

[Stock Code: 1217]

**AGV Products Corporation**  
**Parent Company Only Financial Report with**  
**Independent Auditors' Report**  
**2019 and 2020**

Company address: No. 11, Gongye 2nd Rd., Touqiao Industrial Zone,  
Xingnan Village, Minxiong Township, Chiayi County  
Company Tel.: (05)221-1521

## Table of Contents

Item	Page no.
I. Cover page	1
II. Table of Contents	2
III. Independent Auditors' Report	3
IV. Parent Company Only Balance Sheet	4
V. Parent Company Only Statement of Comprehensive Income	5
VI. Parent Company Only Statement of Changes in Equity	6
VII. Parent Company Only Statement of Cash Flows	7
VIII. Notes on the Parent Company Only Financial Report	
(I) Company History	8
(II) Approval Date and Procedures of the Financial Report	8
(III) New Standards, Amendments, and Interpretations Adopted	8–10
(IV) Summary of Significant Accounting Policies	11–21
(V) Major Sources of Uncertainty to Significant Accounting Judgments, Estimates and Assumptions	21–24
(VI) Description of significant accounting items	24–50
(VII) Transactions of the Related Party	50–57
(VIII) Pledged Assets	57
(IX) Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts	57–58
(X) Losses Due to Major Disasters	58
(XI) Significant Subsequent Events	58
(XII) Others	58–67
(XIII) Noted Disclosures	67
1. Information Related to Major Transactions	68–78
2. Information Related to Reinvested Enterprises	79–82
3. Information on Investments in Mainland China	83–85
4. Major Shareholders Information	86
(XIV) Segment Information	87
(XV) Reclassification of Accounting Items	87
IX. Statement of Important Accounting Titles	88–120

## Independent Auditors' Report

To AGV Products Corporation:

### Audit opinions

We have audited the standalone balance sheet of AGV Products Corporation from December 31, 2020 and 2019, as well as the parent company only statement of comprehensive income, parent company only statement of changes in equity, and parent company only cash flow statement for the periods January 1 to December 31, 2020 and 2019, and the accompanying footnotes (including 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers, and presented a fair view of the parent company only financial position of AGV Products Corporation as at December 31, 2020 and 2019, and business performance and cash flow for the periods January 1 to December 31, 2020 and 2019.

### Basis of audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statement by Certified Public Accountants and the Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 with other responsibilities of the Code of Ethics performed. According to our audits and the other independent auditors' report, we believe to have obtained sufficient and appropriate audit evidence in order to be used as the basis for the opinion.

### Key audit matters

"Key audit matters" means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2020 parent company only financial report of AGV Products Corporation. 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 key audit matters of the 2020 parent company only financial report of AGV Products Corporation are as follows:

#### I. Fair value evaluation of investment property

For detailed accounting policy on investment property, please refer to Note 4(11) of the parent company only financial report, and for descriptions on the recording basis and evaluation status of investment property, please refer to Note 6(9) of the parent company only financial statements

Description of key audit matters:

As of December 31, 2020, investment property held totaled NTD1,442,108 thousand accounted for 13.16% of the total assets and it was measured in fair value model subsequently. The recognized variable income generated from fair value changes totaled NTD11,825 thousand in 2020, accounted for 4.04% of net income before tax. The evaluation was mainly based on an analysis of discounted cash flow and land development, under the condition that the income was calculated according to market rent and value by 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 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 Company based on the external appraiser, 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 on the parent company only financial report is also evaluated.

## II. Recognition of revenue

Please refer to Note 4(18) of the financial report for detailed accounting policy on income recognition. Please refer to Note 6(21) of the financial report for income details.

The main business of the AGV Products Corporation refers to the manufacturing, processing, and sales 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 income recognition test in 2020 as a key audit matter when auditing the parent company only financial report of AGV Products Corporation.

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

### **Other information**

We have not audited partial financial statements of affiliated companies disposed the under equity method in said parent company only reports of 2019 and 2020, instead other CPAs did. Thus, in our opinions expressed on the parent company only financial report, the amounts listed in the statement of affiliated companies were based on the other independent auditors' report. The investment in these invested companies under the equity method were NTD1,669,191 thousand and NTD1,506,484 thousand as of December 31, 2020 and 2019, accounting for 15.23% and 14.37% of total assets, respectively. The share of profit or loss from affiliates and joint ventures under the equity method were NTD95,532 thousand and NTD53,996 thousand for the periods January 1 to December 31, 2020 and 2019, accounting for 32.66% and 122.40% of net income before tax, respectively. Share of other comprehensive income from affiliates and joint ventures under the equity method were NTD80,243 thousand and NTD72,998, accounting for 44.85% and 68.63% of other net comprehensive income, respectively.

### **Responsibilities of Management and the Governance Unit with Governance for the Parent Company Only Financial Report**

Management is responsible for preparing the appropriate parent company only financial report in accordance with 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 is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards will always detect a material misstatement when it exists. Untruthful expressions might have been caused by fraud or errors. If individual values or an overview of untruthful expressions can be reasonably expected to affect economic decisions made by users of parent company only financial report, they are considered significant.

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

- I. Identify and assess the risk of material misstatement of the 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 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 audit opinions 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 independent auditor has used communications with the governing unit as the basis to determine the key audit matters to be performed on the 2020 parent company only financial report of AGV Products Corporation. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Crowe (TW) CPAs  
CPA: Shu-Man Tsai

CPA: Ching-Lin Li

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

AGV Products Corporation  
Balance sheet  
December 31, 2020 and 2019

Unit: NTD thousand

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
<b>Current assets</b>					
1100	Cash and cash equivalent (Note 6(1))	\$ 399,235	4	\$ 301,274	3
1150	Receivable notes, net (Note 6(2))	11,680	-	12,184	-
1160	Note receivables – the related party, net (Note 7)	19,135	-	32,001	-
1170	Accounts receivable, net (Note 6(3))	407,174	4	439,972	4
1180	Accounts receivable – the related party, net (Note 7)	101,204	1	93,735	1
1200	Other accounts receivable	14,311	-	27,365	-
1210	Other accounts receivable – the related party (Note 7)	20,820	-	11,294	-
1220	Income tax assets in the current period	218	-	279	-
130x	Inventories (Note 6(4))	644,795	7	555,715	6
1410	Prepayments	53,148	-	29,821	-
1476	Other financial assets – current (Note 6(11))	28,000	-	71,000	1
1479	Other current assets – others	2,930	-	2,987	-
11xx	<b>Total current assets</b>	<b>1,702,650</b>	<b>16</b>	<b>1,577,627</b>	<b>15</b>
<b>Non-current assets</b>					
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 6(5))	914,506	8	972,028	9
1550	Investment under the equity method (Note 6(6))	5,596,854	51	5,095,339	49
1600	Property, plant and equipment (Note 6(7))	959,384	9	990,087	9
1755	Right-of-use assets (Note 6(8))	12,655	-	21,027	-
1760	Investment property, net (Note 6(9))	1,442,108	13	1,431,213	14
1780	Intangible assets (Note 6(10))	2,573	-	1,719	-
1840	Deferred income tax assets (Note 6(26))	245,998	2	303,124	3
1920	Refundable deposit	48,205	1	54,852	1
1980	Other financial assets – non-current (Note 6(11))	20,025	-	20,015	-
1990	Other non-current assets – others	14,209	-	19,039	-
15xx	<b>Total non-current assets</b>	<b>9,256,517</b>	<b>84</b>	<b>8,908,443</b>	<b>85</b>
1xxx	<b>Total assets</b>	<b>\$ 10,959,167</b>	<b>100</b>	<b>\$ 10,486,070</b>	<b>100</b>
<b>Liability and equity</b>					
<b>Current liabilities</b>					
2100	Short-term loans (Note 6(12))	\$ 490,000	4	\$ 755,000	9
2130	Contract liabilities – current (Note 6(21))	8,118	-	5,233	-
2150	Notes payable	60,032	1	49,830	-
2170	Accounts payable	80,934	1	71,917	1
2180	Accounts payable – the related party (Note 7)	610,743	6	540,372	5
2200	Other payable (Note 6(13))	270,072	2	228,755	2
2220	Other payable – the related party (Note 7)	43,819	-	48,372	-
2250	Liability reserve – current (Note 6(14))	16,747	-	17,330	-
2280	Lease liabilities – current (Note 6(8))	9,114	-	7,929	-
2310	Collections	-	-	3	-
2320	Long-term liabilities due within a year or operating cycle (Note 6(16))	533,124	5	534,456	5
2399	Other current liabilities	4,309	-	4,449	-
21xx	<b>Total current liabilities</b>	<b>2,127,012</b>	<b>19</b>	<b>2,263,646</b>	<b>22</b>

(Continued)

(Brought forward)

Code	Liability and equity	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Non-current liabilities				
2540	Long-term loans (Note 6(16))	\$ 2,527,844	23	\$ 2,316,647	22
2570	Deferred income tax liabilities (Note 6(26))	123,142	1	123,460	1
2580	Lease liabilities – non-current (Note 6(8))	5,560	-	13,360	-
2640	Net defined benefit liabilities – non-current (Note 6(15))	84,527	1	86,290	1
2645	Guarantee deposits	1,730	-	1,745	-
25xx	Total non-current liabilities	2,742,803	25	2,541,502	24
2xxx	Total liabilities	4,869,815	44	4,805,148	46
	Equity				
3100	Capital stock (Note 6(17))				
3110	Common stock	4,945,134	46	4,945,134	46
3200	Capital surplus (Note 6(18))	268,647	2	266,323	3
3300	Retained earnings (Note 6(19))				
3310	Legal reserve	43,485	-	38,680	-
3320	Special reserve	562,804	5	512,381	5
3350	Undistributed earnings	213,970	2	55,227	1
3400	Other equity (Note 6(20))	55,312	1	(136,823)	(1)
3xxx	Total equity	6,089,352	56	5,680,922	54
	Total liabilities and equity	\$ 10,959,167	100	\$ 10,486,070	100

(Please refer to the notes of the parent company only financial report)  
Chairman: Kuan-Han Chen President: Chih-Chan Chen Head of Accounting: He-Shun Chang

AGV Products Corporation  
Statement of comprehensive income  
January 1 to December 31, 2020 and 2019

Unit: NTD thousand

Code	Item	2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(21))	\$ 3,921,854	100	\$ 3,781,489	100
5000	Operating cost (Note 6(4))	(2,681,801)	(69)	(2,647,849)	(70)
5900	Gross profit (gross loss)	1,240,053	31	1,133,640	30
5910	Unrealized gain (loss) from sales	(8,311)	-	(9,940)	-
5920	Realized gain (loss) from sales	9,940	-	9,700	-
	Operating expenses				
6100	Selling expenses	(744,815)	(19)	(726,703)	(19)
6200	Management expenses	(231,520)	(6)	(222,139)	(6)
6300	Research and Development expenses	(41,002)	(1)	(41,216)	(1)
6450	Expected credit impairment gain (loss) (Note 6(3))	207	-	4,508	-
6000	Total operating expenses	(1,017,130)	(26)	(985,550)	(26)
6900	Operating profits (losses)	224,552	5	147,850	4
	Non-operating income and expenses				
7100	Interest revenue	1,594	-	1,790	-
7010	Other revenue (Note 6(23))	48,150	1	47,560	1
7020	Other profit and loss (Note 6(24))	(18,056)	-	14,386	-
7050	Financial cost (Note 6(25))	(77,261)	(2)	(81,543)	(2)
7070	Share of profit or loss from subsidiaries, affiliates and joint ventures under the equity method	113,531	3	(85,928)	(2)
7000	Total non-operating income and expense	67,958	2	(103,735)	(3)
7900	Net profit (loss) before tax	292,510	7	44,115	1
7950	Income tax benefits (expenses) (Note 6(26))	(59,606)	(2)	3,954	-
8200	Current net profit (loss)	232,904	5	48,069	1
	Other comprehensive income (Note 6(27))				
8310	Items not reclassified to profit or loss				
8311	Re-measurement of defined benefit plan	(8,612)	-	4,491	-
8316	Unrealized valuation profit or loss from equity instrument investments measured at fair value through other comprehensive income	16,008	-	44,751	1
8330	Share of other comprehensive income from subsidiaries, affiliates and joint ventures under the equity method	180,202	5	104,418	3
8349	Income tax related to items not reclassified	1,722	-	(898)	-
8360	Items may be subsequently reclassified as profit or loss				
8380	Share of other comprehensive income from subsidiaries, affiliates and joint ventures under the equity method	(11,367)	-	(49,256)	(1)
8399	Income tax related to items may be reclassified	980	-	2,861	-
8300	Other comprehensive income (net)	178,933	5	106,367	3
8500	Total comprehensive income in the current period	\$ 411,837	10	\$ 154,436	4
	Earnings per share				
9750	Basic EPS (Note 6(28))	\$ 0.47		\$ 0.10	
9850	Diluted EPS (Note 6(28))	\$ 0.47		\$ 0.10	

(Please refer to the notes of the parent company only financial report)  
Chairman: Kuan-Han Chen President: Chih-Chan Chen Head of Accounting: He-Shun Chang



AGV Products Corporation  
Parent company only statement of changes in equity  
January 1 to December 31, 2020 and 2019

Unit:NTD thousand

	Retained earnings					Other items of interest		Total equities
	Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	
Balance on January 1, 2019	\$ 4,945,134	\$ 259,233	\$ 33,890	\$ 386,865	\$ 130,306	\$ (32,028)	\$ (193,033)	\$ 5,530,367
Appropriation and distribution of earnings:								
Allocated legal reserve	-	-	4,790	-	(4,790)	-	-	-
Allocated special reserve	-	-	-	125,516	(125,516)	-	-	-
Changes of affiliates and joint ventures under the equity method	-	7,090	-	-	2,607	-	(13,578)	(3,881)
2019 net profit (loss)	-	-	-	-	48,069	-	-	48,069
2019 Other comprehensive income	-	-	-	-	1,445	(45,895)	150,817	106,367
2019 Total comprehensive income	-	-	-	-	49,514	(45,895)	150,817	154,436
Disposal of equity instrument measured at fair value through other comprehensive income	-	-	-	-	3,106	-	(3,106)	-
Balance on December 31, 2019	4,945,134	266,323	38,680	512,381	55,227	(77,923)	(58,900)	5,680,922
Appropriation and distribution of earnings:								
Allocated legal reserve	-	-	4,805	-	(4,805)	-	-	-
Allocated special reserve	-	-	-	50,423	(50,423)	-	-	-
Changes of affiliates and joint ventures under the equity method	-	2,324	-	-	(5,731)	-	-	(3,407)
2020 net profit (loss)	-	-	-	-	232,904	-	-	232,904
2020 Other comprehensive income	-	-	-	-	(13,202)	(9,537)	201,672	178,933
2020 Total comprehensive income	-	-	-	-	219,702	(9,537)	201,672	411,837
Balance on December 31, 2020	\$ 4,945,134	\$ 268,647	\$ 43,485	\$ 562,804	\$ 213,970	\$ (87,460)	\$ 142,772	\$ 6,089,352

(Please refer to the notes of the parent company only financial report)  
Chairman: Kuan-han Chen President: Chih-chan Chen Head of Accounting: He-shun Chang

AGV Products Corporation  
Cash Flow Statement  
January 1 to December 31, 2020 and 2019

Unit: NTD thousand

Item	2020	2019
Cash flows from operating activities		
Current net profit (loss) before tax	\$ 292,510	\$ 44,115
Adjustments		
Income, expenses, and losses		
Depreciation expenses	70,987	73,146
Amortization expenses	722	2,071
Expected credit impairment losses (gains)	(207)	(4,508)
Interest expenses	77,261	81,543
Interest revenue	(1,594)	(1,790)
Dividend revenue	(7,644)	(8,665)
Share of loss (gain) from subsidiaries, associates and joint ventures under the equity method	(113,531)	85,928
Loss (gain) from disposal and scrap of property, plant and equipment	223	80
Unrealized gain (loss) from sales	8,311	9,940
Realized loss (gain) from sales	(9,940)	(9,700)
Loss (gain) due to fair value adjustment in investment property	(11,825)	(36,076)
Other items	44	198
Total income/expense items	<u>12,807</u>	<u>192,167</u>
Changes of assets/liabilities related to operating activities		
Net changes in assets related to operating activities		
Decrease (increase) in notes receivable	504	(2,293)
Notes receivable – decrease (increase) for the related party	12,879	(353)
Decrease (increase) in accounts receivable	33,000	(29,685)
Accounts receivable – decrease (increase) for the related party	(7,477)	(6,007)
Decrease (increase) in other accounts receivable	13,054	(2,059)
Other accounts receivable – decrease (increase) for the related party	(9,541)	28,353
Decrease (increase) of inventory	(89,080)	(2,606)
Decrease (increase) in prepayments	(23,327)	(13,779)
Decrease (increase) in other current assets	57	(447)
Total net changes in assets related to operating activities	<u>(69,931)</u>	<u>(28,876)</u>
Net changes in liabilities related to operations		
Increase (decrease) in contract liabilities	2,885	1,359
Increase (decrease) in notes payable	10,202	(11,347)
Increase (decrease) in accounts payable	9,017	(15,538)
Accounts payable – increase (decrease) for the related party	70,371	(48,091)
Increase (decrease) in other payables	44,928	12,048
Other payables – Increase (decrease) for the related party	(4,553)	3,495
Increase (decrease) in liability reserve	(583)	2,590
Increase (decrease) in collections	(3)	-
Increase (decrease) in other current liabilities	(140)	613
Increase (decrease) in net defined benefit liabilities	(10,375)	(11,744)
Total net changes in liabilities related to operating activities	<u>121,749</u>	<u>(66,615)</u>
Total net changes in assets and liabilities related to operating activities	<u>51,818</u>	<u>(95,491)</u>
Total adjustments	<u>64,625</u>	<u>96,676</u>

(Continued)

(Brought forward)

Item	2020	2019
Cash inflow (outflow) from operations	\$ 357,135	\$ 140,791
Interest received	1,609	1,775
Stock dividend received	91,139	83,574
Returned (paid) income tax	(35)	(67)
Net cash inflow (outflow) from operating activities	449,848	226,073
Cash flows from investment activities		
Acquisition of financial assets measured at fair value through other comprehensive income	-	(106,514)
Disposal of financial assets measured at fair value through other comprehensive income	-	43,291
Acquisition of investment under the equity method	(230,892)	(147,550)
Acquisition of property, plant and equipment	(35,090)	(34,389)
Disposal of property, plant and equipment	-	93
Increase in refundable deposit	-	(9,323)
Decrease in refundable deposit	6,647	-
Acquisition of intangible assets	(1,620)	(184)
Increase in other financial assets	-	(19,483)
Decrease in other financial assets	42,990	-
Increase in other non-current assets	-	(967)
Decrease in other non-current assets	4,830	-
Net cash inflow (outflow) from investment activities	(213,135)	(275,026)
Cash flow from financing activities		
Decrease in short-term loans	(265,000)	(125,000)
Proceeds from long-term loans	1,000,000	2,148,000
Repayment of long-term loans	(791,461)	(1,763,422)
Increase in guarantee deposits	-	1,161
Decrease in guarantee deposits	(15)	-
Lease principle repayment	(5,865)	(8,886)
Interest paid	(76,411)	(85,594)
Net cash inflow (outflow) from financing activities	(138,752)	166,259
Increase (decrease) in cash and cash equivalents in the current period	97,961	117,306
Balance of cash and cash equivalents, beginning	301,274	183,968
Balance of cash and cash equivalents, ending	\$ 399,235	\$ 301,274

(Please refer to the notes of the parent company only financial report)  
Chairman: Kuan-Han Chen President: Chih-Chan Chen Head of Accounting: He-Shun Chang

AGV Products Corporation  
Notes on the Parent Company Only Financial Report  
January 1 to December 31, 2020 and 2019

(Unless otherwise specified, all amounts are in the unit of NTD thousand)

I. Company History

(I) Formerly known as Global Industrial Co. Ltd., AGV Products Corporation (hereinafter referred to as the “Company”), was established on June, 1971 and was officially renamed AGV Products Corporation on September, 1983. The Company mainly engaged in the manufacturing, processing, and sales of canned foods, such as drinks, beans, mushrooms, bamboo shoots and pickles as well as the rental and sales of public housing and commercial buildings built by construction contractors.

