegetables and fruit, meat, aquatic products, frozen noodle jelly, frozen dough, frozen mixed foods, and frozen prepared foods.
- (4) Manufacturing, processing, and sales of instant noodles, instant rice noodles, noodle or rice-made products and noodle jelly, as well as purveying, processing, and sales of instant foods.
- (5) Manufacturing, processing, and sales of fermented foods, soy sauce, miso, vinegar, condiment sauce (satay sauce, chili sauce, salad dressing, mayonnaise, barbecue sauce, fried pork paste, and peanut butter) and seasoning.
- (6) Manufacturing, processing, and sales of dairy products (fresh milk, long-life milk, dried milk, cheese, condensed milk and butter oil), flavored milk, fermented milk and iced desserts.
- (7) Manufacturing, processing, and sales of cooking oil, dehydrated or smoked foods, jam, pudding, jelly, fruit pectin foods, candies, cakes and pastries, and bread.
- (8) Manufacturing, processing, and sales of tea products, bean

- products, cereal products, and animal feed.
- (9) Manufacturing, processing, and sales of green and blue algae, chicken essence, garlic (essence), edible pollen, ganoderma lucidum, royal jelly, oligosaccharide, enzymes, and foods.
 - (10) Export and import of the above-mentioned products and their materials.
 - (11) Sales, export, and import of beers, light wines, spirits, and alcohol.
 - (12) Operation of farms, fish farms, pastures, amusement parks, department stores, super markets, tourist hotels, and restaurants.
 - (13) Rental and sales of public housing and commercial buildings built by construction contractors
 - (14) Diagnosis, analysis, consultation, and advisement of business management (excluding CPA and security investment consultant businesses).
 - (15) Design of computer and peripheral software.
 - (16) Installation of vending machines.
 - (17) C802041 Manufacture of Drugs and Medicines.
 - (18) C802051 Manufacture of Chinese Medicines.
 - (19) CC01050 Data Storage Media Units Manufacturing.
 - (20) CC01060 Wired Communication Mechanical Equipment Manufacturing.
 - (21) CC01070 Wireless Communication Mechanical Equipment Manufacturing.
 - (22) CC01080 Electronics Components Manufacturing.
 - (23) CH01010 Sporting Goods Manufacturing.
 - (24) CK01010 Footwear Manufacturing.
 - (25) E605010 Computer Equipment Installation.
 - (26) E701010 Telecommunications Engineering.
 - (27) E701020 Satellite Television KU Channels and Channel C Equipment Installation.
 - (28) F102160 Wholesale of Assist Food Products.
 - (29) F104030 Wholesale of Shoes.
 - (30) F108011 Wholesale of Traditional Chinese Medicine.
 - (31) F108021 Wholesale of Western Pharmaceutical.
 - (32) F109030 Wholesale of Sporting goods.
 - (33) F204030 Retail sale of Shoes.

- (34)F208011 Retail Sale of Traditional Chinese Medicine.
- (35)F208021 Retail Sale of Western Pharmaceutical.
- (36)F209020 Retail Sale of Sporting goods.
- (37)I104010 Nutrition Advisors.
- (38)I301020 Data Processing Services.
- (39)I301030 Electronic Information Supply Services.
- (40)F399010 Convenience Stores.
- (41)F301020 Supermarkets.
- (42)ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 2-1 The Company may offer guarantees to foreign companies for business needs.

Article 3 The Company is located in Chiayi County of Taiwan. If necessary, a branch or factory may, at the resolution of the Board of Directors, be established domestically or overseas. The same shall apply to the withdrawal or transfer.

Article 3-1 The Company shall not be a shareholder of unlimited liability in another company or a partner of a partnership enterprise. When the Company becomes a limited liability shareholder in other companies, the total amount of its investments in such other companies shall not be limited by the restriction of the total investment amount in Article 13 of the Company Act. However, the investment in long-term equity shall be determined by the responsible unit within the authorization scope and according to the Company's handling procedures of acquisition or disposition of assets.

