Stock Code: 1217

AGV Products Corporation

2023 Annual Report

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Ⅶ. CPA for the financial report in the most recent year

CPA	Accounting firm name	Address and Tel.
Shu-Man Tsai Ling-Wen Huang	Crowe (TW) CPAs	Kaohsiung firm: 27F.-1, No. 6, Siwei 3rd Rd., Lingya Dist., Kaohsiung City Tel: (07)3312133
Website: https://www.crowe.com/tw		

Ⅷ. Exchange information on offshore transactions of the company’s securities: None.

Ⅸ. Official website: https://www.agv.com.tw/

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One. Letter to Shareholders

I. Letter to Shareholders from the Chairman

It is a great honor to once again gather with all shareholders, distinguished guests, officials, and esteemed colleagues. The AGV team sincerely thanks everyone for their support and encouragement. We are committed to protecting consumer health and achieving excellent business results. I would like to report last year's operating results and future prospects with heartfelt gratitude.

Looking at the global market, we are currently facing numerous adverse factors, such as the US-China confrontation, the Russia-Ukraine war, regional conflicts, resource surges, and inflation. However, we can take comfort in the fact that we have finally weathered the COVID-19 pandemic together since the end of 2019. Facing a challenging market environment, the team has adhered to the company's forward-looking operating strategies [achieving annual targets, launching new products, solidifying competitive positions, and seeking market opportunities]. We have worked together to leverage our learning-oriented organization that integrates R&D, production, and sales, overcoming difficulties with creative planning strategies and precise, flexible channel management to continuously achieve stable and positive performance.

Furthermore, the team is actively planning strategic collaborations with international companies and exploring blue ocean markets internationally. We continue to promote innovative R&D for products such as oat drink, functional teas, functional beverages, the big health concept, and high-protein series, aiming to lay the foundation for growth over the next 10, 20, or even 30 years. Examples include collaboration opportunities with major domestic and international customers and key channels, accumulation of 29 health food certifications and various process innovation and R&D patents, development of functional and plant-based products, the establishment of the KOYA DPM factory Oat Advanced Bio-Tech Innovation Park, and the newly established national-level Plant Milk Technology R&D Center last year.

Additionally, the company is responding to global trends by continuously advancing sustainability strategies and social responsibility, integrity governance, sustainable operations, food safety and quality control, work environment and management, as well as employee welfare, to improve corporate structure and lay the foundation for a century-long enterprise.

With the care of shareholders, distinguished guests, officials, and esteemed colleagues, the trust of customers, the support of suppliers, and the efforts of employees, the company has been able to steadily progress and strive for excellence even in difficult environments. In 2023, the company's total consolidated shareholders' equity amounted to NT$7,564,491,000 (an increase of NT$47,019,000), and consolidated revenue was NT$4,900,038,000 (an increase of NT$99,413,000). Since adopting the IFRSs international financial reporting standards in 2015, we have achieved eight consecutive years of revenue growth. Since the start of the COVID-19 pandemic in 2020, our annual consolidated net profit has consistently exceeded NT$200,000,000, reaching NT$217,600,000 last year, with earnings per share of NT$0.41. To reward shareholders, we will also distribute dividends for the third consecutive year, with NT$0.23 per share.

Looking to the future, the team will continue to focus on ensuring food safety, enhancing product quality, and improving health functions. We will also deepen our efforts in sustainability, government compliance, social responsibility, innovation in R&D, and talent development to enhance core competitiveness and increase corporate value. Meanwhile, we will uphold our corporate vision of making tomorrow healthier, following the 113-year business guidelines to achieve our operational goals and meet all expectations. Thank you again for your guidance and support. We look forward to continuing to work together to create a better future. Thank you!

Wishing everyone good health and all the best,

Chairman Kuan-Han Chen

June 21, 2024

II. Business Report

(I) 2023 Business Report

Unit: NTD thousand

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

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

(II) Summary of the 2024 Business Plan

The following are AGV’s business strategies for 2023:

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

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

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

II. [Building a growth engine and enhancing operating efficiency]: Activating the six forces driving growth and creating conditions for long-term profits
   1. Seeking mechanized and automated production and manufacturing, assessment of the introduction of AI, and emphasis on production management scheduling, to reduce wear-and-tear and production costs.
   2. Strengthening occupational knowledge and skills, on-the-job training, certifications of external training, and passing down of skills, to improve the level of professionalism.
   3. Optimizing procurement costs, attaching importance to the supplier evaluation system, and continued development and vertical integration of new suppliers, to optimize cost management.
   4. Training human resources, strengthening industry-academia collaboration, developing talent with general and professional skills, and encouraging on-the-job training to expand the talent pool.
   5. Investment in R&D and innovation, strengthening investments in the sub-institutes for biotechnology and food safety of the Institute of Health Science, and accumulating intellectual property and patents, to achieve product uniqueness and food safety protection.
   6. Making use of the group's synergy, by combining cross-brand products with

existing and new strategic units, to increase the efficiency of R&D, production and sales resources.

III. [Following policy trends and increasing corporate values]: Integrating internal and external resources of our company and enhancing its corporate values and goodwill

1. In response to short-term trends in politics, the economy and people's livelihoods at home and abroad: presidential election, inflation, AI, and functional foods.
2. In response to medium-term trends in politics, the economy and people's livelihoods at home and abroad: regional tensions, deflation, green energy and carbon reduction, and plant-based products.
3. In response to long-term trends in politics, the economy and people's livelihoods at home and abroad: US-China confrontation, economic cycles, sustainable development, and the health industry.
4. Concentrating resources to achieve revenue growth, increases in three margins (gross profit margin, operating profit margin, and net profit margin) and enhanced market values, to ensure the financial interests of shareholders and related parties.
5. Cooperating with the government in fulfilling the objectives of corporate responsibility, net-zero carbon reduction and environmental sustainability, to enhance AGV's goodwill and social value.
6. Seeking to support short-, medium- and long-term performance with financial and non-financial targets to ensure stable and progressive corporate values.

The following is a summary of the 2024 business plan:

1. AGV's development of new products:

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

   Taiwan's fast moving consumer goods market is a leading indicator of the global market due to its position at the forefront of the global food industry, and it having a developed food industry, R&D and innovation capabilities, and advanced manufacturing processes. Its prosperous economy and open market has given rise to favorable two-way conditions for manufacturers, channels and consumers. Its consumers, being loyal to brands and also willing to try new things, are highly receptive to new foreign products and concepts, and their spending behavior is largely influenced by their own living habits, buying mentality, product preferences and spending ideas. AGV possesses capabilities for the one-stop integration of R&D, production, planning, and marketing in the areas of market research, product R&D, production, manufacturing, quality control, marketing, advertising and sales. In response to internal/external environmental variables, competition, consumption trends and market trends, AGV has determined the direction of new product development for the following main products in 2024 in accordance with its annual operating strategy:

(1) Cultural cuisines - Focusing on deliciousness and convenience and meeting the needs of different timings and groups:
Traditional Taiwanese cuisines - Tube Savory Rice Pudding, tube sticky rice cake, plant-based canned fish, Kanten grass jelly, and mixed congee with five grains.

(2) Healthy drinks - Focusing on health functions and meeting various functional needs:
Functional drinks with oat - Premium Oat Drink (Maca-Zinc), Japanese-style green tea numbered Jian-Zi, and multi-fiber tea drinks.

(III) Prospect for the Future:

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

(1) Enhancing corporate values and focusing on sustainable development (financial and non-financial values, shareholders' interests, and social responsibilities)
(2) Optimizing operations management and connecting the benefits of management (benefits of management: production, sales, human resources, R&D, finance and accounting)
(3) Creating niche advantages and establishing a strong position (niche advantages: group, brands, products, R&D, and technologies)
(4) Step-by-step growth strategies for the short, medium, and long terms (product positioning, brand advantages, strategic alliances, and biotech park)

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

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

I. Continuing to strengthen the four strategic directions for 2023:
   - [Corporate values] Focusing on sustainable development and fulfilling corporate social responsibility
   - [Competitive advantages] Strengthening R&D, production, planning and marketing, and building competitive barriers
   - [Growth momentum] Exploring blue ocean platforms and leading the consumption trend
   - [Resource integration] Combining industry, government, academia, and the private sector to enhance the synergy of a win-win situation

II. Implementation of the operational strategies for 2024:
   - [Strengthening red ocean channels and developing blue ocean platforms]: Strengthening cooperation with existing channels and increasing opportunities for market products
   - [Building a growth engine and enhancing operating efficiency]: Activating the six forces driving growth and creating conditions for long-term profits
   - [Following policy trends and increasing corporate values]: Integrating internal and external resources of our company and enhancing its corporate values and goodwill

Chairman: President: Accounting Officer:

Two. Company Profile

I. Company Profile

Establishment Date: June 26, 1971

1. Establishment:
   (1) Mr. Ching-tsun Chen established the Company to produce feed for pigs and chickens in June, 1971. The original name of the Company was Guoben Industrial Co. Ltd. and the paid-in capital was NTD 3,000,000. The canned pickle factory was completed in 1977 to produce pickled cucumber, spicy cucumber, daikon in bean paste, pickling melon in sauce and black bean products. The Company was renamed to AGV Products Corporation in September, 1983 and operates to this day.
   (2) From 1972 to 1985, there were 5 cash capital increases, one recapitalization from capital surplus, and one recapitalization of earning and merger of AGV Products Corporation. The capital increase from the merger totaled NTD 177,000,000 and the capital after increase reached NTD 180,000,000.
2. 1986:
   (1) Merger of Ai-xin-wu Co., Ltd. The capital increase from the merger was NTD 4,992,000 and the capital reached NTD 184,992,000. The cash capital increase was NTD 31,008,000 and the total capital was NTD 216,000,000.
   (2) Introduction of new product Neo Neo Ten Huba.
3. 1987: Introduction of new products such as ginseng vinegar, apple vinegar, instant drinks and spicy pickled cucumber.
4. 1988:
   (1) The cash capital increase was NTD 190,000,000, the recapitalization of earnings was NTD 54,000,000 and the total capital was NTD 460,000,000.
   (2) Construction of fast food factory in response to rapid growth and new product development.
   (3) Introduction of new products such as Missik, pearl sago and mustard.
5. 1989:
   (1) The cash capital increase was NTD 229,000,000 and the recapitalization of earnings was NTD 100,000,000. The total capital was NTD 789,000,000 and the Company was listed as a public company approved by competent authority in October 28.
   (2) Extension of food factory, finished product warehouse and construction and purchase of business location; extension of pig house and Song-Shan-Ling farm to develop the pig industry.
   (3) Introduction of new products such as mapo tofu and vegetarian barbecue sauce.
6. 1990:
   (1) The recapitalization from capital surplus was NTD 211,000,000 and the total capital was NTD 1 billion.
   (2) Introduction of new products such as delicious food sauce, longan tofu pudding, peanut tofu pudding, Laqi, honey herbal jelly, iced mung bean cake, milk peanut soup, coffee and chocolate.
7. 1991:
   (1) Recapitalization from capital surplus was NTD 198,000,000 and the preferred share issued by increased cash capital was NTD 350,000,000. The total capital was NTD 1,548,000,000.
   (2) Introduction of Chinese prepared foods such as pig's feet with potatoes, braised pork ball in brown sauce, braised beef, braised pork with pickled vegetables and pork with pickling melon; canned vegetarian foods such as vegetarian braised mushroom, vegetarian braised pork and vegetarian mapo tofu. Introduction of canned drinks

such as nectar black tea, rhinacanthus nasutus tea, starfruit juice, V21 mixed juice, plum juice and Xiao Xian-Zhu.

8. 1992:
   (1) The recapitalization from capital surplus was NTD 71,880,000 and the total capital was NTD 1,619,880,000.
   (2) Introduction of drinks such as white gourd drink and wheat black tea and canned prepared food such as curry vegetarian meat, steamed pork ribs with black bean sauce, pork ribs with bitter gourd and curry pork.
9. 1993:
   (1) Introduction of canned drink series such as coconut jelly, almond pie, peanut pie, papaya pearl and oolong.
   (2) To improve business efficiency, the feed and livestock business was terminated in the first quarter of 1993 due to its low added value of products and high costs for pollution prevention.
   (3) To develop diversified operation and make effective use of the Company's land resources, the construction department was established in 1993.
   (4) The recapitalization from capital surplus was NTD 126,988,000 and the cash capital increase was NTD 120,000,000. The total capital was NTD 1,866,866,000.
10. 1994:
   (1) The recapitalization from capital surplus was NTD 163,132,000 and the total capital was NTD 2.03 billion.
   (2) The food department introduced canned prepared food mutton stewed with angelicae radix and drinks including carton-pack lemon tea, osmanthus oolong and green tea as well as bottled oolong and Sasaya coconut drink.
   (3) The construction department built the "Ai-Jia-Cun" garden villa with 19 households.
11. 1995:
   (1) Introduction of canned red bean soup with jelly cake, vegetable stock, canned tuna and canned drink series such as wheat tea, roselle tea, herb tea, sports drinks and apple soda.
   (2) The recapitalization from capital surplus was NTD 168,000,000 and the recapitalization of earning was NTD 168,000,000. The total capital was NTD 2,366,000,000.
12. 1996:
   (1) The recapitalization of earnings was NTD 141,120,000 and the total capital was NTD 2,507,120,000.
   (2) Introduction of products such as kumquat lemon juice, salted mackerel with ginger and teriyaki fish fillet.
13. 1997:
   (1) The recapitalization from capital surplus was NTD 125,350,000 and the recapitalization of earning was NTD 250,710,000. The total capital was NTD 2,883,180,000.
   (2) Introduction of products such as Taiwanese kimchi, Korean kimchi, sliced burdock, soybean milk, Hawaiian juice, cane asparagus juice, coconut with cane &asparagus, herb tea with white gourd, Sasaya pomelo, roselle nectar, kumquat honey, four flavor juice and milk oatmeal.
14. 1998:
   (1) The recapitalization from capital surplus was NTD 161,450,000 and the recapitalization of earning was NTD 256,600,000. The total capital was NTD 3,301,250,000.
   (2) Introduction of peeled chili pepper, konjac mung bean soup with jelly cake, malt beverage and nable came asparagus juice.
15. 1999:
   (1) The recapitalization from capital surplus was NTD 92,430,000 and

the recapitalization of earning was NTD 72,630,000. The total capital was NTD 3,466,310,000.

(2) Introduction of red bean milk, peanut milk, lemon asparagus juice, braised potatoes and a Hello Kitty series of products.

16. 2000: (1) The recapitalization from capital surplus was NTD 103,990,000 and the recapitalization of earning was NTD 69,330,000. The total capital was NTD 3,639,630,000.

(2) Introduction of products such as New Zealand milk tea, green tea with milk, burdock tea, chutney, vegetarian barbecue sauce and Wang-Ke.

17. 2001: (1) Introduction of products such as crystal sugar seaweed with honey, crystal sugar seaweed with plum, laver sauce, hot pot-Kimchi hotpot, spicy stinky tofu hotpot, konjac pearl, pearl milk tea, hawthorn plum juice, orange juice, guava juice, PET2000 fresh green tea and fresh oolong.

(2) Packaged products for business: products such as tree mushroom and needle mushroom, pot-stewed bamboo shoot and sliced cucumber.

(3) A shareholders' meeting was held to re-elect directors and the change reached above one-third of the directors. The Company has conducted the announcement and report based on relevant regulations of the competent authority; a new general manager was newly hired on June 12 and served concurrently as the spokesperson.

18. 2002: Introduction of products such as yam gluten, CPP milk peanut soup, fresh tomato juice series, bulk coconut milk for catering, king of green tea, fresh sliced cucumber and Japanese dried bamboo shoots.

19. 2003: Introduction of products such as fresh fruit and vegetable juice, fresh orange juice, healthy oil, olive and grape seed oil, Chin Lung 28℃ kaoliang spirit, captain cook coffee, roselle capsules, tomato stock hotpot, spicy tomato hotpot, highland milk yogurt drink, popsicle and ice cream.

20. 2004: Introduction of anthocyanin grape seed, red guava juice, roselle health drink, roselle health beverage, barley tea, mini-tuna fillet, healthy sunflower grape seed oil, highland fresh milk, zero fat yogurt drink, red guava juice, kumquat orange juice, mango juice, highland whole milk, highland low-fat milk and roselle capsules.

21. 2005: (1) Capital increase of NTD 68,630,000 due to the transferring of overseas convertible corporate bonds to common stock. The total capital was NTD 3,708,260,000.

(2) Introduction of products such as healthy oil-cut green tea, healthy oil-cut puerh tea, William milk tea, apple polyphenols beauty juice, spicy sauce, golden grape seed oil, Niu Mama whole milk, hami melon flavored milk, hazelnut chocolate flavored milk, light lemon fermented milk, light apple fermented milk, original fermented milk, raspberry mixed berry juice, pineapple tomato juice, healthy sugar-free tea (Gyokuro green tea), fruit and vegetable flavored milk, Niu Mama juice flavored milk, Niu Mama malt flavored milk and Niu Mama chocolate flavored milk.

22. 2006: (1) Capital increase of NTD 68,630,000 due to the transferring of overseas convertible corporate bonds to common stock. The total capital was NTD 3,776,890,000.

(2) Introduction of pickled needle mushroom, low-sugar tea-Gyokuro green tea, low-sugar tea-chin-shin-oolong, low-sugar tea-jasmine green tea, oil-cut green tea, golden green tea, golden oolong, golden

oil-cut green tea, golden oil-cut oolong, CLIO charcoal-filtered water, Sasaya coconut milk, puerh tea, golden grape seed oil, pineapple tomato juice, plum tomato juice, oligo wheat tea, highland vegetable and fruit milk, colostrum milk, Healthy Reason “natto kinase” and Healthy Magnate “three-in-one lycopene powder.”

23. 2007: Introduction of Okinawa brown sugar eight treasures, agar low-sugar-high-mountain green tea, agar oil-cut golden oolong, golden teapot herbal tea, Yu zhen-gu pickles, Northern Europe mackerel, tomato juice (dietary fiber strengthening), catechin healthy oil-cut green tea, corn milk, blueberry litchi, three-leaf tea (roasted oolong, ice brew green tea), Chinese Teahouse (herb tea, white gourd tea), agar lemon, agar passion fruit green tea, Lan Xin-mei black currant cranberry juice, agar grass jelly, agar brown sugar white gourd jelly, healthy low-sugar light capsule, Aiken light capsule, healthy low-sugar light tea bag, healthy low-sugar light temple tea bag, Aiken burdock health capsules, Aiken GOBO burdock extract and AGV all-in-one glucosamine health capsules.

24. 2008:
(1) The cash capital increase was NTD 700,000,000 and the total capital was NTD 4,476,890,000.
(2) Introduction of products such as AGV agar drink, 3A straight healthy capsule, agar yakult, iced grass jelly, lemon plum green tea, three-leaf tea-Shizuoka (sugar-free), oil-cut digesting tea, agar honey green tea, agar guava green tea, dense mesona tea, oil-cut coffee (sugar-free, light sugar), pure dense oats (original, milk flavor), Redgold Bank tomato drink, AGV kakorot health caplet, Okinawa slimming tea, AGV 3A visual element health capsules, Aiken lycopene health capsule, Aiken slimming capsules, healthy oil-cut catechin slimming capsules and AGV healthy sugar-cut tea.

25. 2009:
(1) Mr. Je-fang Chen was re-elected as chairman and Mr. Ching-tsun Chen as permanent founder in September 29, 2009.
(2) Introduction of products such as agar dense mesona, red bean oats, honey oats, agar orange, agar lemon black tea, agar coffee jelly, agar milk tea jelly, pure dense oats (red bean, honey) PET350, grain milk, grain milk OligoPET1000, coconut jelly pickles (Jeju Island spicy flavor, Hokkaido cheese flavor), olive and grape seed oil, ultra-low soot healthy oil, Redgold Bank viable bacteria capsules, Redgold Bank oil-cut slimming probiotics, Aiken slimming capsule, king trumpet mushroom vegetarian meat (180g, 370g), vegetarian Korean kimchi series (180g, 360g), happy pickle gift box, adlay soup 340g, agar dense mesona series (600g, 990g), olive and grape seed oil 1.5L and ultra-low soot healthy oil 2.6L.

26. 2010: Introduction of products such as grain milk OligoPET350, vegetarian braised pork with mushroom 350g, Kampo spicy chili sauce165g、vegetarian fried bean sauce 250g, brown sugar walnut with dried longan, brown sugar black glutinous rice with red bean, white yam with adlay, milk oats with adlay, agar white grape aloe 330g, premium adlay drink 1000g and 350g, agar traditional mesona PP460, agar white gourd PP460.

27. 2011:
(1) Secured convertible corporate bonds of NTD 1.1 billion was first issued in the nation; the second unsecured convertible corporate bonds issued in the nation was NTD 300 million.
(2) The cash capital increase was NTD 500,000,000 and the total capital was NTD 4,976,890,000.

(3) Introduction of products such as Sasaya Besame coffee latte (espresso tea latte), AGV oil-cut coffee (sugar-free), HappyRanch healthy milk PET900, fresh tomato sauce, Sukiyaki eel (teriyaki, spicy flavor), Japanese barbecue sauce, traditional salty congee, English digesting tea, kakorot digesting tea, Super Functional Tea Drink-English black tea, peaceful fazi tea 540g, oil-cut black tea, adlay wheat tea, purple perilla dark plum drink, jasmine tea, plum starfruit juice, plum tomato juice and Japanese green tea. Oligo tomato juice, fresh tomato juice, OEMGA golden blending oil, quality canola high-temperature resistant blending oil, Aiken lycopene-the power of seeds, AGV brightening 3-in-1 caplet and natto kinase new generation compound capsules.

28. 2012: Introduction of products such as HappyRanch healthy milk PE1837, HappyRanch French chestnut flavor and walnut chocolate flavor PET900, purple sweet potato, fresh tomato juice PP450, pure dense oats-original flavor (PET880, 300), pure dense oats (red bean, milk, honey) PET880, grain milk PET880, premium adlay drink PET300, Korean (Italian) mackerel, IQ Walnut milk, wheat tea (bag), CLIO natural glacier water, Super Functional Tea Drink- French white tea, digesting tea (turmeric), peaceful fazi tea 1000g, coconut milk (light formula) 600g, coconut milk (tetra prisma aseptic) 250g, Chao Jiang (165g and 360g), wheat tea 540g, AAA tuna 150g and Aiken top-class fish oil.

29. 2013:
(1) The third domestic unsecured convertible corporate bonds amounting to NTD 1 billion was issued.
(2) Introduction of pickled cucumber 380g, golden ratio (2.0L, 2.6L), European cold pressing (2.0L, 2.6L), read bean oats TPA250g, grain oats TPA250g, grape cranberry juice 1000g, wheat tea 2000g, brightening 3-in-1 caplet, bamboo shoot with Alishan camellia oil and Happy nutrition brewing pack.

30. 2014: Introduction of black fungus bamboo shoot 190g, fruit pickles 190g, sweet chili sauce hose 390g, AAA tuna 170g, tomato TPA250, lite-lemon tea 530ml, grapefruit green tea 600g, healthy oil-cut 500g, mate digesting tea 600g, Super Functional Tea Drink PET1000, tomato red guava PET1000, pure dense oats (milk) TPA250, William Arabica coffee TPA250, William Ceylon milk tea TPA250, agar jelly drink-mesona, lemon, passion fruit green tea, dark plum PP400 and red secret code lycopene capsules.

31. 2015:
(1) The canceled treasury stock was NTD 104,840,000 and the capital after cancellation was NTD 4,872,050,000.
(2) Introduction of fresh pickled cucumber 3kg, fresh choy sum 3kg, pickled bamboo shoot 3kg, QQ gluten 3kg, sweet chili sauce squeeze bottle 390g(hose), red bean panna cotta CAN340g, thick sliced tuna 170g, AZUKI red bean water PET540g, HATOMUG adlay water PET540g, classic apple lemon juice PET300, classic blueberry grape juice PET300, classic apple pomegranate juice PET300, lemon coconut sport drink PET590, apple coconut sport drink PET590, mango oats PET290, mango oats PET880, kiwifruit oats PET290, kiwifruit oats PET880 and Hong Shen-xian roselle health capsules.

32. 2016:
(1) The recapitalization from capital surplus was NTD 73,080,000 and the total capital was NTD 4,945,130,000.
(2) Introduction of black soy bean and pickling melon 130g, konjac red bean soup with jelly cake CAN340g, Dan Dong-hong red gold

treasure deluxe congee CAN340g, mung bean with adlay dessert soup CAN340g, black soy bean water PET530g, roselle fiber drink PET530g, Nestea lemon tea TBA300, Nestea lemon tea PET530, Nestea lemon tea PET990, Nestea lemon tea PET1250, Frescafina apple juice PET530, Frescafina watermelon juice PET530, Frescafina kakorot juice PET530, Frescafina-100% Floeida premium orange juice PET268, Frescafina-100% apple juice PET268, peanut milk latte PET880 and Aiken type 2 collagen health capsules.

33. 2017: Introduction of kumquat sweet & sour sauce 165g, deli style tuna 110g, Imperial Harvest whole kernel sweet corn 340g (12oz), brown sugar mesona 340g, AGV wheat tea PET590 (new), Nestea Assam simmered milk tea TBA250, Nestea honey lemon premium tea TBA300, Nestea honey lemon premium tea PET530, Nestea honey lemon premium tea PET1250, Nestea Ceylon black tea PET530, milk oats PET290, milk oats PET880, quinoa royal PET280, quinoa royal PET880 and Aiken burdock extract 60 caplets.

34. 2018:
(1) Mr. Kuan-han Chen was re-elected as chairman and Mr. Je-fang Chen as founder and honorary chairman in June 14, 2018.
(2) Introduction of Green Beauty peeled chilis (glass) 200g, AGV Seakuasa chili sauce (glass) 165g, AGV Sasaya viva coconut eight treasures CAN340g, AGV catechin power green tea PET500g, Nestea Assam simmered milk tea PET500ml, Nestea steamed organic tea PET550ml, Nestea steamed organic tea PET990ml, Nestea French milk tea PET530ml, Okara soy drink (sugar free) PET250, Okara soy drink (Oligo) PET250, Okara soy drink (sugar free) PET880, Okara soy drink (Oligo) PET880, wheat drink (sugar free) TR400, wheat tea (classic original flavor) TR400, AGV Univita smoothing caplet 180 caplets, AGV Univita royal jelly lactobacillus 30 individual packs per bag, AGV abyssal fish oil capsule 60 capsules/pack and Aiken marigold lutein capsule 60 capsules/pack.

35. 2019: Introduction of three pickles pack (potato & pickled cucumber & choy sum) 170g, AGV peanut milk CAN340g, AGV peanut eight treasures CAN340g, AGV peanut tofu pudding CAN340G, Neo Neo Ten Huba (Okinawa brown sugar flavor) CAN340g, AGV multi-fibre wheat tea (sugar-free) PET590ml, AGV Hua-dun apple soda PET600ml, Nestea lemon tea TBA330ML, OKINA Okinawa deep water PET850ML, Nestea organic chamomile tea PET550ml,Nestea Okinawa brown sugar milk tea PET530ml, Nestea double rich Assam milk tea PET530ml, AGV golden ratio pure canola oil PET1.0L, AGV golden ratio pure canola oil PET2.6L, AGV golden ratio pure canola oil PET3.0L, AGV organic pure dense oats (natural flavor) PET340ML, fresh milk tea TR400ml, fresh milk tea TR900ml, wheat tea (sugar-free) TR900ml, wheat tea (quarter sugar) TR900ml, strawberry oats PET290ml, strawberry oats PET880ml and Sasaya coconut milk TR400ml.

36. 2020: Kobe BBQ sauce (glass) 200g, Dongdaemun famous BBQ sauce (glass) 200g, Unforgettable walnut oats CAN340g, Nestea double rich chocolate milk tea PET550ml, Nestea honey flavor oolong PET590ml, OKINA probiotic water PET500ml, pure dense oats (double effect glucosamine) PET290ml, pure dense oats (oat milk for barista) PET990ML, natto kinase compound capsule 60 capsules/pack, kakorot health caplet 220 caplets/box, double effect glucosamine PET290ml, AGV oat latte

TPA200ml, AGV milk peanut soup TP oat latte TPA200ml, AGV peanut milk latte TP400ml and AGV Sasaya coconut milk (original flavor) TR400ml.

37. 2021 Launch Mapo Tofu 250g, Imperial Harvest Brown Rice Blending Oil 1.0L and 1.5L, OKINA DEEP S12 Probiotic PET850ml, boiled tuna 185g, Soybean Milk Tofu Pudding CAN 340g: pure dense oats series (3-in-1 collagen) PET29ml, black chocolate oats PET290ml and PET880ml, Nestlé Pear Tea PET530ml, iced grass jelly 330g, new Univita royal jelly lactobacillus 30 individual packs per bag.

38. 2022 Hakka Pickled Bamboo Shoot (glass jar) 120g, Curry Tofu CAN 250g, Ice Brew Barley Drink (Unsweetened) PET 590ml, Ice Brew Barley Drink (Unsweetened) PET 990ml, Unsweetened Activate Green Tea PET 590ml (bottle), OKINA Deep Natural Electrolyte Water PET 450ml, Nestea French Cocoa Mousse Milk Tea PET 500ml, Nestea Italian Panna Cotta Milk Tea PET 500ml, Premium Blend Cooking Oil (containing Omega-3) 2.6L, Premium Blend Cooking Oil (containing Omega-3) 3.0L, Premium Oat Drink (Barista Oat Latte) PET 250ml, Premium Oat Drink (Sesamin Easy Sleep Plus) PET 290ml, Sasaya Coconut Drink (Original) PET 250ml, and Premium Oat Drink (co-branded with Taipei Zoo) TPA200ml.

39. 2023 Almond Jelly CAN 340g, Oat Milk with Peanuts CAN 340g, Tube Savory Rice Pudding CAN 250g, Korean Kimchi Tofu Stew CAN 250g, Nestea Original Black Tea TBA 300ml, Nestlé French Milk Tea PET 500ml, Nestea Prime Black Tea 530ml, Premium Oat Drink (Lutein with Liquid Formula) PET 290ml, Honey Tomato and Vegetable Drink PP 400ml, Red Guava and Vegetable Drink TR 900ml, Plum Tomato and Vegetable Drink TR 900ml, Honey Oat Drink PET 290ml, Honey Oat Drink PET 880ml.

40. 2024 Introduced Pure Oat Drink PET 350ml.

II. Company History

(I) Merger and reorganization of the Company in the most recent year up to the publication date of the annual report:

None.

(II) Any investments in affiliates in the most recent year up to the publication date of the annual report:

For the investments in affiliates, please refer to Page 95-96 of the Annual Report.

(III) Major quantity of shares belonging to a director, supervisor, or shareholder holding more than 10% of shares has been transferred or changed hands, and changes of management control in the most recent year up to the publication date of the annual report:

Please refer to Page 93 of the annual report for transfer of shares; there are no changes in management control.

(IV) Material change in operating methods or type of business in the most recent year up to the publication date of the annual report:

None.

(V) Other matters of material significance that could affect shareholders’ equity and its impact on the Company in the most recent year up to the publication date of the annual report:

None.

Three. Corporate Governance Report

I. Organization System

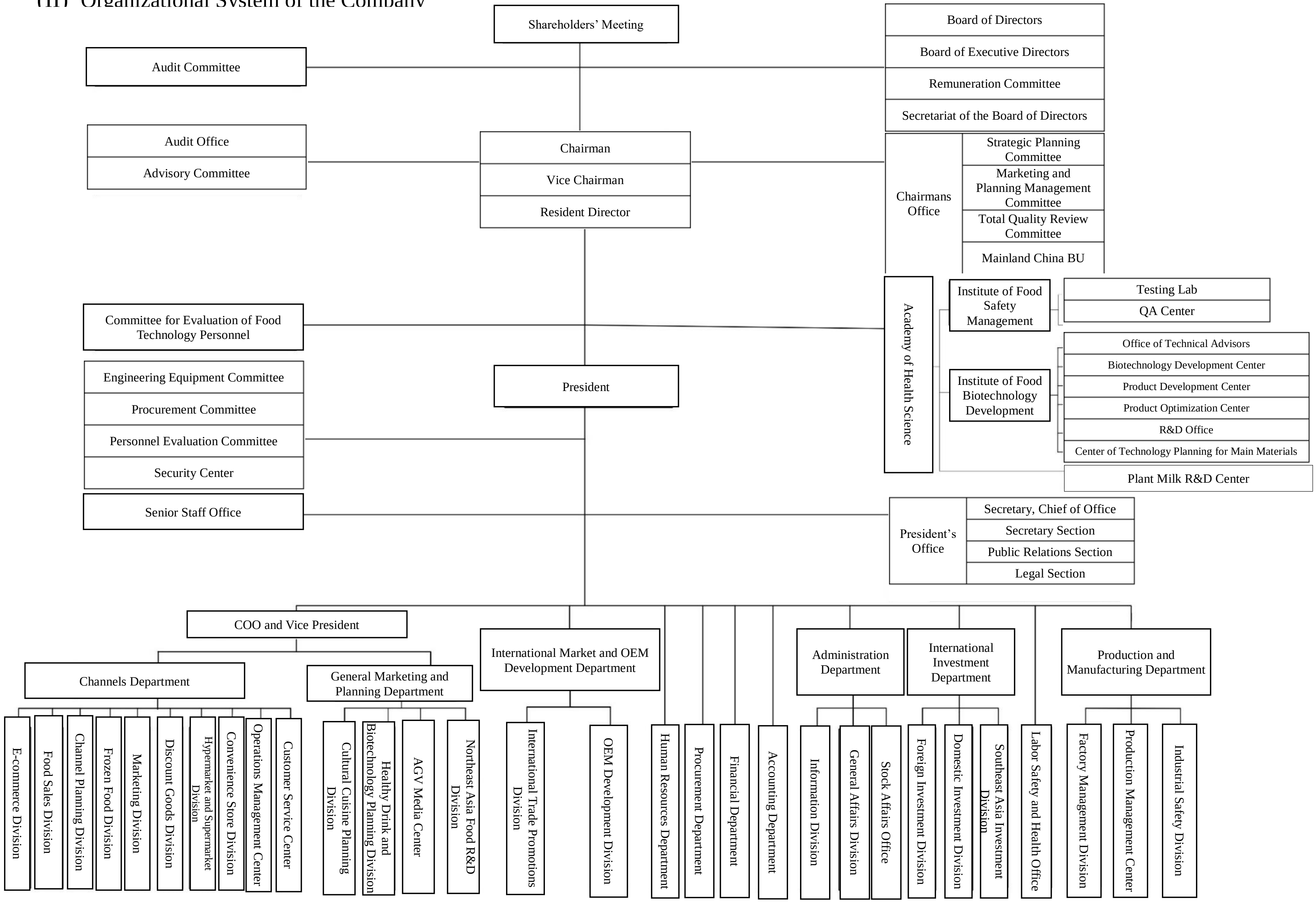
(I) Responsibilities of Main Departments

Name of the department	Responsibilities
Chairmans Office	Planning, promotion, coordination, maintenance, and management with respect to the operations and management of the Company in accordance with the resolutions of the shareholders' meeting and the Board of Directors.
Academy of Health Science	* Institute of Food Biotechnology Development: - Office of Technical Advisors: Consultation and advice for of the Company's products and technologies. - Biotechnology Development Center: Development of proprietary technologies, application for domestic and foreign awards, and research on projects concerning technologies and materials. - Product Development Center: Research and development of new products, technologies, and materials. - Product Optimization Center: Maintaining the competitiveness of new and existing products. - R&D Office: Management of files concerning product formulas and technologies. - Center of Technology Planning for Main Materials: Specifications of new materials, contract production of agricultural products, and cultivation management. * Institute of Food Safety Management: - Testing Lab: Testing and analysis of raw materials, samples, and finished products. - QA Center: Inspection of product materials and finished products, quality control and maintenance, product safety, and promotion of improvement for production processes. - Plant Milk R&D Center: Responsible for the R&D of hydrolyzed oat flour.
President's Office	- Legal Section: Managing contracts, litigation, and intellectual property rights. - Public Relations Section: Maintaining corporate culture, improving corporate image, managing customer satisfaction, and enhancing corporate reputation. - Secretary Section: Internal and external liaison and communication, and arrangement of matters for the President.
Senior Staff Office	Conducting reviews or consultation, and providing opinions to decision-makers for reference or judgment.
Audit Office	Supervision of regular inspections by internal departments and subsidiaries of their internal control systems, promotion of effective management of corporate organizations, and strengthening of corporate governance.
Labor Safety and Health Office	Planning of the labor safety and health system, and promotion of occupational safety and health management, to build a safe and healthy workplace.