(II) The parent company only financial report is expressed in New Taiwan Dollars, the functional currency adopted by the Company.

II. Approval Date and Procedures of the Financial Report

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

III. New Standards, Amendments, and Interpretations Adopted

(I) Effect of adopting the new promulgated IFRS, IAS, IFRIC, and SIC (hereinafter referred to as the “IFRSs”) endorsed by the Financial Supervisory Commission (hereinafter referred to as the “FSC”):

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

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

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

The Company evaluated that the above standards and interpretations applicable have no significant impact on the financial status and financial performance of the Company.

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

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

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

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

The Company evaluated that the above standards and interpretations applicable have no significant impact on the financial status and financial performance of the Company.

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

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

New, Amended, or Revised Standards and Interpretations	Effective date promulgated by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-Current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”	January 1, 2022 (Note 2)
Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”	January 1, 2022 (Note 3)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 4)
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022 (Note 5)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023

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

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

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

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

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

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

When the amendment is used to clarify and judge whether to classify the liability as non-current, it shall evaluate whether the Company has the rights to extend the settlement period for at least 12 months after the reporting period on the date of the end of the reporting period. If the Company has these rights on the date of the end of the reporting period, the liability shall be classified as non-current, no matter whether the Company is expected to exercise the rights. If the Company will comply with certain conditions to have the right to defer the liability settlement, the Company must comply with certain conditions on the date of the end of the reporting period, even if the accommodator tests whether the Company complies with such conditions later than the date of the end of the reporting period. For the purpose of liability classification, said settlement refers to the transferring of cash, other economic resource or the Company’s equity instrument to the counterparty to offset liabilities. However, if the liabilities have terms that give counterparties the option to be repaid

in the form of transferring the Company's equity instruments, and if such option is recognized into equity independently based on IAS 32 "Financial Statements: Presentation," the classification of liabilities is not affected.

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

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

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

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

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

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

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

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

5. Annual Improvements to IFRS Standards 2018–2020

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

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

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

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

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

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

#### IV. Summary of Significant Accounting Policies

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

##### (I) Compliance Statement

The present company only financial report has been duly worked out in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers.

##### (II) Basis of preparation

1. Except the following important items, the parent company only financial report has been duly prepared on the basis of historical costs:
  - (1) The financial assets and liabilities (including derivatives) measured at fair value through profit or loss which are measured at fair value.
  - (2) Financial assets measured at fair value through other comprehensive income which are measured at fair value.
  - (3) Defined benefit liabilities recognized based on the net pension fund assets deducting the present value of defined benefit obligations.
2. The preparation of the parent company only financial report that complies with IFRSs requires some important accounting estimates. The application of the Company's accounting policy also requires management to use their judgment during the process. For items involving high judgment or complexity or items involving important estimates and assumptions of the parent company only financial report, please refer to the description in Note 5.
3. The Company applied the equity method to its invested subsidiaries, affiliates or joint ventures when preparing the parent company only financial report. To make the current income, other comprehensive income and equity in the parent company only financial report identical with the current income, other comprehensive income and equity attributed to the owner of the Company in the Company's consolidated financial report, certain accounting treatment differences between the parent company only basis and consolidated basis were handled by adjusting the "investment under equity method," "shares of profit or loss in subsidiaries, affiliates and joint ventures under the equity method," "shares of other comprehensive income in subsidiaries, affiliates and joint ventures under the equity method," and related equities.

##### (III) Foreign currency translation

1. Foreign currency transaction and balance
  - (1) Foreign currency transaction converts the conversion difference generated by the transaction to functional currency, adopting the spot exchange rate on the date of transactions or measurement date, and recognizes the difference as current profit or loss.
  - (2) The monetary assets and balance of liabilities in foreign currency are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by adjustment is recognized as current profit or loss.
  - (3) The non-monetary items in foreign currency measured at fair value were converted at the exchange rates quoted on the date on which the fair value was determined while the exchange differences generated were recognized in the current profit or loss. However, when the change in fair value was recognized in other comprehensive income, the exchange difference so incurred was recognized in other comprehensive income. The non-monetary items measured at historical costs were converted based on the exchange rate quoted on the date of transaction and were not converted anew.
2. Translation of foreign operations

- (1) For all subsidiaries and affiliates with differences in functional currency and presentation currency, the business result and financial status is converted to presentation currency by the following method:
  - A. The assets and liabilities presented in each balance sheet were translated based on the exchange rates closed on every balance sheet date.
  - B. The profits and losses presented in each statement of comprehensive income were translated based on the average exchange rates in current period.
  - C. All resulted exchange differences were recognized under other comprehensive income.
- (2) When the foreign operation partially disposed or sold is an affiliate, the exchange differences in other comprehensive income item will be reclassified proportionally to current profit or loss as a part of profit or loss from sales. However, when the Company maintains partial rights of the former affiliates but losses the control over the affiliates included in the foreign operation, it is conducted based on the disposal of all equity in the foreign operation.
- (3) During the partial disposal or sales of the subsidiaries included in the foreign operation, the accumulated exchange differences recognized under other comprehensive income are re-attributed proportionally as non-controlling equity of the foreign operation. However, when the Company maintains partial rights of the former subsidiary but losses the control over the subsidiary included in the foreign operation, it is conducted based on the disposal of all equity in the foreign operation.

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

1. Assets that match any of the following conditions shall be classified as current assets:
  - (1) Assets expected to be realized, intended to be sold or consumed over normal operating cycles.
  - (2) Primarily for trading purposes.
  - (3) Assets expected to be realized within 12 months after the balance sheet date.
  - (4) Cash or cash equivalents, except those that are intended to be swapped or settled against debt in more than 12 months after the balance sheet date, and those with restricted uses.

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

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

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

(V) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term investments (including time deposits with initial maturity dates within three months) with



high liquidity that are readily convertible to specified amounts of cash with insignificant risk of changes in value.

(VI) Financial instruments

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

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

1. Financial assets

(1) Measurement category

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

The category of financial assets held by the Company are financial assets measured at amortized cost and equity instrument investments measured at fair value through other comprehensive income.

A. Financial assets measured at amortized cost

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

- (a) Being held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

Equity instrument investments measured at fair value through other comprehensive income are measured at fair value and the subsequent fair

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

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

- (2) Impairment of financial assets
  - A. On each balance sheet date, the Company evaluates the financial assets (including the accounts receivable) measured at amortized cost and the impairment loss of rentals receivable based on the expected credit loss.
  - B. The allowance of losses on accounts receivable and rentals receivable are all recognized based on the lifetime expected credit loss. For other debt instrument investments, the credit risk is evaluated for whether there are any significant increases after the initial recognition. If not, the allowance loss is recognized based on the expected credit losses of 12 months; if there are any significant increases, the allowance loss is recognized based on the lifetime expected credit losses.
  - C. Expected credit losses is the weighted average credit losses adopting the occurrence of a default risk as the weight. 12-month expected credit losses are expected credit losses that result from those default events on financial instruments that are possible within 12 months after the reporting date. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the life of the financial instruments.
  - D. The book amount of all impairment losses on financial assets are reduced via the allowance account. However, the loss allowance of debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income without reducing its book value.

- (3) Derecognition of financial assets

The Company will derecognize financial assets when they meet one of the following conditions:

- A. The interests on a contract for financial assets-based cash flow ceased to be effective.
- B. The interests on a contract for collecting financial assets-based cash flow are transferred and almost all risks and returns of all ownership over the financial assets are transferred.
- C. All risks and returns of all ownership over the financial assets are not transferred or retained and the control of financial assets is not retained. Where the entire financial asset measured at amortized cost is derecognized, the difference between the book amount and collected consideration is recognized as profit or loss. Where the entire debt instrument investment measured at fair value through other comprehensive income is derecognized, the difference between the book amount and collected considerations plus any accumulated profit or loss recognized as other comprehensive income is recognized as profit or loss. Where the entire equity instrument investment measured at fair value through other comprehensive income is derecognized, the accumulated profit or loss is directly transferred to the retained earnings without being reclassified as profit or loss.

## 2. Equity instruments

The liabilities and equity instruments issued by the Company were categorized as financial liabilities or equity based on the substance of the contract agreement and the definition of financial liabilities and equity instruments.

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

3. Financial liabilities

(1) Subsequent measurement

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

(2) Derecognition of financial liabilities

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

(VII) Inventory

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

(VIII) Investment/subsidiaries/affiliates and joint ventures under the equity method

1. Subsidiaries mean the entities controlled by the Company (including structured entities). When the Company is exposed to the changes of remuneration participated in by the entities or is entitled to changes of remuneration, and is able to influence the remuneration by virtue of its power over the entities, the Company is held controlling the entities.
2. Unrealized gains and losses on transactions between the Company and subsidiaries were written off. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The shares of profit or loss acquired from subsidiaries by the Company were recognized as current profit or loss and shares of other comprehensive income were recognized as other comprehensive income. In the event that the shares of loss in the subsidiaries recognized by the Company equal to or exceed its equity in the subsidiaries, the Company continues the recognition of the losses based on the shareholding ratio.
4. When the change in the shareholdings on a subsidiary does not result in a loss of control (and transactions with non-controlling equity), it should be treated as an equity transaction with the shareholders. The difference between the adjustment value of non-controlling equity and fair value of paid or collected considerations was directly recognized as equity.
5. When the Company forfeits control over its subsidiaries, its residual investment in the subsidiaries shall be re-measured based on fair value, and identified as the fair value of financial asset recognized initially or cost of the investment in affiliates or joint ventures recognized initially. The price difference between the fair value and book value is stated into current income. Where the accounting treatment for all amounts related to the subsidiary as recognized in other comprehensive income previously is

- identical with the basis for the Company's direct disposition of related assets or liabilities, namely, when the related assets or liabilities are disposed, the profit or loss recognized in other comprehensive income previously will be reclassified as profit or loss. When the Company loses control over the subsidiary, such profit or loss shall be reclassified into income from equity.
6. The affiliates refer to the entity in which the Company has significant impact upon without any control and often holds more than 20% of voting shares directly or indirectly. The investment of the Company in affiliates adopts the equity method and is recognized based on cost upon acquisition.
  7. The shares of profit or loss acquired from affiliates by the Company were recognized as current profit or loss and shares of other comprehensive income were recognized as other comprehensive income. In the event that the Company's shares of loss in the affiliate equal or exceed its equity in the affiliate (including any unsecured accounts receivable), the Company will recognize extra losses only in the event of occurrence of legal obligations, presumed obligations or payment made by the Company on behalf of the affiliates.
  8. The unrealized profit or loss generated from the transactions between the Company and the affiliates were written off based on the Company's equity ratio of the affiliates; the unrealized loss was written off unless the evidence displayed the impairment of transferred assets in such transaction. Accounting policies of the affiliates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
  9. In case the Company loses its significant impact on an affiliate upon the disposal of the affiliate, the accounting treatment for all amounts related to the affiliate as recognized in other comprehensive income previously is identical with the basis for the Company's direct disposition of related assets or liabilities, namely, when the related assets or liabilities are disposed, the profit or loss recognized in other comprehensive income previously will be reclassified as profit or loss. When the Company loses control over the affiliate, such profit or loss shall be reclassified as income from equity. Provided that, where it still has material influence over the affiliated companies, the amount previously recognized in other comprehensive income is transferred according the method stated above based on proportion.
  10. The Company adopts the equity method to recognize it in the equity of joint ventures. Unrealized gains and losses on transactions between the Company and joint ventures were written off; however, in case the evidence displays decrease in net realizable value of assets or impairment loss of assets, it is immediately recognized as total loss. In the event that the Company's shares of loss in the joint venture equal to or exceed its equity in the affiliate (including any unsecured accounts receivable), the Company will recognize extra losses only in the event of occurrence of legal obligations, presumed obligations or payment made by the Company on behalf of the joint venture.
  11. According to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," the current income and other comprehensive income as presented in the parent company only financial statements shall be identical with the current income and other comprehensive income attributable to the proportion allocated to the parent shareholder as presented in the financial statement prepared on the basis of consolidation. The shareholders' equity as presented in the parent company only financial statements shall be identical with the parent shareholders' equity as presented in the financial statement prepared on the basis of consolidation.

(IX) Property, plant and equipment

1. Property, plant and equipment is accounted based on the acquisition cost and the relevant interest is capitalized during the purchase and construction period.

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

Houses and buildings	3 to 55 years
Machine and equipment	5 to 32 years
Other equipment	3 to 36 years
4. The property, plant and equipment is derecognized upon disposition or expectation that future economic benefits cannot be generated due to usage or disposal of the property, plant and equipment. The amount of profit or loss generated from the derecognition of the property, plant, and equipment refers to the difference between the disposal proceeds and the book amount of the asset and is recognized in current profit or loss.

(X) Lease

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

1. The Company was the Lessee

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

Right-of-use assets

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

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

Lease liabilities

Lease liabilities are measured based on the present value of the lease payment (including the fixed payment, substantive fixed payment and variable lease payments depending on the index or rate). If the implied interest rate of a lease is easy to

confirm, the rate is applied to discount the lease payment. If the rate is not easy to confirm, the lessee incremental loan interest rate will be applied.

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

2. The Company was the Lessor

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

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

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

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

(XI) Investment property

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

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

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

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

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

(XII) Intangible assets

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

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

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

(XIII) Impairment of non-financial assets

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

(XIV) Liability reserve

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

(XV) Employee benefit

1. Short-term employee benefit

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

2. Pension

(1) Defined contribution plan

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

(2) Defined benefit plan

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

- B. The re-measurement generated from the defined benefit plan is stated as other comprehensive income in the period when it is incurred, and presented in the retained earnings.
  - C. Expenses related to the service cost in the previous period are immediately recognized as profit or loss.
- 3. Remuneration to employees and directors
 

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

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

Common stock is classified as equity. The classification of preferred shares is based on the substance of the contract agreement and the definition of financial liabilities and equity instruments, and is assessed based on specific rights of the preferred shares. When presenting the basic characteristics of financial liabilities, these are classified as liabilities, otherwise they are classified as equity. The additional cost directly attributable to issuing new shares or stock options is recognized as deductions of proceeds in the equity.
- (XVII) Income tax
  1. The income tax consists of current income tax and deferred income tax. The income tax is recognized in the profit or loss except the income taxes relevant to the items which are recognized under other comprehensive income or directly counted into the items of equity, is recognized under other comprehensive income or directly counted into equity respectively.
  2. The current income tax is based on the taxable income generated by the Company adopting the statutory tax rate or tax rate substantially enacted on the balance sheet date. Management shall evaluate the status of income tax returns within the statutory period defined by the related income tax laws, and shall be responsible for the income tax expected to be paid to the tax collection authority. The income tax levied on the undistributed earnings based on the Income Tax Act will be recognized based on actual distribution of earnings in the year after the year when the earnings are generated, upon approval of the motion for allocation of earnings at a shareholders' meeting.
  3. The deferred income tax is recognized based on the temporary difference generated from the taxation basis for assets and liabilities and the book value thereof on the balance sheet using the balance sheet approach. The deferred income tax liabilities resulting from the initial recognition of goodwill shall not be recognized. The deferred income tax resulting from the initial recognition of assets or liabilities in a transaction (exclusive of business mergers) shall not be recognized, insofar as the accounting profit or taxable income (taxable loss) is not affected by the transaction. Taxable temporary difference generated from investment in subsidiaries shall not be recognized if the time of reversal is controllable by the Company and the difference is not likely to be reversed in the foreseeable future. The deferred income tax is based on the tax rate expected to be applicable when the assets are expected to be realized or liabilities



to be repaid. The tax rate shall be the tax rate (tax laws) which had been enacted or had been substantially enacted on the balance sheet date.

4. The temporary difference, unused tax losses and unused tax credits within the range of probable future taxable income available for use are recognized as deferred income tax assets and the deferred income tax assets which are recognized and unrecognized shall be re-evaluated on the end date of each reporting period.
5. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.
6. The tax benefit generated from the purchase of equipment or technology, R&D expenses, HR training expenses and equity investment adopts income tax credits for accounting.

(XVIII) Recognition of revenue

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

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

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

1. Revenue from the sale of products and processing

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

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

(XIX) Costs of loans

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

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

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

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

The Company includes the economic impact due to the epidemic situation of COVID-19 in the consideration of significant accounting estimates and will continue to review the basic estimates and assumptions. If the amendment to estimates will only affect the current period, it

will be recognized in the period in which the amendment is made; if the amendment of the accounting estimates will simultaneously affect both current and future periods, it will be recognized in the period of the amendment and future periods.

When preparing the parent company only financial report, the important judgments, accounting estimates and assumptions adopted by the Company for accounting policies are as follows:

(I) Significant judgments adopted by the accounting policy

1. Business model judgment of financial asset classification

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

2. Recognition of revenue

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

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

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

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

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

3. Lease period

When determining the lease period, the Company considers all relevant facts and circumstances regarding the economic inducement generated to exercise (or not exercise) the option, including expected changes in all facts and circumstances since the start date to the date of option exercising. The considered factors include the contractual terms and conditions in the option period, significant leasehold improvement conducted (or expect to be conducted) during the contract period and

the importance of underlying assets to the operation of the Company. When material matters or significant changes in circumstances occur within the Company's scope of control, the lease period will be re-evaluated.