Article 4 The Company's announcements shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 5 The total capital of the Company shall be in the amount of NTD 8.8 billion, divided into 880 million shares, at NTD 10 per share. The Board of Directors shall be authorized to issue the unissued shares separately. Preferred shares worth up to the total amount mentioned above may be issued.

Article 5-1 The Company issues preferred shares B, and the rights, obligations, and other important matters are described as follows:

1. When there are surplus earnings after closing of the accounts in a fiscal year, in addition to making up the accumulated losses from past years and paying all taxes, an amount equivalent to 10% of such surplus earnings shall be set aside as a legal reserve and a special reserve shall be appropriated according to the laws. The remaining balance shall be added to the accumulated undistributed earnings in the previous year to first distribute the current dividends and undistributed dividends of preferred shares B accumulated in previous years.
2. The Company's dividend for preferred shares B shall be determined at an annual percentage rate ranging from 2%~7%.
3. Preferred share dividends shall be calculated at the actual issue price. After the final accounting reports and statements are approved at an annual shareholders' meeting, the Board of Directors shall determine an ex-dividend date for preferred shares, following which the preferred share dividends in the previous year shall be distributed in cash, and the dividends in the issuance year shall be calculated based on the actual number of days after issuance of the preferred shares in the year. The capital increase record date shall be the date of issuance of the preferred shares.
4. If there are no earnings after closing of the accounts in a fiscal year or the earnings are insufficient for distribution of preferred share B dividends, the undistributed dividends or deficiency dividends shall be accumulated at a dividend rate compounded annually and shall, as a priority, be made up in a subsequent year with earnings.
5. Preferred shares B shall be due after three years from the date of issuance and shall be non-convertible before the expiration. The Company shall compulsorily convert one preferred share B into one ordinary share within three months after the expiration. After the preferred shares B are converted into ordinary shares according to this subparagraph, the accumulated undistributed dividends shall be made up first in a subsequent year with earnings
6. If preferred shares B are converted into ordinary shares before an ex-rights (ex-dividend) date, the shares shall

participate in conversion of the earnings and capital reserves for distribution in the previous year with respect to the ordinary shares, which is resolved at the shareholders' meeting in the current year, and the preferred share dividends for distribution in the previous year resolved at the shareholders' meeting in the current year shall not be converted. When preferred shares B are converted into ordinary shares after an ex-rights (ex-dividend) date, the shares shall participate in the distribution of the preferred share dividends in the previous year resolved at the shareholders' meeting in the current year, and shall not participate in the conversion of the earnings and capital reserves for distribution in the previous year with respect to the ordinary shares, which is resolved at the shareholders' meeting in the current year. The preferred share dividends and ordinary share dividends in the same year shall not be re-distributed.

7. Except for preferred share dividends, preferred shares B shall not participate in the distribution of earnings and capital reserves with respect to ordinary shares.
8. The distribution of the Company's residual property for preferred shares B shall have priority over the same for ordinary shares and shall be limited to the amount of issuing the preferred shares.
9. The shareholders of preferred shares B have no voting rights or the right to elect directors in ordinary shareholders' meetings, but may be elected as directors.
10. When the Company issues new shares for cash, the shareholders of preferred shares B and the ordinary shareholders shall have the same preemptive rights.

Article 6 The shares of the Company shall be in registered form, shall be signed or sealed by the Director representing the Company, and may be issued after certification according to the laws. The shares may be issued without printing share certificates and shall be registered with a centralized securities depository enterprise.

Article 7 Shareholders shall provide their names or titles and residences to the Company, fill out a seal and signature card, and submit it to the Company for future reference. In case of loss of the

seal, a new seal may be substituted after the loss is reported to the Company in writing.

Article 8 For transfer of shares, the assignor and assignee shall complete a form of “application for transfer of shares” and submit it together with the shares to the Company for transfer of ownership. After the information is recorded in the shareholders’ roster of the Company in accordance with the laws, the transfer may be set up against the Company.

Article 9 In case of loss or damage of shares, the situation shall be handled in accordance with the Company Act and general regulations.