Channels Department	- Convenience Store Division: Drawing up and achieving the targets of departmental budgets, and developing and maintaining the business of convenience store channels. - Hypermarket and Supermarket Division: Drawing up and achieving the targets of departmental budgets, and developing and maintaining the business of hypermarket and supermarket channels, including product display, shelf management, promotion, and other activities. - Discount Goods Division: Drawing up and achieving the targets of departmental budgets, and developing and maintaining the business of the PX Mart, including product display, shelf management, promotion, and other activities. - Marketing Division: Drawing up and achieving the targets of departmental budgets, and developing and managing the business of market channels. - Frozen Food Division: Drawing up and achieving the targets of departmental budgets, and developing the business of channels for refrigerated and frozen foods. - Channel Planning Division: Achievement of performance targets, channel promotion, cost control, price planning, end arrangement, and price checking. - Food Sales Division: Drawing up and achieving the targets of departmental budgets, and developing, maintaining and executing the business of channels for food sales. - E-commerce Division: Drawing up and achieving the targets of departmental budgets, promotion and operation of websites, and planning of dietary supplements. - Operations Management Center: Control of credit lines, management of shipments and accounts, control of stocks at outlets, statistical analysis of sales performance, provision of information regarding the coordination of production/sales, and analysis of the gross profits from products. - Customer Service Center: Handling of customer complaints.
General Marketing and Planning Department	- Cultural Cuisine Planning Division: Development of proposals for new products, advertisement and media planning, creative ideas, and marketing planning with respect to the series of cultural cuisines in the channels in Taiwan. - Healthy Drink and Biotechnology Planning Division: Development of proposals for new products, advertisement and media planning, creative ideas, and marketing planning with respect to the series of healthy drinks, biotechnology products, and international brands in the channels in Taiwan. - Northeast Asia Food R&D Division: Planning of product and advertising strategies for development in overseas regions.

International Market and OEM Development Department	- International Trade Promotions Division: Development of foreign markets, and expansion of international trade and export. - OEM Development Division: Drawing up and achieving the targets of departmental budgets, and developing and maintaining OEM businesses with peers.
Human Resources Department	Planning of human resources strategies and company-wide recruitment, employment, training, and development of talents.
Procurement Department	Planning and execution of procurement activities, and contact with and control of suppliers.
Financial Department	Funding arrangement, application for bank limits, and maintenance of relationship with banks.
Accounting Department	Accounting treatment, cost analysis, calculation of profits/losses, budget preparation, and other related matters.
Administration Department	- Information Division: planning of Information strategies, development and maintenance of ERP system, and management and maintenance of software and hardware. - General Affairs Division: Environmental health and safety, fixed assets (including vehicles) and equipment, warehouse management, and other general management and maintenance. - Stock Affairs Office: Negotiation with the Shareholder Service Department regarding its work requirements, preparation for the shareholders' meeting, consultation regarding shareholder services, and matters relating to public disclosure.
International Investment Department	- Foreign Investment Division: Evaluation and analysis of foreign investments, and supervision of foreign investee companies. - Domestic Investment Division: Evaluation and analysis of domestic investments, and supervision of domestic investee companies. - Southeast Asia Investment Division: Evaluation and analysis of investments in Southeast Asia.
Production and Manufacturing Department	- Factory Management Division: Product manufacturing, and maintenance of machinery and equipment. - Production Management Center: Development of production plans and their tracking, implementation of product control, and coordination of production/sales. - Industrial Safety Division: Management and supervision of industrial safety, and maintenance and management of facilities.

(II) Organizational System of the Company



II. Information concerning directors, supervisors, president, vice presidents, assistant vice presidents and department and branch managers

(I) Director information

March 31, 2024

Title	Nationality/place of registration	Name	Gender Age	Date of Election (Appointment)	Term (years)	First elected date	Shareholdings when elected		Current shareholdings		Current shareholdings by spouse and minor children		Shareholdings under the names of others		Education and work experience	Concurrent positions in the Company and in other companies	Other managers, directors or supervisors who are spouses or within two degrees of kinship			Remarks (Note)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	R.O.C.	Taiwan First Biotechnology Corp.	–	2022.06.24	3 years	2016.06.28	3,075,450	0.62	10,075,450	2.04	0	0.00	0	0.00	–	–	–	–	–	None
	R.O.C.	Representative: Kuan-Han Chen	Male 51-60 years old	—	—	—	—	—	5,676,180	1.15	0	0.00	5,008,000	1.01	Post-Doctoral Program of Food Science Graduate School, Cornell University Adjunct Assistant Professor of Institute of Food Science and Technology, National Taiwan University President of Taiwan Canners Association (T.C.A) President of Taiwan Association for Food Science and Technology Chairman, Taiwan Grain Industry Association	Chairman of the Company President of Institute of Health Science of the Company Chairman of Taiwan First Biotechnology Corp.	Director	Michael Chen	Brothers	None
Director	R.O.C.	Yueshan Investment Co., Ltd.	–	2022.06.24	3 years	2022.06.24	6,017,049	1.22	6,017,049	1.22	0	0.00	0	0.00	–	–	–	–	–	None
	R.O.C.	Representative: Ching-Jen Chen	Male 81-90 years old	—	—	—	—	—	1,673,563	0.34	901,873	0.18	0	0.00	MBA of Department of Business Administration, National Cheng Kung University; President of AGV Products Corporation	Vice Chairman of the Company Vice Chairman of Janfusun Fancyworld Corp.	Vice President Director-general	Kuan-Hua Chen Hsuan-Hui Chen	Father and son Father and daughter	None
Director	R.O.C.	NICE Enterprise Co., Ltd.	–	2022.06.24	3 years	2004.06.01	20,780,494	4.20	20,780,494	4.20	0	0.00	0	0.00	–	–	–	–	–	None
	R.O.C.	Representative: Michael Chen	Male 51-60 years old	—	—	—	—	—	4,465,482	0.90	678,780	0.14	0	0.00	Master, The London School of Economics and Political Science Standing Director, Bowa Commercial Bank Ltd.	Director of the Company Director and President, International Bills Finance Corporation	Chairman	Kuan-Han Chen	Brothers	None
Director	R.O.C.	Fang Tien Enterprise Co., Ltd.	—	2022.06.24	3 years	2022.06.24	2,578,000	0.52	5,005,000	1.01	0	0.00	0	0.00	–	–	–	–	–	None
	R.O.C.	Representative: Huai-Hsin Liang	Male 51-60 years old	—	—	—	—	—	0	0.00	0	0.00	0	0.00	Master of Law, Fu Jen Catholic University	Licensed Attorney	None	None	None	None

Title	Nationality/place of registration	Name	Gender Age	Date of Election (Appointment)	Term (years)	First elected date	Shareholdings when elected		Current shareholdings		Current shareholdings by spouse and minor children		Shareholdings under the names of others		Education and work experience	Concurrent positions in the Company and in other companies	Other managers, directors or supervisors who are spouses or within two degrees of kinship			Remarks (Note)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	R.O.C.	Yin-Ji-Li International Consulting Corp.	–	2022.06.24	3 years	2010.06.17	8,210,007	1.66	8,751,007	1.77	0	0.00	0	0.00	–	–	–	–	–	None
	R.O.C.	Representative: Hsien-Chueh Hsieh	Male 61-70 years old	–	–	–	–	–	1,718	–	40,000	0.01	0	0.00	Bachelor of Department of Electronic Engineering, Chung Yuan Christian University; Chief Internal Auditor, Assistant Vice President of Administration Dept. and Manager of Information Dept. of AGV Products Corporation	Director of the Company Chairman of Yunlin Dairy Technology Corp. President of Janfusun Fancyworld Corp.	None	None	None	None
Director	R.O.C.	Cunyuan Heye Co., Ltd.	–	2022.06.24	3 years	2010.06.17	2,982,196	0.60	2,982.196	0.60	0	0.00	0	0.00	–	–	–	–	–	None
	R.O.C.	Representative: Chih-Chan Chen	Male 51-60 years old	–	–	–	–	–	2,556,324	0.52	193,865	0.04	0	0.00	MBA of University of Nottingham Vice President of AGV Products Corporation	President of the Company Vice Chairman of Defender Private Security Inc.	None	None	None	None
Independent Director	R.O.C.	Yung-Fu Tseng	Male 81-90 years old	2022.06.24	3 years	2016.06.28	0	0.00	0	0.00	0	0.00	0	0.00	Bachelor of Laws, National Taiwan University Minister of Ministry Of Justice	Independent Director of Chun Yuan Steel Industry Co., Ltd	None	None	None	None
Independent Director	R.O.C.	Yung-Chien Wu	Male 71-80 years old	2022.06.24	3 years	2016.06.28	0	0.00	0	0.00	0	0.00	0	0.00	Doctor of Laws, University of Washington President of Shih Hsin University	Chair Professor, College of Law, Shih Hsin University Chairman of Chinese Arbitration Association Convener of Audit Committee of the Company	None	None	None	None
Independent Director	R.O.C.	Wei-Lung Chen	Male 61-70 years old	2022.06.24	3 years	2019.06.27	0	0.00	0	0.00	0	0.00	0	0.00	MBA, National Taiwan University Deputy Director-General, Securities and Futures Bureau, FSC Chairman of SinoPac Securities Investment Trust Company Chairman of SinoPac Securities	Convener of Remuneration Committee of the Company Independent Director of IBF Financial Holdings Co., Ltd. Independent Director of Janfusun Fancyworld Corp.	None	None	None	None

Note : If the Chairman, President or personnel with equivalent position (senior managers) are the same person, have spouse relationship or are relatives within the first degree of kinship, the reason, rationality, necessity and countermeasures (including increasing independent director seats and having a majority of directors who do not concurrently serve as employees or managers) thereof shall be explained.

1. Directors being a corporate shareholder among top 10 shareholders March 31, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders
Taiwan First Biotechnology Corp.	AGV Products Corporation 41.28%, Paolyta Co., Ltd. 8%, BHL Taipei Limited 8%, NICE Enterprise Co., Ltd. 6.1%, DA TAI INVESTMENT CO., LTD 4%, Ho Yuan Investment Co., Ltd. 3.62%, Nice Capital & Finance Corp. 2.05%, Yun Ku 1.57%, Defender Private Security Inc. 1.47%, Teng-Fei Lin 1.28%
Yueshan Investment Co., Ltd.	Ya-Hsin Cheng 24.00%, Hsuan-Hui Chen 24.00%, Lan-Hsin Yeh 16.00%, Kuan-Hao Chen 8.00%, Su-Mei Yuan 4.00%, Kuan-Hua Chen 4.00%
NICE Enterprise Co., Ltd.	AGV Products Corporation 28.24%, Ho Yuan Investment Co., Ltd. 20.58%, Taiwan First Biotechnology Corp. 10.83%, Taiwan NJC Corporation 6.41%, Heding International Development Co., Ltd. 4.21%, Cunyuan Heye Co., Ltd. 3.53%, Yueshan Investment Development Corp. 3.09%, Yu-Ying Hung 3.06%, Chih-Hung Chen 2.73%, Yin-Ji-Li International Consulting Corp. 2.38%
Fang Tien Enterprise Co., Ltd.	Yu-Ying Hung 24.00%, Kuan-Ju Chen 24.00%, Michael Chen 24.00%, Kuan-Han Chen 24.00%, Chiu-Wen Li 4%
Yin-Ji-Li International Consulting Corp.	Yu-Ying Hung 31.60%, Kwan-Ju Chen 24.00%, Kuan-Han Chen 24.00%, Kuan-Chou Chen 19.60%, Yu-Nu Hung 0.40%, Chiu-Wen Li 0.40%
Cunyuan Heye Co., Ltd.	Chih-Hung Chen 28.00%, Chang-Chiao Hu 20.00%, Chih-Chan Chen 15.00%, Chih-Lun Chen 15.00%, Yuan-Hui Wang 13.50%, Hsiao-Tzu Chen 2.84%, Hsiao-He Chen 2.83%, Hsiao-Wei Chen 2.83%

2. Top 10 shareholders as a corporate shareholder (corporate shareholder in the right column of the above table) March 31, 2024

Name of Juristic Person	Names and shareholding ratios of corporate shareholders (top 10 shareholders)
BHL Taipei Limited	Beijing Holdings Limited 100%
DA TAI INVESTMENT CO., LTD	UNITECH PRINTED CIRCUIT BOARD CORP. 100%
Ho Yuan Investment Co., Ltd.	Chih-Hung Chen 23.03%, Yin-Ji-Li International Consulting Corp. 19.00%, Yu-Ying Hung 8.33%, Su-Mei Yuan 10.33%, Chih-Chan Chen 5.71%, Chih-Lun Chen 5.71%, Ching-Jen Chen 4.5%, Chang-Chiao Hu 4.45%, Wen-Na Yang 2.22%, Chih-Yu Chang 1.75%
Nice Capital & Finance Corp.	World Capital & Finance Corp. 51.24%, Paotung International Investment Corp.Paotung International Investment Corp. 34.16%, AGV Products Corporation 10.81%, Taiwan First Biotechnology Corp. 3.79%
Defender Private Security Inc.	AGV Products Corporation 100%
Taiwan NJC Corporation	New Japan Chemical Co., Ltd. 43.72%, Taiwan First Biotechnology Corp. 19.86%, NICE Enterprise Co., Ltd. 15.78%, TAIWAN FOOD INDUSTRY CO., LTD.7.67%, I-Yen Chen 3.45%, JIA HER SHING ENTERPRISES CO., LTD. 0.70%, Ho Yuan Investment Co., Ltd 0.58%, Yueshan Investment Development Corp. 0.40%, Cunyuan Heye Co., Ltd.0.40%, Chia-En Chang 0.37%
Heding International Development Co., Ltd.	NICE Enterprise Co., Ltd. 49.07%, AGV Products Corporation 48.98%, He-Tian International Development Corp. 0.53%, Chih-Hung Chen 0.29%, Chang-Chiao Hu 0.29%, Yu-Ying Hung 0.29%, Su-Mei Yuan 0.29%, Global Investment Development Corp. 0.26%

3. Disclosure of information about directors' professional qualifications and independent directors' independence

Criteria / Name		Professional qualifications and experience (Note 1)
Chairman	Taiwan First Biotechnology Corp. Representative: Kuan-Han Chen	Graduated from Cornell University as a post-doctoral researcher in food science and technology, he currently serves as the Chairman of the Company and the Director of the Institute of Health Science, the Chairman of Taiwan First Biotechnology Corp., an adjunct assistant professor at the Institute of Food Science and Technology, National Taiwan University, and the Chairman of Taiwan Grain Industry Association. He has at least the five years of work experience required in commerce, finance, and corporate operations. Research honors: Mr. Tseng Tung Memorial Award for Patent and Invention from Taiwan Association for Food Science and Technology, coordinator of a project of the Industrial Development Bureau, Ministry of Economic Affairs for assistance in the development of technologies for traditional industries. With an international outlook and competencies in the food industry, innovative leadership, strategic planning and operational policy management, he is leading the Company to become a leader in the food industry and move toward sustainable management and development.
Vice Chairman	Yueshan Investment Co., Ltd. Representative: Ching-Jen Chen	Studying for MBA of Department of Business Administration, National Cheng Kung University; currently, the Company's Vice Chairman, and Vice Chairman of Janfusun Fancyworld Corp.; the Company's former President, with the experience in commerce and finance and the work experience required by the Company's business for more than 5 years, and in the fields of marketing, operational management and food industry.
Director	NICE Enterprise Co., Ltd. Representative: Michael Chen	Master's, The London School of Economics and Political Science; currently, Director and President, International Bills Finance Corporation; having held the position as Standing Director, Bowa Commercial Bank Ltd., with the experience in commerce and finance and the work experience required by the Company's business for more than 5 years, and specialized in finance and operational management.
Director	Fang Tien Enterprise Co., Ltd. Representative: Huai-Hsin Liang	Master of Law, Fu Jen Catholic University; currently, a Licensed Attorney, and the representative of jurist-person director of a TWSE/TPEx-listed company, with the work experience required by the Company's business for more than 5 years, specialized in laws and assisting the Company's paralegal with professional consulting service.

Name \ Criteria		Professional qualifications and experience (Note 1)
Director	Yin-Ji-Li International Consulting Corp. Representative: Hsien-Chueh Hsieh	Bachelor of Department of Electronic Engineering, Chung Yuan Christian University; currently, Chairman of Yunlin Dairy Technology Corp. and President of Janfusun Fancyworld Corp.; having held the position including the Company's Chief Internal Auditor, Assistant Vice President of Administration Dept. and Manager of Information Dept., with the experience in commerce and finance and the work experience required by the Company's business for more than 5 years, and specialized in internal control management and operational management.
Director	Cunyuan Heye Co., Ltd. Representative: Chih-Chan Chen	MBA of University of Nottingham; currently, the Company's President; the Company's former Vice President, with the experience in commerce and finance and the work experience required by the Company's business for more than 5 years, specialized in finance and accounting, and experienced in planning and operational management.
Independent Director	Yung-Chien Wu	Graduated from the University of Washington with a degree of PhD in Law, he currently serves as a chair professor at the College of Law, Shih Hsin University, the Chairman of Chinese Arbitration Association, Taipei, a director of Taiwan Research Institute, and the convener of the Audit Committee of the Company. He has at least the five years of work experience required in commerce, finance, and corporate operations, and specializes in law and finance.
Independent Director	Yung-Fu Tseng	Bachelor of Laws, National Taiwan University; former Minister of Ministry of Justice; currently, Independent Director of Chun Yuan Steel Industry Co., Ltd., with the experience in commerce and finance and the work experience required by the Company's business for more than 5 years, specialized in laws.
Independent Director	Wei-Lung Chen	MBA, National Taiwan University; currently, Convener of Remuneration Committee of the Company, Independent Director of IBF Financial Holdings Co., Ltd., and Independent Director of Janfusun Fancyworld Corp.; former Deputy Director-General of FSC, former Chairman of SinoPac Securities Investment Trust Company and former Chairman of SinoPac Securities, with the experience in commerce and finance and the work experience required by the Company's business for more than 5 years, specialized in laws, laws & regulations and operational management.

Name \ Criteria		Independence	Number of public listed companies with independent directors concurrently served by the directors
Chairman	Taiwan First Biotechnology Corp. Representative: Kuan-Han Chen	Does not meet any of the conditions specified in Article 30 of the Company Act.	0
Vice Chairman	Yueshan Investment Co., Ltd. Representative: Ching-Jen Chen	Does not meet any of the conditions specified in Article 30 of the Company Act.	0
Director	NICE Enterprise Co., Ltd. Representative: Michael Chen	Does not meet any of the conditions specified in Article 30 of the Company Act.	1
Director	Fang Tien Enterprise Co., Ltd. Representative: Huai-Hsin Liang	Does not meet any of the conditions specified in Article 30 of the Company Act.	0
Director	Yin-Ji-Li International Consulting Corp. Representative: Hsien-Chueh Hsieh	Does not meet any of the conditions specified in Article 30 of the Company Act.	0
Director	Cunyuan Heye Co., Ltd. Representative: Chih-Chan Chen	Does not meet any of the conditions specified in Article 30 of the Company Act.	0
Independent Director	Yung-Chien Wu	1. Not an employee of the Company or any of the affiliates 2. Not a director, supervisor of the Company any of its affiliates (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent company or subsidiary). 3. Not a natural-person shareholder holding 1% or more of the total shares issued by the Company, together with the person's spouse, minor children or under others' names or ranking in the top 10 in shareholdings. 4. Not a spouse, relative of second degree, or direct kin of third degree or closer to persons described in the three preceding criteria. 5. Not a director, supervisor, or employee holding 5% or more of the total number of shares issued by the Company, ranking in the top 5 in shareholdings or being the director, supervisor or employee of corporate	2

<table>
<tr><th colspan="2">Criteria
Name</th><th>Independence</th><th>Number of public listed companies with independent directors concurrently served by the directors</th></tr>
<tr><td>Independent Director</td><td>Yung-Fu Tseng</td><td rowspan="2">shareholders who designate their representatives as the Company’s directors or supervisors in accordance with Paragraph 1 or 2, Article 27 of the Company Act. (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or a subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
6. Not a director, supervisor or employee of another company in which the number of directors or more than half of the voting shares is under the control of the same person (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or a subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
7. Not a director (managing director), supervisor or employee of another company or institution in which the Chairman, President or personnel with equivalent position are the same person or have spouse relationship (The same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary, or a subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.)
8. Not a director (managing director), supervisor (managing supervisor), manager or shareholder holding more than 5% of the shares of a specific company or institution that has a financial or business relationship with the Company (The same does not apply, however, in case the specific company or institution holds more than 20% and less than 50% of the Company’s total issued shares, and the person is an independent director of the Company, its parent company, any subsidiary or a subsidiary of the same parent company, as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary).
9. Not a professional who provides audits or commercial, legal, financial, accounting or consulting services accumulating more than NTD 500,000 of remuneration obtained in recent two years to the Company or its affiliates nor is an owner, partner, director (managing director), supervisor, or manager, or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such services to the Company or its affiliates However, this shall not apply to the members of the Remuneration Committee, Review Committee for Public Acquisitions or Special Committee for Mergers executing their duties in accordance with the Securities and Exchange Act or Business Mergers and Acquisitions Act.
10. Not the spouse or a relative within the second degree of kinship of any other directors
11. Does not meet any of the conditions specified in Article 30 of the Company Act
12. No government agency, juristic person or their representatives are elected under Article 27 of the Company Act</td><td>1</td></tr>
<tr><td>Independent Director</td><td>Wei-Lung Chen</td><td>3</td></tr>
</table>

4. Diversity and Independence of Board of Directors:

(1) Diversity of Board of Directors:

According to Article 19 of the Company's "Corporate Governance Best-Practice Principles," the Company's Board shall direct the Company's strategies, supervise the management, and be responsible to the Company and shareholders. The various procedures and arrangements under its corporate governance system shall ensure that, in exercising its authority, the Board will comply with laws, regulations and the Company's Articles of Incorporation, or the resolution rendered by a shareholders' meeting.

The Board of Directors shall have members of diverse backgrounds. The Board of Directors shall formulate appropriate and diverse strategies based on how the Board works, type of operation, and development needs, including but not limited to the following two aspects:

I. Basic requirements and values: Gender, age, nationality and culture.

II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

I. Ability to make operational judgments.
II. Ability to perform accounting and financial analysis.
III. Ability to conduct management administration.
IV. Ability to conduct crisis management.
V. Knowledge of the industry.
VI. An international market perspective.
VII. Ability to lead.
VIII. Ability to make policy decisions.

The Company's current Board of Directors consists of nine directors. The specific management goals under the Board diversity policy and achievement thereof are stated as follows:

Management goals	Achievement
Directors holding the position as the Company's managers shall be no more than one-third of the whole directors.	Achieved
Independent directors shall not be reelected for three terms of office	Achieved
Diversified professional knowledge and skill	Achieved
Independent directors accounting for one-third of the whole directors	Achieved

Implementation of the diversity policy for members of the Board of Directors:

Title	Chairman	Vice Chairman	Director				Independent Director		
Name	Kuan-Han Chen	Ching-Jen Chen	Kuan-Chou Chen	Hsien-Chueh Hsieh	Chih-Chan Chen	Huai-Hsin Liang	Yung-Fu Tseng	Yung-Chien Wu	Wei-Lung Chen
Gender	Male	Male	Male	Male	Male	Male	Male	Male	Male
Nationality	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.	R.O.C.
Age	51-60	81-90	51-60	61-70	51-60	51-60	81-90	71-80	61-70
Term of Independent Director							3-6 years	3-6 years	3-6 years
Also an employee of the Company				✓	✓				
Professional background	Food science and technology	Business management	Economics	Business management	Commerce	Legal practitioner	Law	Law	Finance
Professional knowledge and skills									
Commerce	✓	✓	✓	✓	✓			✓	✓
Technology									
Finance/Accounting	✓		✓		✓	✓	✓		✓
Law						✓	✓	✓	
Marketing	✓	✓			✓				
Information security				✓					

Title	Chairman	Vice Chairman	Director				Independent Director		
Name	Kuan-Han Chen	Ching-Jen Chen	Kuan-Chou Chen	Hsien-Chueh Hsieh	Chih-Chan Chen	Huai-Hsin Liang	Yung-Fu Tseng	Yung-Chien Wu	Wei-Lung Chen
Others							✓	✓	✓
Abilities and experience									
Leadership	✓	✓	✓	✓	✓	✓	✓	✓	✓
Decision-making	✓	✓	✓	✓	✓	✓	✓	✓	✓
International market vision	✓	✓	✓	○	✓	✓	✓	✓	✓
Industrial knowledge	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial management	✓	✓	✓	○	✓	✓	○	✓	✓
Production and manufacturing	✓	✓	○	✓	✓	○	○	○	○
Business development	✓	✓	○	○	✓	○	○	○	○
Risk management/Crisis management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Environmental sustainability	○	○	○	○	○	✓	○	✓	✓
Social engagement	✓	○	○	○	✓	✓	✓	✓	✓

✓ means possessing the ability; ○ means possessing part of the ability

(2) Independence of Board of Directors:

The Company's current Board of Directors consists of nine directors (including three independent directors). The directors with the employee status account for 11.11%, and the independent directors account for 33.33%. No such circumstances as referred to in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act exist among the directors or independent directors. The independent directors all satisfy the FSC's requirements about independent directors. For the independence of the Company's Board of Directors, please refer to Page 23–26 of the annual report (Disclosure of information about directors' professional qualifications and independent directors' independence). For the information about directors' educational background and working experience, please refer to Page 19-20 of the annual report (Director Information).

(II) Information concerning presidents, vice presidents, assistant vice presidents and department and branch managers March 31, 2024

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholdings		Shareholdings of Spouse and Minor children		Shareholdings under the names of others		Education and work experience	Concurrent positions in other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks (Note)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
President	R.O.C.	Chih-Chan Chen	Male	2013.07.08	2,556,324	0.52	193,865	0.04	0	0.00	Vice President of AGV Products Corporation MBA of University of Nottingham	Vice Chairman of Defender Private Security Inc. Director of Taiwan First Biotechnology Corp.	None	None	None	None
Chief Operating Officer	R.O.C.	Chien-Hua Chen	Male	2014.03.01	95,637	0.02	0	0.00	0	0.00	Senior Manager of AGV Products Corporation Master of Department of Food Science, Tunghai Unversity	Director of Taiwan First Biotechnology Corp. Director of Aco Distribution Corp.	None	None	None	None
Executive Vice President	R.O.C.	Nai-Pin Lin	Male	2016.2.19	10,000	—	0	0.00	0	0.00	Director-general of AGV Products Corporation Department of Banking, National Chengchi University	Executive Vice President of Taiwan First Biotechnology Corp. Chairman of Sontenkan Resort Development Co., Ltd.	None	None	None	None
Deputy Director	R.O.C.	Hung-Chi Hsiao	Male	2017.09.15	0	0.00	20,000	—	0	0.00	Director of AGV Products Corporation Firm Institute of Food Science and Technology, National Taiwan University Master of Business Administration, National Chung Cheng University	President of Taiwan First Biotechnology Corp.	None	None	None	None
Deputy Director	R.O.C.	I-Chen Liao	Male	2019.6.17	0	0.00	0	0.00	0	0.00	Deputy Director of AGV Products Corporation PhD of Food Science of College, Agricultural Sciences, Pennsylvania State University	None	None	None	None	None
Vice President	R.O.C.	Kuan-Hua Chen	Male	2006.07.01	1,833,592	0.37	0	0.00	0	0.00	Manager of AGV Products Corporation Department of Commerce, University of Massachusetts	Director of Taiwan First Biotechnology Corp. Supervisor of Hope	Director-general	Hsuan-Hui Chen	Brother and sister	None

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholdings		Shareholdings of Spouse and Minor children		Shareholdings under the names of others		Education and work experience	Concurrent positions in other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks (Note)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
												Choice Distribution Corp.				
Vice President	R.O.C.	Chien-Teng Fan	Male	2014.08.12	2	—	0	0.00	0	0.00	Director of AGV Products Corporation Firm Master of Department of Food Science, Tunghai Unversity	None	None	None	None	None
Chief Auditor	R.O.C.	Chih-Cheng Yang	Male	2018.09.01	0	0.00	0	0.00	0	0.00	Manager of AGV Products Corporation Department of Business Administration, The University of Warwick	Supervisor of Hope Choice Distribution Corp. Supervisor of Yunlin Dairy Technology Corp.	None	None	None	None
Director-general	R.O.C.	Hsuan-Hui Chen	Female	2015.04.01	1,928,501	0.39	0	0.00	0	0.00	Manager of AGV Products Corporation Master of Industrial Psychology, University of Westminster	Supervisor of Sasaya Vitagreen Co., Ltd.	Vice President	Kuan-Hua Chen	Brother and sister	None
Director-general	R.O.C.	He-Shun Chang	Female	2015.07.23	0	0.00	0	0.00	0	0.00	Manager of AGV Products Corporation Department of Accounting, Aletheia University	None	None	None	None	None
Director-general	R.O.C.	Yueh-Chu Tsai	Female	2015.07.23	39,224	0.01	0	0.00	0	0.00	Manager of AGV Products Corporation Master of Business Administration, National Chiayi University	Director of Aco Distribution Corp. Supervisor of Yunlin Dairy Technology Corp.	None	None	None	None
Director-general	R.O.C.	Hai-Feng Chang	Male	2018.02.08	10,150	—	0	0.00	0	0.00	Director of AGV Products Corporation Firm Master of Food Science Division, Department of Food Science, Tunghai Unversity	None	None	None	None	None
Director-general	R.O.C.	Li-Chueh Huang	Female	2018.02.08	40,213	0.01	0	0.00	0	0.00	Director of AGV Products Corporation Firm Department of Aquaculture, National Kaohsiung University of Science and Technology	None	None	None	None	None

Title	Nationality	Name	Gender	Date of Election (Appointment)	Shareholdings		Shareholdings of Spouse and Minor children		Shareholdings under the names of others		Education and work experience	Concurrent positions in other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks (Note)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director-general	R.O.C.	Mei-Hua Tsai	Female	2019.11.12	1015	—	1,269	—	0	0.00	Director of AGV Products Corporation Firm Department of Food and Nutrition, Providence University	None	None	None	None	None
Director-general	R.O.C.	Fu-Hui Wen	Female	2019.9.23	10,000	—	0	0.00	0	0.00	Executive Creative Director of HAVAS TAIWAN LTD. Department of Journalism (Editing and Reporting Division), Shih Hsin University	None	None	None	None	None
Director-general	R.O.C.	Hsiao-Chen Lin	Male	2022.01.01	0	0.00	0	0.00	0	0.00	Director-general of Tangsheng International Co., Ltd. Master of Business Administration, National Taipei University	None	None	None	None	None
Director-general	R.O.C.	Chun-Liang Chou	Male	2020.05.26	115	—	115	—	0	0.00	Director of AGV Products Department of Food Science, National Chiayi University	None	None	None	None	None
Assistant Vice President	R.O.C.	Chi-Mu Chen	Male	2015.02.01	0	0.00	0	0.00	0	0.00	Factory Director of AGV Products Corporation EMBA of Department of Food Science, National Chiayi University	None	None	None	None	None
Assistant Vice President	R.O.C.	Wei-En Wu	Male	2019.8.13	0	0.00	0	0.00	0	0.00	Assistant V.P. of Tangsheng International Co., Ltd. Master of Commerce, National Taiwan University	None	None	None	None	None
Director	R.O.C.	Tsung-Hsun He	Male	2016.03.15	0	0.00	0	0.00	0	0.00	Manager of AGV Products Corporation Master of Business Administration, National Chung Cheng University	None	None	None	None	None

Note: If the Chairman, President or personnel with equivalent position (senior managers) are the same person, have spouse relationship or are relatives within the first degree of kinship, the reason, rationality, necessity and countermeasures (including increasing independent director seats and having a majority of directors who do not concurrently serve as employees or managers) thereof shall be explained.