(II) Important accounting estimates and assumptions

1. Recognition of revenue

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

2. Estimated impairment of financial assets

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

3. Fair value measurement and valuation process

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

4. Impairment evaluation of tangible and intangible assets

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

5. Assessment of impairment on equity-accounted investments

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

6. Realizability of deferred income tax assets

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

environments and changes in laws and regulations, if any, might result in material adjustment on deferred income tax assets.

7. Valuation of inventory

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

8. Calculation of net defined benefit liabilities

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

9. Incremental loan rate of interest of the lessee

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

VI. Description of significant accounting items

(I) Cash and cash equivalents

Item	December 31, 2020	December 31, 2019
Cash	\$ 867	\$ 723
Savings deposit	398,368	300,551
Total	\$ 399,235	\$ 301,274

1. The financial institutions trading with the Company are those of excellent credit standing and the Company trades with various financial institutions to spread credit risk. Thus, the possibility of expected default is low.

2. The cash and cash equivalents of the Company have not been pledged.

(II) Receivable notes, net

Item	December 31, 2020	December 31, 2019
Carried at amortized cost		
Total book amount	\$ 11,692	\$ 12,196
Less: Allowance loss	(12)	(12)
Receivable notes, net	\$ 11,680	\$ 12,184

1. The receivable notes of the Company have not been pledged.

2. For disclosure related to the allowance loss of receivable notes, please refer to description in Note 6(3).

(III) Accounts receivable, net

Item	December 31, 2020	December 31, 2019
Carried at amortized cost		
Total book amount	\$ 407,903	\$ 440,903
Less: Allowance loss	(729)	(931)
Accounts receivable, net	\$ 407,174	\$ 439,972

1. For the Company's accounts receivable generated from sale of products. The average credit period is O/A 45–90 days. The credit standard is established according to the

industrial characteristics, business scale and profit condition of the trading counterparty.

2. The accounts receivables of the Company have not been pledged.
3. The Company adopts the simplified approach of IFRS 9 to recognize the allowance losses on accounts receivable based on lifetime expected credit loss. The expected credit losses throughout the duration is calculated based on the provision matrix and takes the past default record of the customer, the present financial status and the economic situation of the industry into consideration. According to the Company's historical experience of credit losses, the loss types of different customer groups have no significant differences between them. Thus, the provision matrix does not further classify the group of customers and the rate of expected credit losses is established based on the overdue days of accounts receivable.
4. The loss allowance (including the related party) for notes and accounts receivable of the Company based on the provision matrix is as follows:

December 31, 2020	Expected credit loss	Total book amount	Allowance loss (expected credit losses throughout the duration)	Amortized cost
Undue	0%–1%	\$ 537,473	\$ (453)	\$ 537,020
Overdue 0–30 days	0%–1%	2,154	(2)	2,152
Overdue 31–90 days	0%–20%	1	-	1
Overdue 91–180 days	0%–30%	20	-	20
Overdue 181–365 days	0%–50%	-	-	-
Overdue more than 365 days	0%–100%	321	(321)	-
Total		<u>\$ 539,969</u>	<u>\$ (776)</u>	<u>\$ 539,193</u>

December 31, 2019	Expected credit loss	Total book amount	Allowance loss (expected credit losses throughout the duration)	Amortized cost
Undue	0%–1%	\$ 576,733	\$ (491)	\$ 576,242
Overdue 0–30 days	0%–1%	1,652	(2)	1,650
Overdue 31–90 days	0%–20%	-	-	-
Overdue 91–180 days	0%–30%	-	-	-
Overdue 181–365 days	0%–50%	-	-	-
Overdue more than 365 days	0%–100%	490	(490)	-
Total		<u>\$ 578,875</u>	<u>\$ (983)</u>	<u>\$ 577,892</u>

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

Item	2020	2019
Balance – beginning	\$ 983	\$ 5,491
Plus: Impairment loss appropriated	-	-
Less: Impairment loss reversed	(207)	(4,508)
Less: Irrecoverable amounts written off	-	-

Balance – ending	\$ 776	\$ 983
------------------	--------	--------

Other credit enhancements held by above accounts receivable: None.

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

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

(IV) Cost of inventory and sales

Item	December 31, 2020	December 31, 2019
Raw material	\$ 106,092	\$ 98,796
Supplies	51,967	48,428
Goods in process	70,607	70,140
Finished products	420,076	348,828
Subtotal	\$ 648,742	\$ 566,192
Less: Allowance for inventory devaluation and obsolescence losses	(3,947)	(10,477)
Net amount	\$ 644,795	\$ 555,715

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

Item	2020	2019
Cost of sold inventory	\$ 2,564,326	\$ 2,516,514
Processing cost	76,373	81,845
Manufacturing expenses not amortized	31,677	38,239
Loss (revaluation gain) on inventory devaluation	(6,530)	420
Loss on scrapped inventory	19,177	11,159
Loss (gain) on inventory	15	(48)
Revenue from scraps	(3,237)	(280)
Total operating cost	\$ 2,681,801	\$ 2,647,849

2. Because the Company offset the inventory to net realizable value in 2020 and 2019 and the rebound on net realizable value of inventory due to the price increase of partial products and consumption of partial inventory, the recognized loss (revaluation gain) on inventory devaluation were NTD(6,530) thousand and NTD420 thousand, respectively.

3. The inventory of the Company has not been pledged.

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

Item	December 31, 2020	December 31, 2019
Non-current		
Equity instruments		
TWSE/TPEX listed stocks	\$ 274,934	\$ 274,934
TWSE/TPEX unlisted stocks	749,784	749,784
Unlisted foreign stocks	16,820	16,820
Valuation adjustment	(127,032)	(69,510)
Total	\$ 914,506	\$ 972,028

1. The Company invested in TWSE/TPEX unlisted stocks listed above based on mid and long-term investment purpose and expected to gain profit from long-term investment.

The management of the Company considers that if the changes in short-term fair value of such investment is recognized as profit or loss, it is not consistent with previous long-term investment planning. Thus, management chose to specify that such investment to be measured at fair value through other comprehensive income.

2. The Company adjusted the investment positions to diversify risks and sold part of the stocks based on fair value in 2020 and 2019. The relevant other equity – unrealized profit or loss of financial assets measured at fair value through other comprehensive income of NTD0 and NTD3,106 thousand, respectively, were re-stated as retained earnings.
3. Changes in expected credit impairment loss of debt instrument investment measured at fair value through other comprehensive income recognized by the Company: None.
4. The investment in Kai Chieh International Investment Ltd. Was based on the principal guarantee agreement. As of December 31, 2020 and 2019, the counterparty provided 7,327 thousand shares of Kai Chieh as the pledge of the Company.
5. The Company pledged part of financial assets measured at fair value through other comprehensive income as collateral for the loans of the Company in December 31, 2020 and 2019. Please refer to Note 8.
6. For relevant credit risk management and evaluation methods, please refer to Note 12.

(VI) Investment under the equity method

Invested company	December 31, 2020	December 31, 2019
Subsidiaries:		
Sontenkan Resort Development Co., Ltd.	\$ 1,435,590	\$ 1,221,601
Apoland Development (Singapore) Pte Ltd.	260,334	258,007
Others	907,149	911,746
Subtotal	<u>\$ 2,603,073</u>	<u>\$ 2,391,354</u>
Affiliated companies:		
Important affiliates:		
Taiwan First Biotechnology Corp.	\$ 1,130,310	\$ 1,020,890
Nice Enterprise Co., Ltd.	1,157,202	1,068,214
Individual unimportant affiliates	691,462	601,548
Subtotal	<u>\$ 2,978,974</u>	<u>\$ 2,690,652</u>
Joint ventures:		
Individual unimportant joint ventures	14,807	13,333
Total	<u>\$ 5,596,854</u>	<u>\$ 5,095,339</u>

1. Subsidiaries:  
For information of the Company's subsidiaries, please refer to Note 4(3) of the Company's 2020 consolidated financial report.
2. Affiliated companies:
  - (1) The basic information of affiliates important to the Company is as follows:

Company name	Shareholding ratio (%)	
	December 31, 2020	December 31, 2019
Taiwan First Biotechnology Corp.	41.28%	41.28%
NICE Enterprise Co., Ltd.	28.24%	28.24%

For information on the affiliates' nature of business, main business place and country where the company is registered, please refer to Table 7 and Table 8 in Note 13.

- (2) The summarized financial information of affiliates important to the Company is as follows:

A. Balance sheet

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

	Taiwan First Biotechnology Corp.	
	December 31, 2020	December 31, 2019
Current assets	\$ 1,274,818	\$ 1,102,128
Non-current assets	3,380,376	3,333,822
Current liabilities	993,569	983,250
Non-current liabilities	1,340,195	1,417,126
Equity	\$ 2,321,430	\$ 2,035,574
Shares of the affiliates' net assets	\$ 958,269	\$ 840,270
Internal profit or loss	(12,794)	(6,727)
Deferred credits	30,563	33,075
Goodwill	154,272	154,272
Book value of affiliates	\$ 1,130,310	\$ 1,020,890

B. Statement of comprehensive income

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

	Taiwan First Biotechnology Corp.	
Company name	2020	2019
Operating revenue	\$ 2,018,267	\$ 1,711,950
Current net profit	\$ 240,873	\$ 138,597
Other comprehensive income (net income after tax)	124,573	18,512
Total comprehensive income in the current period	\$ 365,446	\$ 157,109
Dividend acquired from affiliates	\$ 32,854	\$ 27,379



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

	2020	2019
Shares held:		
Current net profit	\$ 29,336	\$ 13,422
Other comprehensive income (net income after tax)	67,783	46,955
Total comprehensive income in the current period	<u>\$ 97,119</u>	<u>\$ 60,377</u>

3. Joint ventures:

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

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

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

(VII) Property, plant and equipment

Item	December 31, 2020	December 31, 2019
Land	\$ 548,166	\$ 548,166
Houses and buildings	873,562	860,737
Machinery and equipment	1,181,550	1,184,289
Other equipment	556,175	561,625
Equipment pending acceptance and construction in progress	11,371	7,373
Total cost	<u>\$ 3,170,824</u>	<u>\$ 3,162,190</u>
Less: Accumulated depreciation	(2,211,440)	(2,172,103)
Total	<u>\$ 959,384</u>	<u>\$ 990,087</u>

	Land	Houses and buildings	Machinery and equipment	Other equipment	Equipment pending acceptance and construction in progress	Total
Costs						
Balance, January 1, 2020	\$ 548,166	\$ 860,737	\$ 1,184,289	\$ 561,625	\$ 7,373	\$ 3,162,190
Increase	-	-	-	-	31,955	31,955
Disposal	-	(546)	(6,592)	(16,183)	-	(23,321)
Reclassification	-	13,371	3,853	10,733	(27,957)	-
Balance, December 31, 2020	<u>\$ 548,166</u>	<u>\$ 873,562</u>	<u>\$ 1,181,550</u>	<u>\$ 556,175</u>	<u>\$ 11,371</u>	<u>\$ 3,170,824</u>
Accumulated depreciation						
Balance, January 1, 2020	\$ -	\$ 589,528	\$ 1,069,484	\$ 513,091	\$ -	\$ 2,172,103

Depreciation expenses	-	25,397	21,277	15,761	-	62,435
Disposal	-	(427)	(6,592)	(16,079)	-	(23,098)
Balance, December 31, 2020	\$ -	\$ 614,498	\$ 1,084,169	\$ 512,773	\$ -	\$ 2,211,440

	Land	Houses and buildings	Machinery and equipment	Other equipment	Equipment pending acceptance and construction in progress	Total
Costs						
Balance, January 1, 2019	\$ 548,166	\$ 859,636	\$ 1,175,598	\$ 560,497	\$ 6,295	\$ 3,150,192
Increase	-	-	-	-	38,343	38,343
Disposal	-	(1,394)	(17,173)	(7,778)	-	(26,345)
Reclassification	-	2,495	25,864	8,906	(37,265)	-
Balance, December 31, 2019	\$ 548,166	\$ 860,737	\$ 1,184,289	\$ 561,625	\$ 7,373	\$ 3,162,190
Accumulated depreciation						
Balance, January 1, 2019	\$ -	\$ 564,890	\$ 1,065,329	\$ 505,010	\$ -	\$ 2,135,229
Depreciation expenses	-	25,859	21,328	15,859	-	63,046
Disposal	-	(1,221)	(17,173)	(7,778)	-	(26,172)
Balance, December 31, 2019	\$ -	\$ 589,528	\$ 1,069,484	\$ 513,091	\$ -	\$ 2,172,103

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

Item	2020	2019
Increase of property, plant and equipment	\$ 31,955	\$ 38,343
Increase/decrease of payables on equipment	3,135	(3,954)
Paid cash amount for purchase of property, plant and equipment	\$ 35,090	\$ 34,389

- For capitalized amount and interest rate interval regarding the loan cost of property, plant and equipment, please refer to Note 6(25).
- Impairment of property, plant and equipment: None.
- For more information about property, plant and equipment provided as collateral, please refer to Note 8.

(VIII) Lease agreement

- Right-of-use assets

Item	December 31, 2020	December 31, 2019
Houses and buildings	\$ 7,994	\$ 8,744
Machinery and equipment	16,694	16,694
Transportation equipment	3,120	4,756
Total cost	\$ 27,808	\$ 30,194
Less: Accumulated depreciation	(15,153)	(9,167)
Net amount	\$ 12,655	\$ 21,027

Costs	Houses and buildings	Machinery and equipment	Transportation equipment	Total
Balance, January 1, 2020	\$ 8,744	\$ 16,694	\$ 4,756	\$ 30,194
Increase in the current period	-	-	-	-
Decrease in the current period	(750)	-	-	(750)
Derecognition in the current period	-	-	(1,636)	(1,636)
Balance, December 31, 2020	\$ 7,994	\$ 16,694	\$ 3,120	\$ 27,808
<u>Accumulated depreciation</u>				
Balance, January 1, 2020	\$ 2,915	\$ 3,780	\$ 2,472	\$ 9,167
Depreciation expenses	2,540	3,780	1,302	7,622
Derecognition in the current period	-	-	(1,636)	(1,636)
Balance, December 31, 2020	\$ 5,455	\$ 7,560	\$ 2,138	\$ 15,153

Costs	Houses and buildings	Machinery and equipment	Transportation equipment	Total
Balance, January 1, 2019	\$ -	\$ -	\$ -	\$ -
Initial application of IFRS 16 Adjustment	8,744	16,694	4,756	30,194
Balance, December 31, 2019	\$ 8,744	\$ 16,694	\$ 4,756	\$ 30,194
<u>Accumulated depreciation</u>				
Balance, January 1, 2019	\$ -	\$ -	\$ -	\$ -
Depreciation expenses	2,915	3,780	2,472	9,167
Balance, December 31, 2019	\$ 2,915	\$ 3,780	\$ 2,472	\$ 9,167

2. Lease liabilities

	December 31, 2020	December 31, 2019
Book amount of lease liabilities		
Current	\$ 9,114	\$ 7,929
Non-current	\$ 5,560	\$ 13,360

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

	December 31, 2020	December 31, 2019
Houses and buildings	2.54%	2.54%

Machine and equipment	2.54%	2.54%
Transportation equipment	2.54%	2.54%

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

3. Important lease activities and terms

The Company leased health research institute, Tetra Pak equipment, truck and vehicle for operational use. The lease period is 1–5 years and the Company included the right of renewal of those with expired lease periods in the lease liabilities. According to the contract agreement, the Company shall not sublease assets of the leased item to others without the approval of the lessor. As of December 31, 2020 and 2019, there is no sign of impairment regarding the right-of-use assets, therefore the impairment evaluation was not conducted.

4. Sublease: None.

5. Other information about the lease

(1) For the Company's agreement of investment property leased as operating leases, please refer to Note 6(9).

(2) The information on expensed related current leases is as follows:

Item	2020	2019
Short-term lease expenses	\$ 2,664	\$ 1,504
Expenses of lease of low-price assets	\$ -	\$ -
Variable lease not included in measurement of lease liabilities		
Paid expenses	\$ -	\$ -
Total cash outflow of lease (Note)	\$ 8,529	\$ 10,390

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

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

(IX) Net investment property

Item	December 31, 2020	December 31, 2019
Measured at fair value – commissioned appraisal	\$ 1,043,624	\$ 1,031,799
Measured at cost	398,484	399,414
Total	\$ 1,442,108	\$ 1,431,213

1. Investment property measured at fair value

Item	2020	2019
Balance – beginning	\$ 1,031,799	\$ 995,723
Gains from valuation	11,825	36,076
Balance – ending	\$ 1,043,624	\$ 1,031,799

(1) The fair values of investment property as of December 31, 2020 and 2019 were appraised by CPA Tien-ching Hsieh of CPAC with domestic appraiser qualification on January 15, 2021, December 31, 2020 and December 20 and 23, 2019.

(2) Besides undeveloped land, the fair value of investment assets is appraised based on the income approach. The fair value will increase when increase of

future net cash inflow or decrease of discount rate is estimated. The important assumptions are as follows:

Item	December 31, 2020	December 31, 2019
Estimated future cash inflow	\$ 655,423	\$ 670,234
Estimated future cash outflow	26,427	29,562
Estimated future net cash inflow	\$ 628,996	\$ 640,672
Discount rate	2.095%	2.345%

- A. The monthly market rental of region in which the investment property located is NTD570 to NTD2,348 per Taiwanese ping. The similar comparable item in the market is NTD539 to NTD2,625 per Taiwanese ping.
  - B. The future cash inflow estimated to be generated from investment property includes rent revenue, deposit interest revenue and disposition value at ending. The rent revenue is based on the Company's current lease contracts and market rental conditions and is estimated in consideration of the annual growth rate of future rental. The revenue analysis period is estimated by 10 years; the deposit interest revenue is estimated based on the interest rate of a one-year timed deposit; the disposition value at ending is estimated based on the direct capitalization under the income approach. The future cash outflow estimated to be generated from investment property includes expenses of land tax, house tax, insurance premium and maintenance fee. The expenses are estimated based on current expense standard and takes the adjustment of land value announced in the future and the tax rate specified in the House Tax Act.
  - C. The discount rate is calculated based on the floating interest rate on a 2-year time deposit of a small amount, as posted by the Chunghwa Post Co., Ltd., plus 1.25 %.
- (3) Because the land at Jianguo Section in Dounan Township, Yunlin County and Zhuweizi Section in Chiayi City held by the Company is not developed, the fair value is appraised based on the land development analysis method. The important assumptions are as follows. The fair value will increase when the estimated total sales amount increases, the profit margin increases or the overall capital interest rate decreases. The relevant information is as follows:

Item	December 31, 2020	December 31, 2019
Estimated total sales amount	\$ 919,593	\$ 889,934
Profit margin	15%~18%	15%~18%
Overall capital interest rate	1.47%~1.53%	1.67%~1.77%

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

2. Investment property measured at cost

Item	2020	2019
Balance – beginning	\$ 399,414	\$ 400,347
Depreciation appropriated	(930)	(933)
Balance – ending	\$ 398,484	\$ 399,414

This refers to the investment property leased to subsidiaries for operating purpose.