Article 10 When processing a shareholder’s application to issue shares for replacement due to splits where such shares do not exceed 1,000 shares, the Company may charge a handling fee, except where the shares are obtained through inheritance. Other shareholder services shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” announced by the competent authority.

Article 11 The transfer of share ownership shall be suspended for sixty days prior to an annual shareholders’ meeting, for thirty days before convening an extraordinary shareholders’ meeting, or for five days prior to the target date fixed by the Company for distribution of dividends, bonuses, or other benefits.

Chapter 3 Shareholders’ Meeting

Article 12 The shareholder’s meetings are classified into annual meetings and extraordinary meetings. An annual meeting is held every year and shall be convened within six months after the end of each fiscal year, and the Board of Directors shall give notice to shareholders thirty days prior to the meeting. An extraordinary meeting may be held pursuant to the laws, if needed. Shareholders holding less than 1,000 registered shares may be informed with the announcement on the Market Observation Post System.

Article 12-1 The Company may convene a shareholders’ meeting by means of video conferencing or other methods promulgated by the central competent authority.

The shareholders’ meeting held via video conferencing is

subject to prescriptions provided for by the competent authority, including the prerequisites, procedures, and other compliance matters, if any.

Article 13 Where a shareholder is unable to be present at a shareholders' meeting for whatever reasons, the shareholder may appoint a proxy by issuing the Company's proxy form with their signature or seal, which specifies the scope of authorization. In addition to Article 177 of the Company Act, shareholders' attendance by proxies shall be subject to the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" announced by the competent authority.

Article 14 The Chairman shall chair shareholders' meetings. In case the Chairman is on leave or cannot exercise his/her power and authority for whatever reasons, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to exercise his or her power and authority for whatever reasons, the Chairman shall designate one of the Directors, or where the Chairman does not designate a Director, the Directors shall elect from among themselves an acting Chairman.

Article 15 Unless otherwise specified in the laws, each shareholder of the Company shall have one voting right for each share held.

Article 16 Unless otherwise specified in the Company Act, resolutions in a shareholders' meeting shall be adopted by a majority vote in the meeting which is attended by shareholders representing a majority of the total issued shares.

The Company's shareholders may exercise their voting rights in electronic form, and shareholders exercising their voting rights in electronic form shall be deemed to attend the meeting in person. All relevant matters shall be handled in accordance with the regulations.

Article 17 Matters related to the resolutions of a shareholders' meeting shall be recorded in meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and shall be distributed to each shareholder within twenty days after the meeting.

The distribution of the meeting minutes may be effected by means of a public notice.

The meeting minutes shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results. The minutes shall be kept persistently throughout the life of the Company. The attendance list bearing the signatures of shareholders present at the meeting and the power of attorney of the proxies shall be maintained for at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the attendance list and the power of attorney shall be kept until the legal proceedings of the foregoing lawsuit are concluded.

Chapter 4 Directors and Audit Committee

- Article 18 The Company shall appoint seven to nine Directors, and the number of Independent Directors among the said Directors shall not be less than three and shall not be less than one-third of the total number of the Directors. The candidate nomination system shall be adopted for the election of all Directors, and the method of nomination shall be subject to Article 192-1 of the Company Act. The term of office of the Directors is three years and may be renewed by reelection in subsequent elections. The total number of registered shares holding by all Directors shall be subject to the regulations specified by the competent authority.
- Article 19 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of the out-going directors shall be extended until the time new directors have been elected and assumed their office.
- Article 20 To organize the Board of Directors, a Chairman and a Vice Chairman shall be elected by a majority vote at a meeting attended by more than two-thirds of the Directors. Both shall implement all the matters of the Company pursuant to laws, regulations, Articles of Incorporation, and the resolutions of the shareholders' and Board of Directors' meetings
- Article 21 When the number of vacancies left by the discharged Directors equals one third of the number specified in the Articles of Incorporation, the Board of Directors shall call a shareholders' meeting to elect succeeding Directors to fill the vacancies. The

term of office of the succeeding Directors shall be limited to fulfilling the original term of office of the predecessor.