(III) Remuneration to directors (including independent directors), presidents and vice presidents in 2023

1.Remuneration to directors (including independent directors) (Individual Disclosure of Names and Remuneration Items)

Unit: NTD thousand

Title		Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received as a staff								Sum of A+B+C+D+E +F+G and ratio to net income		Remuneration from investees beyond subsidiaries or the parent company
			Remuneration (A)		Pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Salary, Bonuses and special allowances (E)		Pension (F)		Employee Compensation (G)						
																	The Company		Companies included into the financial report				
			The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	Amount paid in cash	Amount paid in stock	Amount paid in cash	Amount paid in stock	The Company	Companies included into the financial report	
Director	Chairman	Taiwan First Biotechnology Corp. Representative: Kuan-Han Chen	240	290	0	0	465	465	60	111	765 0.38	866 0.43	5,978	5,978	0	0	0	0	0	0	6,743 3.36	6,844 3.41	7,600
Director	Vice Chairman	Yueshan Investment Co., Ltd. Representative: Ching-Jen Chen	240	413	0	0	232	232	60	135	532 0.26	780 0.39	4,602	4,842	109	109	0	0	0	0	5,243 2.61	5,731 2.85	72
Director	Director	NICE Enterprise Co., Ltd. Representative:Michael Chen	240	413	0	0	232	232	50	104	522 0.26	749 0.37	0	0	0	0	0	0	0	0	522 0.26	749 0.37	3,062
Director	Director	Yin-Ji-Li International Consulting Corp. Representative: Hsien-Chueh Hsieh	240	410	0	0	232	232	60	111	532 0.26	753 0.37	0	0	0	0	0	0	0	0	532 0.26	753 0.37	428
Director	Director	Cunyuan Heye Co., Ltd. Representative: Chih-Chan Chen	240	572	0	0	232	232	60	135	532 0.26	939 0.47	4,477	4,637	108	108	54	0	54	0	5,171 2.57	5,738 2.86	2,048
Director	Director	Fang Tien Enterprise Co., Ltd. Representative: Huai-Hsin Liang	240	240	0	0	232	232	50	50	522 0.26	522 0.26	0	0	0	0	0	0	0	0	522 0.26	522 0.26	0

Title	Name	Remuneration to directors								Sum of A, B, C and D as percentage of net income		Remuneration received as a staff								Sum of A, B, C, D, E, F and G as percentage of net income		Remuneration from investees beyond subsidiaries or the parent company
		Remuneration (A)		Pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Salary, Bonuses and special allowances (E)		Pension (F)		Employee Compensation (G)						
																The Company		Companies included into the financial report				
		The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	Amount paid in cash	Amount paid in stock	Amount paid in cash	Amount paid in stock	The Company	Companies included into the financial report	
Independent Director	Yung-Fu Tseng	840	840	0	0	232	232	130	130	1,202 0.60	1,202 0.60	0	0	0	0	0	0	0	0	1,202 0.60	1,202 0.60	0
	Yung-Chien Wu	840	840	0	0	232	232	130	130	1,202 0.60	1,202 0.60	0	0	0	0	0	0	0	0	1,202 0.60	1,202 0.60	0
	Wei-Lung Chen	840	840	0	0	232	232	120	120	1,192 0.59	1,192 0.59	0	0	0	0	0	0	0	0	1,192 0.59	1,192 0.59	0

1. Please describe the policy, system, standard and structure of remuneration payment for independent directors and the association with the remuneration payment amount by factors such as function of the director, risk and involver duration:
   According to Article 26 of the Company's Articles of Incorporation: the monthly transportation allowance for the Directors shall be paid with reference to the level of the peers in the practice without regard to profit and loss. The remuneration to the Chairman and Directors for their execution of duties for the Company shall be paid without regard to profit and loss. The Board of Directors is authorized to determine the remuneration based on their individual level of participation in and the value of contribution to the operation of the Company with reference to the level of peers in practice. The independent directors have devoted and provided generous support for each business promotion in the Company. The remuneration shall be paid with reference to the business performance with the level of the peers in the practice and suggestion shall be proposed to the Board of Directors for resolution.
2. In addition to what are disclosed in the above table, the remuneration of the Company's directors for providing services (such as assuming a non-employee adversing post) for the companies included in the financial statement i most recent years: None.

Range of remuneration to the Company's directors	Name of Directors			
	Total of the first 4 items (A + B + C + D)		Total of the first 7 items (A + B + C + D + E + F + G)	
	The Company	Companies included into the financial report (H)	The Company	Companies included into the financial report (I)
Under NTD1,000,000	Kuan-Han Chen, Michael Chen, Ching-Jen Chen, Hsien-Chueh Hsieh, Chih-Chan Chen, Huai-Hsin Liang	Kuan-Han Chen, Michael Chen, Ching-Jen Chen, Hsien-Chueh Hsieh, Chih-Chan Chen, Huai-Hsin Liang	Michael Chen, Hsien-Chueh Hsieh, Huai-Hsin Liang	Michael Chen, Hsien-Chueh Hsieh, Huai-Hsin Liang
NTD1,000,000 (inclusive) – NTD2,000,000 (exclusive)	Yung-Fu Tseng, Yung-Chien Wu, Wei-Lung Chen	Yung-Fu Tseng, Yung-Chien Wu, Wei-Lung Chen	Yung-Fu Tseng, Yung-Chien Wu, Wei-Lung Chen	Yung-Fu Tseng, Yung-Chien Wu, Wei-Lung Chen
NTD2,000,000 (inclusive) – NTD3,500,000 (exclusive)	None	None	None	None
NTD3,500,000 (inclusive) – NTD5,000,000 (exclusive)	None	None	None	None
NTD5,000,000 (inclusive) – NTD10,000,000 (exclusive)	None	None	Kuan-Han Chen, Ching-Jen Chen, Chih-Chan Chen	Kuan-Han Chen, Ching-Jen Chen, Chih-Chan Chen
NTD10,000,000 (inclusive) – NTD15,000,000 (exclusive)	None	None	None	None
NTD15,000,000 (inclusive) – NTD30,000,000 (exclusive)	None	None	None	None
NTD30,000,000 (inclusive) – NTD50,000,000 (exclusive)	None	None	None	None
NTD50,000,000 (inclusive) – NTD100,000,000 (exclusive)	None	None	None	None
Over NTD100,000,000	None	None	None	None
Total	9	9	9	9

2. Remuneration to presidents and vice presidents (including independent directors) (disclose aggregately of the name indicated for each remuneration range)

Unit: NTD thousand

Title	Name	Salary (A)		Pension (B)		Bonus and and special allowances (C)		Employee Compensation (D)				Sum of A, B, C and D as percentage of net income (%)		Remuneration from investees beyond subsidiaries or the parent company
		The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company	Companies included into the financial report	The Company		Companies included into the financial report		The Company	Companies included into the financial report	
								Amount paid in cash	Amount paid in stock	Amount paid in cash	Amount paid in stock			
President	Chih-Chan Chen	13,961	14,578	821	821	8,302	8,607	324	0	324	0	23,408 11.65	24,330 12.11	8,006
Chief Operating Officer	Chien-hua Chen													
Executive Vice President	Nai-Pin Lin													
Vice President	Kuan-Hua Chen													
Vice President	Chien-Teng Fan													
Deputy Director	I-Chen Liao													
Deputy Director	Hung-Chi Hsiao													
Director-general	Hsiao-Chen Lin													
Director-general	Fu-Hui Wen													
Director-general	Hsuan-Hui Chen													

Range of remuneration to presidents and vice presidents	Name of presidents and vice presidents	
	The Company	Companies included into the financial report (E)
Under NTD1,000,000	None	None
NTD1,000,000 (inclusive) – NTD2,000,000 (exclusive)	Chien-Teng Fan, Hung-Chi Hsiao, Hsiao-Chen Lin, Fu-Hui Wen	Chien-Teng Fan, Hsiao-Chen Lin, Fu-Hui Wen
NTD2,000,000 (inclusive) – NTD3,500,000 (exclusive)	Chien-Hua Chen, Nai-Pin Lin, Kuan-Hua Chen, I-Chen Liao, Hsuan-Hui Chen	Chien-Hua Chen, Nai-Pin Lin, Kuan-Hua Chen, I-Chen Liao, Hung-Chi Hsiao, Hsuan-Hui Chen
NTD3,500,000 (inclusive) – NTD5,000,000 (exclusive)	Chih-Chan Chen	None
NTD5,000,000 (inclusive) – NTD10,000,000 (exclusive)	None	Chih-Chan Chen
NTD10,000,000 (inclusive) – NTD15,000,000 (exclusive)	None	None
NTD15,000,000 (inclusive) – NTD30,000,000 (exclusive)	None	None
NTD30,000,000 (inclusive) – NTD50,000,000 (exclusive)	None	None
NTD50,000,000 (inclusive) – NTD100,000,000 (exclusive)	None	None
Over NTD100,000,000	None	None
Total	10	10

3. Remuneration to the Five Highest Remunerated Management Personnel of a TWSE or TPEx listed Company (Individual Disclosure of Names and Remuneration Items)

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
								The Company		All consolidated entities				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
President	Chih-Chan Chen	2,445	2,822	108	108	2,032	2,280	54	0	54	0	4,639 2.31	5,264 2.62	2,048
Chief Operating Officer	Chien-hua Chen	1,578	1,578	104	104	1,116	1,116	47	0	47	0	2,845 1.42	2,845 1.42	2,170
Executive Vice President	Nai-Pin Lin	1,430	1,670	94	94	666	693	34	0	34	0	2,224 1.11	2,491 1.24	1,744
Vice President	Kuan-Hua Chen	1,320	1,320	86	86	960	960	31	0	31	0	2,397 1.19	2,397 1.19	332
Director-general	Hsuan-Hui Chen	1,323	1,323	78	78	883	883	30	0	30	0	2,314 1.15	2,314 1.15	0

4. Names of the managers receiving employee remuneration and the distribution there of

December 31, 2023

	Title	Name	Amount paid in stock	Amount paid in cash	Total	Ratio of total amount to profit after tax (%)
Manager	President	Chih-Chan Chen	0	535	535	0.27
	Chief Operating Officer	Chien-Hua Chen				
	Executive Vice President	Nai-Pin Lin				
	Deputy Director	Hung-Chi Hsiao				
	Deputy Director	I-Chen Liao				
	Vice President	Chien-Teng Fan				
	Vice President	Kuan-Hua Chen				
	Chief Auditor	Chih-Cheng Yang				
	Director-general	He-Shun Chang				
	Director-general	Yueh-Chu Tsai				
	Director-general	Hai-Feng Chang				
	Director-general	Li-Chueh Huang				
	Director-general	Mei-Hua Tsai				
	Director-general	Fu-Hui Wen				
	Director-general	Hsiao-Chen Lin				
	Director-general	Chun-Liang Chou				
	Director-general	Hsuan-Hui Chen				
	Assistant Vice President	Chi-Mu Chen				
	Assistant Vice President	Wei-En Wu				
	Director	Tsung-Hsun He				

(IV) Comparison and analysis of the total remuneration to directors, supervisors, the President and Vice President of the Company in proportion to the profit after tax from the Company and companies included in the consolidated statements in the most recent two years shown in the parent company only or individual financial statements and the policies, standards and packages based on which they were paid, procedures of determining remunerations and their correlation with operating performance and future risks:

Year/Item	2022		2023	
	Total remuneration	Ratio of total remuneration to profit after tax (%)	Total remuneration	Ratio of total remuneration to profit after tax (%)
Director	8,990	3.24	8,209	4.09
Presidents and Vice Presidents	28,602	10.29	28,320	14.09

1. The remuneration to directors in the most recent two years include two categories of remuneration and business execution expenses. According to the Company's Articles of Incorporation, the remuneration to directors for their execution of duties for the Company shall be paid without regard to profit and loss. The Board of Directors is authorized to determine the remuneration based on their individual level of participation in and the value of contribution to the operation of the Company with reference to the level of peers in practice; business execution expenses include travel, special allowances, various subsidies, accommodation, corporate vehicle and other in-kind benefits, which are paid with reference to the level of the peers in the practice.
2. Remuneration paid by the Company to directors:
   Remuneration to directors: If the Company retains earnings after closing of the accounts in any fiscal year, it shall contribute no more than 1% thereof as the remuneration to directors, and also pay the directors the compensation at a fixed amount on a monthly basis, in reference to the Company's business scale and business results and also the pay level adopted by the peers. The remuneration and compensation to directors shall be paid in cash in whole.
3. Remuneration paid by the Company to managers:
   Such remuneration consists of regular and non-regular salaries. A regular salary is based on the academic and job experience and future development potential of an employee, the evaluation of his/her performance, and the personnel and remuneration management regulations, bonus system, employee remuneration, benefits and other relevant requirements of the Company, taking into account the time invested by the employee, his/her responsibilities, his/her performance and the result of evaluation. Consideration is also given to the standards of peer companies to ensure the remuneration for the Company's management is competitive in the industry to retain outstanding employees.
   A non-regular salary is paid based on established operating targets, personal KPI scores, and team performance indicators. Additionally, bonuses will be given to those who have made substantial and special contributions to the Company, including those who have achieved great results in proposed improvements, revenue increase and expenditure reduction, according to personal performance.
4. The Company's compensation payment shall be decided in accordance with the Articles of Association for Remuneration Committee, including renumeration in cash, stock options, stock dividends, retirement benefits or severance pay, allowances and other incentive policies. The scope thereof shall be consistent with that for directors and managers referred to in the Regulations Governing Information to be Published in Annual Reports of Public Companies.
5. Relevance to the operating performance and future risks:
   The Company's remuneration policy for directors and managers is mainly based on its operating performance and risks. The amount of remuneration and the method of its payment are associated with performance targets and risk control to achieve a balance between sustainable management and risk control.
6. The total remuneration to directors in proportion to the net income after tax paid by the Company in 2023 was increased than the proportion in 2022. This was due to the significant less in profit after tax in 2023 compared to the previous year. There was no remuneration to supervisors recognized in 2023 due to the Company's replacement of supervisors with the Audit Committee. The total remuneration to presidents and vice presidents in proportion to the net income after tax in 2023 was increased than the proportion in 2022. This was due mainly to the significant less in profit after tax in 2022 compared to the previous.
7. In view of the above, the remuneration to directors, presidents and vice presidents paid by the Company is conducted in accordance with relevant regulations.

III. Status of corporate governance

(I) Operation status of the Board of Directors

1. The Board of Directors convened 5 meetings in 2023. The attendance of directors is as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remarks
Chairman	Taiwan First Biotechnology Corp. Representative: Kuan-Han Chen	5	0	100%	
Vice Chairman	Yueshan Investment Co., Ltd. Representative: Ching-Jen Chen	5	0	100%	
Director	NICE Enterprise Co., Ltd. Representative: Michael Chen	2	3	40%	
Director	Fang Tien Enterprise Co., Ltd. Representative: Huai-Hsin Liang	4	1	80%	
Director	Yin-Ji-Li International Consulting Corp. Representative: Hsien-Chueh Hsieh	5	0	100%	
Director	Cunyuan Heye Co., Ltd. Representative: Chih-Chan Chen	5	0	100%	
Independent Director	Yung-Fu Tseng	5	0	100%	
Independent Director	Yung-Chien Wu	4	1	80%	
Independent Director	Wei-Lung Chen	3	2	60%	

Other items to be stated:

I. If the operations of the Board of Directors meets any of the following circumstances, the meeting date, term, contents of proposals, opinions of all independent directors and the Company’s handling of said opinions shall be specified:

II. Matters specified in Article 14-3 of the Securities and Exchange Act:

The Company held 5 Board meetings in 2023 and the resolutions are specified in Page 87-91 of the annual report. Matters specified in Article 14-3 of the Securities and Exchange Act were approved unanimously by all independent directors.

III. Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

IV. Directors’ avoidance of proposals involving any conflict of interest; the names of directors, details of the proposals, causes of recusal, and participation in voting shall be disclosed:

i. 4th meeting of the 18th Board of Directors on January 10, 2023:

a. During the review of the proposal to renew the appointment of the Company's advisor, independent director Yung-Fu Tseng, the father of Chi-Ying Tseng, Chairman Kuan-Han Chen, the brother of Kuan-Ju Chen, and the director Ching-Jen Chen, the brother of Ching-Tan Chen and Ching-Yao Chen, recused themselves and did not participate in the discussion and voting on the proposal due to involvement of their personal interests.

b. During the review of changes in the senior management of the Company, director Ching-Jen Chen, a lineal relative of Vice President Kuan-Hua Chen and Chief Director Hsuan-Hui Chen, recused himself and did not participate in the discussion and voting on the proposal due to involvement of his personal interests.

ii. 5th meeting of the 18th Board of Directors on March 13, 2023:

During the review of the proposal to renew the appointment of Ching-Liang Chen as an advisor, director Ching-Jen Chen, the brother of Ching-Liang Chen, recused himself and did not participate in the discussion and voting on the proposal due to involvement of his personal interests.

iii. 8th meeting of the 18th Board of Directors on November 9, 2023:

During the review of the proposal of personnel change for Hsien-Chueh Hsieh, a director and the chief secretary of the Board of Directors, he recused himself and did not participate in the discussion and voting on the proposal due to involvement of his personal interests.

V. TWSE/TPEx listed companies shall disclose information including the cycle, period, scope, method and items of the self-evaluation (or peer review) for the Board of Directors and specify the implementation of the evaluation for the broad of directors:

i. According to the Rules for Performance Evaluation of Board Directors of the Company, an annual internal performance evaluation for the Board of Directs is conducted every year and the evaluation result is submitted to the Board of Directors before Q1 of the following year. The cycle, period, scope, method, items and results related to the evaluation in 2023 is as follows:

1. The cycle, period, scope, method, and items of evaluation:

Performance Evaluation of the Board of Directors				
Cycle	Period	Scope	Method	Item
Once a year	January 1 to December 31, 2023	Performance evaluation for the whole Board of Directors	Internal self-evaluation of the Board of Directors	I. Participation in the Company's operation (20%) II. Improvement of the of the Board of Directors' decision quality (28%) III. Formation and structure of the Board of Directors (20%) IV. Election and continuing education of the directors (12%) V. Internal control (20%) A total of 25 indicators.

Performance evaluation of board members				
Cycle	Period	Scope	Method	Item
Once a year	January 1 to December 31, 2023	Performance evaluation of individual director	Self-evaluation of the board members	I. Understanding of the Company's goals and tasks (15%) II. Awareness of duties as a director (20%) III. Participation in the Company's operation (30%) IV. Management and

				communication of internal relationship (15%) V. Directors' professionalism and continuing education (10%) VI. Internal control (10%) A total of 20 indicators.

2. The evaluation is conducted in the form of internal questionnaires based on the operation of the Board of Directors and self-participation evaluated by the director. The secretariat of the Board will then collect and summarize the statistic results and then submit them to the Board of Directors.
3. The 2023 evaluation of the performance of the Board of Directors and its members was completed in February 2024. The result indicated an average score of 94.22 for the internal self-evaluation of the Board of Directors and an average score of 97.36 for the internal self-evaluation of individual directors, both of which were "Excellent". The directors strongly agreed that the evaluation indicators met the requirements of corporate governance, as well as effectively strengthened the functions of the Board of Directors and maintained shareholders' interests. The result was submitted in a report to the 10th meeting of the 18th Board of Directors on March 11, 2024, and was acknowledged by the Board of Directors.
4. The Company fully discloses the Rules for Performance Evaluation of Board Directors and the Board's and Board members' evaluation results on the Market Observation Post System, in the Company's annual report and on the Company's website.

VI. Goals of strengthening board functions (e.g. setting up an audit committee or improving information transparency) in the current or most recent year and the implementation status:

(I) The Company has established the Audit Committee, composed of three independent directors, to enhance the corporate governance of the Company and the functions of the Board of Directors.

(II) In 2023 and as of the date of publication of the annual report, proposals which shall be submitted to the Audit Committee for approval and to the Board of Directors for resolution according to the Company Act and the matters set forth under Articles 14-3 and 14-5 of the Securities and Exchange Act were approved by the Audit Committee, submitted to and approved by resolutions of the Board of Directors, and implemented pursuant to the resolutions.

(III) The Company has appointed a chief corporate governance officer in charge of matters related to corporate governance, such as assisting directors in legal compliance.

(IV) At the 4th to 8th meetings of the 18th Board of Directors dated January 10, March 13, May 9, August 9, and November 9, 2023, regular reports were given by the President, the COO, the chief auditor, and relevant managers to the Board of Directors regarding the operations of the Company and the implementation of the business, financial, and internal audit plans.

(V) Proposals for establishment and amendment of regulations:

1. 5th meeting of the 18th Board of Directors on March 13, 2023:
   A resolution approving amendments to the "Rules of Procedure for Shareholders' Meeting", "Corporate Governance Best Practice Principles" and "Standard Operating Procedures for Handling Requests from Directors", and the establishment of the Implementation Rules for Inclusion of the Procedures for Preparation and Certification of Sustainability Report into the Scope of Internal Control System and Internal Audit.

Approved the GHG inventory and verification schedule plan of the Company's subsidiary.

2. 8th meeting of the 18th Board of Directors on November 9, 2023:
   A resolution approving amendments to the "Rules of Procedure for the Board of Directors" and "Organizational Rules for the Audit Committee".
3. 10th meeting of the 18th Board of Directors on March 11, 2024:
   A resolution approving amendments to the "Rules of Procedure for the Board of Directors", "Corporate Governance Best Practice Principles", "Rules of Procedure for the Board of Directors", "Regulations for Evaluation of the Performance of the Board of Directors" and "Organizational Rules for the Audit Committee".

(VI) Report on the status of implementation and results of evaluation of the performance of the Board of Directors and its members

1. The status of implementation and results of evaluation of the performance of the Board of Directors in 2022 were acknowledged by the 5th meeting of the 18th Board of Directors on March 13, 2023.
2. The status of implementation and results of evaluation of the performance of the Board of Directors in 2023 were acknowledged by the 10th meeting of the 18th Board of Directors on March 13, 2024.

(VII) 、Since the net value of Shanghai AGV Foods Co., Ltd., a recipient of endorsements and guarantees from the Company, falls below 1/2 of the company's paid-in capital, a report on the related control measures has been submitted to the Board of Directors for reference.

(VIII) The chief corporate governance officer handles requests from directors in accordance with the "Standard Operating Procedures for Handling Requests from Directors".

(IX) 、Quarterly reports are submitted to the Board of Directors on the implementation of the GHG inventory and verification schedule plans of the Company and its subsidiary.

(X) The Company forwards relevant laws and regulations or information on continuing education to directors on a regular or intermittent basis to enhance the understanding of the laws.

(XI) Besides conducting regular self-examination by the Company on the operation of the Board of Directors to enhance the board functions, internal auditors also prepare audit reports concerning the operation of the Board of Directors to comply with the regulations of the competent authority for securities.

(II) Information on the operation of the Audit Committee

1. Power and annual focuses of the Audit Committee

A. Establishment or amendment of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
B. Assessment of the effectiveness of the internal control system.
C. Establishment or amendment of the handling procedures regarding significant financial business behaviors, including the acquisition and disposal of assets, trading of financial derivatives, loaning of funds to others, and endorsement/guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
D. Matters involving any directors' personal interests.
E. Significant transactions of assets or financial derivatives.
F. Significant loans of funds, and endorsement/guarantees.
G. The offering, issuance, or private placement of equity-type securities.
H. The hiring or dismissal of CPAs or the remuneration given thereto.
I. The appointment or discharge of a financial, accounting, or internal audit officer.
J. The first quarter, second quarter, third quarter financial reports, and annual financial report signed or stamped by the Chairman, Manager, and Accounting Supervisor.
K. Any other material matter required by the Company or the competent authority.

2. The Audit Committee convened 5 meetings in 2023. The attendance of independent directors is as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual attendance rate (%)	Remarks
Independent Director	Yung-Chien Wu	4	1	80%	
Independent Director	Yung-Fu Tseng	5	0	100%	
Independent Director	Wei-Lung Chen	3	2	60%	

Other items to be stated:

I. If the operations of the Audit Committee meets any of the following circumstances, the meeting date of the Board of Directors, term, contents of proposals, resolutions of the Audit Committee and the Company's handling of said opinions shall be specified.

(I) Matters specified in Article 14-5 of the Securities and Exchange Act:
In 2023, the Audit Committee of the Company held 5 meetings and the resolutions are specified in Page 47-48 of the annual report. Matters specified in Article 14-5 of the Securities and Exchange Act were approved unanimously by the Audit Committee.

(II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

II. Independent directors' avoidance of proposals involving any conflict of interest; the names of independent directors, details of the proposals, causes of recusal, and participation in voting shall be disclosed: None.

III. Communication between independent directors, internal audit officer and CPAs (e.g. the major matters, methods and results of communication with regard to the financial and business statuses of the Company): (I) Audit reports, each of which requires a follow-up on the improvement for internal control deficiencies or irregularities, are submitted to the Audit Committee for review at least once each month. (II) The chief auditor communicates through the Audit Committee by attending its meetings to give reports on audit activities. (III) In case of instructions or questions by the Audit Committee after reviewing the audit report, it will notify the chief auditor. (IV) CPAs also communicate with the Audit Committee periodically, such as reporting on the phases of the annual plan and a report on the completion of their audits. (V) The Company invites CPAs to attend meetings of the Audit Committee in a non-voting capacity to communicate with and report to independent directors regarding the results of audits or reviews of the financial statements, or the effect of the promulgation of other laws on the Company. The communication between independent directors and CPAs has been good. (VI) To engage in good communications with the chief auditor and CPAs, the Company may seek to adequately understand its financial and business conditions and audit activities through reports or channels such as video conferencing, telephone, e-mail, Line and fax. IV. Summary of the work focuses of the Audit Committee in 2023: (I) Reviewing the annual audit plan. (II) Reviewing the Q1, Q2, Q3 and annual financial reports. (III) Reviewing the assessment of the engagement and independence of the CPAs. (IV) Reviewing transactions for acquisition or disposal of assets. (V) Reviewing internal audit reports and follow-up reports.

3. The contents of proposals and resolutions of the Audit Committee and the Company's handling of the Audit Committee's opinions in 2023 is as follows:

Audit Committee	Proposal	Objection or reservations by independent director	Resolution Results	Company's response to Audit Committee's opinions
January 10, 2023 2nd Audit Committee, 3rd meeting	Matters to be reported: 1. Report on the implementation of the internal audit plan. 2. Communication between the CPAs and the governing bodies.	None	Acknowledged	Acknowledged
	Matters to be discussed: 3. Review of the proposal for purchase of shares issued by the subsidiary "Sontenkan Resort Development Co., Ltd." for cash capital increase.		Approved without amendment, and submitted to the Board of Directors for review.	Approved, without amendment, by a resolution of the Board of Directors.
March 13, 2023 2nd Audit Committee, 4th meeting	Matters to be reported: 1. Report on the implementation of the internal audit plan. 2. Communication between the CPAs and the governing bodies.		Acknowledged	Acknowledged
	Matters to be discussed: 3. Review of the Company's 2022 financial statements (including consolidated financial statements). 4. Review of the proposal for distribution		Approved without amendment, and submitted to the Board of Directors for	Approved, without amendment, by a resolution of the Board of Directors.

Audit Committee	Proposal	Objection or reservations by independent director	Resolution Results	Company's response to Audit Committee's opinions
	of the earnings of 2022. 5. Review of the 2022 "Statement of Internal Control System". 6. Review of the issuance of common shares for cash capital increase via private placement approved by the 2022 annual shareholders' meeting, with a proposal to discontinue the issuance in the remaining period. 7. Review of the proposal for issuance of common shares for cash capital increase via private placement. 8. Review of the proposal for establishment of the Implementation Rules for Inclusion of the Procedures for Preparation and Certification of Sustainability Report into the Scope of Internal Control System and Internal Audit. 9. Review of the proposal for assessment of the engagement and independence of the CPAs. 10. Review of the proposal for provision of endorsements and guarantees to the subsidiary Sontenkan Resort Development Co., Ltd. for financing.		review.	
May 9, 2023 2nd Audit Committee, 5th meeting	Matters to be reported: 1. The 2023 Q1 consolidated financial statements, audited by the CPAs. 2. Report on the implementation of the internal audit plan. Matters to be discussed:None.		Acknowledged	Acknowledged
August 9, 2023 2nd Audit Committee, 6th meeting	Matters to be reported: 1. Report on the implementation of the internal audit plan. Matters to be discussed: 2. Review of the 2023 Q3 consolidated financial statements, audited by the CPAs. 3. Review of the 2023 audit plan.	None	Acknowledged Approved without amendment, and submitted to the Board of Directors for review.	Acknowledged Approved, without amendment, by a resolution of the Board of Directors.

(III) Implementation of corporate governance, and deviation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof

Evaluation item	Status			Any variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
I. Has the Company established and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company established the "Corporate Governance Best Practice Principles" based on the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" on May 12, 2017. On August 13, 2019, January 18, 2022, March 13, 2023, and March 11, 2024, amendments thereof were made and approved by the Board of Directors. Their full text is disclosed on the Company's website (website: https://www.agv.com.tw) and the MOPS. The Company has implemented these practices accordingly based on the spirit of the Corporate Governance Best Practice Principles, in order to maintain the interests of shareholders and stakeholders.	In compliance with the Best Practice Principles.
II. Equity structure and shareholders' equity of the Company (I) Has the Company established internal procedures for handling shareholders' suggestions, questions, disputes, and lawsuits? Does your company follow such procedures?	✓		Besides engaging the shareholders' services agent for management, the Company has delegated the spokesperson, deputy spokesperson, chief corporate governance officer, shareholders service dedicated personnel, and legal affairs unit to handle related affairs such as shareholders' suggestions, questions, disputes, and lawsuits.	In compliance with the Best Practice Principles.
(II) Does the Company keep a list of major shareholders actually controlling your company and the ultimate controllers of the major shareholders ?	✓		The Company keeps a list of shareholders provided by the shareholder services agent, Capital Securities Corporation, and reports any change in the equity of directors and insiders on a monthly basis.	In compliance with the Best Practice Principles.
(III) Has the Company established and implemented a system for risk control and firewalls with its affiliates?	✓		The operation of the Company and its affiliates is independent from each other and the operation of the Company is conducted based on the internal control system. We have established the "Regulations Governing the Monitoring of Subsidiaries", participated in important meetings of the affiliates, and established the international investment department to implement the risk control mechanism of the Company.	In compliance with the Best Practice Principles.
(IV) Has the Company established internal regulations that prevent insiders from trading securities using non-public market information ?	✓		Article 4 of the "Ethical Management Best Practice Principles" stipulates that: the Company shall comply with related regulations such as the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on the Recusal of Public Servants Due to Conflicts of Interest, and regulations governing TWSE/TPEx listed companies or	In compliance with the Best Practice Principles.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status</th><th rowspan="2">Any variance from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>other laws concerning business activities, as the underlying foundation to facilitate ethical corporate management. The Company’s directors, managers, employees, and de facto controllers of the Company are required to comply with relevant regulations, and also adopt the “Procedures for the Management of Material Insider Information” in order to protect investors and maintain the Company’s interests.
The Company provides related information to new directors and insiders and communicates with them to remind them regarding matters requiring attention when they take office.</td><td></td></tr>
<tr><td>III. Composition and responsibilities of the Board of Directors
(I) Has the Board of Directors established a diversity policy and specific goals of management? Have such policies and goals been implemented ?</td><td>✓</td><td></td><td>The Board of Directors shall direct the Company’s strategies, supervise the management, and be accountable to the Company and its shareholders. The operations and arrangements of the corporate governance system must ensure the Board of Directors exercises its powers in accordance with the law, the Articles of Incorporation, or the resolutions of shareholders’ meetings.
Chapter 3 of the “Corporate Governance Best Practice Principles” has stipulated that the Board of Directors shall be responsible for establishing an appropriate diversity policy, which shall include, but not be limited to, criteria for the following two aspects:
1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing, or technology), professional skills and industrial experience.
Members of the Board of Directors shall possess the necessary knowledge, skills, and experience for performing their duties. To achieve the ideals and goals of corporate governance, members of the Board of Directors must possess the following abilities:
1. Ability in operational judgment.
2. Ability in accounting and financial analysis.
3. Ability in business management.
4. Ability in crisis management.
5. Industrial knowledge.
6. International market vision.
7. Leadership ability.
8. Decision-making ability.
The achievement of targets formulated regarding diversification in the abilities of members of the Board of Directors is described as follows:
The Company pays attention to diversification in the abilities of members of the Board of Directors, and the goal is to achieve at least 80% of the targets set for each ability. The achievement rates of the directors have all met the targets for each ability.</td><td>In compliance with the Best Practice Principles.</td></tr>
</table>

Evaluation item	Status			Any variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
			The Company's directors include those with specialized backgrounds and professional practitioners, such as CPAs, attorneys, and financial and accounting professionals. All members possess professionalism, independence, and diversity, consistent with the structure of the Board of Directors under the Corporate Governance Best Practice Principles. For the policy of diversity for the composition of members of the Board of Directors and its implementation, please see pages 27–29 of the annual report and the Investor Section – Status of Corporate Governance on the Company's website (at https://www.agv.com.tw).	
(II) Has the Company, apart from establishing a remuneration committee and an audit committee, voluntarily set up any other functional committee ?	✓		The Company has established the Audit Committee and Remuneration Committee. Internally, it also established the Strategic Planning Committee, Marketing and Planning Management Committee, Total Quality Review Committee, Committee for Evaluation of Food Technology Personnel, Procurement Committee, Operation Review Commission, Personnel Evaluation Committee, and Security Center to promote sustainable development of the Company. The operations and systems related to the Board of Directors are in compliance with the relevant laws and regulations.	In compliance with the Best Practice Principles.
(III) Has the Company established regulations and methods for the evaluation of the performance of the Board of Directors? Does the Company conduct such performance evaluations on a regular basis each year? Are the results of such performance evaluations submitted to the Board of Directors and used as a reference for the remuneration of individual directors and for their nomination or re-election?	✓		The Company has established the Regulations for Evaluation of the Performance of the Board of Directors and conducts an internal evaluation of the performance of the Board of Directors each year in accordance with the regulations. The evaluation result is submitted to the Board of Directors before Q1 of the next year. The 2023 evaluation of the performance of the Board of Directors and its members was completed in February 2024. The evaluation results indicated an average score of 94.22 for the whole Board of Directors and an average score of 97.36 for individual directors, both of which were "Excellent" (a score of 90 or above). The results were submitted in a report to the 10th meeting of the 18th Board of Directors on March 11, 2024, and were acknowledged by the Board of Directors. All of the foregoing were in accordance with the relevant laws and regulations.	In compliance with the Best Practice Principles.
(IV) Does the Company assess the independence of CPAs on a regular basis ?	✓		According to the Company Act and Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, the independence of CPAs shall be assessed periodically (at least once per year). With reference to Article 47 of the Certified Public Accountant Act and the items for assessment listed in the Standards of Professional Ethics for Certified Public Accountants	In compliance with the Best Practice Principles.

Evaluation item	Status			Any variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
			Bulletin No. 10 "Integrity, Impartiality, Objectivity and Independence", the CPAs Shu-Man Tsai and Ling-Wen Huang from Crowe Taiwan, engaged by the Company for financial and tax audits in 2024, have met the independence requirements according to the results of assessment conducted by the Company's accounting department. Also, the CPAs have issued their 2024 CPA independence assessment reports and provided a declaration of independence, and they were approved by the 9th meeting of the 2nd Audit Committee on March 11, 2024, and by the 10th meeting of the 18th Board of Directors on March 11, 2024, in accordance with the Company's criteria for the assessment of independence. The assessment of independence of the CPAs includes four items: 1. Planning for the Certified Public Accountant Act. 2. Standards of Professional Ethics for Certified Public Accountants Bulletin No. 1. 3. Standards of Professional Ethics for Certified Public Accountants Bulletin No. 10. 4. Articles 65 and 68 of TWSQM1 concerning the quality control of accounting firms.	
IV. Does the TWSE/TPEx listed company appoint an appropriate number of competent corporate governance officers and designate a chief corporate governance officer to be in charge of corporate governance affairs (including but not limited to providing the information required for directors or supervisors to perform their duties, assisting directors or supervisors in compliance, managing affairs for Board of Directors meetings and shareholders' meetings as required by law, and preparing minutes for Board of Directors meetings and shareholders' meetings)?	✓		The Board of Directors has adopted a resolution to appoint a chief corporate governance officer, the position of which is currently occupied by Yue-Tsu Tsai, the manager of the Human Resources Department. Graduated as an MBA from National Chiayi University, she possesses years of practical experience in compliance, operations of the Board of Directors, and stock affairs, meeting the requirements of the Best Practice Principles. Her main responsibilities are as follows: 1. Managing matters related to the Board of Directors meetings and shareholders' meetings in accordance with the law. 2. Preparing minutes for Board of Directors meetings and shareholders' meetings. 3. Assisting directors in taking office and continuing training. 4. Providing the information required for directors to perform their duties. 5. Assisting directors in compliance. 6. Submitting a report to the Board of Directors regarding the result of review on whether the qualifications of independent directors meet the requirements of relevant laws and regulations at the times of their nomination and election and during their term of service. 7. Managing matters related to changes of directors. 8. Other matters set out in the Articles of Incorporation or contracts. The following is a description of the key duties performed and the status of continuing training in 2023: 1. Handling matters related to Board of Directors meetings, Audit Committee meetings, Remuneration	In compliance with the Best Practice Principles.