3. The lease period of the investment property is 1 year without the option of lease extension. The lessee does not have a bargain purchase option for such asset after the end of the lease period.

4. Rent revenue and direct operating expenses from investment property:

Item	2020	2019
Rent revenue from investment property	\$ 6,743	\$ 6,743
Direct operating expenses generated from investment property generating current rent revenue	\$ 5,539	\$ 5,386
Direct operating expenses generated from investment property not generating current rent revenue	\$ 241	\$ 238

5. The total lease payments receivable in the future regarding the investment property leased as operating lease is as follows:

	December 31, 2020	December 31, 2019
Not more than 1 year	\$ 6,743	\$ 6,743
1 year to 5 years	-	-
More than 5 years	-	-
Total	\$ 6,743	\$ 6,743

6. The fair value of the Company's investment property as of December 31, 2020 and 2019 were NTD1,043,624 thousand and NTD1,031,799 thousand, respectively, which was based on the valuation result of independent appraiser. The valuation adopting the income approach and land development approach is classified as Level 3 fair value. Please refer to Note 12.

7. For information of investment property provided as collateral, please refer to Note 8.

(X) Intangible assets

Item	December 31, 2020	December 31, 2019
Computer software cost	\$ 30,944	\$ 29,368
Less: Accumulated amortization	(28,371)	(27,649)
Net amount	\$ 2,573	\$ 1,719

Costs	Computer software cost	Costs	Computer software cost
Balance, January 1, 2020	\$ 29,368	Balance, January 1, 2019	\$ 29,382
Increase	1,620	Increase	184
Reclassified as expenses	(44)	Reclassified as expenses	(198)
Derecognition	-	Derecognition	-
Balance, December 31, 2020	\$ 30,944	Balance, December 31, 2019	\$ 29,368
Accumulated amortization		Accumulated amortization	
Balance, January 1, 2020	\$ 27,649	Balance, January 1, 2019	\$ 25,578

Amortization expenses	722	Amortization expenses	2,071
Derecognition	-	Derecognition	-
Balance, December 31, 2020	\$ 28,371	Balance, December 31, 2019	\$ 27,649

(XI) Other financial assets – current and non-current

Item	December 31, 2020	December 31, 2019
Pledged bank deposits	\$ 48,025	\$ 91,015
Current	\$ 28,000	\$ 71,000
Non-current	\$ 20,025	\$ 20,015

(XII) Short-term loans

Item	December 31, 2020	December 31, 2019
Credit loans	\$ 370,000	\$ 635,000
Mortgage loan	120,000	120,000
Total	\$ 490,000	\$ 755,000
Interest rate interval	1.59%-1.85%	1.79%-2.13%

For the portion of investment property provided as collateral by the Company, please refer to Note 8.

(XIII) Other payables

Item	December 31, 2020	December 31, 2019
Commission payable	\$ 91,950	\$ 85,846
Remuneration and bonus payable	120,056	88,016
Tax payable	2,356	2,562
Repair expenses payable	4,905	2,876
Payables on equipment	2,707	5,842
Advertisement expenses payable	2,369	4,545
Insurance payable	6,234	6,066
Other payable	39,495	33,002
Total	\$ 270,072	\$ 228,755

(XIV) Liability reserve – current

Item	Employee benefit	Item	Employee benefit
January 1, 2020	\$ 17,330	January 1, 2019	\$ 14,740
Current increase of liability reserve	12,896	Current increase of liability reserve	17,330
Liability reserve used currently	(11,977)	Liability reserve used currently	(10,459)
Unused amount reversed currently	(1,502)	Unused amount reversed currently	(4,281)
December 31, 2020	\$ 16,747	December 31, 2019	\$ 17,330

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

(XV) Pension

1. Defined contribution plan

- (1) The Company applied the pension system under the “Labor Pension Act,” which was identified as the defined contribution plan managed by the government. Under the plan, the Company contributed 6% of each employee’s

salary to a personal account maintained at the Bureau of Labor Insurance on a monthly basis.

- (2) The total expense amount recognized by the Company in the statement of comprehensive income based on contribution ratios specified in the defined contribution plan in 2020 and 2019 were NTD11,461 thousand and NTD11,296 thousand, respectively.

2. Defined benefit plan

- (1) The employee pension system based on the domestic “Labor Standards Act” applicable to the Company is a defined pension plan managed by the government. The payment of the employee pension is calculated based on their years of service and the average salary for six months prior to the approval date of retirement. The Company has an amount equivalent to 13% of the total monthly salary of employees appropriated and deposited in the specific account with Bank of Taiwan in the name of the Labor Pension Reserve Committee. Before the end of the fiscal year, if the pension account balance is insufficient to pay for employees expecting to meet the retirement conditions in the following year, the spread amount shall be deposited by the Company in a lump sum in the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to affect the investment management strategies.
- (2) The amount of defined benefit plan recognized in the balance sheet by the Company is shown below:

Item	December 31, 2020	December 31, 2019
Current values of the ascertained fringe benefit obligations	\$ 225,705	\$ 228,724
Fair values of the planned assets	(141,178)	(142,434)
Defined benefit liabilities	\$ 84,527	\$ 86,290

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

Item	2020		
	Current values of the ascertained fringe benefit obligations	Fair values of the planned assets	Defined benefit liabilities
Balance, January 1	\$ 228,724	\$ (142,434)	\$ 86,290
Service cost			
Service cost in the current period	1,310	-	1,310
Interest expenses (revenue)	2,210	(1,443)	767
Recognized as profit and/or loss	\$ 3,520	\$ (1,443)	\$ 2,077
Re-measurement amount			
Return on plan assets (excluding amount included in net interest)	\$ -	\$ (4,392)	\$ (4,392)
Actuarial losses (gains) –			
Effects of changes in financial assumptions	2,688	-	2,688
Adjustment through experience	10,316	-	10,316
Recognized under other comprehensive income	\$ 13,004	\$ (4,392)	\$ 8,612
Appropriated by employer	-	(11,318)	(11,318)
Benefit payment	(19,543)	18,409	(1,134)
Balance, December 31	\$ 225,705	\$ (141,178)	\$ 84,527



Item	2019		
	Current values of the ascertained fringe benefit obligations	Fair values of the planned assets	Defined benefit liabilities
Balance, January 1	\$ 243,258	\$ (140,733)	\$ 102,525
Service cost			
Service cost in the current period	1,830	-	1,830
Interest expenses (revenue)	2,616	(1,643)	973
Recognized as profit and/or loss	\$ 4,446	\$ (1,643)	\$ 2,803
Re-measurement amount			
Return on plan assets (excluding amount included in net interest)	\$ -	\$ (5,007)	\$ (5,007)
Actuarial losses (gains) –			
Effects of changes in financial assumptions	1,244	-	1,244
Adjustment through experience	(728)	-	(728)
Recognized under other comprehensive income	\$ 516	\$ (5,007)	\$ (4,491)
Appropriated by employer	-	(12,192)	(12,192)
Benefit payment	(19,496)	17,141	(2,355)
Balance, December 31	\$ 228,724	\$ (142,434)	\$ 86,290

- (4) The Company is exposed to the following risks due to the employee pension system based on the “Labor Standards Act”:

A. Investment risk

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

B. Interest rate risk

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

C. Salary risk

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

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

Item	Measurement date	
	December 31, 2020	December 31, 2019
Discount rate	0.75%	1.00%
Anticipated raise ratio of salaries	1.00%	1.00%
Average maturity of defined benefit obligation	9.7 years	10.4 years

- A. The assumption of future mortality rate adopts Terms Life Chart of Annuity for estimation.
- B. In case the principal actuarial assumptions have reasonable and potential changes, when all other assumptions remain unchanged, the increase (decrease) amount in present value of defined benefit obligation is as follows:

Item	December 31, 2020	December 31, 2019
Discount rate		
Increase by 0.25%	\$ (2,688)	\$ (3,080)
Decrease by 0.25%	\$ 2,776	\$ 3,182
Anticipated raise ratio of salaries		
Increase by 1%	\$ 11,617	\$ 13,364
Decrease by 1%	\$ (10,437)	\$ (11,957)

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

- (6) The Company plans to contribute NTD8,000 thousand for the pension plan in 2021.

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

Item	December 31, 2020	December 31, 2019
Bank syndicated loans	\$ 1,676,900	\$ 1,689,500
Secured bank loans	1,150,833	991,667
Bank credit loans	239,195	177,222
Total	\$ 3,066,928	\$ 2,858,389
Less: Unamortized discount	(5,960)	(7,286)
Less: Long-term liabilities due within a year	(533,124)	(534,456)
Long-term loans	\$ 2,527,844	\$ 2,316,647
Interest rate interval	1.421%-2.45%	1.67%-2.75%

- For long-term loans, the Company provides part of property, plant and equipment, investment property, as investment under the equity method and bank deposit as collateral. Please refer to Note 8.
- According to the provisions of the syndicated loan contract, the consolidated financial report audited and attested by the CPA shall be used to calculate and maintain financial ratios such as specific current ratio, liability ratio, interest earned ratio and tangible net worth during the loan period; after review, the relevant financial ratios in 2020 and 2019 financial reports all complied with the provisions of the loan contract.

(XVII) Common stock

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

	2020	2019
--	------	------

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

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

(XVIII) Capital surplus

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

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

(XIX) Retained earnings and dividend policy

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

The food industry is in a changing environment and the Company is at the stage of stable growth. To meet the demand for operating funds as the business grows and to develop long-term financial planning for sustainable development, dividends are distributed, in principle, based on the appropriation rate of more than 50% (included) from the distributable surplus. The Company distributes dividends in the form of stocks and cash, and the former is preferred in consideration of the growth rate and capital expenditure of Company. The remaining dividends are distributed in cash at a

rate not less than 10% (included) than the total distributable dividends in the current year. Dividends in cash will not be distributed if the amount of the dividends distributable per share is less than NTD0.1 and dividends in stock will be distributed as a replacement.

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

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

- (1) Pursuant to laws, when allocating earnings, the Company shall provide the special reserve from the credit balance under other equities on the balance sheet date in current year and then may allocate the earnings. Where the credit balance under other equities is reversed, the reversed amount may be included into the allocatable earnings.
- (2) Appropriation of initial application of IFRSs  
When first adopting the IFRSs, the Company re-stated NTD158,125 thousand of the accumulative translation adjustment and unrealized revaluation increase to the retained earnings. However, the retained earnings increase generated from first adoption of IFRSs was insufficient for recognition. Therefore, NTD93,685 thousand of retained earnings increase generated from first adoption of IFRSs was recognized as special reserves.
- (3) Appropriation of investment property measured at fair value

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

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

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

Item	Earnings distribution	
	2019	2018
Legal reserve	\$ 4,805	\$ 4,790
Special reserve	50,423	125,516
Total	\$ 55,228	\$ 130,306

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

(XX) Other items of interest

Item	Exchange difference in the financial statement translation of the foreign operation	Unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive income	Total
Balance, January 1, 2020	\$ (77,923)	\$ (58,900)	\$ (136,823)
Unrealized gain (loss) of financial assets measured at fair value through other comprehensive income	-	16,008	16,008
Share of affiliates and joint ventures recognized under the equity method	(9,537)	185,664	176,127
Balance, December 31, 2020	<u>\$ (87,460)</u>	<u>\$ 142,772</u>	<u>\$ 55,312</u>

Item	Exchange difference in the financial statement translation of the foreign operation	Unrealized valuation gain (loss) of financial assets measured at fair value through other comprehensive income	Total
Balance, January 1, 2019	\$ (32,028)	\$ (193,033)	\$ (225,061)
Unrealized gain (loss) of financial assets measured at fair value through other comprehensive income	-	44,751	44,751
Share of affiliates and joint ventures recognized under the equity method	(45,895)	92,488	46,593
Disposal of equity instrument measured at fair value through other comprehensive income	-	(3,106)	(3,106)
Balance, December 31, 2019	<u>\$ (77,923)</u>	<u>\$ (58,900)</u>	<u>\$ (136,823)</u>

(XXI) Operating revenue

Item	2020	2019
Revenue from customer contracts		
Sales revenue	\$ 4,256,587	\$ 4,081,871
Revenue from processing	82,251	87,080
Total sales revenue from customer contracts	<u>\$ 4,338,838</u>	<u>\$ 4,168,951</u>

Less: Sales return	(39,477)	(45,967)
Sales discount	(377,507)	(341,495)
Net operating revenue from customer contracts	\$ 3,921,854	\$ 3,781,489

1. Details of customer contracts

(1) Sales revenue

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

(2) Revenue from processing

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

2. Details of revenue from customer contracts

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

2020:

	Drinks and canned foods	Processing	Total
<u>Main area and market</u>			
Taiwan	\$ 3,839,603	\$ 82,251	\$ 3,921,854
<u>Product line</u>			
Tradition series	\$ 1,010,513	\$ -	\$ 1,010,513
Dessert series	695,046	8,382	703,428
Drink series	1,191,174	73,869	1,265,043
Oat milk series	684,395	-	684,395
Oil series	81,641	-	81,641
Health series	14,139	-	14,139
Other series	162,695	-	162,695
Total	\$ 3,839,603	\$ 82,251	\$ 3,921,854
<u>Timing of revenue recognition</u>			
Fulfillment of performance obligation at certain timing	\$ 3,839,603	\$ 82,251	\$ 3,921,854
Gradual fulfillment of performance obligation over time	-	-	-
Total	\$ 3,839,603	\$ 82,251	\$ 3,921,854

2019:

	Drinks and canned foods	Processing	Total
<u>Main area and market</u>			

Taiwan	\$ 3,694,409	\$ 87,080	\$ 3,781,489
Product line			
Tradition series	\$ 915,791	\$ -	\$ 915,791
Dessert series	689,915	10,088	700,003
Drink series	1,387,744	76,992	1,464,736
Oat milk series	611,950	-	611,950
Oil series	77,948	-	77,948
Health series	11,061	-	11,061
Total	\$ 3,694,409	\$ 87,080	\$ 3,781,489
Timing of revenue recognition			
Fulfillment of performance obligation at certain timing	\$ 3,694,409	\$ 87,080	\$ 3,781,489
Gradual fulfillment of performance obligation over time	-	-	-
Total	\$ 3,694,409	\$ 87,080	\$ 3,781,489

### 3. Contract balance

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

Item	December 31, 2020	December 31, 2019
Receivable	\$ 539,193	\$ 577,892
Contract assets	-	-
Total	\$ 539,193	\$ 577,892
Contract liabilities – current	\$ 8,118	\$ 5,233

(1) Significant changes in contract assets and liabilities

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

(2) Allowance loss of contract assets: None.

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

Amount recognized as current revenue	2020	2019
Contract liabilities from the beginning of the period	\$ 5,233	\$ 3,874
Fulfilled performance obligation from the previous period	\$ -	\$ -

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

By nature	2020		
	As operating costs	As operating expenses	Total
Employee benefit expenses			
Salary expenses	\$ 131,290	\$ 256,127	\$ 387,417
Expenses for labor and health insurance	12,476	16,608	29,084

Pension expenses	<u>5,860</u>	<u>7,678</u>	<u>13,538</u>
Remuneration to directors	-	<u>7,744</u>	<u>7,744</u>
Other employee benefit expenses	<u>18,575</u>	<u>11,915</u>	<u>30,490</u>
Depreciation expenses (Note 1)	<u>43,860</u>	<u>24,839</u>	<u>68,699</u>
Amortization expenses	<u>11</u>	<u>711</u>	<u>722</u>
Total	<u>\$ 212,072</u>	<u>\$ 325,622</u>	<u>\$ 537,694</u>

By nature	2019		
	As operating costs	As operating expenses	Total
Employee benefit expenses			
Salary expenses	\$ 120,714	\$ 215,769	\$ 336,483
Expenses for labor and health insurance	12,260	16,528	28,788
Pension expenses	6,198	7,901	14,099
Remuneration to directors	-	4,786	4,786
Other employee benefit expenses	17,323	11,968	29,291
Depreciation expenses (Note 2)	44,329	26,364	70,693
Amortization expenses	21	2,050	2,071
Total	<u>\$ 200,845</u>	<u>\$ 285,366</u>	<u>\$ 486,211</u>

(Note 1): This does not include the leased asset depreciation expenses of NTD2,288 thousand stated in non-operating expenses.

(Note 2): This does not include the leased asset depreciation expenses of NTD2,453 thousand stated in non-operating expenses.

- The additional information on number of employees and employee benefit expenses of the Company in 2020 and 2019 is as follows:

Item	December 31, 2020	December 31, 2019
Number of employees	<u>600</u>	<u>602</u>
Number of directors not concurred as employees	<u>4</u>	<u>4</u>
Average employee benefit expenses	<u>\$ 917</u>	<u>\$ 800</u>
Average employee salary expenses	<u>\$ 771</u>	<u>\$ 658</u>
Changes in average employee salary expenses	<u>17.17%</u>	<u>(1.50%)</u>
Remuneration to supervisors	<u>-</u>	<u>-</u>

- The Company's remuneration policies (including directors, managers and employees) are as follows:

- Remuneration to directors

According to the regulations of the Company's Articles of Incorporation, the board of directors is authorized to determine the remunerations to directors in accordance with the degree of involvement and the value of contribution to the Company's operations and the payment standards of the industry domestically



and internationally. The Articles of Incorporation also specified that the remuneration to directors shall not exceed 1% of the profit in the current year.

(2) Remuneration to managers

The remuneration to the Company's managers is based on their duties, contributions, the current business performance of the Company and consideration of the Company's future risk. It is reviewed by the remuneration committee and submitted for the resolution by the board of directors.

(3) Remuneration to employees

The Company is devoted to providing its employees with salary and benefits that meet the average level of their peers. The Company provides a competitive remuneration system premised on a simultaneous consideration of external competition, internal equity and legality, and upholds the philosophy of sharing profit with employees to retain and encourage them. The Company's remuneration to employees includes monthly salary and employee remuneration distributed by the Company based on the profit conditions in the current year. According to the Articles of Incorporation, it specified that the remuneration to employees shall not be less than 1% of the profit in the current year.

3. According to the Company's Articles of Incorporation, if there is profit made by the Company, the Company shall allocate no less than 1% of the current pre-tax profit before deducting the remuneration distributed to employees and the directors as the remuneration to employees and no more than 1% thereof as the remuneration to directors and supervisors. Where the Company has any cumulative loss, the profit shall be reserved to offset the loss. The Company distributed no less than 1% of said profit before tax as the remuneration to employees and no more than 1% thereof as the remuneration to directors and supervisors in 2020 and 2019. Should there be any change to the annual consolidated financial report after the reporting date, the accounting treatment shall be applied, and the adjustment accounted for in the next year.