Article 22 The Board of Directors' meetings of the Company shall be convened at least once every quarter. The Board of Directors shall indicate the reasons for the convention and inform each Director 7 days beforehand. An extraordinary shareholders' meeting may be convened in emergency circumstances whenever necessary. The notice about convention of Board of Directors' meetings to Directors may be effected by letter, fax or e-mail. The Chairman shall convene and preside over the Company's Board of Directors' meeting. In case the Chairman is on leave or cannot exercise his/her power and authority for whatever reasons, the Vice Chairman shall act on his or her behalf. In case the Vice Chairman is also on leave or unable to exercise his or her power and authority for whatever reasons, the Chairman shall designate one of the Directors, or where the Chairman does not designate a Director, the Directors shall elect from among themselves an acting Chairman.

Article 23 Unless otherwise specified in the Company Act, the resolutions of the Board of Directors' meeting shall be passed by a majority vote at a meeting attended by more than half of the Directors. Any Directors, who are unable to be present at the meeting for whatever reasons, may appoint other directors to attend meetings on their behalf by issuing a proxy form detailing the extent of authorities delegated to the proxy attendant based on the reasons for the meeting. Each director may only accept the delegation from one director. Where a Board of directors' meeting is held in the form of a video conference, Directors attending the meeting through video conference shall be deemed to attend the meeting in person.

Article 24 Discussions at the Board of Directors' meeting shall be recorded in the meeting minutes. They shall be signed or stamped by the Chairman of the meeting and distributed to each Director within 20 days after close of the meeting. The meeting minutes shall record a summary of the essential points of the proceedings and the result of the discussion.

The attendance list bearing the signatures of the Directors present at the meeting and the power of attorney of the proxies shall be maintained together with the meeting minutes in the

Company.

Article 25 The Company established an Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act. The Audit Committee is comprised of all the Directors.

The Audit Committee is responsible for exercising the power of the Supervisors pursuant to the Company Act, Securities and Exchange Act and other laws and regulations, and shall observe relevant laws and the rules of the Company.

Article 26 The monthly transportation allowance for the Directors shall be paid with reference to the level of the peers in the practice without regard to profit and loss. The remuneration to the Chairman and Directors for their execution of duties for the Company shall be paid without regard to profit and loss. The Board of Directors is authorized to determine the remuneration based on their individual level of participation in and the value of contribution to the operation of the Company with reference to the level of peers in practice.

Article 26-1 The Company may obtain liability insurance for the Directors to secure them against potential responsibility that may be brought about during execution of their duties.

Chapter 5 Managers and Staff Members

Article 27 The Company may appoint managers. Appoint, discharge and remuneration of the managers are subject to Article 29 of the Company Act.

Article 28 The Company may hire consultants and important staff members after resolution at the Board of Directors' meeting.

Chapter 6 Final Accounts

Article 29 The Board of Directors is responsible for preparing the following statements and reports at the end of each financial year and submit them to the shareholders' meeting for approval.

(1) Business report

(2) Financial statements

(3) Proposal for distribution of surplus earnings or covering losses

Article 30 The Company shall set aside the annual profit, if any, at the following rates as the remuneration to the Directors and

Employees: (1) Remuneration to Directors: No more than 1% (included). (2) Remuneration for employees: No less than 1% (included) and distributed in the form of stock or cash; distribution of the remuneration to employees and Directors shall be approved by a majority vote at a meeting attended by more than two thirds of the Directors, and shall be reported to the shareholders' meeting. Where the Company has any cumulative loss, the profit shall be reserved to offset the loss before being allocated as the remuneration to the employees and Directors at the rates referred to in the preceding paragraph.

Article 30-1 When there are surplus earnings after closing of the accounts in a fiscal year, in addition to withholding payable taxes and making up the losses from past years, an amount equivalent to 10% of such surplus earnings shall be set aside as a legal reserve, and with respect to the reductions of shareholders' equity and net increase in the fair value of investment-linked real property occurring in the current year, a special reserve shall be provided or reversed from the net profit after tax plus any items other than the net profit after tax in the current year. After the dividends to be allocated in the current distribution year of preferred shares and the accumulated undistributed dividends in previous years are distributed, the Board of Directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for resolution on distribution of the surplus, excluding the part to be retained. The proposal for the Company's stock dividends or legal reserve distributed from earnings or capital surplus to be paid in cash, in whole or in part, shall be subject to a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to a shareholders' meeting.