Evaluation item	Status			Any variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
			Committee meetings, and shareholders' meetings, informing all directors to attend the meeting at least seven days in advance with the provision of sufficient meeting information and preparing minutes of the Board of Directors meetings, Audit Committee meetings, Remuneration Committee meetings, and shareholders' meetings. 2. Provision of information required for performance of duties by the directors and latest development of laws and regulations related to company management. 3. Submission of a report to the Board of Directors that the candidates for directors and independent directors have met the legal requirements after review. 4. Provision of information related to continuing education for directors to assist them in legal compliance. 5. Registration of the date of the shareholders' meeting within the period specified by law, preparation and filing of meeting notices, handbooks, meeting minutes, and annual reports before the deadline. 6. Matters related to changes in company registration. 7. Matters related to investor relations. 8. Review of the corporate governance evaluation indicators published every year, review of the targets achieved by the Company item by item, and planning for improvements. 9. Amendments to the latest regulations concerning corporate governance, and the submission of such amendments to the Board of Directors for review. 10. Assessment of the purchase of liability insurance for directors and important employees. 11. Other matters set out in the Articles of Incorporation or contracts. 12. In 2023, the chief corporate governance officer attended continuing training courses for a total of 19 hours.	
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Does the Company create a section for stakeholders on its website and give proper responses regarding important issues of corporate social responsibility that concern	✓		1. To achieve sustainable management and development, it is imperative that the Company understand the opinions of stakeholders as an important basis of sustainable development. Besides maintaining interaction with stakeholders in various forms, the Company has also set up a section for external communication on its website: https://www.agv.com.tw/投資人專區/利害關係人專區. 2. The Company has established a section for stakeholders (including business partners, social welfare organizations, consumers, customers, employees, government agencies, local communities, non-governmental organizations, shareholders and other investors, suppliers, trade associations, and disadvantaged groups) on its website. The mailbox for communication is managed by the chief corporate governance officer, and each responsible department	In compliance with the Best Practice Principles.

Evaluation item	Status			Any variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
stakeholders?			responds properly to important issues of corporate social responsibility that are of concern to stakeholders. 3. For the information of communication with stakeholders in the most recent year, see the sustainability report or the Company's website. 4. Communication channels: Employee relations – Ms. Tsai, Human Resources Department Email: yuehchu@mail.agv.com.tw Stock Affairs Office – Ms. Tsai Email: yuehchu@mail.agv.com.tw Investor relations – Ms. Chang, Accounting Department Email: j77888@mail.agv.com.tw Customer service center – Ms. Chang, Customer Service Center Email: greenbar@mail.agv.com.tw 5. The Company maintains good communication with employees, investors, consumers, distributors, suppliers, shareholders, peers, community residents, and government agencies.	
VI. Does the Company engage any professional shareholder services agent to manage affairs for shareholders' meetings ?	✓		The Company has engaged the professional Registrar Department of Capital Securities Corporation to manage affairs for shareholders' meetings.	In compliance with the Best Practice Principles.
VII. Information Disclosure : (I) Does the Company set up a website to disclose financial, business, and corporate governance information ?	✓		The Company's website has fully disclosed the financial and corporate governance information of the Company (including English website) at https://www.agv.com.tw. The information about corporate governance practices and finance is also disclosed in the investors section.	In compliance with the Best Practice Principles.
(II) Does the Company use other means to disclose information (e.g., setting up an English website, assigning specialized personnel to collect and disclose corporate information, implementing a spokesperson system, uploading the proceedings of investor conferences to the Company's website)?	✓		1. Dedicated personnel are designated to collect and disclose the Company's information, based on their job duties. 2. Spokesperson: Chairman Kuan-Han Chen Deputy spokesperson: President Chih-Chan Chen, Chief Operating Officer Chien-Hua Chen, and Deputy Director Hung-Chi Hsiao. 3. Investors can visit the MOPS for information related to the Company's finance, business, corporate governance, and corporate social responsibility. 4. The video and audio recordings of investor conferences have been disclosed on the Company's website: https://www.agv.com.tw.	In compliance with the Best Practice Principles.
(III) Does the Company publish and submit an annual financial	✓		Publication of the 2023 financial report was completed on March 14, 2024. The Q1, Q2, and Q3 financial reports and information of monthly operations have been	In compliance with the Best Practice Principles.

Evaluation item	Status			Any variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
report within two months after the end of each fiscal year? Does the Company publish and submit financial reports for the first, second, and third quarters and the monthly status of operations before the required deadline?			submitted for disclosure within the period specified in the Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds of the TWSE.	
VIII. Does the Company have other important information useful for understanding the status of corporate governance of the Company (including but not limited to employees' rights, employee care, investor relations, supplier relationships, stakeholders' rights, continuing training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, purchase of liability insurance for directors and supervisors by the Company, etc)?	✓		1. Employees' rights and employee care: The Company attaches great importance to harmonious labor relations and strives to enable employees to balance their work and families. In addition to maintaining comprehensive personnel and promotion systems, the Company provides profit sharing, a safe and happy workplace, emergency aid, cultural and educational entertainment, on-the-job training, scholarships for children, and employee health examinations, so that employees and their families will see the Company as their home and be proud of the Company. AGV strives to manage and emphasize the care of employees and their families, and pays close attention to the rights and welfare of employees. 2. The Company's relations with investors: The Company handles matters related to the publication and submission of information to be disclosed in accordance with the relevant regulations issued by the competent authority to timely provide information that may affect investors' decisions. The Company has appointed a spokesperson, a deputy spokesperson, and a contact person for investor relations to address related matters between the Company and investors. 3. Supplier relations: The Company maintains a stable and good relationship with suppliers. In addition to conducting on-site evaluations of suppliers, the Company also makes records of visits by new suppliers, with visits for on-site evaluation conducted from time to time, in order to move toward sustainability. 4. Stakeholders' rights: The Company provides multiple channels for communication and information disclosure, describes the issues of concern for stakeholders in the sustainability report, and respects and protects the legitimate rights of stakeholders. 5. Continuing training of directors (including independent directors) in 2023: A. Chairman Kuan-Han Chen: Attended "How Companies Innovate and Achieve Profitability Breakthroughs in the Era of the Digital Economy". B. Vice Chairman Ching-Jen Chen: Attended "2023 Conference on Awareness of	In compliance with the Best Practice Principles.

Evaluation item	Status			Any variance from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and the reasons
	Yes	No	Summary	
			Compliance with the Laws Governing Trading of Equity by Insiders". C. Director Huai-Hsin Liang: Attended "Analysis of Post-M&A Integration Issues and the Establishment of Management Mechanisms" and "2024 Economic Outlook and Industrial Trends". D. Director Kuan-Chou Chen: Attended "Carbon Rights Trading Mechanisms, Applications of Carbon Management, and Resource Circulation" and "Money Laundering Prevention and Ethical Corporate Management". E. Director Hsien-Chueh Hsieh: Attended "How Companies Innovate and Achieve Profitability Breakthroughs in the Era of the Digital Economy". F. Director Chih-Chan Chen: Attended "Using Family Trusts and Family Constitutions to Improve the Succession and Wealth Inheritance of Family Businesses" and "A Business Model of Green Energy Innovation for Corporate Governance". G. Independent Director Yung-Fu Tseng: Attended "2023 Taishin Net Zero Summit" and "14th Taipei Corporate Governance Forum". H. Independent Director Yung-Chien Wu: Attended "Shareholder Meeting, Management and Shareholding Strategy", "2023 Cathay Sustainable Finance and Climate Change Summit" and "Requirements of AML/CFT Laws for the Board of Directors". I. Director Wei-Lung Chen: Attended "Enhancement of Business Processes and Maturity of Digitization", "Carbon Rights Trading Mechanisms, Applications of Carbon Management, and Resource Circulation" and "2023 Conference on Awareness of Prevention of Insider Trading". 6. Implementation of risk management policies and risk assessment standards: The Company does not engage in investments with high risk and leverage. 7. Implementation of consumer or customer protection policies: The Company has set up a consumer service hotline to actively handle suggestions or complaints from consumers to protect and maintain consumers' rights and provide them with the best services. 8. The Company seeks to protect its directors and managers from possible legal risks arising out of the performance of their duties, and the Company may purchase liability insurance for its directors under Article 26-1 of the Articles of Incorporation. Accordingly, the Company has purchased a one-year liability insurance policy from Shinkong Insurance Co., Ltd., with an insured amount of USD2,000,000.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status</th><th rowspan="2">Any variance from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The insurance was approved by the 7th meeting of the 18th Board of Directors on August 9, 2023.</td><td></td></tr>
<tr><td colspan="5">IX. Please specify the status of the improvement made, based on the corporate governance assessment report released by the Corporate Governance Center of TWSE in the most recent year, and the priority corrective actions and measures for any issues that are yet to be rectified:
(I) Improvement made based on the result of corporate governance assessment:
1. Important information of shareholders’ questions and the Company’s responses is recorded in the minutes of the annual shareholders’ meetings.
2. The shareholders’ meeting will be broadcast live online, or uninterrupted audio and video recordings of the full meeting will be uploaded after the meeting.
3. At least one of the Company’s internal auditors holds a certificate for international internal auditors, international computer auditors or CPA examination.
4. Changes in the shareholdings of insiders in the previous month will be uploaded to the MOPS on or before the 10th day of each month.
5. The Company’s annual report has disclosed the connection between the evaluation of the performance of directors and managers and their remuneration.
6. The Company regularly submits reports on the communication with stakeholders to the Board of Directors.
7. The Company has established a workplace diversity or gender equality policy, and has disclosed the status of its implementation.
8. The Company has assessed the risks or opportunities to the community and taken corresponding measures, and has disclosed the specific measures and results of their implementation on the Company’s website or in its annual report or sustainability report.
(II) Priority corrective actions and measures for any issues that are yet to be rectified:
1. Where cash dividends are distributed in the year of evaluation, their distribution is completed within 30 days after the ex-dividend date.
2. The Board of Directors regularly (at least once per year) assesses the independence and competence of the CPAs based on the Audit Quality Indicators (AQIs), and discloses the evaluation procedures in the annual report.
3. The Company establishes a specialized (or designates an existing) department to promote sustainable development, and it conducts a risk assessment of environmental, social, and corporate governance issues related to its operations and establishes relevant risk management policies or strategies based on the principle of materiality, with the Board of Directors responsible for supervising the promotion of sustainable development, and with disclosures on its website and in its annual report.
4. The Company discloses the greenhouse gas emissions, water consumption and total weight of waste over the previous two years.
5. The Company adopts a policy on the diversity of members of the Board of Directors, and discloses the specific management targets and status of implementation of the diversity policy on its website and in its annual report.
6. The Company’s interim financial reports are approved by the Audit Committee and submitted to the Board of Directors for discussion and resolution.
7. Starting in 2025, the Company will conduct annual internal evaluations of the performance of the functional committees (must include at least the Audit Committee and the Remuneration Committee), and will disclose the status of implementation and results of evaluation on the Company’s website or in its annual report.</td></tr>
</table>

(IV) The composition, responsibility and operations of the Remuneration Committee

1. Information on the Remuneration Committee members

<table>
<tr><th colspan="2">Criteria
Position title
Name</th><th>Professional qualifications and experience</th><th>Independence</th><th>Number of public listed companies where the member also serves as a remuneration committee member</th></tr>
<tr><td>Independent Director</td><td>Wei-Lung Chen (Convener)</td><td rowspan="3">Please refer to Pages 23–26 of the annual report for the disclosure of information about directors' professional qualifications and independent directors' independence</td><td rowspan="3">1. Not an employee of the Company or any of the affiliates
2. Not a director or supervisor of the Company or any of the affiliates
3. Not a natural-person shareholder holding 1% or more of the total shares issued by the Company, together with the person's spouse, minor children or under others' names or ranking in the top 10 in shareholdings.
4. Not a spouse, relative of second degree, or direct kin of third degree or closer to persons described in the three preceding subparagraphs.
5. Not a director, supervisor, or employee holding 5% or more of the total number of shares issued by the Company, ranking among the top 5 in shareholdings or being the director, supervisor or employee of corporate shareholders who designate their representatives as the Company's directors or supervisors in accordance with Paragraph 1 or 2, Article 27 of the Company Act
6. Not a director, supervisor or employee of another company in which the number of directors or more than half of the voting shares is under the control of the same person
7. Not a director, supervisor or employee of another company or institution in which the Chairman, President or personnel with equivalent position are the same person or have spouse relationship
8. Is neither a director, supervisor, manager, nor a shareholder holding more than 5% of the outstanding shares, of a certain company or organization that has a financial or business relationship with the Company.
9. Not a professional who provides audits or commercial, legal, financial, accounting or consulting services accumulating more than NTD 500,000 of remuneration obtained in recent two years to the Company or its affiliates nor is an owner, partner, director (managing director), supervisor, or manager or the spouse of any of the above, of a sole proprietorship, partnership, company, or organization that provides such services to the Company or its affiliates.
10. Not the spouse or a relative within the second degree of kinship of any other directors</td><td>3</td></tr>
<tr><td>Independent Director</td><td>Yung-Chien Wu</td><td>2</td></tr>
<tr><td>Independent Director</td><td>Yung-Fu Tseng</td><td>1</td></tr>
</table>

2、Scope of duties of the Remuneration Committee:

(1) The Remuneration Committee shall implement the following duties faithfully and submit the proposed motions to the Board of Directors for discussion to fulfill the duty of care as a good administrator:

A. Regularly review the Charter and propose amendment motions.

B. Stipulate and review regularly the compensation policies, systems, standards and structures and performance of directors and managers.

C. Regularly review the remunerations and its amounts to directors and managers.

(2) The Remuneration Committee shall comply with the following principles when performing the above duties:

A. The remuneration to directors and managers shall be paid with reference to the business performance with the level of the peers in the practice while considering the time spent by the individual and their responsibilities and performance and the reasonableness of the correlation between the Company's business performance and future risk.

B. The directors and managers shall not induced to engage in activities involving risk beyond the tolerance limits of the Company in order to pursue monetary reward.

C. The dividend distribution ratio of short-term performance and partial changes in the payment time of remuneration for the directors and senior managers shall be determined based on the characteristics of the industry and nature of the Company's business.

D. Make sure the remuneration arrangement of the Company meets relevant laws and regulations and is sufficient to attract outstanding talents.

E. The members of the Remuneration Committee shall not engage in the discussion or voting for the determination of their individual remuneration.

3、Information concerning the operation of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) The term of office: From June 24, 2022 to June 23, 2025. The Remuneration Committee held 2 meetings in 2023. The qualifications and attendance of the Committee members are stated as follows:

Title	Name	Actual attendance	Attendance by proxy	Actual Attendance rate (%)	Remarks
Convener	Wei-Lung Chen	0	2	0	
Member	Yung-Fu Tseng	2	0	100	
Member	Yung-Chien Wu	2	0	100	

Other items to be stated: I. In the event where the Remuneration Committee's proposal is rejected or amended by the Board of Directors, please describe the date and session of the meeting, details of the proposal, the board's resolution, and how the Company handles the Remuneration Committee's opinions (if the remuneration approved by the Board of Directors was more favorable than the one proposed by the Remuneration Committee, the differences and reasons shall be specified): None. II. For resolution(s) made by the remuneration committee with the committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the company's handling of the said opinions: None.

4、The contents of proposals and resolutions of the Remuneration Committee and the Company's handling of the Remuneration Committee's opinions in 2023 is as follows:

Remuneration Committee	Proposal and follow-up actions	Resolution Results	The Company's response to Remuneration Committee's opinions
2023.1.10 1st meeting of 5th Committee	1. Review on the proposal for the 2022 distribution of year-end bonus. 2. Review the comprehensive salary adjustment plan for 2023 monthly staff (including managers) for the fiscal. 3. Review the personnel promotion and salary adjustment plan for senior managers of the company.	1. The members present at the meeting resolved to adopt 3rd Option and submitted it to the Board of Directors for review. 2. Approved as proposed and submitted to the Board of Directors for review 3. Approved as proposed and submitted to the Board of Directors for review	Approved as proposed by the Board of Directors
2023.3.13 2nd meeting of 5th Committee	Review on the proposal for the distribution of remuneration to directors and employees in 2022.	Approved as proposed and submitted to the Board of Directors for review	Approved as proposed by the Board of Directors

(V) Implementation of the sustainable development, and deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
I. Has the Company established a governance framework to promote sustainable development? Has the Company established a specialized (or designated an existing) department to promote sustainable development, which the senior management is authorized by the Board of Directors to manage under the supervision of the Board of Directors? **(A TWSE/TPEx listed company must indicate the status of implementation, not compliance or explanation).**	✓		In 2015, the Company established the CSR Organization, which was renamed the Sustainable Development Organization in 2022. Under the organization, the President acts as the convener, and the Human Resources Department acts as the department responsible for promoting sustainable development. Each department assesses the risks and opportunities and then sets practical targets to be implemented, which are divided into seven categories: investors, corporate governance, workers and human rights, supply chain management, channels, product liability, and eco-friendly energy. The organization holds periodic and non-periodic meetings for discussion of the foregoing, and submits a report (at least once per year) to senior management and the Board of Directors regarding the annual status of implementation, performance review and future work plan. The report on implementation of the 2022 sustainability report was approved by the 8th meeting of the 18th Board of Directors on November 9, 2023.	In compliance with the Best Practice Principles.
II. Does the Company implement the risk assessment of environmental, social, and corporate governance issues related to corporate operation and establish relevant risk management policies or strategies based on the principle of materiality? **(A TWSE/TPEx listed company must indicate the status of implementation, not compliance or explanation).**	✓		Most of the Company’s subsidiaries are engaged in sales business. Therefore, in consideration of the relevance to operations and impact posed to major issues, the related risk assessment is primarily conducted on the Company. (Exclusive of subsidiaries). The Company implements the risk assessment of environmental, social, and corporate governance issues based on the principle of materiality and established the Security Center in the organization with relevant risk management policies to reduce or prevent possible damage to the Company. The Company can also handle the risk collectively and immediately take necessary preventive action to strengthen the emergency response capacity of the enterprise and maintain sustainable operation of the Company. 1. Environmental issues: (1) Besides continuing to increase the production technology, the Company also adopts the 3R environmental principles of “reduce”, “recycle”, and “reuse”. Setting 2023 as the base	In compliance with the Best Practice Principles.

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			period, the Company aims to reduce the amount of waste by 1~3% each year to effectively mitigate environmental damage and pollution, and expects to cut the total waste by 5% by 2025. (2) Evaluation of the efficiency of water use has always been the focus of improvement for water conservation. We have been promoting the idea of water conservation in various ways such as posters and slogans, in order to integrate such ideas with every aspect of office life. Discharged water which has been treated through filtration has been recovered to sludge dehydrators for the cleaning of cloth filters, saving approximately 27,457 tonnes in 2023. The cleaner wastewater discharged from soft water regenerated has been stored and pressurized and then made available to the roads and toilets at our factories for flushing and irrigation, saving approximately 22,299 tonnes of water in 2023, advancing towards the sustainable goal of maximizing water resource utilization while minimizing environmental impact. (3) In 2023, the total production of goods in was 0.3% higher than that in 2022, and the power consumed by manufacturing processes decreased by 3.95%. Our active promotion of energy conservation has achieved certain results. The Company will continue to replace old equipment with energy-efficient equipment to reduce energy consumption and improve the performance of equipment. (4) The Company expects to implement the ISO 50001 energy management system in 2025 to help itself verify GHG emissions, and will find the room for reduction of emissions and formulate the corresponding emissions reduction programs. (5) The Company has put efforts into energy conservation and carbon reduction and developed an environmental improvement management plan under the P-D-C-A management model. We establish indexes for items related to power and water consumption, waste water production, chemical substances, waste	

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			production, and productivity density during the process with monitoring and control at all times. 2. Social issues: (1) The Company adopts a human rights-based labor policy in accordance with the Ethical Trading Initiative (ETI). (2) Continuing to implement and improve the ISO45001 occupational safety and health management system, and conducting a PDCA evaluation of the effectiveness of occupational safety and health management each year. (3) Providing a safe, healthy and harmonious workplace for employees to achieve work-family balance. (4) The Company has been certified by the Taiwan Food and Drug Administration as a "Food Health Inspection Institution". As a leader in the domestic food industry in terms of inspection and analysis and within the scope of ISO 17025 certification, the Company aims to safeguard food safety for the public. (5) The Company remains committed to the idea of "natural product quality, optimized environmental health, and popularized customer satisfaction" in order to meet customers' requirements for food safety. (6) Establishing procedures for identification and management of laws and regulations to ensure food safety that continues to meet the requirements of the latest laws and regulations and customers. (7) The Company encourages suppliers to be prepared for quality, delivery periods, and technology, and also fulfill their corporate social responsibility and construct a sustainable supply chain. 3. Corporate governance issues: (1) The Company's website (https://www.agv.com.tw/) discloses information related to its financial business and corporate governance to shareholders and stakeholders for reference. The website also publishes channels for internal and external whistleblowers, which protect files provided by whistleblowers through encryption. (2) In addition to maintaining the sustainable development of operations	

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			and maximizing shareholders' interests, the Company also pays attention to issues concerning consumer rights, environmental protection of communities, and charity, while attaching importance to corporate social responsibilities. (3) Analyzing the key stakeholders and their major issues of concern on an annual basis, and establishing channels for communication with stakeholders. (4) As the top governing body of AGV, the Board of Directors is composed of 9 directors (including 3 independent directors). A well-functioning and efficient Board of Directors is the basis of good corporate governance. The Board of Directors is closely focused on the overall operations of the Company to implement corporate governance policies. (5) Purchasing director liability insurance for directors. (6) The Company keeps track of amendments to laws and regulations, and complies with the requirements of the law.	
III. Environmental issue (I) Does the Company create an appropriate environmental management system based on the industrial characteristics of the Company?	✓		1. Conducting GHG inventory according to the standards of ISO14064-1:2018. 2. The Company has received accreditation badges for a healthy workplace and health promotion, as each of the Company's employees may be better protected in a healthy working environment. 3. The Company established a department dedicated to environmental management to maintain its environmental management systems, has set up an energy-conservation performance system, uses its best efforts to optimize the improvement of process, and has equipment care and maintenance in place. 4. The Company complies with the environmental protection and occupational safety & health laws and regulations, and other requirements. All of the Company's staff continue to promote improvement in order to effectively control the risk of environmental safety and health in the operating environment, and in the process of any activities, products, or services, prevent any accidents, and build a	In compliance with the Best Practice Principles.

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			comfortable and safe working environment to promote employee health and wellbeing. 5. Continuing to implement the ISO14001 and ISO45001 management systems, and reducing the sources, conditions or conduct causing injuries to workers through hazard identification and risk assessment, to ensure the workplace meets the requirements of the laws and regulations governing occupational safety and health.	
(II) Is the Company committed to achieving more efficient use of energy and using renewable materials with a low impact on environmental burdens?	✓		1. The Company is committed to improving the efficiency of energy use. The energy used by the Company mainly includes steam, electricity, and natural gas. 2. The Company currently owns three major production lines. The consumption of steam for primary raw materials was increased by 0.12% in 2023 form 2022. The consumption of electricity for our main manufacturing processes was reduced by 3.95% in 2023 from 2022. The consumption of water for primary raw materials was reduced by 9.5% in 2023 from 2022. In the future, the Company will continue to make good use of energy and love the earth to mitigate the impact to the environmental load. 3. The Company will continue to promote the environmental protection program to improve its environmental protection performance and also use the best effort to promote energy conservation and carbon reduction in the office premises, recycling and reuse, protection of water and soil resources, and strengthen the education to employees.	In compliance with the Best Practice Principles.
(III) Does the Company assess the present and future potential risks and opportunities arising from climate change for your company? Does the Company take any measures in response to climate-related issues?	✓		1. Given the existing production policy oriented toward low carbon emissions adopted in Taiwan, the Company analyzes and controls the production capacity and engages in production under the energy-conservation model. Meanwhile, the Company engages in analysis and adjustment based on big data by product line to reduce carbon emissions and achieve the purpose for an eco-friendly environment. 2. The Company evaluates the impact posed by climate changes to the Company based on the “Task Force on Climate-related Financial Disclosures (TCFD)” promulgated by FSB, and discusses the risk arising with accountants and professional consultants from climate	In compliance with the Best Practice Principles.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>changes, analyzes the following responsive measures from the points of view in different fields, and adopts the project management model to achieve sustainable development.</td><td></td></tr>
<tr><td>(IV) Does the Company keep statistics on its greenhouse gas emissions, water consumption, and total weight of waste over the previous two years? Has the Company established policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water usage, or management of other waste?</td><td>✓</td><td></td><td>Most of the Company’s subsidiaries engage in sales. Therefore, their related disclosures are focused on the Company. (Excluding subsidiaries); the categories for inventory and their data are as follows:
1. Direct GHG emissions (Category 1):
Unit: Tonne-CO2e/year
<table>
<tr><th>Category 1: Direct GHG emissions and removal</th><th>2022</th><th>2023</th></tr>
<tr><td>Direct emissions from stationary combustion</td><td>1,074.8134</td><td>1,104.4595</td></tr>
<tr><td>Direct emissions from mobile combustion</td><td>-</td><td>137.2080</td></tr>
<tr><td>Direct fugitive emissions caused by GHG releases from human systems</td><td>-</td><td>341.4986</td></tr>
<tr><td>Total</td><td>1,074.8134</td><td>1,583.1661</td></tr>
</table>
The data of 2023 includes direct emissions from mobile combustion and direct fugitive emissions caused by GHG releases from human systems, which were not included in the data of 2022.
2. Indirect GHG emissions (Category 2):
Unit: Tonne-CO2e
<table>
<tr><th>Category 2: Energy</th><th>2022</th><th>2023</th></tr>
<tr><td>Electricity/Energy (electricity, and imported energy such as steam, thermal energy, cold energy, and high-pressure air)</td><td>5,440.3160</td><td>5,364.9446</td></tr>
</table>
GHG emissions in 2023 increased by 6% compared to 2022, because the internal statistics for 2022 did not include the energy of external operations and subsidiaries into the calculation, resulting in a difference between the two years.
3. Indirect GHG emissions (Category 3):
Unit: Tonne-CO2e
<table>
<tr><th>Category 3: Transportation</th><th>2023</th></tr>
<tr><td>Employee commuting (including cars and motorcycles or public transportation)</td><td>177.4693</td></tr>
</table>
</td><td>In compliance with the Best Practice Principles.</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
4. Indirect GHG emissions (Category 4):
Unit: Tonne-CO2e
<table>
<tr><th>Category 4: Products used by the organization</th><th>2023</th></tr>
<tr><td>Disposal of solid and liquid waste (such as annual amount of waste disposed of, domestic waste, and recycled materials)</td><td>665.0953</td></tr>
<tr><td>Fuel- and energy-related activities (emissions related to the production of purchased energy but not included in Categories 1 and 2)</td><td>1,394.3098</td></tr>
<tr><td>Total</td><td>2,059.4051</td></tr>
</table>
5. Water consumption:
Unit: Tonne
<table>
<tr><th>Water consumption</th><th>2022</th><th>2023</th></tr>
<tr><td>Total</td><td>415,995</td><td>375,920</td></tr>
<tr><td>Water consumption per dozen</td><td>0.057</td><td>0.051</td></tr>
</table>
In 2023, the water consumption for finished goods per unit was reduced by 10.5% from 2022,
due to the recycling and reuse of water resources in 2023. The Company will regenerate soft water and discharge cleaner wastewater which will be stored and pressurized and then made available to roads and toilets on the factory premises for flushing and irrigation. The Company has saved approximately 22,299 tonnes of water, and has recovered discharged water that has been treated through filtration in sludge dehydrators for the cleaning of cloth filters, saving approximately 27,457 tonnes in 2023.
6. Gross weight of waste:
Unit: Ton
<table>
<tr><th>Non-hazardous waste</th><th>2022</th><th>2023</th></tr>
<tr><td>Recyclable waste</td><td>1,467.7</td><td>1,882.9</td></tr>
<tr><td>General waste</td><td>879.1</td><td>472.0</td></tr>
<tr><td>Total</td><td>2,346.8</td><td>2,354.9</td></tr>
</table>
In 2023, the production volume increased by 0.3% compared to 2022, and the total waste increased by 0.3% as a result.
In 2022, we used recyclable waste to meet the target for waste reduction. In 2023, compared to 2022, the amount of recycled waste increased by 10.4%, while the amount of industrial and general waste decreased by 16.7%, achieving the expected result. In the future, we will continue our efforts to achieve recycling and sustainable use of resources via the environmental protection policy of “3R”,
</td><td></td></tr>
</table>

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			namely “reduce”, “recycle” and “reuse”, in order to mitigate environmental damage and pollution. We aim to reduce the amount of waste by 1~3% each year and expect to cut the total waste by 5% by 2025. 7. The Company is expected to conduct a company-wide inventory of carbon emissions and formulate corresponding reasonable emission reduction plans in 2024. 8. For related environmental protection including energy savings and carbon reduction, water resources management, pollution prevention, and waste management, please refer to the ESG report of the Company.	
IV. Social issue (I) Has the Company established relevant management policies and procedures in accordance with the applicable laws and regulations and international human rights conventions?	✓		1. In order to uphold human rights protection, our company has formulated its human rights policy based on international recognized human rights standards such as the International Bill of Rights and the Declaration on Fundamental Principles and Rights at Work by the International Labour Organization. All policies are in accordance with labor standards regulations and references to international labor conventions. The Company has established the work rules and regulations regarding the disciplinary system, performance evaluation, gender equality, and occupational accidents in compliance with the regulations of the Labor Standards Act with reference to the International Labor Convention to build a friendly and effective workplace. The HR Department is responsible for the establishment, amendment, and announcement of relevant regulations to notify the employees to comply with the related labor regulations. 2. The Company implements restrictions on the employment of child workers, prohibits forced labor, and is against harassment, discrimination, and bullying. Meanwhile, the Company has issued the “Declaration on the Prevention of Sexual Harassment in the Workplace”. 3. The Company provides a safe, healthy, and sanitized workplace. 4. The Company values employee relations. Please see the CSR report of the Company disclosed on the Company’s website (website: https://www.agv.com.tw) and the MOPS.	In compliance with the Best Practice Principles.

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
(II) Has the Company established and implemented reasonable employee welfare measures (including remuneration, leave, and other benefits)? Are the operating performances or results appropriately reflected in the remuneration for employees?	✓		1.The personnel management regulations of the Company have established a comprehensive system, including the work rules, remuneration management regulations, hierarchical responsibility regulations, subsidy payment standards, attendance standards, promotion and transfer regulations, performance regulations, rules for leave application, performance and year-end bonuses, remuneration for employees, insurance payments, welfare fund, and bonuses for proposed improvements. 2.Remuneration system: Remuneration is determined based on an employee's competency, performance and contribution, as well as his/her position, the salary level of peer companies, the supply and demand of manpower in the market, and the Company's future operating risks. In addition, according to the Articles of Incorporation, no less than 1% of the Company's profit in a year shall be allocated as employee remuneration. The overall remuneration for employees mainly includes salaries, bonuses and benefits. In terms of the criteria for payment, salaries are determined based on an employee's position and the market price, while bonuses are paid based on the achievement of KPIs and the Company's operating performance, in order to maintain labor-management harmony and achieve a win-win situation for labor relations. 3. Leave system: The Company has established a comprehensive leave system in accordance with the Labor Standards Act, and the system has been set out in the employee handbook for communication to employees. 4.Workplace diversity and equality: The Company values gender equality, equal pay, and equal opportunity for promotion. In 2023, among the Company's employees, female employees accounted for 56.56%, and female managers accounted for 35.29%. 5.Other benefits: including cash gifts and subsidies: The Company organizes health examinations for employees, provides parking lots, migrant hostel, profit sharing and lactation rooms, and maintains a comprehensive welfare system, such as: cash gifts for retired employees, birthday cash gifts, marriage, parental, children's education, and funeral subsidies, maternity, paternity, and parental leave, and company gifts.	In compliance with the Best Practice Principles.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>6.The operating performances or results have been appropriately reflected in the remuneration for employees. For example: full pay raise in 2020, pay raise by performance in 2021 and 2022, full pay raise in 2023, and some staff received a salary increase in 2024, as substantial and timely rewards to employees.</td><td></td></tr>
<tr><td>(III) Does the Company provide employees with a safe and healthy work environment and give safety and health training to employees regularly?</td><td>✓</td><td></td><td>1. In order to build a safe, healthy and comfortable workplace, the Company has established and implemented safety and health work rules and set up a safety and health management organization and appointed management personnel, while also checking machinery on a regular basis and providing safety training for employees to enhance the safety and hazard awareness of personnel and strengthen the prevention of occupational illnesses.
2. For protection against the risks of hazardous substances in the workplace, the Company conducts monitoring of the working environment twice each year, and makes improvements based on the results, to ensure the health and safety of employees.
3. Hold life-related lectures to share and communicate with employees. We conduct employee retirement matters according to the Labor Standards Act, the Labor Pension Act, and the Human Resources Department also arranges education and training for employees, including courses on occupational safety training, forklift operation, quality, safety and health training, first-aid personnel, and fire drills.
4. Safety and health training for employees organized in 2023:
<table>
<tr><th>Item</th><th>Number of trainees</th><th>Training hours</th></tr>
<tr><td>Health courses</td><td>349</td><td>1,278</td></tr>
<tr><td>Safety courses</td><td>509</td><td>3,333</td></tr>
<tr><td>Total</td><td>858</td><td>4,611</td></tr>
</table>
5. In 2023, 9 employees suffered work injuries on the way to/from work, and 6 employees suffered work injuries in the workplace.</td><td>In compliance with the Best Practice Principles.</td></tr>
<tr><td>(IV) Has the Company established an effective plan for development and training of the career abilities of employees?</td><td>✓</td><td></td><td>1. From the perspective of sustainable management, the Company organizes periodic and non-periodic training for managers and employees, such as new employee orientation, professional training,</td><td>In compliance with the Best Practice Principles.</td></tr>
</table>

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			and job rotation to cultivate outstanding talents and managers with multiple capabilities while providing them with important positions and challenges. After an analysis of the questionnaires for survey, the Company discovered that employees will apply their learning to their duties to increase the business performance of the department and the Company. Comprehensive and smooth promotion channels may attract, inspire, develop, and retain talents to complete the organizational work of the Company. 2. In 2023, a total of 1,160 employees attended training for a total of 5,933 training hours.	
(V) Regarding customer health and safety, customer privacy, marketing, and labeling in relation to products and services, does the Company comply with the applicable laws and international standards? Has the Company established policies and complaint procedures for the protection of consumers or customer rights?	✓		1. All plants of the Company have received certifications for ISO 22000 and FSSC quality systems (a pass rate of 100%). 2. The product labeling of the Company complies with the Act Governing Food Safety and Sanitation with established specifications. The labeling of a product is reviewed by professional teams based on the labeling requirements under the Act Governing Food Safety and Sanitation to comply with government laws and regulations. Clear and detailed nutrition and ingredient labeling, along with the promotion of health certificates, international awards as well as organic, green, and clean labels, also allow the products to become more transparent and gain further recognition from consumers. 3. Having spared no effort in its investment in food safety and R&D innovations, the Company has strived to ensure all of its products meet the requirements of national food laws and regulations, and has continued to utilize more manpower and resources to upgrade to a higher level of self-requirements to enhance its capacity for self-inspection. The Company has maintained control of food additives with designated personnel, department and records, and has received international food safety certifications. In 2023, in cooperation with the Food Industry Research and Development Institute, the Company received approval of its application for the “Project on Encouragement by the Department of Industrial Technology, MOEA for Domestic Businesses to Establish R&D	In compliance with the Best Practice Principles.