4. The Company's board of directors resolved to pass the 2020 and 2019 remunerations to employees and directors on March 23, 2021 and March 26, 2020, respectively. The relevant amount recognized in the financial report is as follows:

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

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

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

(XXIII) Other revenue

Item	2020	2019
------	------	------

Rental revenue	\$ 10,299	\$ 11,095
Dividend revenue	7,644	8,665
Service revenue	22,092	20,444
Others	8,115	7,356
Total	\$ 48,150	\$ 47,560

(XXIV) Other gains and losses

Item	2020	2019
Gain (loss) on disposal of property, plant and equipment	\$ (223)	\$ (80)
Gain (loss) of foreign exchange, net	2,057	(231)
Gain (loss) from fair value adjustment – investment property	11,825	36,076
Lease cost	(6,924)	(6,984)
Service cost	(16,432)	(14,279)
Others	(8,359)	(116)
Total	\$ (18,056)	\$ 14,386

(XXV) Financial cost

Item	2020	2019
Interest from bank loans	\$ 73,980	\$ 75,644
Other finance costs	\$ 3,073	5,367
Lease liabilities	424	653
Subtotal	\$ 77,477	\$ 81,664
Less: Capitalized amount of qualifying assets	(216)	(121)
Financial cost	\$ 77,261	\$ 81,543
Interest rate interval	1.42%-2.45%	1.67%-2.75%

(XXVI) Income tax

1. Income tax expenses

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

Item	2020	2019
<u>Income tax in the current period</u>		
Income tax generated in the current period	\$ -	\$ -
Overestimated/underestimated income tax in previous year	96	-
Additional tax levied on undistributed earnings	-	-
Total income tax in the current period	\$ 96	\$ -
<u>Deferred income tax</u>		
Initial occurrence and reversal of temporary difference	\$ 59,510	\$ (3,954)
Deferred income tax expenses	\$ 59,510	\$ (3,954)
Income tax expenses (gains)	\$ 59,606	\$ (3,954)

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

Item	2020	2019
Exchange difference in the financial statement translation of foreign operations	\$ (980)	\$ (2,861)

Re-measurement of defined benefit pension plan	(1,722)	898
Total	<u>\$ (2,702)</u>	<u>\$ (1,963)</u>

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

Item	2020	2019
Net profit before tax	<u>\$ 292,510</u>	<u>\$ 44,115</u>
Tax calculated based on net profit before tax at the statutory tax rate	\$ 58,502	\$ 8,823
Tax effects of adjustments		
Effects not included in the calculation of taxable income		
Investment losses (gains) recognized under the equity method	(22,706)	17,185
Losses (gains) from adjustment of unrealized fair value	(2,365)	(7,215)
Other adjustments	(5,597)	(3,980)
Deduction of losses	(27,834)	(14,813)
Overestimated/underestimated income tax in previous year	96	-
Net change in deferred income tax		
Deduction of losses	(31,293)	4,817
Temporary difference	<u>90,803</u>	<u>(8,771)</u>
Income tax expenses recognized as profit or loss	<u>\$ 59,606</u>	<u>\$ (3,954)</u>

The applicable tax rate of the Company is 20% and the applicable tax rate for undistributed earnings is 5%.

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

Item	2020			
	Balance – beginning	Recognized as profit (loss)	Recognized in other comprehensive profit (loss)	Balance – ending
Deferred income tax assets:				
Temporary difference				
Investment losses (gains) under the equity method	\$ 228,706	\$ (25,099)	\$ 1,060	\$ 204,667
Pension	17,257	(2,074)	1,722	16,905
Unused deduction of losses	51,304	(31,293)	-	20,011
Others	5,857	(1,442)	-	4,415
Subtotal	<u>\$ 303,124</u>	<u>\$ (59,908)</u>	<u>\$ 2,782</u>	<u>\$ 245,998</u>
Deferred income tax liabilities				
Temporary difference				
Increment tax on land value	\$ (118,395)	\$ 1,187	\$ -	\$ (117,208)
Others	(5,065)	(789)	(80)	(5,934)
Subtotal	<u>\$ (123,460)</u>	<u>\$ 398</u>	<u>\$ (80)</u>	<u>\$ (123,142)</u>
Total	<u>\$ 179,664</u>	<u>\$ (59,510)</u>	<u>\$ 2,702</u>	<u>\$ 122,856</u>

Item	2019			
	Balance – beginning	Recognized as profit (loss)	Recognized in other comprehensive profit (loss)	Balance – ending
Deferred income tax assets:				
Temporary difference				
Investment losses (gains) under the equity method	\$ 224,968	\$ 1,181	\$ 2,557	\$ 228,706
Pension	20,501	(2,346)	(898)	17,257
Unused deduction of losses	46,487	4,817	-	51,304
Others	5,616	241	-	5,857
Subtotal	<u>\$ 297,572</u>	<u>\$ 3,893</u>	<u>\$ 1,659</u>	<u>\$ 303,124</u>
Deferred income tax liabilities				
Temporary difference				
Increment tax on land value	\$ (119,244)	\$ 849	\$ -	\$ (118,395)
Others	(4,581)	(788)	304	(5,065)
Subtotal	<u>\$ (123,825)</u>	<u>\$ 61</u>	<u>\$ 304</u>	<u>\$ (123,460)</u>
Total	<u>\$ 173,747</u>	<u>\$ 3,954</u>	<u>\$ 1,963</u>	<u>\$ 179,664</u>

4. Items not recognized as deferred tax assets

Item	December 31, 2020	December 31, 2019
Temporary difference	<u>\$ 279,249</u>	<u>\$ 242,211</u>

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

(XXVII) Other comprehensive income

Item	2020		
	Before tax	Income tax (expenses) gains	Net amount after tax
Items not reclassified to profit or loss:			
Re-measurement of defined benefit plan	\$ (8,612)	\$ 1,722	\$ (6,890)
Unrealized valuation gains and losses from equity instrument investments measured at fair value through other comprehensive income	16,008	-	16,008
Shares of subsidiaries, affiliates and joint ventures recognized under the equity method	180,202	-	180,202
Subtotal	<u>\$ 187,598</u>	<u>\$ 1,722</u>	<u>\$ 189,320</u>
Items may be subsequently reclassified as profit or loss:			
Shares of subsidiaries, affiliates and joint ventures recognized under the equity method			
Exchange difference in the financial statement translation of foreign operations	\$ (10,517)	\$ 980	\$ (9,537)
Unrealized valuation gains and losses from equity instrument investments measured at fair value through other comprehensive income	(850)		(850)

Subtotal	\$ (11,367)	\$ 980	\$ (10,387)
Recognized under other comprehensive income	\$ 176,231	\$ 2,702	\$ 178,933

Item	2019		
	Before tax	Income tax (expenses) gains	Net amount after tax
Items not reclassified to profit or loss:			
Re-measurement of defined benefit plan	\$ 4,491	\$ (898)	\$ 3,593
Unrealized valuation gains and losses from equity instrument investments measured at fair value through other comprehensive income	44,751	-	44,751
Shares of subsidiaries, affiliates and joint ventures recognized under the equity method	104,418	-	104,418
Subtotal	\$ 153,660	\$ (898)	\$ 152,762
Items may be subsequently reclassified as profit or loss:			
Shares of subsidiaries, affiliates and joint ventures recognized under the equity method			
Exchange difference in the financial statement translation of foreign operations	\$ (48,756)	\$ 2,861	\$ (45,895)
Unrealized valuation gains and losses from equity instrument investments measured at fair value through other comprehensive income	(500)	-	(500)
Subtotal	\$ (49,256)	\$ 2,861	\$ (46,395)
Recognized under other comprehensive income	\$ 104,404	\$ 1,963	\$ 106,367

(XXVIII) Earnings per common stock

Item	2020	2019
A. Basic EPS:		
Current net profit	\$ 232,904	\$ 48,069
Weighted average number of current outstanding shares (thousand shares)	494,513	494,513
Basic EPS (after tax) (NTD)	\$ 0.47	\$ 0.10
B. Diluted EPS:		
Current net profit	\$ 232,904	\$ 48,069
Effect of dilutive potential common stocks	-	-
Current net profit to be used to calculate diluted EPS	\$ 232,904	\$ 48,069
Weighted average number of current outstanding shares (thousand shares)	\$ 494,513	\$ 494,513
Effects of remuneration to employees (Note)	316	75

Weighted average number of outstanding shares to be used to calculate diluted EPS (thousand shares)	\$ 494,829	\$ 494,588
Diluted EPS (after tax) (NTD)	\$ 0.47	\$ 0.10

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

## VII. Transactions of the related party

### (I) Parent company and ultimate controller:

The Company is the ultimate controller of the Group.

### (II) Name of the related party and relationship

<u>Name of the related party</u>	<u>Relationship with the Company</u>
Aiken Biotechnology International Co., Ltd.	Subsidiary
AGV First Biotech Food (BVI) Limited.	Subsidiary
Alpha International Developments Limited	Subsidiary
Apoland Development (Singapore) Pte Ltd.	Subsidiary
Mascot International (BVI) Corporation	Subsidiary
Koya Biotech Corp. (Original Koya Agriculture Biotech Corp.)	Subsidiary
Shandong AGV Food Technology Co., Ltd.	Subsidiary
Xiamen Aijian Traders Co., Ltd.	Subsidiary
Aco Distribution Corp.	Subsidiary
Rosahill Leisure Industry Co., Ltd.	Subsidiary
Sontenkan Resort Development Co., Ltd.	Subsidiary
Yunlin Dairy Technology Corp.	Subsidiary
Hopeland Distribution Corp.	Subsidiary
Hope Choice Distribution Corp.	Subsidiary
Defender Private Security Inc.	Subsidiary
Sasaya Vitagreen Co., Ltd.	Subsidiary
Shanghai AGV Foods Co., Ltd.	Subsidiary
Taiwan First Biotechnology Corp.	Affiliated companies
Nicostar Capital Investment (BVI) Ltd.	Affiliated companies
Tongjitang Medicinal Biotech Corp.	Affiliated companies
Gangjing Co., Ltd.	Affiliated companies
Tai Fu International Corp.	Affiliated companies
Hopeman Distribution Co., Ltd.	Affiliated companies
Yanjing AGV International Company Limited	Affiliated companies
Nice Enterprise Co., Ltd.	Affiliated companies
Heding International Development Co., Ltd.	Affiliated companies

Name of the related party	Relationship with the Company
Nice Plaza Co., Ltd.	Affiliated companies
Dongruntang Biotech Corp.	Affiliated companies
Zhuqi Lionhead Mountain Leisure Development Co., Ltd.	Affiliated companies
Songshan Village Co., Ltd.	Affiliated companies
Acts Bioscience Inc.	Affiliated companies
Kuo Cheng Investment Development Corp.	Affiliated companies
Taiwan NJC Corporation	Other related parties
NICECO International Corp.	Other related parties
Janfusun Fancyworld Corp.	Other related parties
Tangsheng International Co., Ltd.	Other related parties
Tangli Culture Media Co., Ltd.	Other related parties
Jinan AGV Products Corporation	Other related parties
Eastern Taiwan Cultural & Creative Co., Ltd.	Other related parties
Koyaka Biotech Co., Ltd.	Other related parties
Chen Ten-Tao Cultural and Education Foundation	Other related parties
Yueshan Investment Co., Ltd.	Other related parties
Lujing Landscape Co., Ltd.	Other related parties
Shinekeep International Corp.	Other related parties
Taiwan Cosmetics Co., Ltd.	Other related parties
Zhengda Fenghuang Shanzhuang Co., Ltd.	Other related parties
Thunder Tiger Corporation	Other related parties
Prize Products Corporation	Other related parties
Baige Biotech Inc.	Other related parties
Ho Yuan Investment Co., Ltd.	Other related parties
IBF VC	Other related parties
Gelan Co., Ltd.	Other related parties
Yue Guan International Development Co., Ltd.	Other related parties
Jinzhou Development Co., Ltd.	Other related parties
Goldbank Investment Development Corp.	Other related parties
All Pass Bio-Tec Co., Ltd.	Other related parties
Taiwan Mineral Water Corp.	Other related parties
Jinan Ponpon Co., Ltd.	Other related parties
Apoland International Corp.	Other related parties
Nice Capital & Finance Corp.	Other related parties
Taiwan Sanyejia Co., Ltd.	Other related parties
Kuludrink Kombucha Ltd.	Other related parties
Bi-Hsia Ma	Other related parties

(III) Major transactions with the related party:

1. Operating revenue

Item	Category/Name of the related party	2020	2019
Sales revenue	Subsidiary		
	Hope Choice Distribution Corp.	\$ 566,181	\$ 524,386
	Others	325,861	359,844
	Affiliated companies	40,745	20,244
	Other related parties	144,260	136,921
	Total	\$ 1,077,047	\$ 1,041,395

For said terms of sale, besides the health food sold to subsidiaries, we do not sell the same kind of food to the non-related party. Therefore, there is no other similar customer available for the comparison of selling price. Both parties agreed to use the cost, adding the agreed gross margin as the basis of valuation. The collection period is O/A 30–90 days based on the distribution channels while other selling prices have no significant difference from those of the general distributors and the collection period is O/A 30–70 days.

2. Purchase

Category/Name of the related party	2020	2019
Subsidiary	\$ 126,448	\$ 139,943
Affiliated companies		
Taiwan First Biotechnology Corp.	1,100,510	1,076,685
Other related parties		
Others	215,500	181,156
Total	\$ 1,442,458	\$ 1,397,784

The purchase price has no significant difference from that of general suppliers. Regarding the payment method, besides commissioning other related parties to import goods, the Company follows the example of export practices to prepay part of the payment for goods. The balance was paid in full in the following month upon the receipt of goods while others adopts O/A 30–90 days for payment. The grace period is 1–5 months. However, the grace period can be extended upon the agreement of both parties.

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

Item	Category/Name of the related party	December 31, 2020	December 31, 2019
Notes receivable	Affiliated companies	\$ 3	\$ 4
	Other related parties		
	NICECO International Corp.	19,151	32,029
	Total	\$ 19,154	\$ 32,033
	Less: Allowance loss	(19)	(32)
Net amount	\$ 19,135	\$ 32,001	
Accounts receivable	Subsidiary	\$ 85,910	\$ 85,447
	Affiliated companies	2,100	1,665
	Other related parties	13,210	6,631
	Total	\$ 101,220	\$ 93,743
	Less: Allowance loss	(16)	(8)



	Net amount	<u>\$ 101,204</u>	<u>\$ 93,735</u>
Other accounts receivable	Subsidiary	\$ 3,106	\$ 2,710
	Affiliated companies		
	Taiwan First Biotechnology Corp.	9,756	7,971
	Others	103	417
	Other related parties		
	Nice Capital & Finance Corp.	7,264	-
	Others	591	196
	Total	<u>\$ 20,820</u>	<u>\$ 11,294</u>
	Less: Allowance loss	-	-
	Net amount	<u>\$ 20,820</u>	<u>\$ 11,294</u>
Refundable deposit	Subsidiary		
	Koya Biotech Corp. (Original Koya Agriculture Biotech Corp.)	\$ 40,000	\$ 45,000
	Yunlin Dairy Technology Corp.	3,000	3,000
	Total	<u>\$ 43,000</u>	<u>\$ 48,000</u>

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

Item	Category/Name of the related party	December 31, 2020	December 31, 2019
Accounts payable	Subsidiary	\$ 4,564	\$ 8,259
	Affiliated companies		
	Taiwan First Biotechnology Corp.	586,832	532,113
	Others	30	-
	Other related parties	19,317	-
	Total	<u>\$ 610,743</u>	<u>\$ 540,372</u>
Other payables	Subsidiary	\$ 1,151	\$ 1,181
	Affiliated companies	19,817	24,347
	Other related parties	22,851	22,844
	Total	<u>\$ 43,819</u>	<u>\$ 48,372</u>

5. Collections

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

6. Prepayments

Category/Name of the related party	December 31, 2020	December 31, 2019
Affiliated companies		
Nice Plaza Co., Ltd.	\$ 21,087	\$ 15,000
Other related parties		

NICECO International Corp.	11,855	5,279
Others	23	22
Total	<u>\$ 32,965</u>	<u>\$ 20,301</u>

7. Guarantee deposits

Category/Name of the related party	December 31, 2020	December 31, 2019
Affiliate Hopeman Distribution Co., Ltd.	\$ 348	\$ 151
Total	<u>\$ 348</u>	<u>\$ 151</u>

8. Property transaction

(1) Acquisition of property, plant and equipment:

Category/Name of the related party	2020	2019
Affiliated companies	<u>\$ -</u>	<u>\$ 124</u>

(2) Acquisition of financial assets:

2020: None.

2019:

Category/Counterparty of the related party	Transaction item	Transaction amount
Subsidiary		
Sontenkan Resort Development Co., Ltd.	3,162 thousand shares of Nice Capital & Finance Corp.	\$ 42,968
Sontenkan Resort Development Co., Ltd.	2,484 thousand shares of Kuo Cheng Investment Development Corp.	27,546
Sontenkan Resort Development Co., Ltd.	1,094 thousand shares of Taiwan First Biotechnology Corp.	24,049
Rosahill Leisure Industry Co., Ltd.	227 thousand shares of Taiwan First Biotechnology Corp.	4,898
Rosahill Leisure Industry Co., Ltd.	445 thousand shares of Nice Capital & Finance Corp.	8,718
Aiken Biotechnology International Co., Ltd.	1,099 thousand shares of Taiwan First Biotechnology Corp.	21,529
Koya Biotech Corp. (Original Koya Agriculture Biotech Corp.)	416 thousand shares of Taiwan First Biotechnology Corp.	7,619
Category/Counterparty of the related party		
Transaction item		
Transaction amount		
Affiliated companies		
Nice Enterprise Co., Ltd.	52 thousand shares of Hope Choice Distribution Corp.	703

The share transaction price refers to the net worth per share of the invested company and is determined after price negotiation by both parties. As of December 31, 2019, all of the transaction prices have been paid in full.

(3) Disposition of financial assets:

2020: None.

2019

Category/Counterparty of the related party	Transaction item	Amount sold	Profit or loss from sales
Affiliated companies			
Taiwan First Biotechnology Corp.	Equity of Global Securities Finance Corporation (Note)	\$ 25,154	\$ 2,910
Taiwan First Biotechnology Corp.	Equity of UPAMC Global Innovative Tech Fund (Note)	18,137	196
	Total	<u>\$ 43,291</u>	<u>\$ 3,106</u>

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

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

9. Lease agreement

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

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

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

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

(2) Lease expenses:

Category/Name of the related party	2020	2019
Subsidiary	<u>\$ 539</u>	<u>\$ 539</u>

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

10. Lease agreement: Please refer to Note 7(3)12.

11. Endorsement and guarantee:

Category/Name of the related party	2020	2019
Subsidiary		
Sontenkan Resort Development Co., Ltd.	\$ 792,000	\$ 792,000
Yunlin Dairy Technology Corp.	180,000	-
Total	<u>\$ 972,000</u>	<u>\$ 792,000</u>

For endorsement/guarantee for others by the Company, please refer to Note 13.