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 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 distribute dividends in the

form of stock and cash, and the former is preferred in consideration of the growth rate and capital expenditure of Company. The remaining dividends are distributed by 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 NTD 0.1 and dividends in stock will be distributed as a replacement.

Article 30-2 The treasury stocks that the Company purchases legally may be transferred the employees of affiliated companies that satisfy certain criteria. These criteria and the purchase methods are determined by the Board of Directors.

When issuing new stocks, the employees of affiliated companies that satisfy certain criteria may purchase these stocks. These criteria and the purchase methods are determined by the Board of Directors.

Chapter 7 Supplemental Provisions

Article 31 The organizational charter of the Company and execution rules of the Company are established by the Board of Directors separately.

Article 32 Any matters not specified in these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 33 The Articles of Incorporation was established on June 14, 1971. The 1st amendment was made on August 17, 1972. The 2nd amendment was made on September 5, 1974. The 3rd amendment was made on September 5, 1975. The 4th amendment was made on July 29, 1980. The 5th amendment was made on August 15, 1982. The 6th amendment was made on September 6, 1983. The 7th amendment was made on October 20, 1983. The 8th amendment was made on April 15, 1974. The 9th amendment was made on April 10, 1985. The 10th amendment was made on December 30, 1985. The 11th amendment was made on April 29, 1986. The 12th amendment was made on August 1, 1986. The 13th amendment was made on May 24, 1988. The 14th amendment was made on May 27, 1989. The 15th amendment was made on May 21, 1990. The 16th amendment was made on May 21, 1991. The 17th

amendment was made on June 16, 1992. The 18th amendment was made on June 5, 1993. The 19th amendment was made on May 26, 1994. The 20th amendment was made on May 25, 1995. The 21th amendment was made on May 22, 1997. The 22th amendment was made on May 27, 1998. The 23th amendment was made on May 27, 1999. The 24th amendment was made on December 14, 1999. The 25th amendment was made on May 31, 2000. The 26th amendment was made on May 29, 2001. The 27th amendment was made on May 30, 2002. The 28th amendment was amended on May 29, 2003. The 29th amendment was made on June 14, 2006. The 30th amendment was made on June 13, 2007. The 31st amendment was made on June 30, 2008. The 32nd amendment was made on June 19, 2009. The 33rd amendment was made on June 17, 2010. The 34th amendment was made on June 27, 2012. The 35th amendment was made on June 28, 2013. The 36th amendment was made on June 25, 2015. The 37th amendment was made on June 28, 2016. The 38th amendment was made on June 27, 2019. The 39th amendments were made on June 24, 2022.

Shareholding Information of Directors

(I) The minimum shareholding required from all directors and statement of director shareholdings under the shareholders register:

Title	Minimum shareholding	Shareholdings under the shareholders register
Director	16,000,000 shares	53,611,196 shares

(II) Statement of director shareholdings:

Title	Name	Shareholders register Shares registered	Remarks
Chairman	Taiwan First Biotechnology Corp.	10,075,450	Representative: Kuan-Han Chen
Vice Chairman	Yueshan Investment Co., Ltd.	6,017,049	Representative: Ching-jen Chen
Director	NICE Enterprise Co., Ltd.	20,780,494	Representative: Michael Chen
Director	Fang Tien Enterprise Co., Ltd.	5,005,000	Representative: Huai-Hsin Liang
Director	Yin-Ji-Li International Consulting Corp.	8,751,007	Representative: Hsien-Chueh Hsieh
Director	Cunyuan Heye Co., Ltd.	2,982,196	Representative: Chih-Chan Chen
Independent Director	Yung-Chien Wu	0	None
Independent Director	Wei-Lung Chen	0	None
Independent Director	Yung-Fu Tseng	0	None

Note: The period of transfer suspension was April 23 to June 21, 2024.