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			Centers in Taiwan" to promote AGV plant milk technology, which is an honor for AGV to build a reliable brand image. 4. For the health of the consumer, the Company continues its innovation and R&D in food technology, besides offering the healthiest, safest, and most delicious products. In this regard, we have become professionals in this field with outstanding performance and are devoted to the development of "organic products" and "traceable products" in recent years in the hope of providing the consumer with healthier, safer, and more transparent products. In the future, the Company will continue to lead food fashion, create consumption trends, and promote industry upgrades. 5. The Company has established a personal data protection and management system to protect customer privacy. Through internal audits, training and communication regarding personal data, the Company safeguards the personal data of customers. The Company has appointed representatives of the Channels Department to provide services to verify and fulfill the needs of customers. 6. To protect the rights of customers, the Company has set up an 0800 product service hotline with dedicated personnel to provide services for consumers regarding the distribution channels of products, description of orders, and answering consumers' questions.	
(VI) Has the Company established any supplier management policy that requires suppliers to comply with relevant regulations with regard to issues of environmental protection, occupational safety, and health or labor rights. What is the status of its implementation?	✓		1. In order to strengthen the mechanism for sustainable management of suppliers, the Company will conduct on-site evaluation of its existing suppliers in accordance with the Regulations on Good Hygiene Practices for Food and the Regulations on Food Safety Control Systems. 2. The main categories in the "Supplier Commitments to Social Responsibility" to be implemented concern workers and human rights, health and safety, environmental issues, and ethical standards to enhance the importance and implementation of issues such as environmental protection, occupational safety and health, and labor rights in the supply chain. 3. The Company conducts supplier evaluations and source inspections, and provides non-periodic audit guidance to require	In compliance with the Best Practice Principles.

Item	Implementation status			Deviation from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof
	Yes	No	Summary	
			implementation of the relevant requirements in the daily management of the food supply chain. 4.In 2023, an evaluation was conducted for a total of 153 suppliers (148 were rated A, 13 were rated B, and 2 were rated C). The business and factory registrations of the suppliers are in compliance with the applicable laws and regulations, and the suppliers have applied for registration on the food business platform (Fadenbook) in accordance with the "Regulations Governing the Category and Scale of Food Businesses Who May Commence Their Business Operations After Applying for Registration and the Date of Implementation", while meeting the requirements of the Regulations on Good Hygiene Practices for Food.	
V. Does the Company prepare an ESG report or other reports that disclose non-financial information of the Company in reference to internationally accepted report preparation guidelines or guides? Is there any third-party verification unit's assurance or verification opinion acquired for the above-mentioned reports?	✓		1.The sustainability report has been prepared in accordance with the 2021 Universal Standards published by the GRI in 2021, as well as the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", the frameworks of the Task Force on Climate-related Financial Disclosures (TCFD), and the standards of the Sustainability Accounting Standards Board (SASB). 2.The Company has engaged Crowe Taiwan to provide independent limited assurance in accordance with the Standards on Assurance Engagements No. 3000 "Assurance not Classified as an Audit or Review of Historical Financial Statements" issued by the Accounting Research and Development Foundation. The independent limited assurance was provided in accordance with the Standards on Assurance Engagements No. 1 "Assurance not Classified as an Audit or Review of Historical Financial Statements", and its result can be downloaded from AGV's website for review.	In compliance with the Best Practice Principles.

VI. If the Company has established its own sustainable development best-practice principles based on the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies," please describe the status, and any deviation thereof from said Principles: The Company has been in compliance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" without any material differences. At the end of September 2023, the Company disclosed the 2022 sustainability report on the Company's website and the MOPS.
VII. Other information useful to the understanding of the sustainable development implementation: 1. The product commitment of "For a Healthy Tomorrow" is the cornerstone of AGV. Whether in terms of product traceability and tracking, or simple formulas and clean labeling, the Company always insists that natural products are the best way toward healthiness, deliciousness, greenness and naturalness. 2. With respect to business management, the Company focuses on both financial performance and non-financial performance and continues to pay attention to international sustainability ratings (CDP and DJSI)

and related initiatives (GRI and IIRC), in order to keep in line with international trends and standards.

3. All food and beverage factories of AGV have acquired a number of internationally recognized certification systems including ISO 22000 and HACCP.
4. AGV not only provides a safe, healthy, harmonious, and happy workplace for employees to seek balance between their work and families, but also actively enhances the professional skills and competencies of employees so that they are able to grow in step with AGV.
5. We have continued to increase investment in software, hardware, and intellectual property.
6. In 2023, the Company received the following domestic and foreign awards:
   Certification of Premium Oat Drink (Original) as a health food for the improvement of gastrointestinal functions, A.A. Three Stars certification for Premium Oat Drink (Original) (the fifth year), Eatender certification for Curry Tofu, three-star A.A. Taste Award (A.A. certification) for Premium Oat Drink (Dark Chocolate), three-star A.A. Taste Award (A.A. certification) for Premium Oat Drink (Sesamin Easy Sleep Plus), three-star A.A. Taste Award (A.A. certification) for Unsweetened Activate Green Tea, two-star A.A. Taste Award (A.A. certification) for Hakka Pickled Bamboo Shoot, Monde Selection Gold Award for Unsweetened Activate Green Tea, Monde Selection Gold Award for Premium Oat Drink, Monde Selection Silver Award for Multigrain Activate Tea, Monde Selection Silver Award for Ice Brew Barley Drink (Unsweetened), Monde Selection Bronze Award for Curry Tofu, three-star Superior Taste Award for OKINA Deep Natural Electrolyte Water, one-star Superior Taste Award for Premium Oat Drink (Sesamin Easy Sleep Plus), three-star Food Innovation Award – Food and Beverage Innovations for Tube Savory Rice Pudding, and two-star Food Innovation Award – Food and Beverage Innovations for Korean Kimchi Tofu Stew.
7. The Company has engaged in social charity activities, such as the organization of mountain cleaning activities, the selection of road sections for greening and maintenance, and assistance in the development of leisure activities.
8. The Company’s contribution to society includes not only monetary donations but also investments in human power, donations of materials, and provision of services. The main information of the related social activities is summarized as follows:
   a. By establishing an energy-saving performance system, we are striving to optimize the improvement of our manufacturing process and implement the enhancement of competency training for product line personnel and equipment maintenance to further improve the performance of equipment. In addition, we improve employees’ concept of energy savings and carbon reduction to reduce operating costs from the viewpoint of corporate sustainable development in addition to the reduction of greenhouse gas emissions.
   b. As of the date of publication of the annual report, the Company has donated money and supplies and conducted visits to the following:
      Hearing Loss Association of Chiayi County, Seed of Love Education Foundation, Manufacturers Association of Minxiong and Touqiao Industrial Park, Chiayi Branch Office of Taiwan Fund for Children and Families, Genesis Social Welfare Foundation, Chung Yi Social Welfare Foundation, Sunflower Care Association of Taitung County, Taiwan Sailing Association, Chiayi County Volunteer Fire Department, 3 Acts of Goodness Sports Association, Mustard Seed Mission, Paramitas Foundation, Physical Disability Service Association of Chiayi City, Charity Union Association of Chiayi County, Rain Spring Charitable Foundation, Spinal Cord Injury Association of Chiayi County, Hsin Kang Feng Tian Temple of Chiayi County, and Ro Ju Er Education Foundation.
9. For other related important information, see the relevant information in the section for sustainable development on the Company’s website (www.agv.com.tw/企業社會責任之使命).

(VI) Climate-Related Information of TWSE/TPEx Listed Company

In the face of increasingly severe climate change globally, the resulting effects and impacts are issues which businesses must take seriously. Besides meeting the environmental requirements of national policies, we also hold meetings to discuss the risks arising from climate change, analyze future strategies in response to such risks though the perspectives of different fields and engage in project-based management to fulfill the spirit of sustainable development.

Given the existing production policy oriented toward low carbon emission adopted in Taiwan, we analyze and control our production capacity and engage in production under the energy-conservation model. Meanwhile, we engage in the analysis and adjustment of big data by product categories to reduce carbon emissions and achieve the objectives of al friendliness. Based on the recommendations of the "Task Force on Climate-related Financial Disclosures" (TCFD) issued by the Financial Stability Board (FSB), we assess the impact posed by climate change to us and identify climate-related risks and opportunities to adopt corresponding measures in response to such risks:

1、Implementation of Climate-Related Information

Item	Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	Regarding the governance of climate change risks, the President is responsible for coordinating and leading the Sustainable Development Organization in controlling related issues. Under the Sustainable Development Organization, several sub-committees have been formed for risk management and issue assessment, and they submit regular reports on the status of implementation to the Board of Directors in order to reduce the risks and impact caused by climate change to sustainable management.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	Type of risks: 1. The severity and frequency of extreme weather events (such as typhoons and floods) increases, causing power outages or abnormal power supply. 2. Changes in the pattern of rainfall (precipitation) (such as drought and water shortage) would lead to interruption or shortage of raw material supplies or a need to increase the number of days for warehousing of raw materials and products, directly affecting the progress of factory schedules and manufacturing. 3. According to the requirements of domestic and foreign environmental laws and regulations and those of the government for GHG management, a certain percentage of energy used by energy-consuming companies must be renewable, or such companies must reduce the amount of packaging materials and investigate the carbon footprints of products. Failure to meet such requirements may result in the payment of carbon fees (taxes) or fines. Type of opportunities: 1. Developing green power and installing energy storage systems.

	2. Increasing the efficiency of water usage by equipment, and adjusting or combining production processes of the same nature to decrease the frequency of CIP and reduce the amount of water used for cleaning. 3. We will continue to improve our manufacturing processes and equipment to increase the conformance rate of products and reduce food waste and at the same time actively install green power and energy storage equipment to create a friendly environment and enhance our reputation. In response to the relevant environmental laws and regulations, we actively control energy consumption, including the management of electricity and water use, GHGs and food waste. We continue to develop products with healthcare effects for consumers, and adhere to our business philosophy of “For a Healthy Tomorrow” with respect to consumers and the environment. • Short-term: Installing emergency power generators and an uninterruptible power supply (UPS) for power consumption. • Medium- and long-term: 1. Actively finding “secondary suppliers” to prevent interruption of supply chains and lower procurement costs. 2. Adjusting the production processes and arranging for the order of manufacturing based on the circumstances of shortages of materials and water. 3. Establishing a mechanism for the recovery, recycling and re-use of discharged water.
3. Describe the financial impact of extreme weather events and transformative actions.	• Abnormal power supply would affect the aseptic production process, resulting in not only higher manufacturing process costs but also losses from disposal of raw materials and semi-finished goods with irregular quality. • Due to an increase in the amount of raw materials and finished goods, additional expenses for renting more external warehouses are required, leading to overall higher operating costs and lower revenue.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	A Risk Management Task Force is formed by the R&D, QC, manufacturing, procurement, financial, audit and industrial safety departments. It is tasked with conducting an overall assessment of climate change risks based on the duties of the departments to enhance our knowledge of the relevant issues and provide decision makers with a basis of reference to formulate strategies in response, such as a comprehensive inventory of the power restoration and storage system and the establishment of emergency

<table>
<tr>
<td></td>
<td>response procedures, with the purpose of dealing with unexpected power shortages and mitigating our operating losses. In terms of production, we hold management meetings from time to time and continue to adjust and control our production and sales volumes to facilitate inventory management and reduce inventory costs. Additionally, to improve the quality of raw materials and maintain stable sources of supply, we will seek cooperation from contract farming and secondary suppliers to minimize shortages of materials caused by climate change, hoping to reduce their impact and effect on our operations. At the same time, we conduct energy consumption inventories to reduce and control the consumption of water, energy and resources, and to further recycle and reuse usable resources.</td>
</tr>
<tr>
<td>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</td>
<td>To reduce energy consumption and increase the percentage of renewable energy used, the costs of newly installed relevant equipment will rise. Operating expenses will increase due to expenses for the relevant carbon footprint certifications or carbon fees, and the waste treatment expenses will decrease as a result of products becoming lightweight.</td>
</tr>
<tr>
<td>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</td>
<td>AGV is primarily a food and drink manufacturer. In the course of developing green products and services, we are committed to setting targets related to energy conservation, waste reduction and water conservation in terms of energy, GHG emissions, water resources and waste. Moreover, through measures such as supplier source management and the introduction of eco-friendly packaging materials, we seek to implement the indicators directly related to our operations and environmental friendliness, and to fulfill the responsibilities required for society and the environment.
<table>
<tr>
<td>Energy and emissions management</td>
<td>• With 2023 as the base period, our expected target is to reduce energy onsumption by 3% by 2025.
• We expect to introduce the ISO 50001 energy management system in 2025 in order to keep track of the status of our GHG emissions.</td>
</tr>
<tr>
<td>Water resource management</td>
<td>Our expected target is to reduce water consumption by 3% by 2025.</td>
</tr>
<tr>
<td>Waste management</td>
<td>Our set target is to reduce the amount of waste by 1~3% per year, and we expect to reduce the total amount of waste by 5% by 2025.</td>
</tr>
</table>
</td>
</tr>
</table>

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	None.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	None.

9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).

1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory InformationDescribe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.

Item	2021	2022	2023
Scope 1: Direct GHG emissions (tonne-CO2e)	1,539.7661	1,074.8134	1,583.1661
Scope 2: Indirect GHG emissions (tonne-CO2e)	5,872.1124	12,847.7738	5,364.9446
Total emissions = Scope 1 + Scope 2 (tonne-CO2e)	7,411.8785	13,922.5872	6,948.1107
Value of specific metric used by the organization -Total Production (Thousand dozens)	7,095	7,321	7343
GHG emissions intensity (tonne-CO2e/thousand dozens)	1.04	1.90	0.95

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

N/A.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Water resource management:

The Company has set 2023 as the base period.

- Short-term target: The expected target is to reduce water consumption by 3% by 2025.
- Medium- and long-term targets (after 2025):
  1. Creating an eco-friendly and energy-saving environment, and increasing the efficiency of resource use.
  2. Following the energy management policy, and the participation of all employees in energy conservation and carbon reduction.

Energy management:

- Short-term target: The expected target is to reduce energy consumption by 3% by 2025.
- Medium- and long-term targets (after 2025):
  1. Continuing to replace old equipment in the plants with new energy-saving equipment to reduce energy consumption.
  2. Purchasing a certain amount of green electricity to reduce GHG emissions.

Waste management:

- Short-term target: The expected target is to reduce the total waste by 5% by 2025.
- Medium- and long-term targets (after 2025):
  1. Continuing to enhance production technologies to reduce waste from the source.
  2. Following the waste recycling management policy, and the participation of all employees in waste recycling and sorting.

(VII) Implementation of ethical corporate management, and deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, and reasons thereof

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
I. Establishment of ethical management policies and plans (I) Has the Company established any ethical management policy adopted by the Board of Directors? Do the regulations and external documents of the Company specify the policy and practices of ethical management and the commitments by the Board of Directors and the senior management to actively implement the ethical management policy?	✓		The Company has established the “Ethical Management Best Practice Principles” and makes timely amendments in response to legal amendments and the Company’s business. In addition, the Company issued the 2022 sustainability report with our detailed business philosophy of ethical corporate management in September 2023. We have also established a good corporate governance and risk control mechanism to create an operation environment for sustainable development and prevent unethical conduct and shall not accept treatments, gifts, kickbacks, embezzling public funds, as well as other illegal gains. The Company openly discloses the “Ethical Management Best Practice Principles” and relevant regulations on the MOPS and the Company’s website accessible to stakeholders at any time.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(II) For the risk of unethical conduct, does the Company establish an assessment mechanism and regularly analyze and assess the business activities within its business scope which are possibly at a higher risk of being involved in unethical conduct to establish preventive solutions that at least cover the conduct specified in each subparagraph under Paragraph 2 in Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies”?	✓		When establishing a preventive plan, the Company shall analyze the business activities within its business scope with higher risks of unethical behavior and enhance related preventive measures. This includes offering or accepting bribes or illegal political donations, improper charitable donations or sponsorships, other improper benefits, misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights, engaging in unfair competitive practices and damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacturing, provision, or sale of products and services. The following preventive measures were implemented in 2023: 1. In 2023, four session on food safety awareness was organized.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			2. In 2023, seven session on food protection was organized. 3. In 2023, six sessions on compliance were organized. 4. In 2023, the tracking of 110 products required by the law was completed, and their traceability data was uploaded to the platform “Food Tracebook”. 5. In 2023, all food and beverage factories of the Company acquired a number of internationally recognized certification systems including ISO 22000 and HACCP. 6. In terms of food safety management systems, the Company has received the CAS, TQF and HACCP certifications. In 2007, the Company became the first food manufacturer in Taiwan to receive ISO 22000 certification of SGS (SGS Taiwan Limited).. 7. All plants of the Company have received ISO22000 certification.	
(III) Does the Company specify and implement the operating procedures, guidelines of behavior, penalties for violations, and complaint system in the plan for prevention of unethical behavior? Is the foregoing plan reviewed and amended on a regular basis?	✓		The Company faithfully upholds the principle of ethical management and obligations to comply with the “Ethical Management Best Practice Principles” established by the Company. Those violating the principle of ethical management shall be punished and the information such as title and name of the violator, the date and details of the violation, and the actions taken in response shall be immediately disclosed on the Company’s internal website. The reporting system shall also be established and carried out accordingly. The Company has also disclosed information regarding the implementation of ethical management on the Company’s website, annual report, and prospectuses, and discloses the contents of its Ethical Management Best Practice Principles on the MOPS.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
II. Implementation of ethical management (I) Does the Company assess the history of the integrity of its business counterparties? Does the contract between the Company and a business counterparty include any provision governing ethical behavior?	✓		To ensure that the trading suppliers are ethical operators, most of the Company’s customers and suppliers are well-known companies and their ethical management information is more likely to be acquired. For example, we log into the website of MOEA or other channels to query the operating status	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			of cooperation partners or require them to provide relevant information as evidence of being legal operators. The Company will also explain the supplier selection principles with fairness, openness, and transparency to the vendors. In addition, for contract signing, we gradually strengthen the ethical clauses in the contract while the Legal Affairs Office, Audit Office, and President’s Office are responsible for the review of contracts. If any violation of ethical management conduct is included in the contract, the Company shall terminate the relevant regulations in the contract.	
(II) Does the Company set up any unit under the Board of Directors that is responsible for the promotion of corporate ethical management and that gives a report to the Board of Directors regarding its ethical management policy and unethical behavior prevention plan and their supervision and implementation on a regular basis (at least annually)?	✓		1. The Company’s dedicated (concurrent) unit for promoting ethical management is the Audit Office, which executes and promotes ethical management in accordance with the Ethical Management Best Practice Principles adopted by the Company. The Board of Directors may audit the establishment and implementation of the ethical management policy through the audit function. The Audit Officer attends and reports the business activities at the Board of Directors meetings held by the Company while reporting regularly to the independent directors. 2. Employees may express opinions and communicate with the management, the Human Resources Department, and Audit Office via multiple channels, including internal e-mail, employee opinion mailbox, and Company website. 3. In 2023, there were 0 cases reported externally or internally, and no material unethical conduct occurred.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(III) Has the Company established any policy for the prevention of conflict of interest, provide any appropriate channels for representation, and implement such policy?	✓		1. The Company established the “Procedures for the Management of Material Insider Information” The procedures specify that a director, manager, or employee knowing material inside information shall not disclose the known information to others nor may they inquire about or collect any non-public material inside information of the Company not related to their individual duties	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			from a person with knowledge of such information or disclose to others any non-public material inside information of the Company of which they become aware for reasons other than the performance of their duties. 2. The Company has established a comprehensive internal audit system and mechanism for statement, communication, and risk management to maintain effective operation of the internal control system, prevent conflicts of interest, and provide effective communication channels. 3. In case the proposal at the meeting of Board of Directors involves those concerning avoidance of conflicting interests, the emcee shall announce the name and reason of recusal before the reading of the proposal and remind the stakeholder to recuse themselves. 4. All meetings of the Board of Directors are held in accordance with the Rules of Procedure for the Board of Directors. 5. In 2023, the Board of Directors held 5 meetings in accordance with the Rules of Procedure for the Board of Directors.	
(IV) Has the Company established effective accounting and internal control systems to ensure the implementation of ethical management? Does the internal audit department establish any relevant audit plan based on the results of the assessments of the risks of unethical behavior? Does the Company, in accordance with the foregoing plan, conduct an audit of the compliance with the unethical behavior prevention plan, or engage a CPA to conduct such audit?	✓		To implement ethical management, the Company has established effective accounting and internal control systems, and the CPAs are responsible for auditing the related accounting statements and records. For internal auditing, the status of compliance is audited according to the annual audit plan established based on the result of risk assessment. In 2023, 60 audit cases were completed with the issuance of audit reports. The effectiveness of the design and implementation of the internal control system is ensured by the annual self-evaluation of internal control with the issuance of a statement on the internal control system, which is reviewed and approved by the Audit Committee and then approved by a resolution of the Board of Directors.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
(V) Does the Company organize internal and external training sessions on ethical management on a regular basis?	✓		Specific measures regarding the Ethical Corporate Management Best Practice Principles are not only disclosed on the Company's website accessible to employees at any time, but also promoted during new employee training and common management courses for all employees to understand and follow the principles. In 2023, a total of 156 people attended training courses on issues related to ethical management, and took post-training tests.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
III. Operations of the whistleblowing system of the Company (I) Has the Company established specific systems for whistleblowing and rewards? Has the Company established any convenient whistleblowing channel and appointed any appropriate person to handle the case of a reported person?	✓		The Company has set up a "Section for employee opinions and timely feedback" and the President's mailbox, and has also established standard operating procedures for the investigation of whistleblowing reports, procedures for subsequent handling, and relevant confidentiality mechanisms. Employees may report any improper conduct likely to affect the Company's goodwill and interests. The relevant regulations specify that any employee violating the requirements of ethical management of the Company will be punished depending on the severity of the violation in accordance with the "Regulations Governing Rewards and Punishment of Employees". The President and the manager of the Human Resources Department are the persons designated to address such violations.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the Company established standard operating procedures for investigation of cases reported by whistleblowers, including subsequent measures required after the completion of investigations and the relevant confidentiality measures?	✓		The "Ethical Management Best Practice Principles" specify that in the event that any material violation or likelihood of material damage to the Company is found upon investigation, the designated personnel or department handling whistleblowing reports shall immediately prepare a report and notify the independent directors or supervisors in writing. In addition, the "Employee Rules" have specified standard operating procedures for investigation of whistleblowing reports and relevant confidentiality mechanisms, and have adopted measures to protect whistleblowers from improper retaliation as a result of	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation item	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary	
			whistleblowing. There was no reported case in 2023.	
(III) Does the Company take measures to protect whistleblowers from improper retaliation as a result of whistleblowing?	✓		The “Ethical Management Best Practice Principles”, complaint regulations, and employee rules established by the Company have adopted measures to protect whistleblowers from improper retaliation as a result of whistleblowing.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
IV. Enhancement of information disclosure Does the Company disclose the contents of its ethical management principles and the results of their promotion on its website and the Market Observation Post System?	✓		The corporate governance and related information has been disclosed on the Company’s website and MOPS (website: https://www.agv.com.tw), and the Company has also disclosed its philosophy of ethical corporate management in the sustainability report.	In compliance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

V. Where the Company has established its own principles of ethical management in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies”, the differences between the operations of the Company and such principles must be described: The Company has established the “AGV Products Corporation Ethical Management Best Practice Principles” based on the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies promulgated by TWSE, and has disclosed the Ethical Management Best Practice Principles on the Company’s website. (Website: https://www.agv.com.tw) while implementing them accordingly without any discrepancy.
VI. Other important information useful for understanding the status of ethical management at the Company: (e.g., review and amendment by the Company of its ethical management principles) 1. The “Ethical Corporate Management Best Practice Principles” established by the Company has integrated the ethical management policy with the policies for employee performance evaluation and human resources to implement the principles of ethical management. 2. The Company continues to uphold the Ethical Management Best Practice Principles when operating, and truly implement related laws and regulations, such as the Company Act, Securities and Exchange Act, Act Governing Food Safety and Sanitation, TWSE/TPEx listing rules, Anti-Corruption Act and Government Procurement Act, as the underlying foundation to facilitate ethical corporate management. We employ people based on their character and ethics and pay attention to the rotation mechanism to prevent corruption. There was no illegal conduct such as corruption, bribes, or blackmail occurring among internal employees. 3. The Company continues to promote corporate sustainable development, facilitate the promotion of good corporate governance, and stay committed to the business vision of “For a Healthy Tomorrow”.

(VIII) If the Company has established corporate governance principles or other relevant guidelines, references to such principles must be disclosed:

The Company has established the Corporate Governance Best Practice Principles and relevant internal rules and disclosed accordingly on the Company website (https://www.agv.com.tw/) and MOPS of TWSE.

(IX) Other information material to the understanding of corporate governance within the Company:

Please refer to Page 42 of the annual report.

(X) Implementation of the Internal Control System

1. Statement on Internal Control System

AGV Products Corporation
Statement of Declaration for Internal Control System

Date: March 11, 2024

We make the following statement based on the result of the self-inspection of the internal control system in 2023:

I. We acknowledge that the Board of Directors and managers are responsible for the establishment, operation and maintenance of the internal control system. We have established such a system to provide reasonable assurance for achieving our objectives concerning the effectiveness and efficiency of operations (including profits, performance and protection of asset security), reliability, timeliness, transparency, and regulatory compliance vis-à-vis reporting, and compliance with applicable laws, regulations, and bylaws.

II. Any internal control system has its inherent limitations. No matter how well an internal control system is designed, it can only provide reasonable assurance of the achievement of the above three objectives. Moreover, the effectiveness of an internal control system may vary as a result of changes in the environment and other circumstances. However, our internal control system has a self-monitoring mechanism, and we take corrective actions immediately once a nonconformity is identified.

III. We judge the design and operation of the internal control system for its effectiveness in accordance with the criteria determining the effectiveness of the internal control system provided in the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Regulations”). The internal control systems are divided into the following five constituent elements in the management control process, reflecting the items to be judged pursuant to the “Regulations”: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communications; and 5. monitoring activities. Each constituent element contains a number of items. Refer to the provisions of the above-mentioned “Regulations.”

IV. We have adopted the abovementioned criteria of the internal control system to assess the effectiveness of its design and execution.

V. Based on the results of the above-mentioned assessment, we confirm that our internal control system (including monitoring and management of subsidies) was effective as of December 31, 2023 in terms of its design and operation with respect to understanding the effectiveness and efficiency of operations, the reliability, timeliness, transparency, and regulatory compliance of reporting, and the compliance with applicable laws, regulations, and bylaws in order to reasonably ensure that these objectives are achieved.

VI. The Statement will be the major part of our annual reports and prospectuses, and will be open to the public. If there is any misrepresentation, nondisclosure or other illegality in the contents open to the public referred to in the previous sentence, legal responsibility specified in Articles 20, 32, 171 and 174 of the Securities and Exchange Act shall apply.

VII. The Statement was approved at the Board of Directors’ meeting on March 11, 2024. None of the 9 directors present at the meeting expressed any dissent and all of them agreed on the Statement. This information is declared as an addition.

AGV Products Corporation

Chairman: Kuan-Han Chen Signature

General Manager: Chih-Chan Chen Signature

2. If review of the internal control system has been conducted by entrusted CPAs, the CPAs' review report shall be disclosed: N/A.

(XI) Penalty of the Company or its internal personnel in accordance with the laws, the Company's penalty against its internal personnel violating internal control system regulations in the most recent year up to the date of the publication of the annual report. List the details of such penalty, main defects, and improvements if the result of such penalties might have a material effect on the shareholders' equity or the price of securities: None.

(XII) Important resolutions made by shareholders' meetings and the Board of Directors in the most recent year up to the date of publication of this annual report:

1. Important resolution of the shareholders' meeting:
   As of the date of publication of the annual report in 2023, the Company held one annual shareholders' meeting on June 9, 2023.
   (1) Approved the proposal for ratification of the 2022 financial statements.
   Implementation: The relevant statements have been submitted to the component authority for future reference and public disclosure in accordance with applicable laws and regulations.
   (2) Approved the proposal for ratification of the 2022 table of earnings distribution.
   Implementation: An amount of NTD0.4 was distributed as cash dividends per share, and April 15, 2023 was set as the ex-dividend date. Distribution of the cash dividends was completed on May 31, 2023.
   (3) Approved an amendment to the "Rules of Procedure for Shareholders' Meeting".
   Implementation: The amendment took effect after a resolution was adopted by the shareholders' meeting, with the relevant procedures implemented in accordance with the amended regulations.
   (4) Approved the proposal for issuance of common shares for cash capital increase via private placement.
   Implementation: The 2023 annual shareholders' meeting approved the issuance of no more than 1,000,000,000 shares via private placement, which will be issued in tranches within one year from the date of the resolution of the shareholders' meeting. Such shares have yet to be issued, and the Board of Directors adopted a resolution on March 11, 2024 to discontinue the issuance of such shares in the remaining period.
2. Important resolutions of the Board of Directors:
   The Board of Directors held 8 meetings in 2022 and as of the date of publication of the annual report. Important resolutions adopted by the meetings are summarized as follows:
   (1) 4th meeting of the 18th Board of Directors on January 10, 2023:
      A. Report on the implementation of internal audits.
      B. A resolution approving the 2023 operational plan.
      C. A resolution approving the proposal for continued engagement of advisors.
      D. A resolution approving the proposal for revision to the Company's organizational system and personnel change.

E. A resolution approving the proposal for distribution of year-end bonuses for 2022.
F. A resolution approving the proposal for adjustment to the salaries of all monthly paid employees (including managers) in 2023.
G. A resolution approving the proposal for application to the bank for the renewal of a credit line.
H. A resolution approving the proposal for the purchase of common shares issued by the subsidiary for cash capital increase.

(2) 5th meeting of the 18th Board of Directors on March 13, 2023:

A. Report on the implementation and result of the 2022 evaluation of the performance of the Board of Directors.
B. Report on the subsidiary's GHG inventory and verification schedule plan.
C. Report on the implementation of internal audits.
D. A resolution approving the proposal for distribution of the remuneration for directors and employees for 2022.
E. A resolution approving the Company's 2022 financial statements (including consolidated financial statements).
F. A resolution approving the proposal for distribution of the earnings of 2022.
G. A resolution approving the "Rules of Procedure for Shareholders' Meetings".
H. A resolution approving amendments to the "Corporate Governance Best Practice Principles" and "Standard Operating Procedures for Handling Requests from Directors".
I. A resolution approving the 2022 "Statement of Internal Control System".
J. A resolution approving the proposal to discontinue the issuance of common shares for cash capital increase via private placement, as approved by the 2022 annual shareholders' meeting, in the remaining period.
K. A resolution approving the proposal for issuance of common shares for cash capital increase via private placement.
L. A resolution approving the matters related to the convening of the 2023 annual shareholders' meeting.
M. A resolution approving the proposal for continued engagement of advisors.
N. A resolution approving the proposal for personnel change at foreign subsidiaries.
O. A resolution approving an amendment to the "Regulations Governing Hierarchical Responsibilities".
P. A resolution approving the proposal for establishment of the Implementation Rules for Inclusion of the Procedures for Preparation and Certification of Sustainability Report into the Scope of Internal Control System and Internal Audit.
Q. A resolution approving the proposal for assessment of the engagement and independence of the CPAs.

R. A resolution approving the proposal for provision of endorsement and guarantee to the subsidiary for financing.

(3) 6th meeting of the 18th Board of Directors on May 9, 2023:

A. Report on the 2023 Q1 consolidated financial statements.

B. Report on the implementation of the GHG inventory and verification schedule plans of the Company and its subsidiary.

C. Report on the implementation of internal audits.

D. A resolution approving personnel change at the Company.

E. A resolution approving the proposal for the Company to purchase common shares issued by its subsidiary for cash capital increase.

F. A resolution approving the proposal for application to the bank for the renewal of a credit line.

(4) 7th meeting of the 18th Board of Directors on August 9, 2023:

A. Report on the implementation of the GHG inventory and verification schedule plans of the Company and its subsidiary.

B. Report on purchase by the Company of flexible line equipment for Tetra Pak 330ml from Shandong AGV Food Technology Co., Ltd. through Taiwan First Biotechnology (BVI) Corp.

C. Report on change of the CPAs to Shu-Man Tsai and Ling-Wen Huang starting from the 2023 Q2 financial report due to the requirements for rotation of the CPAs.

D. Report on the implementation of internal audits.

E. Report on renewal of the liability insurance for directors and managers.

F. A resolution approving the consolidated financial statements for Q2 of 2023.

G. A resolution approving the continued engagement of advisors.

H. A resolution approving personnel change and continued appointment of overseas personnel.

I. A resolution approving the proposal to adjust the originally direct or indirect 100% shareholding of the Company in a foreign company to a direct 100% shareholding therein due to equity trading.

J. A resolution approving the proposal for provision of endorsements and guarantees to the subsidiary for financing.

K. A resolution approving the proposal for application to the bank for the renewal of a credit line.

(5) 8th meeting of the 18th Board of Directors on November 9, 2023:

A. Report on the implementation of the GHG inventory and verification schedule plans of the Company and its subsidiary.

B. Report on the results of implementation of the 2022 sustainability report.

C. Report on the implementation of internal audits.

D. A resolution approving the consolidated financial statements for Q3 of 2023.

E. A resolution approving the 2024 audit plan.

F. A resolution approving amendments to the "Rules of Procedure for the Board of Directors" and "Organizational Rules for the Audit Committee".
G. A resolution approving personnel change.
H. A resolution approving the proposal for provision of endorsements and guarantees to the subsidiary for financing.
I. A resolution approving the proposal for application to the bank for the renewal of a credit line.

(6) 9th meeting of the 18th Board of Directors on January 25, 2024:
A. Report on the implementation of internal audits.
B. A resolution approving the 2024 operational plan.
C. A resolution approving the continued engagement of advisors.
D. A resolution approving the proposal for revision to the Company's organizational system and personnel change.
E. A resolution approving the proposal for distribution of year-end bonus for 2023.
F. A resolution approving the proposal for application to the bank for the renewal of a credit line.