12. Others

(1) Various revenues			
Category/Name of the related party	2020	2019	
Subsidiary	\$ 14,371	\$	14,888
Affiliated companies	5,296		5,121
Other related parties	10,943		3,494
Total	\$ 30,610	\$	23,503

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

(2) Various expenditures			
Category/Name of the related party	2020	2019	
Subsidiary	\$ 24,663	\$	22,697
Affiliated companies			
Hopeman Distribution Co., Ltd.	136,137		128,493
Others	11,551		6,996
Other related parties			
Tangli Culture Media Co., Ltd.	221,109		225,918
Others	22,445		25,136
Total	\$ 415,905	\$	409,240

- a. To promote the sale of products, the Company commissioned Tangli Culture Media to provide advertisement planning services. It is responsible for product market survey, product and advertisement planning. The payment is based on the contract agreement and settled on a monthly basis. The amount is paid within 30 days after the settlement.
- b. Hopeman Distribution is commissioned to deliver products manufactured and sold by the Company, and the product delivery expenses is calculated based on certain ratio of net sales.
- c. Other expenses such as management consultation services are paid according to the contract agreement.

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

2020:

Invested company	Increase of investment		Shareholding ratio	
	Shares (thousand shares)	Amount	Before capital increase	After capital increase
Sontenkan Resort Development Co., Ltd.	17,000	\$ 170,000	100.00%	100.00%
AGV First Biotech Food (BVI) Limited.	550	16,269	100.00%	100.00%
Apoland Development (Singapore) Pte Ltd.	1,610	34,624	92.88%	93.08%
Koya Biotech Corp.	1,000	10,000	93.12%	87.09%

(Original Koya Agriculture  
Biotech Corp.)

2019:

Invested company	Increase of investment		Shareholding ratio	
	Shares (thousand shares)	Amount	Before capital increase	After capital increase
Sontenkan Resort Development Co., Ltd.	5,000	\$ 50,000	100.00%	100.00%
AGV First Biotech Food (BVI) Limited.	413	12,688	100.00%	100.00%
Apoland Development (Singapore) Pte Ltd.	1,770	39,919	92.65%	92.88%
Alpha International Developments Limited	243	7,425	100.00%	100.00%

(IV) Information about remuneration to key management

Item	2020	2019
Salary and other short-term employee benefits	\$ 19,985	\$ 15,735
Benefits after severance/retirement	731	701
Other long-term employee benefits	1,005	805
Total	\$ 21,721	\$ 17,241

VIII. Pledged assets

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

Item	December 31, 2020	December 31, 2019
Pledged demand deposits	\$ 48,025	\$ 97,681
Investment under the equity method	433,488	391,522
Property, plant and equipment (net amount)	664,673	674,996
Investment property	1,433,623	1,374,481
Total	\$ 2,579,809	\$ 2,538,680

IX. Major contingent liabilities and commitments made under unrecognized contracts

- (I) As of December 31, 2020 and 2019, the guarantee notes issued for loan limit guarantees by the Company was NTD2,537,000 thousand and NTD4,118,000 thousand, respectively, which were recognized as guarantee notes paid and guarantee notes payable.
- (II) As of December 31, 2020 and 2019, the guarantee notes and accounts received by the Company for performance guarantees of construction and assuring claims of payment for goods were NTD50,309 thousand and NTD38,322 thousand, respectively, which were recognized as guarantee notes and accounts received and guarantee notes and accounts receivable.
- (III) As of December 31, 2019 and 2020, the details regarding the unused letter of credit issued by the Company are as follows:

Item	Unit: NTD thousand	
	December 31, 2020	December 31, 2019
Amount of letter of credit	USD 1,496	USD 774
Guarantee amount	-	-

(IV) As of December 31, 2020 and 2019, for endorsement/guarantee for others by the Company, please refer to Note 7(3)11.

(V) Significant capital expenses signed but not occurred:

Item	December 31, 2020	December 31, 2019
Property, plant and equipment	\$ 2,208	\$ 9,247

X. Losses due to major disasters: None.

XI. Significant subsequent events: None.

XII. Others

(I) Management over capital risks

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

(II) Financial instruments

1. Financial risk of financial instruments

Financial risk management policy

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

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

Nature and degree of important financial risk

(1) Market risk

A. Exchange rate risk

(A) The Company is exposed to exchange rate risks resulting from the sale, procurement and deposit transactions measured with a currency other than the functional currency of the Company. The Company has adopted New Taiwan Dollars as the functional currency. These transactions are denominated in the major currency of USD. To avoid the fluctuation of foreign currency transactions and future cash flow due to changes in the exchange rate, the Company uses foreign currency deposits to hedge the risk of exchange rates. The utilization of foreign currency deposits can assist the Company to hedge but not totally eliminate the impact caused by the changes in foreign exchange rate. The net investment in the foreign operation was for strategic investment, therefore the Company did not adopt any hedging policy against it.

(B) Foreign exchange exposure and sensitivity analysis

December 31, 2020

Foreign currency	Exchange rate	Amount recognized (NTD)	Sensitivity analysis		
			Extent of change	Impact on profit or loss	Impact on equity

(Foreign currency: Functional  
currency)

December 31, 2019						
			Amount recognized	Sensitivity analysis		
Foreign currency		Exchange rate	(NTD)	Extent of change	Impact on profit or loss	Impact on equity
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	23	28.48	651	1% appreciation	7	-
<u>Non-monetary items</u>						
<u>Investment under the equity method</u>						
USD : NTD	22,428	28.48	638,737	1% appreciation	-	6,387
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD : NTD	628	28.48	17,898	1% appreciation	179	-
<u>(Foreign currency: Functional currency)</u>						
<u>Financial assets</u>						
<u>Monetary items</u>						
USD : NTD	34	29.98	1,038	1% appreciation	10	-
<u>Non-monetary items</u>						
<u>Investment under the equity method</u>						
USD : NTD	22,803	29.98	683,637	1% appreciation	-	6,836

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

(C) The Company's total amount of all exchange gain (loss) (including the realized and unrealized) from monetary items due to significant impacts of exchange rate fluctuation were NTD2,057 thousand and NTD(231) thousand in 2020 and 2019, respectively.

#### B. Price risk

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

The Company mainly invested in TWSE/TPEX unlisted stocks and beneficiary certificates the price of such security is affected by the uncertainty of the investment's future value.

If the prices of equity and debt instruments increase or decrease by 1%, the comprehensive income after tax will increase or (decrease)

NTD9,145 thousand and NTD9,720 thousand in 2020 and 2019, respectively, due to the increase or decrease in the fair value of financial assets measured at fair value through other comprehensive income.

C. Interest rate risk

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

Item	Book amount	
	December 31, 2020	December 31, 2019
Interest rate risk with fair value:		
Financial assets	\$ 40,000	\$ 45,000
Financial liabilities	(14,674)	(21,289)
Net amount	\$ 25,326	\$ 23,711
Interest rate risk with cash flow:		
Financial assets	\$ 446,393	\$ 391,566
Financial liabilities	(3,550,968)	(3,606,103)
Net amount	\$ (3,104,575)	\$ (3,214,537)

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

The Company does not classify any financial assets or liabilities with fixed interest rates as financial assets measured at fair value through profit or loss or measured at fair value through other comprehensive income and not specify derivatives (interest rate exchange) as hedging instruments in the hedge account model of fair value. Therefore, the changes in interest rate on the reporting date will not impact profit or loss and other comprehensive net profits.

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

The Company's financial instrument of the variable interest rate are assets (liabilities) with variable interest rates. The change in market interest rate will result in changes in the effective rate and cause changes in the future cash flow. The net profit in 2020 and 2019 will increase (increase) NTD(31,046) thousand and NTD(32,145) thousand, respectively, for every 1% decrease (increase) in market interest rate.

(2) Credit risk

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

Credit risk related to the operation

To maintain the quality of the accounts receivable, the Company has established a procedure to manage the credit risk related to the operation. The risk analysis of individual customers shall consider various factors which may impact the solvency of the customer, including the financial status, credit rating,



internal credit rating of the Company, historical transaction record and current economic situation of the customer.

Financial credit risk

The credit risk of bank deposits and other financial instruments is measured and monitored by the Finance and Accounting Departments of the Company. Since the transaction counterparties and the contract performance parties of the Company are banks of excellent credit standing and financial institutions or corporate entities with investment levels, there are no non-compliance issues; therefore, there is no significant credit risk. In addition, the Company does not have debt instrument investments classified as those measured at amortized cost and fair value through other comprehensive income.

A. Concentration of credit risk

As of December 31, 2020 and 2019, the receivable balance of top 10 customers accounted for 66.08% and 66.96% of the Company's receivable balance, respectively, which had credit risk due to concentration. The concentration of the credit risk for other accounts receivable was relatively insignificant.

B. Measurement of expected credit impairment loss

- a. Accounts receivable: For the simplified approach adopted, please refer to Note6(3).
- b. Judgment basis of significant increase in credit risk: None. (The Company does not have debt instrument investment classified as those measured at amortized cost and fair value through other comprehensive income.)

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

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

December 31, 2020	Book amount	Amount of decrease in maximum credit risk exposure			Total
		Collateral	Overall agreement on net settlement	Other credit enhancement	
Financial instruments not applicable to impairment regulations of IFRS 9: Financial assets measured at fair value through other comprehensive income	\$ 914,506	\$ 45,354	\$ -	\$ -	\$ 45,354
Total	\$ 914,506	\$ 45,354	\$ -	\$ -	\$ 45,354

December 31, 2019	Book amount	Amount of decrease in maximum credit risk exposure			Total
		Collateral	Overall agreement on net settlement	Other credit enhancement	
Financial instruments not applicable to impairment regulations of IFRS 9: Financial assets measured at fair value through other comprehensive income	\$ 972,028	\$ 71,072	\$ -	\$ -	\$ 71,072
Total	\$ 972,028	\$ 71,072	\$ -	\$ -	\$ 71,072

(3) Liquidity risk

A. Liquidity risk management

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

B. Maturity analysis on asset liabilities

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

December 31, 2020							
Non-derivative financial liabilities	Within 6 months	7–12 months	1–2 years	2–5 years	More than 5 years	Contractual cash flow	Book amount
Short-term loans	\$ 490,000	-	-	-	-	\$ 490,000	\$ 490,000
Notes payable	60,032	-	-	-	-	60,032	60,032
Accounts payable	691,677	-	-	-	-	691,677	691,677
Other payables	307,922	5,969	-	-	-	313,891	313,891
Long-term loans (including those due within 1 year)	240,550	294,649	881,081	1,650,648	-	3,066,928	3,060,968
Lease liabilities	5,521	3,828	4,000	1,667	-	15,016	14,674
Guarantee deposits	1,730	-	-	-	-	1,730	1,730
<b>Total</b>	<b>\$ 1,797,432</b>	<b>\$ 304,446</b>	<b>\$ 885,081</b>	<b>\$ 1,652,315</b>	<b>\$ -</b>	<b>\$ 4,639,274</b>	<b>\$ 4,632,972</b>

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

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	Over 20 years	Total undiscounted Total lease payment
Lease liabilities	\$ 9,349	\$ 5,667	\$ -	\$ -	\$ -	\$ -	\$ 15,016

December 31, 2019							
Non-derivative financial liabilities	Within 6 months	7–12 months	1–2 years	2–5 years	More than 5 years	Contractual cash flow	Book amount
Short-term loans	\$ 755,000	\$ -	\$ -	\$ -	\$ -	\$ 755,000	\$ 755,000
Notes payable	49,775	55	-	-	-	49,830	49,830
Accounts payable	612,289	-	-	-	-	612,289	612,289
Other payables	276,226	901	-	-	-	277,127	277,127
Long-term loans (including those due within 1 year)	274,500	262,000	480,556	1,841,333	-	2,858,389	2,851,103
Lease liabilities	4,125	4,125	11,696	1,666	-	21,612	21,289
Guarantee deposits	1,745	-	-	-	-	1,745	1,745
<b>Total</b>	<b>\$ 1,973,660</b>	<b>\$ 267,081</b>	<b>\$ 492,252</b>	<b>\$ 1,842,999</b>	<b>\$ -</b>	<b>\$ 4,575,992</b>	<b>\$ 4,568,383</b>

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

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	Over 20 years	Total undiscounted Total lease payment
Lease liabilities	\$ 8,250	\$ 13,362	\$ -	\$ -	\$ -	\$ -	\$ 21,612

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

2. Categories of financial instruments

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 399,235	\$ 301,274
Notes and accounts receivable (including the related party)	539,193	577,892
Other accounts receivable (including the related party)	35,131	38,659
Other financial assets – current	28,000	71,000
Refundable deposit	48,205	54,852
Other financial assets – non-current	20,025	20,015
Financial assets measured at fair value through other comprehensive income – non-current	914,506	972,028
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term loans	490,000	755,000
Notes and accounts payable (including the related party)	751,709	662,119
Other accounts payable (including the related party)	313,891	277,127
Long-term loans due within a year or operating cycle	533,124	534,456
Long-term loans	2,527,844	2,316,647
Lease liabilities (including current and non-current)	14,674	21,289
Guarantee deposits	1,730	1,745

(III) Fair value information:

1. For information on the fair value of the Company's financial assets and liabilities not measured at fair value, please refer to Note 12(3)3. Description. For information on the fair value of the Company's investment property measured at fair value, please refer to Note 6(9).
2. Definition of three fair value levels
  - Level 1:  
The input of this level refers to open quotations of similar instruments traded in an active market. The active market refers to markets meeting all of the conditions below: there is homogeneity in all products traded in the market; potential buyers and sellers can be found in the market at any time and price information is accessible by the public. The value of beneficiary certificates with quoted active market price invested by the Company all belongs to this level.
  - Level 2:  
The input of this level refers to the observable price other than open active market quotations, including direct (such as price) and indirect (information inferred from prices) input values that can be obtained from an active market.
  - Level 3:

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

3. Financial assets not at fair value:

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

4. Fair value level information:

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

Item	December 31, 2020			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<u>Fair value with repetition</u>				
Financial assets measured at fair value				
Financial assets				
TWSE/TPEX listed stocks	\$ 112,020	\$ -	\$ -	\$ 112,020
TWSE/TPEX unlisted stocks	-	-	802,486	802,486
Investment property (Note)	-	-	1,043,624	1,043,624
<b>Total</b>	<b>\$ 112,020</b>	<b>\$ -</b>	<b>\$ 1,846,110</b>	<b>\$ 1,958,130</b>

Item	December 31, 2019			Total
	Level 1	Level 2	Level 3	
<b>Assets</b>				
<u>Fair value with repetition</u>				
Financial assets measured at fair value				
Financial assets				
TWSE/TPEX listed stocks	\$ 128,894	\$ -	\$ -	\$ 128,894
TWSE/TPEX unlisted stocks	-	-	843,134	843,134
Investment property (Note)	-	-	1,031,799	1,031,799
<b>Total</b>	<b>\$ 128,894</b>	<b>\$ -</b>	<b>\$ 1,874,933</b>	<b>\$ 2,003,827</b>

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

5. Evaluation technology for instruments measured at fair value:

(1) Financial instruments:

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

If the open quotation of the financial instrument can be timely and frequently acquired from exchanges, brokers, underwriters, industrial unions, pricing service institutions or competent authorities, and the price represents actual and fair market transactions which occur frequently, then

the financial instrument has an open quotation of the active market. If the conditions mentioned above are not fulfilled, the market is not viewed as an active one. Generally, great bid-ask spread, significant increase in bid-ask spread or less trading volume are indices of an inactive market.

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

(A) TWSE/TPEX listed stocks: closing price.

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

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

(2) Investment property

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

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

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

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

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

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

6. Transfer between Level 1 and Level 2: None.

7. Statement of changes in Level 3:

(1) Financial instruments:

Item	Financial assets measured at fair value through other comprehensive income – equity instrument	Item	Financial assets measured at fair value through other comprehensive income – equity instrument
January 1, 2020	\$ 843,134	January 1, 2019	\$ 726,054
Current acquisition		- Current acquisition	106,514
Current disposition		- Current disposition	(43,291)
Recognized under other comprehensive income	(40,648)	Recognized under other comprehensive income	53,857
December 31, 2020	<u>\$ 802,486</u>	December 31, 2019	<u>\$ 843,134</u>

(2) Investment property:

Item	2020	2019
January 1	\$ 1,031,799	\$ 995,723
Profit or loss recognized in current profit or loss	11,825	36,076
December 31	<u>\$ 1,043,624</u>	<u>\$ 1,031,799</u>

8. Quantitative information used on measuring the fair value of major unobservable input (Level 3):

(1) Financial instruments:

TWSE/TPEX unlisted stocks and preferred shares held by the Company without an active market adopt the market approach to estimate fair value. The determination is evaluated based on reference to evaluation of same type of companies, third party quotation, the net worth of the Company and operation status. In addition, the major unobservable input mainly refers to the current discount. However, the possible changes in current discounts may not cause significant possible financial impact, therefore the quantitative information is not disclosed.

(2) Investment property:

	December 31, 2020 Fair value	Evaluation technology	Unobservable major input	Interval (Weighted average)	Relation between inputs and fair value
Investment property:					
Income approach	\$ 509,500	Cash flow discount analysis approach	Discount rate Revenue capitalization rate of period-end value Proper rate of return	2.095% 1.39%-1.55% 15%-18%	The higher the discount rate or revenue capitalization rate, the lower the fair value. The higher the proper rate of return or overall capital interest rate, the lower the fair value.
Land development approach	534,124	Land development analysis method	Overall capital interest rate	1.47%-1.53%	

Total	<u><u>\$ 1,043,624</u></u>
-------	----------------------------

	December 31, 2019 Fair value	Evaluation technology	Unobservable major input	Interval (Weighted average)	Relation between inputs and fair value
Investment property:					
Income approach	\$ 504,552	Cash flow discount analysis approach	Discount rate Revenue capitalization rate of period-end value Proper rate of return	2.04%-2.54% 0.52%-2.54%	The higher the discount rate or revenue capitalization rate, the lower the fair value. The higher the proper rate of return or overall capital interest rate, the lower the fair value.
Land development approach	527,247	Land development analysis method	Overall capital interest rate	15%-18% 0.81%-1.77%	
Total	<u><u>\$ 1,031,799</u></u>				

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

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

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

(IV) Transfer of financial assets: None.

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

### XIII. Noted Disclosures

(I) Information related to major transactions:

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

(II) Information related to reinvested enterprises: Table 7.

(III) Information on investment in Mainland China: Table 8.

(IV) Major shareholders information: Table 9.