(7) 10th meeting of the 18th Board of Directors on March 11, 2024:
A. Report on the implementation of the GHG inventory and verification schedule plans of the Company and its subsidiary.
B. Report on the implementation and result of the 2024 evaluation of the performance of the Board of Directors.
C. Report on the implementation of internal audits.
D. A resolution approving the proposal for distribution of the remuneration for directors and employees in 2023.
E. A resolution approving the Company's 2023 financial statements (including consolidated financial statements).
F. A resolution approving the proposal for distribution of the earnings of 2023.
G. A resolution approving the "Rules of Procedure for Shareholders' Meetings".
H. A resolution approving amendments to the "Corporate Governance Best Practice Principles", "Rules of Procedure for the Board of Directors", "Regulations for Evaluation of the Performance of the Board of Directors" and "Organizational Rules for the Audit Committee".
I. A resolution approving the 2023 "Statement of Internal Control System".
J. A resolution approving the proposal to discontinue the issuance of common shares for cash capital increase via private placement, as approved by the 2023 annual shareholders' meeting, in the remaining period.
K. A resolution approving the proposal for issuance of common shares for cash capital increase via private placement.
L. A resolution approving matters related to the convening of the 2024 annual shareholders' meeting.

M. A resolution approving the proposal for continued engagement of advisors.
N. A resolution approving personnel change.
O. A resolution approving the proposal for assessment of the engagement and independence of the CPAs.

(XIII) Documented opinions or declarations in writing made by directors against important board resolutions in the most recent years and up to the publication date of the annual report: None.

(XIV) Resignation of Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, Chief Corporate Governance Officer, and Chief R&D Officer in the most recent years and up to the publication date of the annual report: None.

IV. Information of Independent Auditors Fee

Amount Unit: NTD thousand

Accounting firm name	Name of CPA	Audit period	Audit Fee	Non-Audit Fees	Total	Remarks
Crowe (TW) CPAs	Shu-Man Tsai Ching-Lin Li	2023.01~ 2023.03	3,010	614	3,624	Services for non-audit fees: Fees for consultation and advice regarding IFRS9 conversion, and review of transfer pricing reports.
	Shu-Man Tsai Ling-Wen Huang	2023.04~ 2023.12				

1. If replacement of a CPA firm results in a lower audit fee in that year compared to the previous year, the amount, percentage and reason of the reduction shall be disclosed: N/A.
2. If an audit fee is reduced by more than 10% compared to the previous year, the amount, percentage and reason of the reduction shall be disclosed: N/A.

V. Information on Change of CPAs

(I) About the former CPA

Date of replacement	Not applicable		
Reason and explanation of replacement	Not applicable		
Explain the replacement as a result of a termination by the Company, or by the CPA	Party / Status	CPA	The company
	Service terminated by	Not applicable	Not applicable
	Refusal of (continued) commission	Not applicable	Not applicable
Opinions and reasons for issuing opinions of the audit report other than unqualified opinions in the last two years	Not applicable		
Any disagreement with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit coverage or procedures
			Others
	None	V	
	Description		
Other disclosures (Disclosures deemed necessary under Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Guidelines)	None		

Note: Disclosures deemed necessary under Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies

(II) Succeeding CPA

Accounting firm name	Crowe (TW) CPAs
Name of CPA	CPA Shu-Man Tsai and Ling-Wen Huang
Date of appointment	Not applicable
Inquiries regarding accounting practices or principles on certain transactions, or any possible opinions to be issued on the financial reports prior to appointment of the CPAs, and the results	Not applicable
Written opinions of the succeeding CPAs different from the opinions of the former CPAs	Not applicable

(III) The former CPA's written response to the Item 1&2-3, Subparagraph 6, Article 10 of the Principles: N/A.

VI. The Company's Chairman, President, or managers involved in financial or accounting affairs being employed by the auditor's firm or any of its affiliated company within the most recent year: None.

VII. Change of shares transferred and pledged for directors and managers and any shareholder who holds more than 10% of the company's shares

(I) Changes in equity of directors and managers, and major shareholders

Title	Name	2023		Up to March 31, 2024	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Taiwan First Biotechnology Corp. Representative: Kuan-Han Chen	0 0	0 0	0 0	0 0
Vice Chairman	Yueshan Investment Co., Ltd. Representative: Ching-Jen Chen	0 0	0 -1,000,000	0 0	0 0
Director	NICE Enterprise Co., Ltd. Representative: Michael Chen	0 0	0 0	0 0	-2,000,000 0
Director	Fang Tien Enterprise Co., Ltd. Representative: Huai-Hsin Liang	1,674,000 0	0 0	663,000 0	0 0
Director	Yin-Ji-Li International Consulting Corp. Representative: Hsien-Chueh Hsieh	140,000 0	0 0	0 0	0 0
Director	Cunyuan Heye Co., Ltd. Representative: Chih-Chan Chen	0 0	0 0	0 0	0 0
Independent Director	Yung-Fu Tseng	0	0	0	0
Independent Director	Yung-Chien Wu	0	0	0	0
Independent Director	Wei-Lung Chen	0	0	0	0
Executive Vice President	Nai-Pin Lin	6,000	0	0	0
Vice President	Kuan-Hua Chen	50,000	0	0	0
Director-general	Hsuan-Hui Chen	100,000	0	0	0
Director-general	Li-Chueh Huang	-15,000	0	0	0

(II) Information on the counterparty as the related party in the transfer of shares: None.

(III) Information on the counterparty as the related party in the pledge of shares: None.

VIII Relationship information among top-10 shareholders

Record date: April 30, 2024

Name	Shares held under own name		Shareholdings of spouse and minor children		Total shareholdings in the name of others		The title or name and relation in case of the top-ten shareholders who are related parties to each other, in a spousal relationship or within the second degree of kinship.		Remarks
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Name	Relationship	
Ho Yuan Investment Co., Ltd.	30,388,258	6.15	—	—	0	0.00	—	—	
Representative: Ching-Liang Chen	784,558	0.16	330,124	0.07	0	0.00	–	–	
NICE Enterprise Co., Ltd.	20,780,494	4.20	—	—	0	0.00	—	—	
Representative: Chih-Hung Chen	2,184,622	0.44	648,514	0.13	0	0.00	–	–	
SPDR Portfolio Emerging Markets ETF in the custody of Standard Chartered Bank	10,423,415	2.11	—	—	0	0.00	—	—	
Taiwan First Biotechnology Corp.	10,075,450	2.04	—	—	0	0.00	—	—	
Representative: Kuan-Han Chen	5,676,180	1.15	0	0	5,008,000	1.01	Kuan-Ju Chen	Brothers	
Rong-Yu Lin	9,910,000	2.00	—	—	—	—	—	—	
Yin-Ji-Li International Consulting Corp.	8,751,007	1.77	—	—	0	0.00	—	—	
Representative: Chiu-Wen Li	1,435,681	0.29	0	0	0	0.00	–	–	
Goldbank Investment Deveopment Corp.	8,081,047	1.63	—	—	0	0.00	—	—	
Representative: Tsung-Cheng Lin	0	0	0	0	0	0.00	–	–	
Global Investment Development Corp.	7,288,506	1.47	—	—	0	0.00	—	—	
Representative: Tsung-Cheng Lin	0	0	0	0	0	0.00	–	–	
Kuan-Ju Chen	6,808,636	1.38	971,355	0.20	0	0.00	Kuan-Han Chen	Brothers	
Yueshan Investment Co., Ltd.	6,017,049	1.22	—	—	0	0.00	—	—	
Representative: Ya-Hsin Cheng	0	0	–	–	–	–	–	–	

IX For the total number of shares held in any single enterprise invested in by the Company, its directors, managers and any enterprises controlled directly or indirectly by the Company, the general shareholding ratio is calculated in a consolidated manner

Record date: December 31, 2023 Unit: shares;%

Invested business (Note)	Investment of the Company		Investment by directors and managers or by directly or indirectly controlled enterprises		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
Apoland Resource International (BVI) Corp.	10,510,000	100.00	0	0	10,510,000	100.00
Defender Private Security Inc.	4,000,000	100.00	0	0	4,000,000	100.00
Aco Distribution Corp.	5,472,000	100.00	0	0	5,472,000	100.00
Sasaya Vitagreen Co., Ltd.	500,000	100.00	0	0	500,000	100.00
Hope Choice Distribution Corp.	6,500,000	100.00	0	0	6,500,000	100.00
Mascot International (BVI) Corporation	9,026,195	100.00	0	0	9,026,195	100.00
Sontenkan Resort Development Co., Ltd.	Ordinary stock: 178,181,050 Preferred stock: 12,063,093	Ordinary stock: 100.00 Preferred stock: 100.00	0	0	Ordinary stock: 178,181,050 Preferred stock: 12,063,093	Ordinary stock: 100.00 Preferred stock: 100.00
Hopeland Distribution Corp.	1,215,000	81.00	285,000	19.00	1,500,000	100.00
Apoland Development (Singapore) Pte Ltd.	Ordinary stock: 61,199,161	100	Preferred stock: 1,300,000	72.53	Ordinary stock: 61,199,161 Preferred stock: 1,300,000	Ordinary stock: 100 Preferred stock: 72.53
Koya Biotech Corp.	Ordinary stock: 9,219,489 Preferred stock: 8,790,000	Ordinary stock: 42.90 Preferred stock: 87.90	Ordinary stock: 8,249,211 Preferred stock: 1,210,000	Ordinary stock: 38.39 Preferred stock: 12.10	Ordinary stock: 17,468,700 Preferred stock: 10,000,000	Ordinary stock: 81.29 Preferred stock: 100.00
Yunlin Dairy Technology Corp.	4,754,551	75.83	126,322	2.01	4,880,873	77.84
Aiken Biotechnology International Co., Ltd.	5,756,900	53.77	4,680,678	43.71	10,437,578	97.49
Alpha International Developments Limited	2,433,455	100.00	0	0	2,433,455	100.00
AGV First Biotech Food (BVI) Limited.	Ordinary stock: 28,013,400	100.00	Preferred stock: 18,100,000	99.45	Ordinary stock: 28,013,400 Preferred stock: 18,100,000	Ordinary stock: 100.00 Preferred stock: 99.45
AGV International (BVI) Limited	50,000	100.00	0	0	50,000	100.00

Invested business (Note)	Investment of the Company		Investment by directors and managers or by directly or indirectly controlled enterprises		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
AGV Biohealthy Food Limited	783,300	29.75	1,050,000	39.87	1,833,300	69.62
Taiwan First Biotechnology Corp.	54,757,349	41.28	10,323,872	7.78	65,081,221	49.06
Eastern Formosa Resource Development Corporation	5,880,000	32.94	8,180,000	45.83	14,060,000	78.77
Heding International Development Co., Ltd.	16,788,000	48.98	16,819,775	49.07	33,607,775	98.05
HOPEMAN DISTRIBUTION CO., LTD.	6,950,000	43.44	8,050,000	50.31	15,000,000	93.75
TAI FU INTERNATIONAL CORP.	8,615,180	24.83	9,830,470	28.34	18,445,650	53.17
NICE Enterprise Co., Ltd.	49,223,860	28.24	39,317,798	27.29	88,541,658	50.53
YANJING AGV INTERNATIONAL COMPANY LIMITED	2,500,000	50.00	0	0	2,500,000	50.00
Kuo Cheng Investment Development Corp.	Ordinary stock: 5,000,000 Preferred stock: 2,484,000	Ordinary stock: 47.62 Preferred stock: 54.00	0	0	Ordinary stock: 5,000,000 Preferred stock: 2,484,000	Ordinary stock: 47.62 Preferred stock: 54.00
Tongjitang Medicinal Biotech Corp.	5,000,000	26.27	3,000,000	15.76	8,000,000	42.03
Nice Investment Development Ltd.	Ordinary stock: 4,800,000	36.64	Preferred stock: 9,000,000	Preferred stock: 75.00	Ordinary stock: 4,800,000 Preferred stock: 9,000,000	Ordinary stock: 36.64 Preferred stock: 75.00
Alpha Biotech Development (BVI) Limited	24,500	49.00	25,500	51.00	50,000	100.00
Nicostar Capital Investment (BVI) Ltd.	1,764,000	36.21	3,108,000	63.79	4,872,000	100.00

Note: Investment recognized under the equity method by the Company.

Four. Fundraising Status

I. Corporate Capital and Shares

(I) Equity Capital sources

Date	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Equity Capital sources	Offset against the equity capital by property other than cash	Others
July 1994	10	220,000,000	2,200,000,000	203,000,000	2,030,000,000	Capital surplus	—	1994-07-19-(83)-Tai-Cai-Zheng-(Yi) No. 3182
June 1995	10	280,000,000	2,800,000,000	236,600,000	2,366,000,000	Earnings, capital surplus	—	1995-06-24-(84)-Tai-Cai-Zheng-(Yi) No. 37548
July 1996	10	280,000,000	2,800,000,000	250,712,000	2,507,120,000	Earnings	—	1996-07-03-(85)-Tai-Cai-Zheng-(Yi) No. 4170
June 1997	10	420,000,000	4,200,000,000	288,318,800	2,883,188,000	Earnings, capital surplus	—	1997-06-26-(86)-Tai-Cai-Zheng-(Yi) No. 50451
June 1998	10	500,000,000	5,000,000,000	330,125,026	3,301,250,260	Earnings, capital surplus	—	1998-06-24-(87)-Tai-Cai-Zheng-(Yi) No. 54764
June 1999	10	500,000,000	5,000,000,000	346,631,278	3,466,312,780	Earnings, capital surplus	—	1999-06-28-(88)-Tai-Cai-Zheng-(Yi) No. 58680
July 2000	10	500,000,000	5,000,000,000	363,962,843	3,639,628,430	Earnings, capital surplus	—	2000-07-07-(89)-Tai-Cai-Zheng-(Yi) No. 58690
February 2006	10	500,000,000	5,000,000,000	370,826,050	3,708,260,500	Overseas convertible corporate bonds transferred to common stock	—	2006-02-07-Tai-Zheng-Shang-Zi No. 950001599
October 2006	10	500,000,000	5,000,000,000	377,689,257	3,776,892,570	Overseas convertible corporate bonds transferred to common stock	—	2006-10-13-Tai-Zheng-Shang-Zi No. 09500270781
June 2007	10	600,000,000	6,000,000,000	377,689,257	3,776,892,570	—	—	2007-06-13 Increase in the amount of authorized capital resolved by the shareholders' meeting
June 2008	10	660,000,000	6,600,000,000	447,689,257	4,476,892,570	Cash Capital increase	—	2009-06-30 Increase in the amount of authorized capital resolved by the shareholders' meeting
June 2009	10	880,000,000	8,800,000,000	447,689,257	4,476,892,570	—	—	2009-06-19 Increase in the amount of authorized capital resolved by the shareholders' meeting

Date	Issue price	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Equity Capital sources	Offset against the equity capital by property other than cash	Others
April 2011	10	880,000,000	8,800,000,000	497,689,257	4,976,892,570	Cash capital increase	—	Approval date and reference no. by the competent authority: Approved by Jin-Guan-Zheng-Fa-Zi No.10000126721 and Jin-Guan-Zheng-Fa-Zi No.1000012672 dated April 15, 2011
March 2015	10	880,000,000	8,800,000,000	487,205,257	4,872,052,570	Cancellation of treasury stock	—	2015-03-16-Tai-Zheng-Shang-Yi-Zi No. 1040004564
September 2016	10	880,000,000	8,800,000,000	494,513,336	4,945,133,360	Capital surplus	—	Reported and effected by FSC on August 9, 2016.

Types of shares	Authorized capital stock			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	494,513,336 shares	385,486,664 shares	880,000,000 shares	TWSE listed stocks

Note: The registered amount of the Company's authorized capital is NTD 5,000,000,000 and the increase in amount of authorized capital shall be registered as capital increase.
(The increase in the amount of authorized capital is registered in case the paid-in capital exceeds NTD 5,000,000,000.)

Information relevant to reporting: None.

(II) Shareholder structure

April 30, 2024

Shareholder structure / Quantity	Government agencies	Financial institutions	Other institutions	Individuals	Foreign institute and foreigners	Total
Persons	0	0	302	123,902	106	124,310
Shares held	0	0	141,053,240	315,461,753	37,998,343	494,513,336
Shareholding ratio	00.00%	00.00%	28.52%	63.79%	7.69%	100.00%

(III) Distribution of equity

April 30, 2024

Shareholding range	Number of shareholders	Shares held	Shareholding ratio
1 to 999	89,539	4,201,745	0.85%
1,000 to 5,000	26,481	50,884,056	10.29%
5,001 to 10,000	4,127	31,083,373	6.29%
10,001 to 15,000	1,506	17,792,922	3.60%
15,001 to 20,000	751	13,887,015	2.81%

20,001 to 30,000	705	17,435,565	3.53%
30,001 to 40,000	309	10,821,153	2.19%
40,001 to 50,000	220	10,299,492	2.08%
50,001 to 100,000	324	23,563,869	4.77%
100,001 to 200,000	168	22,673,549	4.59%
200,001 to 400,000	70	19,689,405	3.98%
400,001 to 600,000	25	12,524,100	2.53%
600,001 to 800,000	7	5,011,566	1.01%
800,001 to 1,000,000	16	14,035,201	2.83%
Over 1,000,001	62	240,610,325	48.65%
Total	124,310	494,513,336	100.00%

(IV) List of major shareholders (shareholders with shareholdings ratio above 5%)

Shares / Major Shareholders	Shares held	Shareholding ratio
Ho Yuan Investment Co., Ltd.	30,388,258	6.15%

Note: for the list of top 10 shareholders ranked in shareholdings ratio, please refer to Page 94 of the annual report.

(V) Market value per share for the past two fiscal years, together with the Company's net worth per share, earnings per share, dividends per share and related information

Item		Year	2022	2023
Market price per share (Note 1)	Highest		13.60	14.95
	Lowest		8.73	10.50
	Average		10.50	11.91
Net worth per share (Note 2)	Before distribution		13.66	13.75
	After distribution		13.26	13.52
Earnings per share	Weighted average number of shares		494,513,336	494,513,336
	Earnings per share (Note 3)		0.56	0.41
Dividends per share	Cash dividends		0.4	0.23
	Stock dividends	From earnings	—	—
		From capital reserves	—	—
	Accumulated unpaid dividends (Note 4)		—	—
ROI analysis	P/E ratio (Note 5)		18.75	29.05
	P/D ratio (Note 6)		26.25	51.78
	Cash dividends yield (Note 7)		3.81	1.93

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution should be disclosed.

Note 1: State the highest and lowest market prices for the common stock, and calculate the average market price for each year based on the turnover value and volume of each year.

Note 2: Please apply the quantity of stock already issued at the end of the year, and specify based on the board of directors or the allocation resolved by the shareholders' meeting of next year.

Note 3: If it is necessary to make adjustment retroactively due to distribution of bonus shares, please state the earnings per share before and after the adjustment.

Note 4: If the equity securities issuance terms and conditions provide that the stock dividend unallocated in the year may be accumulated until the year in which earnings allocable are generated, please disclose the accumulated stock dividend remaining undistributed until the current year.

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

Note 6: P/D ratio = Average closing price per share during the current fiscal year/Cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/Average closing price per share for the current year.

Note 8: Please specify the net value per share and EPS available in the latest quarterly financial information audited (reviewed) by the independent CPAs before the publication date of the annual report. The information available in the current year up to the publication date of the annual report shall be specified in the other columns.

Note 9: The proposed profit distribution plan for the fiscal year 2023 has not yet been approved by the shareholders' meeting.

(VI) The dividend policy of the Company and its implementation:

1. The dividend policy stipulated in the Articles of Incorporation:

Where there are earnings after closing of the accounts in a fiscal year, in addition to paying taxes and making up for the losses from prior years, an amount equivalent to 10% of such earnings shall be set aside as legal reserves, and an amount of special reserves shall be set aside or reversed from the after-tax net profit of the current year plus items other than the after-tax net profit of the current year with respect to the reduction of shareholders' equity and net increase in the fair value of investment property occurring in the current year. After the dividends to be distributed in the current year for distribution of preferred shares and the accumulated undistributed dividends in prior years are distributed, the Board of Directors shall prepare a proposal for distribution of earnings, excluding the part to be retained, and submit the proposal to the shareholders' meeting for a resolution.

The proposal for the Company's stock dividends or legal reserve distributed from earnings or capital surplus to be paid in cash, in whole or in part, shall be subject to a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and a report of such distribution shall be submitted to a shareholders' meeting.

The food industry is in a changing environment and the Company is at a stage of stable growth. To meet the demand for operating funds as the business grows and to develop long-term financial planning for sustainable development, dividends are distributed, in principle, based on the appropriation rate of more than 50% (included) from the distributable surplus. The Company distributes stock or cash dividends.Taking into account the Company's growth rate and capital expenditure, Cash dividends provided that shall be no less than 10% of the total dividends distributed for the current year. Dividends less than NTD0.1 per share will not be distributed in cash.

2. Distribution of dividends proposed at the current shareholders' meeting:

On March 11, 2024, the 10th meeting of 18th Board of Directors adopted a resolution to allocate NTD 113,738,067 from the distributable earnings of 2023 as cash dividends to be distributed at NTD 0.23 per share, and to have the Board of Directors authorize the Chairman to determine the ex-dividend date, date of distribution, and other related matters.

(VII) Effect of the allocation of bonus shares proposed at the shareholders' meeting to the Company's business performance and Earnings per share:

None.

(VIII) Remuneration to employees and directors:

1. Percentage and range of the remuneration to employees, and directors stated in the Articles of Incorporation:

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

2. The basis for estimating the amount of employee and director remuneration, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   The current estimated amounts of remunerations to employees and directors is based on the profitability of current year and estimated by the percentage specified in the Articles of Incorporation while recognized as current expenses. Subsequently, if the actual distributed amount resolved by the Board of Directors is different from the estimate, the difference shall be recognized as the adjustment to profit or loss in the following year.

3. The motion for allocation of remuneration passed by the Board of Directors:

   (1) Where the amount of the remuneration for employees and directors distributed in cash or shares is different from the estimated amount in the year of the recognized expenses, the amount, reason, and treatment of such differences must be disclosed: On March 11, 2024, the 10th meeting of the 18th Board of Directors adopted a resolution to allocate 1% of the Company's profit, totaling NTD 2,325,000, as the remuneration for directors and 2% thereof, totaling NTD 4,652,000, as the remuneration for employees. Both amounts will be distributed in cash.

   (2) Percentage of employees' remuneration paid in shares, relative to after-tax profit and total employees' remuneration shown in parent company only or individual financial statements: None.

4. Actual distribution of the remuneration for employees and directors (including the number of shares distributed, amount, and share price) in the previous year. Where there is any difference with the recognized remuneration for employees and directors, the amount, reason, and treatment of such difference must be disclosed:

   In 2022, the Company allocated 1% of its profit, totaling NTD 2,861,000, as the remuneration for directors and 2% thereof, totaling NTD 5,723,000, as the remuneration for employees. Both amounts were distributed in cash, and their distribution was included in the reports to the 2022 annual shareholders' meeting.

(IX) Repurchase of the Company's shares

The Company did not repurchase the Company's shares in 2023 up to the publication date of the annual report.

II. Issuance of Corporate bonds: None.

III. Preferred stocks, global depository receipts, and employee stock warrants, new restricted employee shares and issue of new shares in connection with the merger and acquisition of shares of another company: None.

IV. Status of implementation of capital allocation plans: None.

Five. Operational Highlights

I. Business Scope

(I) Main areas of business operations

1. Vegetables, fruits, meat, aquatic products and kelp, shellfish, beans, mushrooms, bamboo shoots, pickles, vegetarian, soup, porridge canned food manufacturing and sales.
2. Fruit and vegetable drinks, carbonated drinks, mineral water, packaged drinking water, sports drinks, coffee, tea, grass tea, soy (rice) milk, functional drinks manufacturing and sales.
3. Frozen vegetables, meat, aquatic products, frozen vermicelli, frozen dough, frozen mixed food, frozen processed food manufacturing and sales.
4. Instant noodles, instant rice flour, flour products, vermicelli, ready-to-eat lunch boxes manufacturing and sales.
5. Fermented food, soy sauce, miso, vinegar, sauces (sand tea sauce, hot pepper sauce, salad dressing, mayonnaise, barbecue sauce, Lu meat sauce, peanut butter) manufacturing and sales.
6. Dairy products (milk, long-life milk, milk powder, cheese, condensed milk, cream, etc.) seasoning milk, yogurt and ice products manufacturing and sales.
7. Edible oil, dehydrated smoked food, jam, pudding, jelly, pectin food, candy, pastry, bread manufacturing and sales.
8. Tea products, beans products, cereal products, animal feed manufacturing and sales.
9. Green algae, cyanobacteria, chicken extract, garlic (refined), edible pollen, Ganoderma lucidum, royal jelly, oligosaccharides, enzymes, food manufacturing and sales.
10. The import and export trade of the above products and their raw materials
11. Beer, grape wine, spirits, wine trading and import and export trade business.
12. Operating farm and fish field, playgrounds, department stores, supermarkets and tourist hotels, restaurants.
13. Authorization, rental and selling of national housings and commercial buildings construction.
14. Business management consultant(except accountant and securities investment consulting business)
15. Computer and Computing Peripheral Software Design Services.
16. Automatic vending machine settings.
17. C802041 Drugs and Medicines Manufacturing
18. C802051 Chinese Medicine Manufacturing
19. CC01050 Data Storage Media Units Manufacturing
20. CC01060 Wired Communication Equipment and Apparatus Manufacturing
21. CC01070 Telecommunication Equipment and Apparatus Manufacturing
22. CC01080 Electronic Parts and Components Manufacturing
23. CH01010 Sporting and Athletic Articles Manufacturing
24. CK01010 Footwear Manufacturing
25. E605010 Computing Equipments Installation Construction
26. E701010 Telecommunications Construction
27. E701020 Channel KU and C of Satellite TV Equipments and Materials Construction
28. F102160 Wholesale of Assist Food Products
29. F104030 Wholesale of Shoes

30.F108011 Wholesale of Chinese Medicines
31.F108021 Wholesale of Drugs and Medicines
32.F109030 Wholesale of Sporting Goods
33.F204030 Retail Sale of Shoes
34.F208011 Retail Sale of Chinese Medicine
35.F208021 Retail Sale of Drugs and Medicines
36.F209020 Retail Sale of Sporting Goods
37.I104010 Nutrition Consultation
38.I301020 Data Processing Services
39.I301030 Digital Information Supply Services
40.F399010 Convenience Stores
41.F301020 Supermarkets
42.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(II) Weight of business

Unit: NTD thousand %

Product type	2023	
	Sales amount	Sales ratio
Traditional foods	960,872	19.61%
Desserts	731,753	14.93%
Drinks	1,792,292	36.58%
Oat milk	1,071,961	21.88%
Oils	91,545	1.87%
Health foods	22,200	0.45%
Others	229,415	4.68%
Total	4,900,038	100.00%

(III) Present product items of the Company

Foods: pickle series, dessert series, prepared food series, drink series, fresh food series, oil series, international brand agent series, oat milk series, health food series, energy drink series, (frozen) dessert series and (frozen) prepared food series.

(IV) New products planned for development

1. Traditional foods: Korean cabbage Kimchi, green tuna, California spicy tuna, baked beans with tomato sauce, fermented tofu sauce, sweet rice pudding with brown sugar, Japanese rice seasoning, peanut oil, Kanten grass jelly, taro sago soup (co-branded with Milksha).
2. Drinks: High-quality protein drink, pure oat drink, oat milk (in tin can), buckwheat milk, oat coffee, oat milk tea, activate double-fiber barley tea, activate honey black tea, Nestea lemon iced green tea, Nestea lemongrass tea, Nestea light oolong tea.
3. Dairy products: Brain-healthy dairy drinks.
4. Others: Instant oat powder for Premium Oat Drink, Oatbella Tea Master Oat Milk, Oatbella oat milk soft ice cream, peanut butter with milk.

(V) New products released

1. Traditional foods: Tube Sticky Rice Cake.
2. Drinks: Premium Oat Drink (Maca-Zinc), Oatbella Professional Oat Milk, Nestea

Prime Black Tea (Tetra Pak), biodegradable tea, Unsweetened Activate Green Tea.

(VI) Overview of industry

1. Current situation of the industry and forecast of annual trends
   2024 will be a major turning point for a new wave of food industry trends! Around the world, despite the ongoing impact of numerous volatile factors such as the US-China confrontation, the Russia-Ukraine war, regional conflicts, soaring resource prices and inflation, the end of the COVID-19 pandemic, which has lasted for nearly four years since 2020, has played a key role in contributing greatly to the short-term recovery of consumption, and general optimism in the industry is also critical in positively affecting food trends and spending characteristics beginning this year. It is expected that the subsequent development of the food industry and related consumer behavior will not just return to pre-pandemic level, but will combine four years of slowdown in development and stagnation in consumption with the long-term trend of the next 10+ years to produce explosive changes. To summarize, key industry issues during the pandemic period, including food safety (coloring, flavoring, additives, preservatives, man-made or natural pollutants, bacteria, viruses, packaging, preservation, and transportation), R&D innovation (new needs, new materials, new formulas, new packaging, new methods and new applications in the traditional innovation drive vs. AI- or automated-technology-assisted innovation drive), functional foods (special nutritional supplements, products numbered Jian-Zi, dietary supplements, elderly-friendly foods, and baby foods), environmental sustainability (carbon emissions, animal protection, environmental protection, energy conservation, circulation, recycling, and packaging reduction), packaging and labeling transparency (regulatory requirements vs. consumer demand, basic labeling vs. functional requirements), and disaster and pandemic prevention reserves, coupled with the interaction with environmental variables (politics, economy, and the pandemic) that have had the greatest impact in recent years, have resulted in a variety of industrial trends and variables, but the end of the pandemic will give the industry more room to meet the market's appeals and needs.

   In the past year, the economic situation was characterized by a mix of black swan and gray rhino events. Although the impact of the COVID-19 pandemic has formally ended, the Russia-Ukraine war and global geopolitical conflicts have yet to cease, and inflation has pushed many countries to raise interest rates in response, leading to a reverse rapid tightening of the financial environment, which has in turn increased the pressure on economic growth. Most major economies such as China, Japan and the EU -- and excepting the U.S. economy, which is expected to remain optimistic due to the upcoming 2024 elections -- are not as optimistic as expected after the lifting of lockdowns, resulting in slower-than-expected global economic growth in 2023. Due to the impact of a poor global economy, Taiwan's economic performance was also not satisfactory. According to data published by the Directorate General of Budget, Accounting and Statistics, the economic growth rate for Q4 of 2023 is estimated to be 4.93% (yoy), which is lower than the previous forecast. The annual economic growth rate has been revised downward again to 1.31%, which is also lower than the previous forecast, setting a new 14-year record low. However, the analysis shows that the overall economic situation in Taiwan is actually characterized by weak exports and strong domestic demand, and Taiwan's food industry mainly supplies the domestic market. Although the economic monitoring indicators were mostly blue and yellow-blue last year, after the negative impact of the pandemic subsided, industries supplying the domestic market, such as the food industry, have become the main pillars of economic growth for domestic consumption.

In 2024, major global economic challenges will remain. As the leading economy, the US is facing the risks of high debt and high interest rates behind its economic boom. China, the second largest economy, continues to face the spread of negative factors such as policy involution, the withdrawal of foreign capital, US sanctions, and the collapse of real estate and stock markets. Other countries, such as those in the EU, are showing mixed performance. Even if the performance of Asia, Africa and Latin America is relatively stable, it seems to be still difficult to support the weak global economy. An observation of the overall economy and the date of industrial indicators shows a different situation for Taiwan from the previous year, in that the main exports in Q1 of this year, such as electronics-related products, have benefited from the recovery of global product demand, the destocking of the industry has come to an end, and the AI wave has pushed up demand for semiconductor and peripheral products, helping the recovery of Taiwan's foreign trade performance, which will in turn lead to steady growth of private spending. It is estimated that the annual economic growth rate in 2024 will be 3.43%, an increase of 2.12% from 1.31% in 2023. To sum up, the domestic industry is more optimistic about the economy in 2024. According to an economic survey by the Taiwan Institute of Economic Research, manufacturers are still generally more cautiously optimistic about the economy in 2024 than in 2023, with the percentage of those being optimistic significantly exceeding that of those being pessimistic. The same situation is also observed in the service sector, where optimism prevails over pessimism. It is worth noting that most industries are more optimistic about total domestic sales. In conclusion, the food industry is expected to perform better this year.

The following is an outline of the overall situation of the consumer market throughout the year by looking at trends in fast-moving consumer goods (FMCG) and food industries in 2024 provided by a number of globally renowned research organizations. As mentioned above, an observation of the trends in the consumer market since 2020 shows that the COVID-19 pandemic dominated consumer thinking and behavior during this period. In addition to meeting the basic needs for food, clothing, housing and transportation and for issues such as health promotion and environmental sustainability, as well as maintaining the characteristics of the food industry to keep in line with the current situation of the overall environment and the changes and expectations in consumers' lifestyles, consumers are generally careful with their spending, while brands are relatively conservative, a result of which is the price-performance ratio becoming the most important indicator. However, such habits and trends have begun to change significantly in 2024 with the disappearance of the COVID-19 pandemic, the biggest variable. The Consumer Index of KANTAR, a market trend research institution, has been tracking the FMCG market for a long time, and has provided a summary of ten key trends to help the industry understand market trends in 2024:

A. Food: Growth momentum will return as consumers “take revenge” by traveling overseas and as inflation subsides.
B. Beverage: Consumers’ demand for healthy products and their return to convenience stores will drive up sales.
C. Health care: The overall demand is higher than before the pandemic, with jelly-format products dominating.
D. Beauty: The demand for make-up, sun protection and perfume grows due to increased social gatherings.
E. Home care: Laundry capsules, dishwashing detergents and home fragrances stand out.
F. Baby: Opportunities for newborns in the Year of the Dragon will lead to a premiumized and upgraded market.
G. Pet food: The pet economy is booming, with one in every five households purchasing pet food.
H. Offline channels: Spending for beauty products increases, boosting the performance of personal care stores.
I. E-commerce: The habit of online shopping is irreversible, with post-pandemic online sales maintaining growth.
J. Gifting: To seek health and happiness, people purchase chicken essence, bird’s nest and casual snacks as popular gifts for the Chinese New Year.

According to the conclusion of the KANTAR Consumer Index: in 2024, consumers will return to normal life and pay more attention to quality, so manufacturers can seize opportunities by understanding the behavior of consumers. Taiwan’s market of fast-moving consumer goods has experienced post-pandemic recovery and a year of pressures from rising prices and inflation, with consumers’ daily lives gradually returning to normal. However, their demand for different products has changed and upgraded, and they are now more concerned with health, eco-friendliness, quality-of-life experiences, and convenience, which will provide brand manufacturers with innovative R&D directions. As consumers become more discerning in their demands, brand manufacturers will be able to outperform their competitors in seizing opportunities if they are able to gain insight into the potential needs and spending patterns of their customers through professional research on consumer behavior, and provide accurate, differentiated products and services.