Table 1

AGV Products Corporation  
Loaning funds to others  
December 31, 2020

Unit: NTD and foreign currency  
thousands

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

Note 1. Limit of loans to individual borrower:

1. The Company:

- (1) The accumulated amount of loans to each company that is in business with the Company may not exceed the amount of business transactions conducted in the most recent year. The business transaction amount refers to the purchasing or selling amount between both parties, whichever is higher.
- (2) For companies that need short-term financing, the loan amount to each company shall not exceed 20% of the net value of the Company.



---

2. Subsidiaries:

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

Note 2. Limit of total loans:

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

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

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

Table 2

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

Unit: NTD thousand

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

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

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

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

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

Table 3

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

Unit: Thousand shares; NTD and foreign currency thousands

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

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

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

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
		Preferred share / Kuo Cheng Investment Development Corp.	Affiliated companies	Financial assets at fair value through other comprehensive profit or loss – non-current	2,116	32,015	-	32,015	
		Preferred share / NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Financial assets at fair value through other comprehensive profit or loss – non-current	2,000	15,380	-	15,380	
		Preferred share / Zitong International Corp.	–	Financial assets at fair value through other comprehensive profit or loss – non-current	7,200	65,088	-	65,088	
		Preferred share / Liantong Developments, Co., Ltd.	The director of the company is the Director of the Company given above	Financial assets at fair value through other comprehensive profit or loss – non-current	5,000	26,650	-	26,650	
		Share / New Takayama Leisure and Entertainment Co., Ltd	–	Financial assets at fair value through other comprehensive profit or loss – non-current	380	3,472	19.00%	3,472	
7	Aiken Biotechnology International Co., Ltd.	Share / IBF Financial Holdings Co., Ltd.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through profit or loss – current	694	8,922	0.02%	8,922	
		Share / B&B International Development Co., Ltd.	–	Financial assets at fair value through other comprehensive profit or loss – non-current	3,000	37,174	2.06%	37,174	
		Share / Zhengda Fenghuang Shanzhuang Co., Ltd.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	54	530	18.00%	530	
		Preferred share / AGV First Biotech Food (BVI) Limited.	Subsidiary of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	100	2,110	-	2,110	
		Share / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	336	958	0.13%	958	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	1,617	24,449	-	24,449	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	500	7,560	-	7,560	
8	Hopeland Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through profit or loss – current	244	3,139	0.01%	3,139	

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	300	4,536	-	4,536	
9	Shandong AGV Food Technology Co., Ltd.	Share / Jinan AGV Products Corporation	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	902	-	18.00%	-	
10	Rosahill Leisure Industry Co., Ltd.	Share / IBF Financial Holdings Co., Ltd.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through profit or loss – current	514	6,600	0.02%	6,600	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	80	1,210	-	1,210	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	1,800	27,216	-	27,216	
11	TECO Image Systems Co., Ltd.	Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	1,000	15,120	-	15,120	
12	Defender Private Security Inc.	Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets at fair value through other comprehensive profit or loss – non-current	200	3,024	-	3,024	

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

Table 4

AGV Products Corporation  
Amount on acquisition of property reaching NTD300 million or more than 20% of the paid-in capital  
January 1 to December 31, 2020

Unit: RMB thousand

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

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



Table 5

AGV Products Corporation  
Purchase/sale amount of transactions with the related party reaching NTD100 million or more than 20% of the paid-in capital  
January 1 to December 31, 2020

Unit: NTD thousand

Purchasing (selling) company	Counterparty	Affiliation	Transaction status				Distinctive terms and conditions of trade and the reasons		Notes/accounts receivable (payable)		Remarks	
			Purchase (sale)	Amount	Percentage in purchase (sales) amount	Duration	Unit price	Duration	Balance	Percentage in total accounts/notes receivable (payable)		
AGV Products Corporation	Taiwan First Biotechnology Corp.	Invested company evaluated under the equity method	Purchase	1,100,510	44.69%	O/A 60 days	Equivalent	The grace period was extended for 1-5 months after the agreement of both parties	Accounts payable	586,832	84.84%	
	NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Purchase	215,413	8.75%	Partial payment for goods was made in advance, balance paid in full in the following month upon the receipt of goods	Equivalent	Equivalent	Accounts payable	19,317	2.79%	
			Sale	142,613	3.64%	O/A 90 days	Equivalent	Equivalent	Notes receivable	19,151	62.09%	
	Hope Choice Distribution Corp.	Subsidiary of the Company	Sale	566,181	14.44%	O/A 45-60 days	Equivalent	Equivalent	Accounts receivable	13,192	2.59%	
	Aco Distribution Corp.	Subsidiary of the Company	Sale	205,341	5.24%	O/A 45-60 days	Equivalent	Equivalent	Accounts receivable	39,180	7.70%	
									Accounts receivable	30,450	5.98%	

Table 6

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

Unit: NTD thousand

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

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

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

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

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

Table 7

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

Unit: Thousand shares; NTD thousand

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

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

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment gain or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
	Mascot International (BVI) Corporation	British Virgin Islands	Re-investment business	(USD 187)	(USD 187)			(USD 68)	(USD-1,237)	(USD -38)	
Mascot International (BVI) Corporation	Asia Pacific Product Development Co.	Vietnam	Processing and export of vegetables	51,634 (USD1,813)	51,634 (USD1,813)	1,813	95.27	5,334 (USD 187)	(2,094) (USD -71)	(1,995) (USD -68)	
	New Zealand Cosmetic Laboratories Limited	New Zealand	Cosmetics	11,563 (USD 406)	11,563 (USD 406)	639	28.71	1,527 (USD 54)	(183) (USD -6)	(53) (USD -2)	
	Bioken Laboratories Inc.	U.S.	Biotechnology	1,139 (USD 40)	1,139 (USD 40)	40	26.67	-	(248) (USD -8)	(66) (USD -2)	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	34,062 (USD1,196)	34,062 (USD1,196)	2,721	4.66	13,171 (USD 462)	(18,276) (USD -618)	(859) (USD -29)	
Asia Pacific Product Development Co.	Xingrong Limited	Vietnam	Gardening	2,447	2,423	-	100.00	-	(261)	(261)	
AGV Biotechnology (BVI) Products Corporation	Dongruntang Biotech Corp.	China	Food	60,634 (USD2,129)	60,634 (USD2,129)	13,971	29.53	48,060 (USD1,687)	(3,534) (USD -120)	(1,044) (USD -35)	
Aco Distribution Corp.	Tai Fu International Corp.	New Taipei City	Food manufacturing	15,000	15,000	4,956	14.29	67,467	11,144	1,592	
	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	20,600	20,600	969	0.73	23,528	240,873	1,716	
Koya Biotech Corp. (original Koya Agriculture Biotech Corp.)	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	513	513	65	1.04	1,421	32,715	340	
Hope Choice Distribution Corp.	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	10,350	10,350	459	0.35	11,726	240,873	809	
	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	35,340	35,340	1,945	1.47	39,894	240,873	3,450	

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment gain or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
Defender Private Security Inc.	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	314	314	44	0.70	956	32,715	229	
Sontenkan Resort Development Co., Ltd.	Zhuqi Lionhead Mountain Leisure Development Co., Ltd.	Chiayi County	Landscape and interior design	400	400	40	40.00	244	(12)	(4)	
	Liantong Developments, Co., Ltd.	Chiayi City	Housing construction and building rental and sales	32,663	32,663	5,188	30.52	28,125	(313)	(98)	
	Bravo Bakery Corp.	Taipei City	Food manufacturing and sales	20,943	20,943	2,400	24.00	-	-	-	
	Eastern Taiwan Resources Development Co., Ltd.	Taipei City	Entertainment business	5,971	5,971	930	5.21	5,347	(13,156)	(685)	
	Qixing Resort Co., Ltd.	Yunlin County	Tourism and recreation	90,000	75,000	9,000	34.68	89,750	(152)	(86)	
	Nice Plaza Co., Ltd.	Chiayi City	Department store, hotel	581,874	500,000	56,700	32.81	526,809	(69,110)	(19,997)	(Note 2)
Aiken Biotechnology International Co., Ltd.	Acts Bioscience Inc.	Chiayi City	Health food and sales	121	121	13	21.00	159	(17)	(4)	
	Rosahill Leisure Industry Co., Ltd.	Chiayi City	Proprietary business	17,500	17,500	1,750	70.00	39,046	13,886	9,720	
	Songshan Village Co., Ltd.	Chiayi City	Floriculture	2,921	2,921	292	22.45	453	(4,460)	(1,001)	
	AGV Biohealthy Food Limited	British Virgin Islands	Re-investment business	25,856	25,856	800	30.38	18,992	(1,034)	(314)	
	Qixing Resort Co., Ltd.	Yunlin County	Tourism and recreation	1,000	1,000	100	0.39	997	(152)	-	

(Note 1): The Company pledged 21,000 thousand shares of Taiwan First Biotechnology to the Bank of Taiwan as collateral for a syndicated loan.

(Note 2): The subsidiary of the Company – Sontenkan Resort Development Co., Ltd. pledged 50,000 thousand shares of Nice Plaza as collateral for a long-term loan.

Table 8

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

## (1) Information on investments in Mainland China

Unit: Foreign currency thousands; NTD thousand

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

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

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

(I) Engaged in direct investment in Mainland China.

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

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

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

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

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

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

(III) Other methods.

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

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

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



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

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

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

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

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

Table 9

AGV Products Corporation  
Major Shareholders Information  
December 31, 2020

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

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

#### XIV. Segment information

The Company had business segment information disclosed in the consolidated financial report; therefore, the business segment information was not disclosed in the parent company only financial report.

#### XV. Reclassification of accounting items

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

##### 1. Cash flow statement items

Accounting items	Before reclassification	Difference	After reclassification
Operating activities			
Increase (decrease) in other financial assets	(12,000)	12,000	-
Investment activities			
Increase in other financial assets	(7,483)	(12,000)	(19,483)

Contents of statement of important accounting titles

Item	Number / Index
Statement of assets, liabilities and equity	
Statement of Cash and Cash Equivalent	85
Statement of notes receivable	86
Notes receivable – statement of the related party	87
Statement of accounts receivable	88
Accounts receivable – statement of the related party	89
Statement of other accounts receivable	90
Other accounts receivables – statement of the related party	91
Inventory statement	92
Prepayment statement	93
Other financial assets – current statement	94
Statement of other current assets	95
Financial assets measured at fair value through other comprehensive income – statement of non-current changes	96
Statement of changes in investment under the equity method	97
Statement of changes in property, plant and equipment	Note 6(7)
Statement of changes in the accumulated depreciation of property, plant and equipment	Note 6(7)
Statement of changes in right-of-use assets	Note 6(8)
Statement of changes in accumulated depreciation of right-of-use assets	Note 6(8)
Statement of changes in investment property	Note 6(9)
Statement of changes in the accumulated depreciation of the investment property	Note 6(9)
Statement of intangible assets	Note 6(10)
Statement of deferred income tax assets	Note 6(26)
Statement of refundable deposit	99
Other financial assets – non-current statement	100
Other non-current assets – other statements	101
Statement of short-term loans	102
Contract liabilities – current statement	103
Statement of notes payable	104
Statement of accounts payable	105
Accounts payable – statement of the related party	106
Statement of other payables	Note 6(13)
Other payables – statement of the related party	107
Liability reserve – current statement	Note 6(14)
Lease liability statement	Note 6(8)
Statement of other current liabilities	108
Statement of long-term loans	109
Statement of deferred income tax liabilities	Note 6(26)
Statement of guarantee deposits	110
Statement of profit or loss items	
Statement of operating income	111
Statement of operating costs	112
Statement of manufacturing expenses	113
Statement of selling expenses	114
Statement of management expenses	115
Statement of R&D expenses	116
Statement of finance costs	Note 6(25)
Summary of employee benefits, depreciation, depletion and amortization expenses of the year by function	Note 6(22)

AGV Products Corporation  
Statement of Cash and Cash Equivalent  
December 31, 2020

Item	Summary	Amount	Remarks
Cash	Cash	\$ 182	
	Petty cash	685	
Cash sub-total		\$ 867	
Bank deposits	Savings deposit	\$ 397,717	
	Foreign currency deposit	651	USD 23
Bank deposit subtotal		\$ 398,368	
Total		\$ 399,235	

USD exchange rate of 1:28.48 on December 31, 2020

AGV Products Corporation  
Statement of notes receivable  
December 31, 2020

Customer name	Summary	Amount	Unit: NTD thousand Remarks
Company A	Accounts receivable for goods	\$ 6,776	
Company B	Accounts receivable for goods	3,010	
Company C	Accounts receivable for goods	940	
Others	(Summarized total for parts less than 5%)	966	
Total		\$ 11,692	
Less: Allowance loss		(12)	
Net amount		\$ 11,680	

AGV Products Corporation  
Notes receivable – statement of the related party  
December 31, 2020

Customer name	Summary	Amount	Unit: NTD thousand Remarks
NICECO International Corp.	Accounts receivable for goods	\$ 19,151	
Others	(Summarized total for parts less than 5%)	3	
Total		\$ 19,154	
Less: Allowance loss		(19)	
Net amount		\$ 19,135	

AGV Products Corporation  
Statement of accounts receivable  
December 31, 2020

Customer name	Summary	Amount	Remarks
Company A	Accounts receivable for goods	\$ 89,765	
Company B	Accounts receivable for goods	51,763	
Company C	Accounts receivable for goods	46,154	
Company D	Accounts receivable for goods	28,496	
Others	(Summarized total for parts less than 5%)	191,725	
Total		\$ 407,903	
Less: Allowance loss		(729)	
Net amount		\$ 407,174	

Unit: NTD  
thousand



AGV Products Corporation  
Accounts receivable – statement of the related party  
December 31, 2020

Customer name	Summary	Amount	Unit: NTD thousand Remarks
Hope Choice Distribution Corp.	Accounts receivable for goods	\$ 39,180	
Aco Distribution Corp.	Accounts receivable for goods	30,450	
NICECO International Corp.	Accounts receivable for goods	13,192	
Aiken Biotechnology International Co., Ltd.	Accounts receivable for goods	6,833	
Hopeland Distribution Corp.	Accounts receivable for goods	5,170	
Others	(Summarized total for parts less than 5%)	6,395	
Total		\$ 101,220	
Less: Allowance loss		(16)	
Net amount		\$ 101,204	

AGV Products Corporation  
Statement of other accounts receivable  
December 31, 2020

Item	Summary	Amount	Unit: NTD thousand Remarks
Compensation receivable	Compensation receivable	\$ 3,777	
Tax refund receivable from exports	Tax refund receivable from exports	5,302	
Service revenues receivable	Service revenues receivable	1,713	
Other receivable	Others	3,519	
Total		\$ 14,311	

AGV Products Corporation  
Other accounts receivables – statement of the related party  
December 31, 2020

Item	Summary	Amount	Remarks
Taiwan First Biotechnology Corp.	Other revenue receivable	\$ 9,756	
Nice Capital & Finance Corp.	Dividends receivable	7,264	
Others	Service revenue receivable	3,800	
Total		\$ 20,820	

Unit: NTD  
thousand

AGV Products Corporation  
Inventory statement  
December 31, 2020

Unit: NTD thousand

Item	Summary	Amount		Remarks
		Costs	Net realizable value	
Raw material	Food, spice	\$ 106,092	\$ 106,078	
Supplies	Cartons, caps, glass bottles	51,967	52,032	
Goods in process	Food in process	70,607	87,903	
Finished products	Canned foods, drinks	420,076	527,180	
Total		<u>\$ 648,742</u>	<u>\$ 773,193</u>	
Less: Allowance devaluation and obsolescence losses		(3,947)	-	
Net amount		<u><u>\$ 644,795</u></u>	<u><u>\$ 773,193</u></u>	

AGV Products Corporation  
 Prepayment statement  
 December 31, 2020

Item	Summary	Amount	Unit: NTD thousand Remarks
Prepayment for goods	Prepayment for material purchase and issuing	\$ 14,538	
Insurance prepayment	Insurance prepayment	1,429	
Bonus prepayment	Prepayment for gift certificates	21,087	
Other prepayments	Prepayments by others	16,094	
Total		\$ 53,148	

AGV Products Corporation  
Other financial assets – current statement  
December 31, 2020

Item	Summary	Amount	Unit: NTD thousand Remarks
Mega International Commercial Bank	Reserve account	\$ 6,000	
Land Bank of Taiwan	Reserve account	22,000	
Total		\$ 28,000	

AGV Products Corporation  
Statement of other current assets  
December 31, 2020

Item	Summary	Amount	Unit: NTD thousand Remarks
Attached right to return goods	Right of goods to be returned sold with right to return goods	\$ 2,930	
Total		\$ 2,930	

AGV Products Corporation  
Financial assets measured at fair value through other comprehensive income – statement of non-current changes  
January 1 to December 31, 2020

Unit: Thousand shares; NTD thousand

Name	Balance – beginning		Increase in the current period		Decrease in the current period		Balance – ending		Collateral and mortgage	Remarks
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
TWSE/TPEX listed stocks:										
Common stock:										
Kai Chieh International Investment Ltd.	2,413	\$ 94,473	-	\$ -	-	\$ 34,186	2,413	\$ 60,287	None	
Janfusun Fancyworld Corp.	10,332	19,322	-	10,126	-	-	10,332	29,448	None	
Janfusun Fancyworld Corp. – private placement	8,074	15,099	-	7,186	-	-	8,074	22,285	None	
Subtotal of TWSE/TPEX listed stocks		<u>\$ 128,894</u>		<u>\$ 17,312</u>		<u>\$ 34,186</u>		<u>\$ 112,020</u>		
TWSE/TPEX unlisted stocks:										
Common stock:										
Eastern Taiwan Cultural & Creative Co., Ltd.	6,750	\$ 47,079	-	\$ -	-	\$ 17,439	6,750	\$ 29,640	None	
Tangli Culture Media Co., Ltd.	2,200	22,591	-	97	-	-	2,200	22,688	None	
Pushi Venture Capital Co., Ltd.	114	452	-	63	-	-	114	515	None	
Nice Capital & Finance Corp.	6,950	74,185	-	17,231	-	-	6,950	91,416	None	
Aique International Co.	18	160	-	-	-	-	18	160	None	
B&B International Development Co., Ltd.	1,000	15,017	-	-	-	2,626	1,000	12,391	None	
Taiwan Aixianjia Biotech Corp.	540	5,319	-	-	-	570	540	4,749	None	
Subtotal of common stocks		<u>\$ 164,803</u>		<u>\$ 17,391</u>		<u>\$ 20,635</u>		<u>\$ 161,559</u>		
Preferred share										
Sontenkan Resort Development Co., Ltd. (Class C)	15,000	\$ 201,450	-	\$ -	-	\$ 61,350	15,000	\$ 140,100	None	
Nice Capital & Finance Corp. – 2015	6,171	81,395	-	11,910	-	-	6,171	93,305	None	
Nice Capital & Finance Corp. – 2017	4,733	62,428	-	9,135	-	-	4,733	71,563	None	
NICECO International Corp.	3,000	19,350	-	3,720	-	-	3,000	23,070	None	
Tangli Culture Media Co., Ltd. – 2005	15,000	178,200	-	2,550	-	-	15,000	180,750	None	
Tangli Culture Media Co., Ltd. – 2015	5,500	61,490	-	1,320	-	-	5,500	62,810	None	
Kuo Cheng Investment Development Corp.	2,484	29,510	-	8,073	-	-	2,484	37,583	None	
Sontenkan Resort Development Co., Ltd. (Class D)	3,000	39,630	-	-	-	12,180	3,000	27,450	None	
Taiwan Aibaonuo Biotech Co., Ltd.	600	4,878	-	-	-	582	600	4,296	None	
Subtotal of preferred shares		<u>\$ 678,331</u>		<u>\$ 36,708</u>		<u>\$ 74,112</u>		<u>\$ 640,927</u>		
Subtotal of TWSE/TPEX unlisted stocks		<u>\$ 843,134</u>		<u>\$ 54,099</u>		<u>\$ 94,747</u>		<u>\$ 802,486</u>		
Unlisted foreign stocks:										
Common stock:										
Likeda Development Co., Ltd.	3,900	\$ -	-	\$ -	-	\$ -	3,900	\$ -	None	
Subtotal of foreign unlisted stocks		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		
Total		<u>\$ 972,028</u>		<u>\$ 71,411</u>		<u>\$ 128,933</u>		<u>\$ 914,506</u>		

Description: 1. The current increase of NTD71,411 thousand was the unrealized valuation gain of financial assets.