Innova Market Insights, another renowned international market research institution that focuses more on the food industry, has published the top 10 global trends in food and beverages in 2024. Although the global consumer market is still affected by rising food prices and consumer spending cuts, consumers will pay more for eye-catching or well-liked food ingredients, products claimed to be good for the environment, and health benefits by 2024.

According to Lu Ann Williams, the director of Innova Market Insights, for many families, getting the foods they need at an affordable price is a primary challenge. However, a study by Innova Market Insights on consumers and the products they consume shows that other factors are at play, and their influence and weight on consumers' decision-making is growing. According to Innova Market Insights, the following are the top 10 global trends in food and beverages in 2024:

A. Ingredients: Taking the spotlight
B. Nurturing nature
C. Prioritizing prevention
D. Plant-based: The rise of applied offerings
E. Local goes global
F. Home kitchen heroes
G. Indulging in health
H. Oceans of possibilities
I. H2.0: Quenching the future
J. Minimizing the noise

Trend 1. Ingredients have become the focus of consumer attention
The star ingredients in a product are highlighted in response to consumers' interest in such ingredients. Whether consumers are looking for the flavor, sensation or functionality they want, they will make strong associations through ingredients. According to the latest research of Innova Market Insights, one in three respondents said they would look for information about key ingredients on product packaging. Brands can quickly demonstrate their features and values through the key ingredients of a product. By understanding consumers' opinions and attitudes toward ingredients, it is possible to identify the winning factors that appeal to consumers.

Trend 2. Businesses have deepened the ides of sustainable development and demonstrated how they value nature
As companies continue to deepen their commitment to sustainable development, they are placing greater emphasis on making real impact on environmental protection. The climate crisis has raised strong concerns among consumers, and the environmental impact of goods or behavior will be a key factor in consumer choice. Consumers indicate that they wish to contribute to the health of the planet, and they are demanding more from the environmental impact of brands and products. From planting trees to promoting animal welfare, companies that take real measures and actions to improve the environment will win over consumers.

Trend 3. The concept of "prevention is better than cure" has boosted the demand for health products
The concept of "prevention is better than cure" has encouraged consumers to purchase products that meet their own health needs. As the trend toward enhanced personal health management continues, more than one-third of consumers have expressed a strong desire to prevent diseases and injuries, with weight management, heart health and bone health being their top concerns. Food choices

are critical for consumers who want to stay in good shape and remain healthy during aging. Consumers are taking an active interest in their personal health, and products that provide clear health benefits will be chosen.

Trend 4. Localized plant-based diets to increase consumer acceptance
Converting familiar dishes to plant-based ones wins over consumers who actively embrace plant-based products, and converting popular dishes with higher public acceptance into plant-based products is more acceptable to consumers. For consumers who are looking for variety in their diets, plant-based products will be an eye-opener if they are familiar dishes. Half of consumers indicate that familiar cooking methods and product convenience are very important to them when purchasing plant-based products, which is why plant-based snacks and ready-to-eat meals are gaining popularity. According to Innova's database, the average annual compound growth rate of newly released products of plant-based or vegetarian ready-to-eat meals and side dishes was 8% from the second half of 2020 to the first half of 2023.

Trend 5. Expansion of the power of local ingredients to increase local identity and satisfy taste buds
From experiences with exotic dishes to the popularity of local ingredients, the power of "local" is spreading across the world. Consumers value and prefer food from "nearby" places, while their passion for exotic flavors has not diminished in the slightest. By purchasing local ingredients and preparing authentic exotic dishes, brands satisfy not only consumers' pride in their hometowns, but also their curiosity in taste. Promoting traditional local cuisines will strengthen the connection between people and local communities. From an environmental, economic and social perspective, the boom in local products and cuisines is sweeping the world.

Trend 6. Home cooking remains popular after the pandemic, and cooking yourself is more entertaining
With the adjustment of lifestyle and economic expectations, the home has become a new place for meeting and socializing. There have been more social events taking place at home, and in terms of the socializing effect, consumers see no difference between eating at home and eating out. As consumers prefer to stay at home and economic uncertainty continues, creative cooking is becoming increasingly popular. Consumers have also indicated that cooking or entertaining at home is not only more cost-effective, but also a way to experiment with more options. This will promote products or ingredients suitable for home cooking, and help home chefs prepare more delicious dishes themselves. For many economies, economic uncertainty and cost-of-living crises continued into 2023. Many families have chosen to "stay at home" rather than go out, not only as a consequence of the COVID-19 pandemic, but also as a result of tighter household budgets.

Trend 7. More than just pursuing health: the combination of health and tastiness as a better choice

Health products seek to provide the feeling of indulgence, while tasty foods increase health benefits, creating an ideal combination. According to Innova Market Insights, the number of newly released indulgence-type products with voluntary health labeling is increasing, and they are the ultimate mix of "feel good" and "good for you", appealing to consumers who are pursuing health with fewer compromises. The future of both indulgence-type and health products lies in each incorporating the other's qualities without losing their own appeal.

Trend 8. With a lot of available ingredients in the ocean, marine resources should be used well to generate a consumer trend
The ocean will become the farm of the future, providing inspiration for innovation and new ingredients beneficial for the environment. The ocean creates many exciting opportunities for ingredients and innovation, especially for brands that support ocean conservation. Plant-based fish and seafood are showing strong growth, and microalgae is increasingly recognized as an important ingredient. These products meet the consumer demand for health, flavor and eco-friendliness, and they are responding positively to relevant changes.

Trend 9. Healthy water becomes a focus of research
More health benefits and exciting promotional partnerships are opening up a bright future for hydration products. Water has received unprecedented attention and become a focus for R&D. In addition to the benefits of water, there are other features that brands want to add, such as boosting vitamin levels or promoting health in a broader sense. At the same time, cooperation with sports organizations and celebrities is designed to tap into the deeper desires of consumers. According to Innova's global database of new products, from the second half of 2020 to the first half of 2023, newly released sports drink and soft drink products with hydration claims grew at a compound annual rate of 10%. During the same period, the use of immune health claims in hydration-related products also increased by 10% per year.

Trend 10. Easy-to-understand, accurate and useful information
Open and direct communication will impress consumers who want to get rid of the information explosion. In order to build public trust in products, brands and ethical actions and attract public attention, the role of simplified messages is critical. Legislators have also taken measures against misleading information and continued to improve the methods for its management. People want access to transparent and direct information on issues concerning themselves and the planet.

2. From the world to Europe and the US, and from Asia Pacific to Taiwan: the future direction of the food industry in the face of trends
(1) Analysis of the environment and trends in the global food industry
After the COVID-19 pandemic, the economic recovery that many countries have been waiting for, and which should have followed, has either been delayed or been directly reversed. Most economists have attributed this situation to the phenomenon of economic stagnation in social sciences, or to a lack of consumer confidence. Although countries worldwide are reluctant to acknowledge the

severity of economic recession and inflation, price hikes are a phenomenon that both businesses and consumers are facing. Although the COVID-19 pandemic has ended, it significantly slowed economic development. The possibility of geopolitical risks affecting the economy has increased sharply, and global warming and climate change have dragged down overall economic performance with increased green costs.

The current global business environment can be called a “geopolitical era”, where new thinking and actions are necessary to maintain or even achieve better economic performance. Therefore, the “paradigm shift and re-evaluation” of the global industry is inevitable. Mr. Stan Shih, the founder of Acer, has used the “smiling curve” to point out the difficulties that international companies will face, and has indicated the necessity and correctness of an industrial paradigm shift to maintain the momentum of growth. In terms of trends in the food industry, Innova Market Insights, a well-known global research organization, believes that the major trend of the next decade is the green diet. “Green” has two focuses: Earth health and human health; the sustainable supply of green foods is thus the main trend, which includes issues of plant-based foods, alternative protein, cultivated animal protein, clean labeling, sustainable production, net-zero carbon reduction, waste reduction and revitalization, animal welfare, eco-friendly packaging materials, health food, dietary supplements, special foods, snacks, functional ingredients, and the application of emerging technologies such as AI and automation.

The environment and industrial trends in Europe and the US

The economic environment of the EU has been greatly affected by the Russia-Ukraine war and interest rate hikes by the US, with the risk of economic recession greatly increased. Although Europe and the US have reached a considerable consensus on confronting Russia and China, the EU prefers to go its own way on certain economic issues. At present, the US is raising interest rates of the USD to fight inflation at the expense of its own economic growth and that of the world. As interest rate cuts are repeatedly postponed, the global economy, including the US economy, is facing the considerable risks of collapse and recession. With the exception of the US, where the figures of consumer spending still appear strong, the rest of the world is characterized by the conservative stagnation of the post-pandemic era.

Regarding industrial trends in Europe and the US, both manufacturing and service industries in Europe and the US hope to keep their original advantages in terms of industrial scale. With the rise of nationalism in recent years, national security and the security of industrial supply chains have become a priority for the decision-making model of many countries, leading to the emergence of deconstruction and restructuring of the global supply chain. Under this new decision-making model, as long as a company is able to build a complete industrial supply chain of a certain scale in the market, it will become a major company with a global strategy.

In addition, Europe and the US are focused on technological leadership in the industry in order to maintain product differentiation through leading positions in technology, a core competitive advantage that is difficult for competitors to replicate. How to maintain a voice in trade and regulations in global and regional markets, and how to cross tariff and non-tariff trade barriers and introduce relevant technologies into major consumer markets by creating advantages for technological leadership, are essential key factors.

The EU is expected to enact a total ban on caging after 2027 and consider the inclusion of animal welfare as a prerequisite for imports. The imposition of carbon tariffs and carbon footprint requirements will put additional pressure on companies in many countries. The notion that every person's purchase determines our future, which is common in Europe and the US, as well as the consumer trend of "every purchase is a vote for the future we want", will become global trends.

The environment and industrial trends in Asia Pacific and China

The post-pandemic slowdown of global demand has had an impact on Asia's exports, making the manufacturing industry a vulnerable link in the current global economy, and has dragged down the economy of Asia and China. Despite the impact of recent USD interest rate hikes and inflation, emerging countries such as those in Asia still perform well against recession. Asia is the largest regional market in the world, with China, India and ASEAN together accounting for around 40% of the global population, and the spending power of the relevant middle class is the key focus of the global food industry in the future. According to the Institute for Economic Research (IFO) in Germany, suspension of trade ties with China will cause the EU to suffer economic losses several times greater than those caused by Brexit. In recent years, Western countries have become wary of China's rise, and the latter's confrontation with the US has triggered comprehensive trade sanctions. Current observations indicate that the technology and manufacturing industries have suffered more, while industries concerning people's livelihoods, due to their population base and domestic demand, have suffered less, and remain a large market that cannot be ignored. Taiwan is situated in a very special political and economic environment, with solid technology and manufacturing industries, as well as first-rate strengths in industries related to food, clothing, housing and transportation. However, the threat from China should not be ignored, and relevant industries will always face possible political risks and control when operating in the Chinese market. Taiwan's food industry has maintained stable growth in the domestic market. With relevant government policy incentives, it has retained certain advantages in the export market with its industrial technologies and health standards. In recent years, given the global issue of environmental protection, innovative food technologies have resulted in a new wave of spending willingness among Asian consumers. Relevant trends include:

A. A rising demand for plant-based products (originally only focusing on plant milk and traditional vegetarian food).

B. Products related to intestinal health (intestinal health has gradually become one of the main focuses in the world, including the Asia Pacific market).
C. Local products (issues such as energy conservation and carbon reduction/social engagement/a return to traditional local recipes).
D. Diverse experiences (due to COVID-19 restrictions on socializing, new food experience has generated an alternative social effect).
E. Products that recognize the value of “together on the same planet” (emphasizing the values of environmental protection and human health).
F. The popularity of plant-based meat alternatives and bubble milk tea in Asian countries shows the pursuit of novel and healthy experiences.

Internationally renowned research institutions have observed the following trends in the food/beverage industry of China:

A. Health revolution: After the pandemic, people are pursuing healthiness from snacks/drinks to ready-to-eat/fast food/meal replacements.
B. Rise of “her” economy: Women are transitioning from buying for their families to buying more for their own needs, including zero-sugar, zero-fat beverages and protein bars/low-calorie meal replacements.
C. Dairy substitutes: There is a soaring demand for plant milks, including not only soy milk but also oat milk, almond milk and rice milk.
D. Meat substitutes: The consumption of plant-based meat alternatives in China is rising. According to statistics, the consumption of plant-based meat alternatives in China accounted for 70% of that in the Asia-Pacific region and 53% of that globally in 2021.
E. Fast growth in both tea and coffee: The growth of coffee is fast, with an annual growth rate of 15% (compared to 2-3% globally); tea is also experiencing double-digit growth year to year.

Research institutions have observed the following trends in the food/beverage industry of Taiwan:
The Taiwan Institute of Economic Research previously warned that the probability of negative global economic growth in 2023 was extremely high. Based on the economic measures and the purchasing managers’ index throughout the year, Taiwan’s economy indeed showed a downward trend in the previous year. Imported inflation caused by rising global oil and commodity prices, as well as increasing costs of housing, rent, utilities, food, clothing, accommodations and transportation, have put pressure on businesses and consumers in Taiwan. Currently, Taiwanese companies are faced with two pressures from industrial transformation. One is from sustainable transformation. The pressure related to sustainable governance for Taiwanese companies has emerged, and it is an inevitable trend. For example, identifying a model of circular economy after an inventory of carbon footprints is a major challenge, and it is necessary to review the overall policy and system and introduce such a model step by step. The other is from digital transformation. Many food companies have only introduced hardware but failed to make transformation in terms of system, culture, innovation or the overall strategy or operating model, leading to ineffective

digital transformation. In fact, for any transformation, hardware is just a tool; the real core lies in software.

In terms of plant-based foods, industrial trends show that many companies have made investments in line with global trends, but applications are mainly in Western meat products, with fewer applications in Chinese meat products (or localized applications), not to mention those in plant-based drinks and food processing ingredients. Strictly speaking, plant-based foods have yet to cause a real trend. At present, there are still differences in the sensory quality of plant-based and pure meat products, and the applications of plant-based food ingredients are still in their infancy. One of the most well-known applications is the replacement of animal milk with oat milk in the coffee market. Due to the popularity of coffee drinking and the rising environmental awareness of coffee drinkers, the application has become one of the more successful models.

Clean labeling not only meets the needs of consumers but is also consistent with the trend of sustainability, and has been introduced by more and more businesses. However, it faces the challenge of whether the sensory quality of the final products after reduction or complete elimination of additives is able to meet the requirements of consumers.

Due to the rise of online shopping habits during the pandemic, network applications have become a new normal for consumer spending. In general, the popularity of mobile phones and 3C devices, the prevalence of online shopping, group buying and TV shopping, the trend of AI, a hectic pace of life, fewer children born, aging, and polarized consumption, as well as a variety of factors related to the times, environment and trends, have further boosted the use of online transactions in the consumer market.

Analysis and suggestions for the future development of Taiwan’s food industry

Chin-Long Yang, the governor of the Central Bank, has made three suggestions for the challenges facing Taiwan’s future development, which are worth learning from:

First, in response to de-globalization: The current global supply chain continues to develop toward resilience and security, green sustainability, new technological investments and regional economic integration, making the industries in Taiwan more resilient.
Second, in response to climate change: The government should continue to build energy infrastructure and assist businesses in carbon inventory and enhancing carbon reduction capabilities to implement ESG and achieve the goals of sustainable management.
Third, in response to an aging population: In addition to attracting foreign workers and increasing the participation of elderly and female workers in the labor force, the government should also make efforts to narrow the gap between education and employment and assist businesses in introducing automation and

smart technologies to increase the work efficiency and productivity of their employees.

Taiwan’s food industry is highly resilient with a healthy industrial structure. In recent years, supported by government policies and resources and coupled with the industry’s own efforts, the industry has established a very comprehensive mechanism for upstream, midstream and downstream integration and collaboration. Supportive policies and resource incentives of competent government authorities (Ministry of Economic Affairs, Ministry of Agriculture, Agriculture and Food Agency, Ministry of Science and Technology, and Ministry of the Interior), as well as the activities of semi-official or non-governmental industrial organizations and associations and societies (Taiwan Canners Association, Taiwan Beverage Industries Association, Taiwan Fermenting Food Industry Association, Taiwan Association for Food Science and Technology, Food Industry Research and Development Institute, Taiwan Grain Industry Association, Taiwan Quality Food Association, International Life Sciences Institute - Taiwan, Taiwan Functional Food Industry Association, and Health Food Society of Taiwan), have more closely integrated exchanges and interactions between industry and government, between industries, and between industry and the private sector, making a great contribution to the revitalization of industry, the enhancement of the production value, and the development of talent. In recent years, the world has been affected by major environmental variables (US-China trade war, inflation, climate change, shortage of raw materials, COVID-19, and regional conflicts) with the occurrence of numerous black swan and gray rhino events, and all major economies in the world have suffered greatly. Nevertheless, Taiwan has been able to survive the crises of 2020 to 2023, and has managed to once again achieve outstanding performance in terms of growth in foreign trade and stabilization of the domestic economy under whole new conditions from the second half of 2023 until 2024. It is obvious that the food industry plays an essential role at this stage, with the health and resilience of the industry being evident. Led by 29 publicly listed food manufacturers, many companies were able to record impressive results in terms of market value, revenue, profit, share price and P/E ratio in 2023. In 2024, with the end of the COVID-19 pandemic that has greatly affected people’s lives, there are no longer significant concerns for Taiwan's food industry. It will be able to combine resources from industry, government, academia and the private sector, supported by government policies and resource incentives, to further capitalize on its own advantages in food safety, R&D innovation and marketing business to seek greater revenue, market share and profits in domestic and foreign markets.

(VII) Technology and research and development overview

1. Research and development expenditures in the most recent years up to the publication date of the annual report

Unit: NTD thousand; %

Year	R&D expenses	Net operating revenue	Proportion to net operating revenue
2023	48,171	4,900,038	0.98%
Up to March 31, 2024	14,396	1,159,178	1.24%

2. R&D results of the Company's Institute of Health Science in recent years

Year	2022	2023	Up to the end of March,2024
Number of new product introductions (improvements)	13	19	2
Number of research reports	26	23	0
Number of patents acquired	3	0	0
Number of health food certificates acquired	0	1	0

3. R&D results in recent years

(1) Continuing the spirit of product innovation to refine and improve quality products

Ongoing optimization of our existing main products makes the Company more competitive in cost and meets high standards in quality, flavor, stability and safety. We also conduct regular functional evaluations for comparison with competitive products in the market to ensure the advantage of our product brands. Due to the rising costs and shortage of raw materials around the world in recent years, we have not only made improvement to reduce costs, but also are actively looking for second and third suppliers, who will undergo strict evaluations to make sure they are able to maintain good quality. With the spirit of innovation, we seek to improve the quality and flavor of our products and increase profit.

(2) Innovative R&D and processing technologies to introduce leading products

With respect to our exclusive biotechnology of triple enzyme hydrolysis, we have continued to develop innovative enzyme decomposition technology and engage in the innovation and development of oat pulps with different kinds of sweetness and taste. These have been successfully applied in the Barista Oat Latte, Honey Oat Drink, oat drink with lutein, and other flavored and functional oat drinks. Consumers can enjoy the natural sweetness of oat and reduce extra calorie intake with no additional sugar in the product. In response to the global trend of plant-based foods, we have developed oat milk for soft ice cream with good moldability and overrun, providing more choices for lactose intolerant and vegan consumers, and breaking the restriction that the milk for soft ice cream must be refrigerated because it can be stored and transported at room temperature, which is more in line with the green and low-carbon concept of plant milk. As a representative brand of traditional Taiwanese cuisines, AGV has extended the exclusive in-can molding technology of three canned tofu products (Mapo Tofu, Curry Tofu and Korean Kimchi Tofu Stew) to develop an innovative molding technology of in-can steaming of savory rice pudding, and has successfully released the Tube Savory Rice Pudding, which won the "Gold Medal" of the Award for Innovative Products for innovative product concept and the "Food Innovation Award" for food and beverage innovation, in line with the current trend of consumer expectations for more convenient and healthier food.

(3) Acquiring food and ingredient technologies to improve product quality

With technologies related to biotechnology of triple enzyme hydrolysis, extract biotechnology, nano-grinding technology, membrane filtration technology, and hydrolyzed oat flour production technology, we improve food ingredient quality and functional ingredients of products to increase the added value of products, while using the core technology of cold aseptic filling for manufacturing to improve product quality. In recent years, consumers seeking to meet their health needs have been focusing on whole foods that are simple and pure with fewer additives. For the food industry, the goal has always been products with clean labeling that preserve the flavor of natural ingredients and are consistent with public health awareness. Made of Kyushu sencha using the traditional steaming method, Unsweetened Activate Green Tea retains the fragrance of sencha. In combination with the functional ingredients of dietary fiber, it keeps the complete essence, mellowness and aftertaste of Japanese green tea, and possesses the functions of preventing the formation of body fat and modulating blood sugar.

(4) Controlling source safety management to guarantee product quality

All of the food safety incidents in Taiwan are problems caused by the lack of control of materials in the upstream. Thus, "source management" is critical to the prevention of food safety incidents. The Company has a Testing Lab certified by both TAF and TFDA, with 356 testing items for ingredients and 410 testing items for pesticide residues. Therefore, the Company is able to ensure effectively control of source safety management and provide guarantee for product quality.

4. R&D and investment plan

(1) Health food certificate

Health food certification has always been one of our important development directions. We are committed to integrating the organizational innovation of the Institute of Health Science with technology platforms related to innovative technologies, material technologies, research patents, formula designs, process technologies, and inspection and analysis, and we actively apply for health food certifications covering key health effects, including the modulation of blood fat and blood sugar, improvement of the intestines, protection of the liver, prevention of the formation of body fat, enhancement of immunity, and delay of aging. During the past five years, we have not only successfully received the certification of our newly developed product “Double-fiber Barley Tea” as a health food that prevents the formation of body fat, but also dedicated ourselves to the continuous upgrading of certified products. “Multigrain Activate Tea” has been certified as having the functions of modulating blood fat and preventing the formation of body fat, while “Premium Oat Drink (Original)” has been certified as having three effects of modulating blood fat, immunomodulation and improving gastrointestinal functions. These achievements mark a major milestone in our efforts to provide high-quality foods with multiple health benefits.

(2) Innovative R&D technology

Innovative R&D technologies are the key to acquiring a competitive advantage in a market with constant competition. We are committed to combining the core technologies of patented processes, including the biotechnology of triple-enzyme hydrolysis and drying, technology of biotransformation of food, nano-grinding technology, biotechnology of probiotic (prebiotic) fermentation, technology of enzymatic fermentation, and biotechnology of extraction of herbal ingredients. Through industry-government-academia collaborative programs, we work with academic institutions and government agencies to make use of the latest research results and professional knowledge to accelerate the development and application of technologies. Additionally, we actively introduce foreign technologies and seek strategic alliances with international companies to expand our technological resources and market influence and further strengthen the global competitive advantage of our group.

5. Status of research and development plans uncompleted (in progress)

(1) We plan to sell oatmeal series of AGV around the world using the biotechnology of triple enzyme hydrolysis combined with the nano-grinding technology and drum drying technology to produce hydrolyzed oats flour.

(2) The product formula is designed to meet the clean label and natural idea. The clean label is a concept rather than a certificate or defined requirement originated from the retail channel. Clean means not only being clean on the surface but also reducing unnecessary ingredients and replace additives by natural extracts as the key point. Also, the design of product formula shall meet the idea of clean label as much as possible.

(3) In order to fully meet the needs of modern-day consumers for health and nutrition, we provide a wide range of products certified as healthy foods, including dairy products, teas, cereal drinks, juices, food capsules, powdered dietary supplements, health drinks, and wholly plant-based nutritional supplements. We firmly believe that by providing products with strict certifications as health foods, we are committed to our responsibility toward consumers. In the future, we plan to continue applying for health food certifications for several new products, such as: teas which make it less likely to form body fat and which are helpful for modulating blood fats, and brewed

cereal drinks which are helpful for modulating blood fats and enhancing immunity. We also plan to invest in the development of foods with wholly plant-based nutritional formulas to provide more diverse and comprehensive nutritional choices. This is our relentless pursuit for consumer health, as well as our commitment to contributing to society..

6. Projected time for mass production:

Main products	Projected time for mass production
Traditional foods	Q1 and Q2 of 2024
Drinks	Q1 and Q2 of 2024
Dairy products	Q2 of 2024
Health foods	-
Snacks	Q2 of 2024
Other	Q4 of 2024

7. Key factors for successful R&D in the future

(1) Core technology innovation: we utilize the “exclusive biotechnology of triple enzyme hydrolysis (with applied patents in multiple countries)” and nano-grinding technology to develop grain drinks with high functional ingredients and adopt advanced European “cold aseptic filling equipment” for production with aseptic control throughout the process. The factory has acquired the highest specification certificate of food safety management HACCP and ISO22000 to provide assurance and protection for the quality.

(2) Innovation of R&D organization: This is the key in whether our human resources are able to improve their capabilities and performance to successfully complete the development of new technologies and products. The Institute of Health Science has been reorganized into a structure based on specialized functions, which consists of two sub-institutes and seven centers. This year, in cooperation with the Food Industry Research and Development Institute, we have established the Plant Milk R&D Center to develop and deepen the processing technologies for plant milk products.

(3) Product value innovation: The issue concerned by the consumer might be the product design which is easily ignored by the vendors. A successful innovative product may not only increase the revenue rapidly but also may create added value recognized by the consumer due to innovation and then transform to a bestseller with high gross profit and profit. However, innovation is a constant advantage that cannot be ceased due to the increasingly changing demands of the consumer.

8. R&D personnel and their educational background

As of the end of March, 2024, the Company has 26 R&D personnel with educational backgrounds all above college degree and the main members have rich work experience and product R&D experience in relevant industries, contributing to the progress of product research and development.

Unit: people

Year / Educational background	2022	2023	End of March, 2024
PhD and Master	19	20	19
University and college	6	6	6
Total	25	26	25

(VIII) Long-term and short-term business development plans

1. Short-term business development plan: In the past, the short-term business development plan gave priority to achieving the annual tactical operating targets. Like most of the leading public companies, we have included the annual revenue, profits (gross profit, operating profit, net profit and comprehensive income), the attainment of market share, the release of new products, the development of new sales models/channel platforms, and cooperation with peers/other industries in the criteria for annual performance evaluation. In response to the wave of "revenge spending" after the end of the pandemic, our short-term business plan for this year is different from those in the past, in that it not only aims to achieve the targets, but also sets surpassing the targets as the core idea for the short-term plan, hoping to achieve better performance with higher targets.
   (1) [Surpassing] of annual targets: Surpassing the targets of revenues and profits from cultural cuisines, health drinks, and international brands.
   (2) [Successful] release of new products: Development of new products in advance, coordination of production and sales, market promotion, and sales figures.
   (3) [Improvement] of market position: Strengthening market share and the relationship with channels, and increasing the sales of products in channels.
   (4) [Creation] of sales opportunities: Actively promoting topics, directing the trend, and generating demand to lead the trend.
2. Long-term business development plan: We have achieved revenue growth for eight consecutive years, with the distribution of dividends for three consecutive years. For our future long-term development, we still aim to achieve the medium- and long-term strategic goals, maximize the Company's values and the interests of shareholders and stakeholders, satisfy the needs of consumers, and safeguard the common long-term interests of food safety. In addition to the basic [financial performance targets], which focus on steady medium- to long-term growth, [market operation targets], [social responsibility targets] and [talent development targets] will be the areas of more importance in the following years. Our long-term business development plan will be different from those in the past, in that it sets strategic directions from a broader

perspective:

(1) [Financial performance targets]: Achieving growth of net values and earnings per share through revenue growth and increases in gross, operating and net profit margins.

(2) [Market operation targets]: Strengthening channel and brand cooperation through international integration and cross-industry alliances.

(3) [Social responsibility targets]: Enhancing brand values and social recognition through food safety innovation, energy conservation and carbon reduction.

(4) [Talent development targets]: Optimizing the talent pool and career planning through industry-academia collaboration and on-the-job training.

II. Overview of market and production/sales

(I) Market analysis

1. Overview of product sales:

   As of 2023, despite the impact of COVID-19 and other negative factors in the international market, we have managed to achieve great revenue growth for eight consecutive years, while maintaining a stable profit, with cash dividends distributed for three consecutive years. Our market share, a symbol of our brand value and consumer loyalty, has remained the largest, and many of our main products are still leading the market. Market stars, such as oat milk, are even widening the gap with their main competitors year by year. In 2023, we recorded a consolidated shareholders’ equity totaling NTD7,564,491,000 (an increase of NTD47,019,000) and a consolidated revenue of NTD4,900,038,000 (an increase of NTD99,413,000), achieving revenue growth for the 8th consecutive year since we began to apply IFRSs in 2015. Following the outbreak of COVID-19 in 2020, we have been able to achieve a high level of no less than NTD200 million for our consolidated net profit each year. Last year, it reached NTD217.6 million, with an earnings per share of NTD0.41. As a reward to shareholders, dividends will be distributed at NTD0.23 per share this year, the 3rd consecutive year we have made such a distribution. Other main traditional products, such as five types of pickles (fried gluten with peanuts, pickled cucumber, pickled bamboo shoot, pickled melon, pickled lettuce, and Korean kimchi), canned desserts (Peanuts in Milk, Mixed Congee with Okinawan Brown Sugar, and Adlay Oatmeal Deluxe), seasonings (sweet and chili sauce, vegetarian barbecue sauce, and spicy chili sauce), canned foods (Tuna Slice), juices (Honey Tomato Drink) and teas (Multigrain Activate Tea, and Ice Brew Barley Drink), are also leading in the market, with market share and revenue remaining stable or growing. In the international market, sales of our traditional products (pickles, desserts and seasonings) have remained high at Chinese supermarkets in Europe and the US, while Premium Oat Drink, which has become a leading star at US hypermarkets, is leading our efforts in continued exploration for market opportunities in Europe and the US.

2. Market position and share:

   In 2023, our main products remained in a leading position in market share, and most of them maintained good operating performance: pickles with the largest market share (five types of pickles), canned desserts with the largest market share (Peanuts in Milk), canned fish with the largest market share (Tuna Slice), functional teas with the largest market share (Multigrain Activate Tea), Chinese teas with the largest market share (Ice Brew Barley Drink), and functional juices with the largest market share (Honey Tomato Drink), as well as oat milk (Premium Oat Drink), which holds the largest market share with incredible growth year by year, and individual products such as sweet chili sauce, vegetarian barbecue sauce, and Korean kimchi, which firmly ranked 1st in the market share of sub-products in 2023 with increased quantity and amount. Nowadays, in a market where consumer demand is unpredictable and market trends constantly change, AGV remains committed to the brand vision of "For a Healthy Tomorrow". Our consumer loyalty and brand value are increasing day by day, as shown by our ability to maintain our leading position in market share.

3. Market supply, demand and growth in the future:
   According to the latest market trend reports, the value of "silver-hair" foods, a high-end market in the food industry, will exceed NTD50 billion in 2025. In terms of products, logistics, distribution and business models, industrial development will be a key factor in whether major market players seize growth opportunities. In terms of living standards, Taiwan ranks among the top worldwide, and its food industry is flourishing. Due to improvement in government laws and regulations, enhanced consumer spending and ideas regarding foods, preference for high-quality products and increased awareness of nutrition and health, there is high demand and preference for healthcare, functional, nutritional and health-oriented foods. Such circumstances have created an environment highly favorable for the development of "silver-hair" foods that emphasize health, safety and convenience. At the end of 2023, the "Nutrition and Healthy Diet Promotion Act", which has been promoted for nearly 40 years, was enacted. This nutrition law primarily aims to improve the convenience and accessibility of products and create a supportive environment for healthy diet through incentives or expert advice. Its other focuses include the establishment of a dedicated inter-ministerial body, the improvement of the administrative support system, the creation of a database for national healthy diet surveys, and the promotion of nutrition and healthy diet education. The total food spending in Taiwan currently amounts to approximately NTD3 trillion. Last year, the production value of the food industry exceeded NTD950 billion, while that of the food and beverage industry reached NTD880 billion. In the face of changes in an aging society, the number of people age 65 or older in Taiwan is estimated to be 4.98 million by 2025. Due to rapid environmental changes for the food industry, it is estimated that the production value of "silver-hair" foods will reach NTD50 billion by that time. Such trend has deepened the link between the product declaration and the business philosophy of "For a Healthy Tomorrow", both of which have been upheld by AGV for many years. Our great operating performance in recent years proves that regardless of whether the economy is good or bad, retaining our leading brands and products and a loyal consumer base will help consolidate our competitive advantages, sustain growth in our performance, increase our profits, and enhance our market position.

4. Advantages and disadvantages for competitive niches and prospects of development, and measures in response:
   (1) Advantages for competitive niches and prospects of development
      A. We have established a system integrating R&D, production, and sales for years, and we have connected the strategic directions and integrated the resources of our R&D, production, quality assurance, planning, and business departments. This not only results in high success rates for new products with constant growth in old ones, but also can immediately reflect and solve external accidents.
      B. We have complete production lines with regular upgrading and updating, organized employee training and inventory and sufficient production drivers to achieve complementarity between low season and busy season (automatic cold aseptic filling lines, high-speed lines for canned foods, production lines for glass-contained foods, production lines for Tetra Pak, fresh food lines, and production lines for PP bottles). In this way, we not only increase production efficiency to meet the flexible production demand of customers internal or external to the Company, but also reduce the risks and costs of production.
      C. C. The Institute of Health Science meets the ISO17025 requirements and has received national (TFDA) and international (TAF) certifications. Based on the principle of professional division of work, the institute has established sub-institutes of product R&D and food safety management, under which four centers for new product development, product optimization, testing and analysis, and health and biotechnology have been set up. They have continued to engage in the innovation and development of new products and technologies that have received patents, certifications and awards in many countries.
      D. Equipped with a “complete sales network platform and sound logistics system”, AGV has its products manufactured in factories with health and safety standards of ISO 22000 and HACCP. After strict quality control inspection, the products are delivered to multiple retail stores and various distribution channels in the province through our own business team and business places around Taiwan, automatic FIFO warehousing and room temperature and low temperature logistics systems. These safe, rapid and efficient systems can fully meet the demand of existing and potential customers.
      E. All of AGV’s products are leading in the market, and such position helps strengthen the relationship with channel customers, increase the bargaining chips for price and trading terms, improve the products’ share in the food/drinks of households, and enhance brand exposure to accumulate brand values and loyalty. The products include: pickles (five types of pickles), canned desserts (Peanuts in Milk), canned fish (Tuna Slice), functional teas (Multigrain Activate Tea), Chinese teas (Ice Brew Barley Drink), and functional juices (Honey Tomato Drink), as well as oat milk (Premium Oat Drink), which holds the largest market share with incredible growth year by year, and individual

products such as sweet chili sauce, vegetarian barbecue sauce, and Korean kimchi.