2. The current decrease of NTD128,933 thousand was the unrealized valuation loss of financial assets.



AGV Products Corporation  
Statement of changes in long-term equity investment under the equity method  
January 1 to December 31, 2020

Name	Balance – beginning		Increase in the current period		Decrease in the current period		Balance – ending			Market price or net worth of equity		Collateral and mortgage	Remarks
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding ratio	Amount	Unit price	Total price		
	Unit: Thousand shares; NTD thousand												
Apoland Resource International (BVI) Corp.	11,510	\$ 105,377	-	\$ 619	-	\$ 6,691	11,510	100.00	\$ 99,305	8.63	99,305	None	
Defender Private Security Inc.	4,000	45,898	-	7,098	-	-	4,000	100.00	52,996	13.25	52,996	None	
Koya Biotech Corp. (Original Koya Agriculture Biotech Corp.)	13,528	98,281	1,000	21,736	-	13,714	14,528	87.90	106,303	7.36	106,887	None	
Aco Distribution Corp.	5,472	94,415	-	17,120	-	8,420	5,472	100.00	103,115	18.90	103,397	None	
Sasaya Vitagreen Co., Ltd.	500	4,511	-	-	-	23	500	100.00	4,488	8.98	4,488	None	
AGV International (BVI) Limited	460	13,891	-	2	-	695	460	100.00	13,198	28.69	13,198	None	
Sontenkan Resort Development Co., Ltd.	121,889	1,221,601	17,000	258,109	-	44,120	138,889	100.00	1,435,590	10.34	1,435,590	None	
Alpha International Developments Limited	2,433	26,140	-	1,314	-	-	2,433	100.00	27,454	11.28	27,454	None	
Hope Choice Distribution Corp.	6,500	77,052	-	18,952	-	11,281	6,500	100.00	84,723	13.66	88,788	None	
Mascot International (BVI) Corporation	9,413	98,362	-	1,216	-	39,130	9,413	96.91	60,448	6.42	60,448	None	
Apoland Development (Singapore) Pte Ltd.	52,712	258,007	1,610	34,624	-	32,297	54,322	93.08	260,334	4.78	259,729	None	
Hopeland Distribution Corp.	1,215	15,460	-	4,544	-	2,005	1,215	81.00	17,999	16.46	19,999	None	
Yunlin Dairy Technology Corp.	4,322	99,224	433	26,283	-	21,857	4,755	75.83	103,650	21.81	103,694	None	
Taiwan First Biotechnology Corp.	54,757	1,020,890	-	142,415	-	32,995	54,757	41.28	1,130,310	20.83	1,140,678	Partial mortgage	
AGV Biotechnology (BVI) Products Corporation	783	18,902	-	1	-	307	783	29.75	18,596	23.75	18,596	None	
Aiken Biotechnology International Co., Ltd.	5,757	80,998	-	8,357	-	7,138	5,757	53.77	82,217	14.32	82,413	None	
Taiwan First Biotechnology Corp. (BVI) Corp.	25,063	133,235	550	27,323	-	27,901	25,613	100.00	132,657	5.18	132,657	None	
Yanjing AGV International Company Limited	2,500	13,333	-	1,474	-	-	2,500	50.00	14,807	5.92	14,807	None	
Heding International Development Co., Ltd.	16,788	133,555	-	19,172	-	-	16,788	48.98	152,727	9.29	155,881	None	
First Bio Venture (BVI) Capital	25	743	-	1	-	37	25	49.00	707	28.28	707	None	
Kuo Cheng Investment Development Corp.	5,000	79,463	-	25,036	-	-	5,000	47.62	104,499	20.90	104,499	None	
Hopeman Distribution Co., Ltd.	6,950	48,404	-	7,899	-	1,271	6,950	43.44	55,032	7.92	55,032	None	
Nice Investment Development Ltd.	4,800	117,237	-	41,411	-	5,731	4,800	36.64	152,917	31.86	152,917	None	
Nicostar Capital Investment (BVI) Ltd.	1,764	28,980	-	-	-	2,942	1,764	36.21	26,038	14.76	26,038	None	
Eastern Taiwan Resources Development Co., Ltd.	5,880	37,436	-	840	-	4,469	5,880	32.94	33,807	5.75	33,807	None	
Tongjitang Medicinal Biotech Corp.	5,000	49,015	-	380	-	57	5,000	26.27	49,338	9.87	49,338	None	
Nice Enterprise Co., Ltd.	49,224	1,068,214	-	102,087	-	13,099	49,224	28.24	1,157,202	23.53	1,158,023	None	
Tai Fu International Corp.	8,615	106,715	-	9,682	-	-	8,615	24.83	116,397	13.51	116,397	None	
Total		\$ 5,095,339		\$ 777,695		\$ 276,180			\$ 5,596,854		\$ 5,617,763		

Description:

1. The market price and net equity worth of invested companies: the net worth of equity was calculated based on the 2020 financial statements audited and attested by the CPA.

2. The contents of the current increase of NTD777,695 thousand is as follows:

Purchase increase	230,892
Investment gains recognized under the equity method	258,675
Exchange difference in the financial statement translation of foreign operations	13,221
Capital surplus	2,324
Accumulated profit	1,778
Actuarial income on defined benefit plan	1,109
Equity measured at fair value through other comprehensive income	259,756
Unrealized valuation profit or loss from instrument investment	
Realized profit or loss from sales	9,940
Total	<u>777,695</u>

3. The contents of current decrease of NTD276,180 thousand is as follows:

Investment losses recognized under the equity method	145,144
Cash dividends under the equity method	83,495
Exchange difference in the financial statement translation of foreign operations	23,738
Capital surplus	-
Accumulated profit	7,509
Actuarial income on defined benefit plan	7,421
Equity measured at fair value through other comprehensive income	562
Unrealized valuation profit or loss from instrument investment	
Unrealized profit or loss from sales	8,311
Total	<u>276,180</u>

AGV Products Corporation  
Statement of refundable deposit  
December 31, 2020

Item	Summary	Amount	Unit: NTD thousand Remarks
Refundable deposit	Performance bond	\$ 43,000	
	Gas consumption deposit of CPC Corporation	4,374	
	Lease guarantee fees	11	
	Others	820	
Total		\$ 48,205	

AGV Products Corporation  
Other financial assets – non-current statement  
December 31, 2020

Unit: NTD thousand

Item	Summary	Amount	Remarks
Bank of Taiwan – Chiayi Branch	Reserve account	\$ 20,025	Collateral for long-term loans
Total		<u>\$ 20,025</u>	

AGV Products Corporation  
Other non-current assets – other statements  
December 31, 2020

Unit: NTD thousand

Item	Summary	Amount	Remarks
Long-term expenses	prepaid Advertisement production expenses	\$ 14,209	
	Total	<u>\$ 14,209</u>	

AGV Products Corporation  
Statement of short-term loans  
December 31, 2020

Unit: NTD thousand

Creditor	Summary	Balance – ending	Agreement Terms	Financing quota	Collateral and mortgage	Remarks
Bank of Taiwan First	Credit loans	\$ 60,000	1091026-1100122	60,000	None	
Commercial Bank Taiwan	Credit loans	80,000	1091224-1100324	80,000	None	
Cooperative Bank	Mortgage loan	60,000	1090429-1100429	60,000	Mortgage	
Hua Nan Commercial Bank	Mortgage loan	60,000	1091022-1100122	60,000	Mortgage	
Far Eastern International Bank	Credit loans	50,000	1091224-1100324	50,000	None	
Shin Kong Commercial Bank	Credit loans	50,000	1091225-1100125	50,000	None	
Mega International Commercial Bank	Credit loans	20,000	1091030-1100428	120,000	None	
Land Bank of Taiwan	Credit loans	110,000	1091012-1100110	175,000	None	
Total		<u>\$ 490,000</u>				
Interest rate interval at the end		<u>1.59%-1.85%</u>				

AGV Products Corporation  
 Contract liabilities – current statement  
 December 31, 2020

Customer name	Summary	Amount	Remarks
Company A	Advance sale receipts	\$ 4,548	
Company B	Advance sale receipts	1,988	
Others	(Summarized total for parts less than 5%)	1,582	
Total		\$ 8,118	

Unit: NTD  
thousand

AGV Products Corporation  
Statement of Notes Payable  
December 31, 2020

Customer name	Summary	Amount	Unit: NTD thousand Remarks
Company A	Note of payment for goods	\$ 10,175	
Company B	Note of payment for goods	9,508	
Company C	Note of payment for goods	4,597	
Company D	Note of payment for goods	3,852	
Company E	Note of payment for goods	3,555	
Company F	Note of payment for goods	3,300	
Company F	Note of payment for goods	3,135	
Others	(Summarized total for parts less than 5%)	21,910	
Total		<u>\$ 60,032</u>	



AGV Products Corporation  
Statement of Accounts Payable  
December 31, 2020

Customer name	Summary	Amount	Remarks
Company A	Accounts payable for goods	\$ 5,899	
Company B	Accounts payable for goods	5,039	
Company C	Accounts payable for goods	4,803	
Company D	Accounts payable for goods	4,334	
Company E	Accounts payable for goods	4,148	
Others	(Summarized total for parts less than 5%)	56,711	
Total		\$ 80,934	

Unit: NTD  
thousand

AGV Products Corporation  
Accounts payable – statement of the related party  
December 31, 2020

Customer name	Summary	Amount	Remarks
Taiwan First Biotechnology Corp.	Accounts payable for goods	\$ 586,832	
Others	Accounts payable for goods	23,911	
Total		\$ 610,743	

Unit: NTD  
thousand

AGV Products Corporation  
Other payables – statement of the related party  
December 31, 2020

Item	Summary	Amount	Remarks
Hopeman Distribution Co., Ltd.	Freight payable	\$ 14,700	
Tangli Culture Media Co., Ltd.	Advertisement expenses payable	19,968	
Tangsheng International Co., Ltd.	Management fee payable	2,494	
Taiwan First Biotechnology Corp.	Miscellaneous fee payable	4,935	
Defender Private Security Inc.	Miscellaneous fee payable	1,110	
Others	Miscellaneous fee payable	612	
Total		\$ 43,819	

Unit: NTD  
thousand

AGV Products Corporation  
Statement of other current liabilities  
December 31, 2020

Item	Summary	Amount	Unit: NTD thousand Remarks
Refund liabilities	Right of goods to be returned sold Refund liabilities	\$ 4,309	
Total		\$ 4,309	

AGV Products Corporation  
Statement of long-term loans  
December 31, 2020

Unit: NTD thousand					
Creditor	Summary	Loan balance	Agreement Terms	Collateral and mortgage	Remarks
10 syndicated loan banks such as Bank of Taiwan - Item A	Mortgage loan	\$ 1,130,000	1080128-1130128	Land and building, stocks and bank deposits	
10 syndicated loan banks such as Bank of Taiwan - Item B	Mortgage loan	546,900	1080128-1130128	Land and building, stocks and bank deposits	
Land Bank of Taiwan	Mortgage loan	165,333	1081226-1111226	Land and building	
Taiwan Cooperative Bank	Mortgage loan	229,500	1060303-1110303	Land and building	
Taiwan Cooperative Bank	Mortgage loan	346,000	1090820-1140820	Land and building for rental	
Bank of Kaohsiung	Credit loans	50,000	1091230-1141230	Land	
Bank of Kaohsiung	Mortgage loan	250,000	1091230-1141230	Land	
Hua Nan Commercial Bank	Mortgage loan	110,000	1080815-1130815	Land and building	
Agricultural Bank of Taiwan	Mortgage loan	50,000	1081227-1101227	Land and building	
Entie Commercial Bank	Credit loans	150,000	1091221-1111221	None	
Taichung Commercial Bank	Credit loans	39,195	1090424-1120424	None	
Total		<u>\$ 3,066,928</u>			
Less: Unamortized discount		(5,960)			
Less: Long-term liabilities due within a year		(533,124)			
Long-term loans		<u>\$ 2,527,844</u>			
Interest rate interval at the end		<u>1.421%-2.45%</u>			

AGV Products Corporation  
Statement of guarantee deposits  
December 31, 2020

Item	Summary	Amount	Remarks
Guarantee fee for commissioned delivery of goods	Guarantee fee for commissioned delivery of goods	\$ 1,266	
Lease guarantee fees	Lease deposit	220	
Warranty guarantee fees	Warranty deposit	35	
Performance guarantee	Performance deposit	209	
Total		\$ 1,730	

Unit: NTD  
thousand

AGV Products Corporation  
Statement of Operating Income  
2020

Unit: NTD thousand

Item	Quantity (thousand dozen)	Amount	Remarks
Drink series	9,569	\$ 1,499,932	
Tradition series	2,848	1,114,944	
Oat milk series	3,841	764,717	
Dessert series	3,126	771,363	
Other series	57	105,631	
Subtotal		\$ 4,256,587	
Revenue from processing		82,251	
Total		\$ 4,338,838	
Less: Sales return		(39,477)	
Sales discount		(377,507)	
Net amount		\$ 3,921,854	

AGV Products Corporation  
Statement of Operating Costs  
2020

Item	Unit: NTD thousand 2020
Material inventory, beginning	\$ 98,796
Plus: Purchase of materials in current period	469,513
Less: Material inventory at ending	106,092
Sales	141
Requisition transfer expenses	143
Other deductions – transfer to loss on scrapping	1,975
Material consumption	\$ 459,958
Material inventory, beginning	48,428
Plus: Purchase of materials in current period	432,364
Less: Material inventory at ending	51,967
Sales	91
Requisition transfer expenses	8,702
Other deductions – transfer to loss on scrapping	1,267
Consumption of supplies	\$ 418,765
Direct labor	112,567
Manufacturing expenses	188,175
Manufacturing costs	\$ 1,179,465
Plus: goods in process, beginning	70,140
Less: goods in process, ending	70,607
Processing cost transfer-out	76,373
Requisition transfer expenses	15
Other deductions – scrapping	468
Cost of finished products	\$ 1,102,142
Plus: finished products, beginning	348,828
Finished products from external purchase	1,560,828
Other additions and deductions – sales return	1,365
Less: finished products, ending	420,076
Loss on inventory	15
Requisition transfer expenses	6,573
Other deductions – loss on scrapped inventory	16,838
Cost of finished products sold	\$ 2,569,661
Cost adjustments	
Others additions and deductions – sales return, difference	(5,567)
Production and marketing costs	\$ 2,564,094
Processing cost	76,373
Cost of sold material	141
Cost of sold inventory	91
Loss (gain) on inventory	15
Loss on inventory devaluation and obsolescence	(6,530)
Fixed manufacturing expenses not amortized	31,677
Loss on scrapped inventory	19,177
Revenue from sale of scraps	(3,237)
Operating costs	\$ 2,681,801



AGV Products Corporation  
Statement of Manufacturing Expenses  
January 1 to December 31, 2020

Item	Unit: NTD thousand 2020
Indirect labor	\$ 52,832
Rental expenses	170
Stationery	104
Traveling expenses	81
Postage and cable charges	63
Repair expenses	22,992
Water, electricity and gas bill	33,632
Insurance premium	5,109
Taxes	2,072
Depreciation	43,860
Various amortization	11
Meal allowance	2,211
Employee Benefits	800
Training expenses	159
Miscellaneous purchases	890
Pension	2,001
Other expenses	52,865
Fixed manufacturing expenses not amortized	(31,677)
Total	\$ 188,175

AGV Products Corporation  
Statement of Selling Expenses  
January 1 to December 31, 2020

Item	Unit: NTD thousand 2020
Salary expense	\$ 102,286
Rental expenses	2,063
Traveling expenses	3,197
Freight costs	133,285
Postage and cable charges	777
Repair expenses	589
Advertisement expenses	227,466
Water, electricity and gas bill	413
Insurance premium	6,715
Entertainment expense	533
Taxes	4,266
Depreciation	1,126
Various amortization	25
Meal allowance	2,847
Employee Benefits	1,122
Commission expenses	233,797
Labor services fee	489
Pension	3,037
Miscellaneous purchases	212
Travel allowance	2,399
Other expenses	18,171
Total	\$ 744,815

AGV Products Corporation  
Statement of Management Expenses  
January 1 to December 31, 2020

Item	Unit: NTD thousand 2020
Salary expense	\$ 143,473
Rental expenses	367
Traveling expenses	727
Postage and cable charges	947
Repair expenses	6,111
Water, electricity and gas bill	1,987
Insurance premium	10,957
Entertainment expense	1,954
Donation	343
Taxes	3,944
Depreciation	19,969
Various amortization	686
Meal allowance	3,764
Employee Benefits	1,545
Labor services fee	8,926
Pension	4,077
Miscellaneous purchases	567
Travel allowance	935
Other expenses	20,241
Total	\$ 231,520

AGV Products Corporation  
Statement of R&D expenses  
January 1 to December 31, 2020

Item	Unit: NTD thousand 2020
Salary expense	\$ 20,015
Traveling expenses	174
Repair expenses	182
Water, electricity and gas bill	1,491
Insurance premium	1,511
Entertainment expense	379
Depreciation	3,744
Various amortization	-
Meal allowance	615
Employee Benefits	248
Expenses of commissioned R&D	964
Labor services fee	554
Pension	564
Miscellaneous purchases	190
Other expenses	10,371
Total	\$ 41,002