F. R&D and innovation, intellectual property, professional team, and construction of parks for AGV's plant-based product lines: As AGV's Premium Oat Drink has consolidated its leading position, we plan to further expand its reach in related industries and markets and strengthen our investment to maximize synergy. Recently, in an area of 3 hectares in Dapumei, we have invested NTD1 billion in the first phase of construction of the Oat Biotech Park, which is expected to begin mass production for sales in 2024, with the aim to enter the global plant-based protein market with business opportunities of NTD10 billion, and develop whole new conditions for the food and biotechnology industry in Taiwan.

(2) Disadvantages and response measures:

- ✓ Challenge and difficulty 1: The size of the domestic market is limited, with post-COVID stagnation in foreign markets.
  Response measures: Concentrating on the domestic high-end "silver-hair" market for niche products to make breakthroughs in foreign markets.
- ✓ Challenge and difficulty 2: It is difficult to recruit and train talent, and the food industry is facing competition from the electronics industry.
  Response measures: Attracting talent through industry-academia collaboration, and strengthening on-the-job training, career planning, remuneration and benefits.
- ✓ Challenge and difficulty 3: Vertical competition of channels and cross-border e-platforms are reducing room for operations.
  Response measures: Expanding cooperation between channels through strategic alliances and establishing online channels to increase marketing reach.
- ✓ Challenge and difficulty 4: Inflation has led to rising costs of raw materials, and the trend of environmental protection has increased green costs.
  Response measures: Establishing diversified domestic and foreign procurement systems, and implementing corporate social responsibility in advance.
- ✓ Challenge and difficulty 5: Domestic laws and regulations are falling behind the times, with all kinds of barriers and restrictions in the international market.
  Response measures: Optimizing laws and policy incentives through industry-government-academia communication, and coordinating and communicating with government agencies.

(II) Important usage and manufacturing process of main products

1. Important usage of main products

Main products	Main usage or function
Tradition series	Appetizer, seasoning and cooking
Dessert series	Edible desserts
Drink series	Snacks and health
Oat milk series	Snacks and health
Oil series	Cooking
Health series	Health

2. Manufacturing process of main products

The main products produced by the Company include traditional foods, desserts and drinks. The main process is respectively listed as follows:

(1) Traditional foods: Raw materials salted → washing → slicing → filling → sealing → sterilizing → cooling → finished-product

(2) Desserts: Raw materials → preparation → filling → sealing → sterilizing → cooling → packing → finished-product

(3) Drinks: Raw material preparation → sterilizing → cooling → filling → sealing → packing → finished-product

(III) Primary raw material supply status

Primary raw material	Source	Supply status
Cucumber, choy sum, snake melon	Contractual farming (import)	Excellent
Red bean, pepper, glutinous rice	Domestic contractual farming and import	Excellent
Peanut	Domestic contractual farming and import	Excellent
Chinese cabbage	Domestic contractual farming and import	Excellent
Granulated sugar	Import	Excellent
Fructose	Long-term contract	Excellent
Tomato	Domestic contractual farming and import	Excellent
Oats, barley	Import	Excellent
Tea	Domestic contractual farming and import	Excellent
Pickled bamboo shoot	Domestic contractual farming	Excellent

(IV) Name of customers accounted for more than 10% of total purchase (sales) amount of the company in recent two years or in any year and the purchase (sales) amount and ratio thereof, and explanation of the reason for increases or decreases in the above figures

1. Information of main suppliers of the Company in recent two years

Unit: NTD thousand

	2022				2023				Up to March 31, 2024			
Item	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer	Name	Amount	Annual net purchase percentage (%)	Relationship with the issuer	Name	Amount	Net purchase percentage up to the last quarter of the current year (%)	Relationship with the issuer
1	Taiwan First Biotechnology Corp.	1,116,787	35.30%	Related party	Taiwan First Biotechnology Corp.	1,113,360	37.34%	Related party	Taiwan First Biotechnology Corp.	260,751	37.09%	Related party
2	Niceco International Corp.	332,740	10.52%	Related party	Niceco International Corp.	134,497	4.51%	Related party	Niceco International Corp.	65,434	9.31%	Related party
	Others	1,713,784	54.18%		Others	1,733,301	58.14%		Others	376,783	53.60%	
	Net purchase amount	3,163,311	100.00%		Net purchase amount	2,981,158	100.00%		Net purchase amount	702,968	100.00%	

Reasons for increases or decreases:

1. In 2023, Taiwan First Biotechnology Corp., the OEM of PET bottles, saw a slight decrease in its purchase compared to the same period last year, but remained a major supplier. In addition to the stable performance of the main PET-bottle products such as Multigrain Activate Tea and Premium Oat Drink, as well as an increase in domestic travel due to the easing of the pandemic in 2023, the growth of the channels for CVS convenience stores and food and beverage distribution also contributed to the Company's overall revenue growth.
2. The import agent, NICECO International Corp., is the supplier of the Company's main product Tuna Slice. In 2022, due to port congestion and an unstable shipping schedule, NICECO International Corp. purchased more Tuna Slice to ensure a stable supply of Tuna Slice. In 2023, due to a slowdown of the pandemic and a relatively stable shipping schedule, the purchase of Tuna Slice was reduced, resulting in a decrease of NICECO International Corp.'s share of net purchases from 10.52% in 2022 to 4.51% in 2023.

2. Information of main customers of the Company in recent two years

Unit: NTD thousand

	2022				2023				Up to March 31, 2024			
Item	Name	Amount	Annual net sales percentage (%)	Relationship with the issuer	Name	Amount	Annual net sales percentage (%)	Relationship with the issuer	Name	Amount	Net purchase percentage up to the last quarter of the current year (%)	Relationship with the issuer
1	CHUAN LIAN Enterprise Co., Ltd.	1,057,639	22.03%	None	CHUAN LIAN Enterprise Co., Ltd.	1,039,786	21.22%	None	CHUAN LIAN Enterprise Co., Ltd.	201,313	17.37%	None
	Others	3,742,986	77.97%		Others	3,860,252	78.78%		Others	957,865	82.63%	
	Net operating revenue	4,800,625	100.00%		Net operating revenue	4,900,038	100.00%		Net operating revenue	1,159,178	100.00%	

Reasons for increases or decreases:

1. The consolidated revenue of 2023 grew by 2.07% compared to the same period last year. In the post-pandemic era, the demand for “revenge travel”, foreign trips and food and beverage has increased, and beverage products have been greatly favored by consumers, resulting in sales growth.
2. Revenue from customers/PX Mart decreased by 1.69% from the same period last year, mainly due to reduced sales of traditional and prepared foods as a result of changes in consumer behavior after the pandemic.
3. The development of OEM products and customers has grown, and the OEM production capacity has continued to increase.

(V) Production quantity in the most recent two years

Unit: Thousand dozen; NTD thousand

Year / Production quantity / Key products	2022			2023		
	Production Capacity	Production Quantity	Production Value	Production Capacity	Production Quantity	Production Value
Traditional foods	6,866	2,437	560,258	6,866	1,905	494,235
Desserts	7,958	3,197	518,621	7,958	3,075	498,865
Drinks	9,028	2,350	105,350	9,028	1,689	103,040
Total	23,852	7,984	1,184,229	23,852	6,669	1,096,140

Note 1: Production capacity means the volume of products that can be produced by the Company using current production equipment in normal operations after factors including necessary suspension of operations and holidays have been taken into account.

Note 2: For the production of products with substitutability, the production capacity shall be calculated in a consolidated manner with attached description.

(VI) Sales quantity table in the most recent two years

Unit: Thousand dozen; NTD thousand

Year / Sales quantity and amount / Key products	2022				2023			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Tradition series	2, 764	1, 072, 374	0	0	2, 406	960, 872	0	0
Dessert series	3, 249	744, 215	0	0	3, 139	731, 753	0	0
Drink series	10, 793	1, 591, 122	0	0	12, 100	1, 792, 292	0	0
Oat milk series	4, 965	1, 038, 731	0	0	5, 114	1, 071, 961	0	0
Oil series	77	108, 851	0	0	38	91, 545	0	0
Health series	5	22, 731	0	0	6	22, 200	0	0
Others	–	222, 601	0	0		229, 415	0	0
Total	21, 853	4, 800, 625	0	0	22, 803	4, 900, 038	0	0

III. Information of employees in the most recent two years and up to the publication date of annual report

Year		2022	2023	Up to March 31, 2024
Number of employees	Employee	349	379	376
	Operator	152	151	148
	Foreign worker	66	80	83
	Total	567	610	607
Average age		42	41	42
Average service year		11	11	12
Education background distribution ratio	PhD	0.88	0.66	0.66
	Master	15.87	14.92	14.50
	College	44.80	45.57	45.96
	Senior High School	30.69	32.95	33.11
	Under Senior High School	7.76	5.90	5.77

IV. Information on environmental protection expense

(I) In case the Company requires to apply for a permit for polluting facility establishment or a pollution discharge permit or to pay pollution prevention fees, or to designate a unit for environmental protection, the description of the status of such applications, payment or establishment shall be specified

1. The Company has acquired the establishment and operation permit for the following stationary sources of pollution

Item	Permit no.	Duration of permit
8-ton boiler*2	2023 Fu-Huan-Cao-Zheng-Zi No. Q0487-07	2028.9.29
15-ton boiler*1	2022 Fu-Huan-Cao-Zheng-Zi No. Q0305-07	2025.3.28
Water pollution prevention permit	Huan-Shui-Xu-Zi No. 00301-09, Chiayi County	2028.5.30

2. Establishment of designate personnel for environmental protection January 29, 2024

Item	Establishment	Type of permit	Permit no.
Waste water	1	Dedicated wastewater and sewage treatment specialist (Class A)	2020 Huan-Shu-Xun-Zheng-Zi No. GA060399
Waste	1	Waste disposal technician (Class A)	2023 Huan-Shu-Xun-Zheng-Zi No. HA030469

(II) Investment on the major anti-pollution equipment, the purpose of such equipment and projected possible effect

The factory of the Company located in Minsyong (with Touqiao) Industrial Park at Minxiong Township, Chiayi County, and regularly accepts the routine emission inspection of the component authority. The factory's equipment all meets the requirements of environmental standards and the existing pollution prevention equipment is listed as follows:

Unit: NTD thousand

Name of equipment	Quantity	Acquisition date	Investment cost	Purpose and projected possible effect
Wastewater system	1	1991.02.01	80,000	Wastewater treatment in compliance with the Effluent Standards
Oxidation pond	1	1998.06.15	12,000	Wastewater treatment in compliance with the Effluent Standards
Waste site	1	2000.05.01	8,000	Waste storage and classified treatment

(III) The process undertaken by the Company on environmental pollution improvement in the most recent two years and up to the publication date of the annual report. If there had been any pollution dispute, its handling process shall also be described: None.

(IV) Any losses suffered by the company in the most recent two years and up to the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental protection inspections): None.

(V) Current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the Company, as well as the projected major environment-related capital expenses to be made for the coming years:

1. Current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the Company:

   Besides regularly paying the environmental expenses of pollution control fee every quarter, the Company has no expenses generated due to environmental pollution.

Unit: NTD thousand

Item/Year	2023
Air pollution control fee	0
Water pollution prevention fee	129.6
The cost of soil and groundwater pollution control and remediation	34.2

2. Projected major environment-related capital expenses to be made for the coming years:

Unit: NTD thousand

Year	Name of equipment	Improvements	Amount
2024 ~ 2025	Sludge dryer	Currently, the goal planned is to reduce more than 60% of total weight for sludge with original 80% of moisture content by sludge dryer to achieve the goal of sludge reduction.	19,000

3. Impacts after improvement:

   For the sludge generated from the factory’s wastewater treatment site, the cost of waste treatment triple in recent years. To reduce the impact on the environment, we will evaluate the use of sludge dryer for sludge reduction to achieve the objectives of eco-friendliness and cost reduction.

V. Labor-management relationship

(I) Employee welfare measures, continuous education, training and retirement systems and their implementation, agreements between employees and the employer, and measures for protection of the rights of employees:

Adhering to the business philosophy of “harmony, love, integrity” and “pursuit of excellence”, the Company has long been paying attention to the growth and needs of employees in all aspects. The following is a description of the status of employee welfare measures, optimization of the personnel system, working environment, employee career development, and communication channels:

1. The Company places emphasis on the rotation of employees’ jobs, development of their competencies, and promotion of their job levels. In order to increase the productivity of employees, strengthen the future competitiveness of the Company, achieve labor-management harmony and create a win-win situation, the Company has established a well-designed remuneration system to attract and retain talents, as well as develop strong, multi-skilled talents.
2. In addition to improving the professional knowledge and skills of employees relating to their own jobs, the Company also helps employees develop skills and interests in multiple areas. The Company organizes the following categories of training: new employee training, common training, professional training, management competencies, and mental wellness courses. Training organized in 2023: a total of 129 training courses attended by 1,160 persons, with a total of 5,932 training hours.
3. In order to build labor-management consensus and enhance the cohesiveness of employees, the Company has established smooth channels for labor-management communication, such as a President’s Mailbox, an online opinion and comment section for employees, an employee complaint system, the labor-management committee, and the Employee Welfare Committee. The Company communicates and interacts from time to time with the committee members (representatives) appointed by all departments, giving junior-level employees an opportunity to adequately express their opinions and suggestions.
4. The Company is committed to employee welfare measures, including profit sharing, parking lots, employee health examinations, lactation rooms, subsidies for marriage, funerals and festivities, birthday cash gifts, scholarships for employees and their children, incentive trips and travel subsidies, lotteries at year-end banquets, emergency aid for employees, hospitalization grants, subsidies for club activities, recreational facilities, and group insurance.
5. In accordance with the Labor Standards Act and the Labor Pension Act, the Company has adopted the Regulations Governing Retirement. For the payment of pension to an employee, the Company has established the “Labor Pension Fund Supervisory Committee” and allocated “pension funds” to a special account at the “Department of Trusts, Bank of Taiwan” in accordance with paragraph 4, Article 56 of the Labor Standards Act. For any employee subject to the old system under the Labor Standards Act, 13% of his/her total monthly salary will be allocated as pension funds. For any employee subject to the new system under the Labor Pension Act, 6% of his/her monthly salary will be allocated as a pension to his/her personal account at the Bureau of Labor Insurance according to the Table of Salary Ranges for Allocation of Labor Pensions.

(II) Employee code of conduct or ethical rules:

To establish the management system, complete the organizational function and build labor-management harmony, the Company has established the work rules to regulate the behavior of employees. The description is as follows:

1. Employees shall faithfully fulfill their duties and comply with all regulations of the Company to ensure the business confidentiality.
2. When doing business with external parties on behalf of the Company, employees shall take a modest attitude instead of being proud and damaging the image of the Company.
3. Employees shall keep their integrity, respect other's personality and help each other to jointly achieve the business objectives of the Company.
4. Employees shall be honest in their daily behavior and shall not involve in conduct that may do harm to the reputation of the Company, such as being licentious or extravagant, visiting prostitutes or gambling.
5. Employees shall perform their duties as practical as possible instead of being afraid of difficulties, avoiding or delaying their work without any reason.
6. Employees shall have innovative spirits to seek for work efficiency.
7. Employees shall inspire themselves by studying and discipline.

(III) Working environment and measures for protection of the safety of employees:

In order to build a good working environment and protect the safety and health of employees, the Company engages in the management of labor safety and health in accordance with the law:

1. To maintain the security of its factories, the Company has contracted a security company, with access control and strict monitoring systems in place during daytime and nighttime and on holidays.
2. The Company engages a professional organization to inspect and report on the public safety of buildings every two years.
3. To ensure the safety and health of the workplace, the Company has established a dedicated division and appointed dedicated personnel at the Labor Safety and Health Office in accordance with the law.
4. The Company communicates safety and health requirements and safe operating standards on a periodic or non-periodic to be followed by its employees to achieve the goal of zero workplace accidents.
5. The Company conducts working environment monitoring of the workplace on a semi-annual basis.
6. To maintain the integrity of facilities, daily inspections and follow-ups on improvement are conducted by safety and health management officers.
7. In accordance with the Regulations Governing Occupational Safety and Health, the Company conducts periodic inspections on electrical equipment, forklifts, fixed cranes, freight elevators, pressure vessels and other equipment.
8. In accordance with the Fire Services Act, the Company inspects fire safety equipment and fire evacuation facilities on a monthly basis, conducts maintenance of fire safety equipment and submits a report thereon annually, and organizes training drills for self-defense fire safety teams twice a year to reduce the risks of personal and property losses.
9. Each year, the Company organizes annual health and pre-employment physical examinations for employees, and cooperates with health authorities in providing services of mobile mammography screening, Pap test, bone density test and cancer screening.
10. To protect the physical and mental health of employees and prevent the risk of occupational illness, the Company conducts questionnaire surveys regarding the prevention of ergonomic hazards, the prevention of unlawful harms during the performance of duties, and the prevention of illnesses induced by abnormal workload.

11. To build a safe and healthy working environment, the Company follows the ISO 45001 occupational safety and health management system and complies with legal requirements.

(IV) Relevant certificates designated by the competent authority acquired by the Company’s personnel involved in financial information transparency:

In 2023, we participated in the internal control course for enterprise held by the Securities and Futures Institute, The Institute of Internal Auditors and Accounting Research and Development Foundation, and passed the proficiency test:

1. Auditing Office: 12 persons.
2. Accounting Department: 2 persons.

(V) Any losses suffered by the Company in the most recent two years and up to the publication date of the annual report due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and related measures: None.

VI. Cyber Security Management

(I) Describe the information and communication security risk management framework, the information and communication security policy, specific management plans and the resources invested in information and communication security management.

1. Information and communication security risk management framework:
   (1) The IT department is responsible for developing policies, plans, measures and technical regulations related to information and communication security, and for matters related to the research, deployment and evaluation of security technologies.
   (2) The relevant business department is responsible for matters concerning the development of security requirements, management of use, and maintenance of data and information and communication systems.
   (3) All employees and contracted service providers are required to follow the procedures for security management to maintain the information and communication security policy.
2. Information and communication security policy:
   (1) Purposes:
   This policy has been established to maintain the overall information and communication security of the host, network equipment and network communications of the Company, effectively mitigate the risks of theft, unfair use, disclosure, alteration, service suspension or destruction of information assets due to negligence, intention or natural disasters, ensure the confidentiality, availability and integrity of such assets, and meet the Company’s need for normal operations.
   (2) Goals:
   A. To create a secure and reliable information and communication environment by strengthening the management of information and communication security and enhancing the capability for protection.
   B. Confidentiality: Making sure any information in the information system during processing or transmission is accessed by the right person, at the right time, on the right device and in the right place to ensure the information system is accessible only to authorized persons and to protect confidential data from leaking.
   C. Integrity: Any data stored in the Company’s information system must be

protected during processing or transmission to prevent improper alteration and improper manipulation or breach of the information system during its operation.

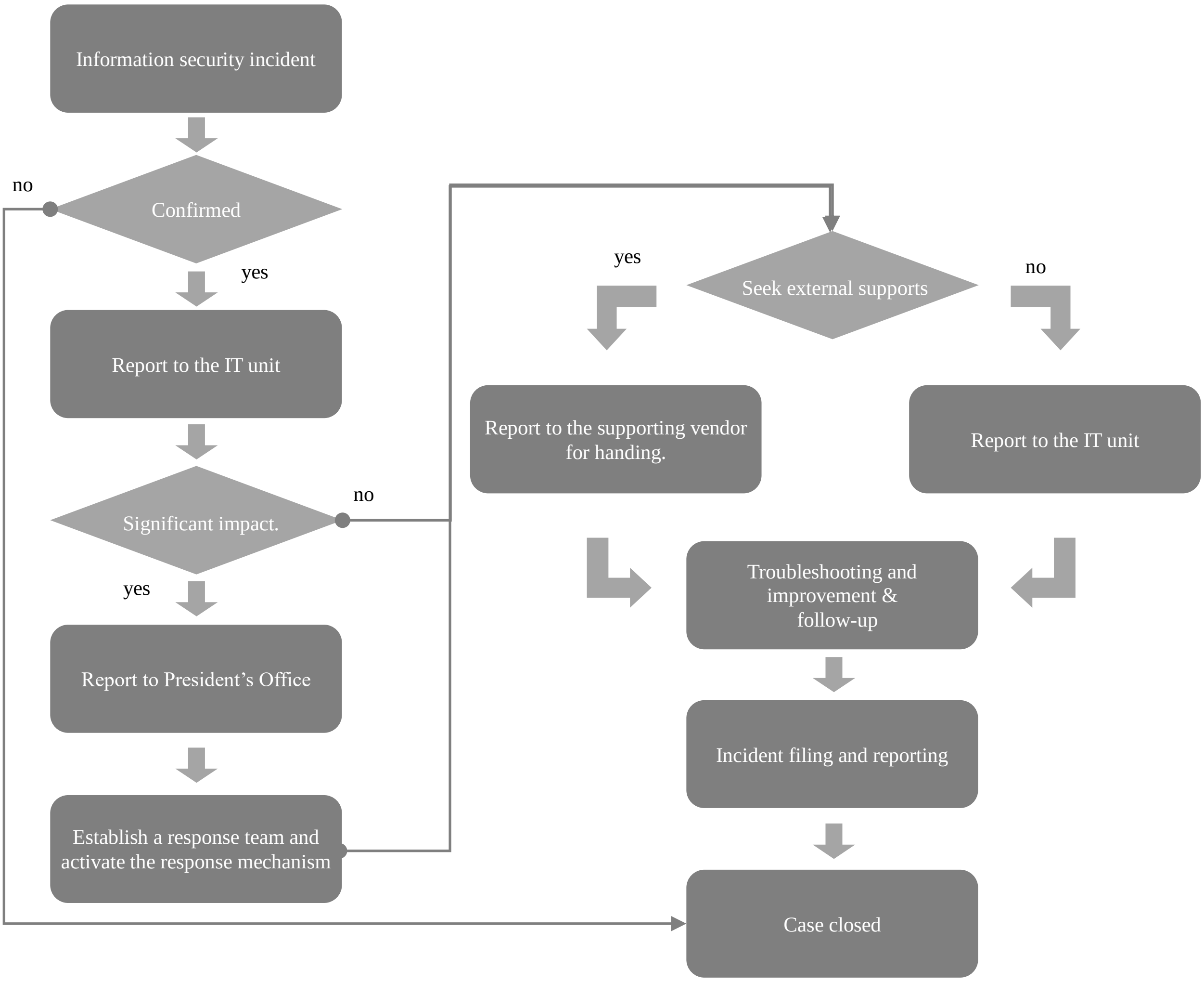
D. Availability: Ensuring that any authorized user is able to receive a response and complete the required service within the appropriate time whenever the user needs to use the information system.
E. To ensure the availability of core services and network operations.
F. To ensure that services interrupted by system failure as a result of any information/communication security incident or other anomaly is able to return to normal operation quickly.
G. To ensure the Company's information and communication security measures or regulations meet the requirements of applicable laws and regulations.
H. To ensure that any information/communication security incident or suspicious vulnerability is reported through an appropriate reporting mechanism and properly investigated and addressed.

3. Concrete management programs, and investments in resources for cyber security:

The Company establishes the safe information environment and continue to invest the fund to improve vulnerability and upgrade the system's performance. The main cyber security management programs are stated as follows:

Network security	Construct the network firewall to block external cyber attacks Construct the endpoint protection to stop computer virus and hackers' invasion Construct the mail backup anti-virus mechanism to block spam attacks and satisfy the SOX Act to track the search record
Information system security	Construct the data backup mechanism to back up the data in the important system and practice the backup exercise periodically Virtualize important application systems and produce backup thereof on a daily basis
Application security	Establish the application system development process in accordance with SOP for development, testing, acceptance and inspection & acceptance Information system outsourcing maintenance controlled by remote access following information security authority control
Education & training and promotion	Periodic information security promotion and education & training Strengthen employees' awareness toward email social engineering and execute phishing email exercise
Employee information security	Execution of the NDA for employee security Provide employees with the on-the-job education and training to ensure the safety and accuracy of various information assets and operating systems.

The Company's cyber security reporting procedures are defined as follows. Any information security incident shall be reported and processed in accordance with the procedures.



(II) Indicate the losses incurred due to major information and communication security incidents, their possible effects and measures in response. Where no reasonable estimate is possible, the fact based on which a reasonable estimate is not possible must be described.

As of the date of publication of the annual report, the Company has not discovered any significant web attack or incident. Although there were incidents where the Company’s email boxes received a large number of intimidating or blackmailing emails and a large number of bitcoin fraud emails, none of them has caused any significant impact due to the following measures:

1. Blocking the email address of the source.
2. Announcing that all employees of the Company must check their email systems, with an attachment of instructions for such check, and that they must change their passwords if necessary.
3. Checking the email systems for accounts with weak passwords, and requiring the users of selected accounts to change their passwords.

VII. Important contracts

The supply/sales contracts, technologies cooperation contracts, construction contracts, long-term loan agreements, and all other important contracts which are likely to impact the investors’ rights, whether they are currently effective or have expired in the most recent year, and shall include the parties, major content, restrictive provisions and the commencement and termination dates of the contracts.

Nature of contract	Contracting party	Start and expiry dates of contract	Main subject	Restrictions
Supply and sales contract	General Welfare Service, Ministry of National Defense	October 23, 2022 - October 22, 2023	Supply of discount goods for the military	As provided in the contract
Supply and sales contract	Chuan Lian Enterprise Co., Ltd.	January 1, 2023 - December 31, 2023	Supplies for the marketing locations of PX Mart throughout Taiwan	As provided in the contract
Distribution contract	Hopeman Distribution Co., Ltd.	April 1, 2021 - March 31, 2023	Contracted distribution of goods	As provided in the contract
Goods contract	SOCIÉTÉ DES PRODUITS NESTLÉ S.A.	January 1, 2016 - December 31, 2026	Production and sale of goods	As provided in the contract
Syndicated loan contract	Bank of Taiwan and other banks	December 28, 2021 - December 28, 2026	Mortgage loan	As provided in the contract
Long-term loan contract	Land Bank of Taiwan	March 25, 2022 - March 25, 2025	Mortgage loan	As provided in the contract
Long-term loan contract	Taiwan Cooperative Bank	July 26, 2021 - July 26, 2026	Mortgage loan	As provided in the contract
Long-term loan contract	Taiwan Cooperative Bank	August 20, 2020 - August 20, 2025	Mortgage loan	As provided in the contract
Long-term loan contract	Agricultural Bank of Taiwan	December 27, 2023 - December 27, 2025	Mortgage loan	As provided in the contract
Long-term loan contract	Hua Nan Commercial Bank	September 27, 2023 - September 27, 2028	Mortgage loan	As provided in the contract
Long-term loan contract	Bank of Kaohsiung	December 25, 2023 - December 25, 2028	Mortgage loan	As provided in the contract
Long-term loan contract	Sunny Bank	December 15, 2023 - December 15, 2025	Mortgage loan	As provided in the contract

Six. Financial Overview

I. Condensed balance sheet and the statement of comprehensive income

(I) Condensed balance sheet – IFRS (consolidated)

Unit: NTD thousand

Item \ Year		Financial information for the most recent five years (Note)					Financial information up to March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		2,176,972	2,239,613	2,404,150	2,559,073	2,597,921	2,676,453
Property, plant and equipment		2,987,712	2,962,648	2,905,781	2,449,187	2,058,769	2,096,831
Intangible assets		11,269	9,102	8,319	7,727	6,222	10,058
Other assets		7,720,033	8,129,496	8,518,524	8,739,202	9,358,798	9,652,916
Total assets		12,895,986	13,340,859	13,836,774	13,755,189	14,021,710	14,436,258
Current liabilities	Before distribution	3,346,048	3,505,952	2,719,358	2,858,783	2,644,278	2,936,428
	After distribution	3,346,048	3,505,952	2,867,712	3,056,588	2,758,016	2,936,428
Non-current liabilities		3,110,672	2,976,433	3,720,047	3,378,934	3,812,941	3,684,975
Total liabilities	Before distribution	6,456,720	6,482,385	6,439,405	6,237,717	6,457,219	6,621,403
	After distribution	6,456,720	6,482,385	6,587,759	6,435,522	6,570,957	6,321,403
Equity attributable to parent company shareholders		5,680,922	6,089,352	6,621,311	6,752,992	6,799,310	7,037,438
Capital stock		4,945,134	4,945,134	4,945,134	4,945,134	4,945,134	4,945,134
Capital surplus		266,323	268,647	268,647	268,746	268,144	268,144
Retained earnings	Before distribution	606,288	820,259	1,010,282	1,170,284	1,165,584	1,130,944
	After distribution	606,288	820,259	861,928	972,479	1,051,846	1,130,944
Other equity		(136,823)	55,312	397,248	368,828	420,448	693,216
Treasury stock		-	-	-	-	-	-
Non-controlling equity		758,344	769,122	776,058	764,480	765,181	777,417
Equity Total amount	Before distribution	6,439,266	6,858,474	7,397,369	7,517,472	7,564,491	7,814,855
	After distribution	6,439,266	6,858,474	7,249,015	7,319,667	7,450,753	7,814,855

Note : All financial information from 2019 to 2023 has been audited by CPAs.

(II) Condensed statement of comprehensive income – IFRS (consolidated)

Unit: NTD thousand

Year / Item	Financial information for the most recent five years (Note)					Financial information up to March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	4,468,238	4,614,486	4,710,880	4,800,625	4,900,038	1,159,178
Gross profit	1,410,511	1,519,004	1,459,388	1,436,950	1,413,713	331,858
Operating Income (Loss)	132,034	216,101	171,535	171,268	128,774	47,001
Non-operating income and expenses	(61,943)	94,209	113,709	131,994	131,968	53,591
Net Profit Before Taxes	70,091	310,310	285,244	303,262	260,742	100,592
Net profit from continuing operations Current net profit	65,333	249,394	217,167	287,793	217,600	83,829
Loss on discontinued operations	-	-	-	-	-	-
Current net profit (loss)	65,333	249,394	217,167	287,793	217,600	83,829
Other comprehensive income (Net income after tax)	112,788	181,436	346,094	11,669	38,104	280,273
Total comprehensive income in the current period	178,121	430,830	563,261	299,462	255,704	364,102
Profit attributable to owners of the parent	48,069	232,904	201,182	277,890	200,936	79,098
Net profit attributable to non-controlling equity	17,264	16,490	15,985	9,903	16,664	4,731
Comprehensive income attributable to owners of the parent	154,436	411,837	539,539	287,046	246,897	351,866
Comprehensive income attributable to non-controlling equity	23,685	18,993	23,722	12,416	8,807	12,236
Earnings per share	0.10	0.47	0.41	0.56	0.41	0.16

Note : All financial information from 2019 to 2023 has been audited by CPAs.

(III) Condensed balance sheet – IFRS (parent company only)

Unit: NTD thousand

Item \ Year		Financial information for the most recent five years (Note)					Financial information up to March 31, 2024
		2019	2020	2021	2022	2023	
Current assets		1,577,627	1,702,650	1,746,110	1,979,069	1,997,939	Not applicable
Property, plant and equipment		990,087	959,384	948,016	916,830	1,001,883	Not applicable
Intangible assets		1,719	2,573	2,645	2,874	1,718	Not applicable
Other assets		7,916,637	8,294,560	8,815,041	8,890,308	9,088,444	Not applicable
Total assets		10,486,070	10,959,167	11,511,812	11,789,081	12,089,984	Not applicable
Current liabilities	Before distribution	2,263,646	2,127,012	1,634,012	2,027,148	2,194,584	Not applicable
	After distribution	2,263,646	2,127,012	1,782,366	2,224,953	2,308,322	Not applicable
Non-current liabilities		2,541,502	2,742,803	3,256,489	3,008,941	3,096,090	Not applicable
Total liabilities	Before distribution	4,805,148	4,869,815	4,890,501	5,036,089	5,290,674	Not applicable
	After distribution	4,805,148	4,869,815	5,038,855	5,233,894	5,404,412	Not applicable
Equity attributable to parent company shareholders		-	-	-	-	-	Not applicable
Capital stock		4,945,134	4,945,134	4,945,134	4,945,134	4,945,134	Not applicable
Capital surplus		266,323	268,647	268,647	268,746	268,144	Not applicable
Retained earnings	Before distribution	606,288	820,259	1,010,282	1,170,284	1,165,584	Not applicable
	After distribution	606,288	820,259	861,928	972,479	1,051846	Not applicable
Other equity		(136,823)	55,312	397,248	368,828	420,448	Not applicable
Treasury stock		-	-	-	-	-	Not applicable
Non-controlling equity		-	-	-	-	-	Not applicable
Equity Total amount	Before distribution	5,680,922	6,089,352	6,621,311	6,752,992	6,799,310	Not applicable
	After distribution	5,680,922	6,089,352	6,472,957	6,555,187	6,685,572	Not applicable

Note: All financial information from 2019 to 2023 has been audited by CPAs.

(IV) Condensed statement of comprehensive income – IFRS (parent company only)

Unit: NTD thousand

Item \ Year	Financial information for the most recent five years (Note)					Financial information up to March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	3,781,489	3,921,854	3,956,221	4,014,234	4,052,607	Not applicable
Gross profit	1,133,640	1,240,053	1,174,413	1,165,041	1,138,617	Not applicable
Operating Income (Loss)	147,850	224,552	185,371	200,057	165,323	Not applicable
Non-operating income and expenses	(103,735)	67,958	69,570	80,324	62,621	Not applicable
Net Profit Before Taxes	44,115	292,510	254,941	280,381	227,944	Not applicable
Net profit from continuing operations Current net profit	48,069	232,904	201,182	277,890	200,936	Not applicable
Loss on discontinued operations	-	-	-	-	-	Not applicable
Current net profit (loss)	48,069	232,904	201,182	277,890	200,936	Not applicable
Other comprehensive income (Net income after tax)	106,367	178,933	338,357	9,156	45,961	Not applicable
Total comprehensive income in the current period	154,436	411,837	539,539	287,046	246,897	Not applicable
Profit attributable to owners of the parent	–	–	–	–	–	Not applicable
Net profit attributable to non-controlling equity	–	–	–	–	–	Not applicable
Comprehensive income attributable to owners of the parent	–	–	–	–	–	Not applicable
Comprehensive income attributable to non-controlling equity	–	–	–	–	–	Not applicable
Earnings per share	0.1	0.47	0.41	0.56	0.41	Not applicable

Note : All financial information from 2019 to 2023 has been audited by CPAs.

(V) Names of CPAs and audit opinions:

Year	Accounting firm name	Name of CPA	Audit opinions
2023	Crowe (TW) CPAs	Shu-Man Tsai and Ling-Wen Huang	Unqualified opinion
2022	Crowe (TW) CPAs	Shu-Man Tsai and Ching-Lin Li	Unqualified opinion
2021	Crowe (TW) CPAs	Shu-Man Tsai and Ching-Lin Li	Unqualified opinion
2020	Crowe (TW) CPAs	Shu-Man Tsai and Ching-Lin Li	Unqualified opinion
2019	Crowe (TW) CPAs	Shu-Man Tsai and Ching-Lin Li	Unqualified opinion

Note: Audits made by other CPAs were adopted while the responsibilities shall also be specified respectively.

II. Financial Analysis

(I) Financial analysis – IFRS (consolidated)

Analysis Item / Year		Financial analysis for the last five years					Up to March 31, 2024 for the current year
		2019	2020	2021	2022	2023	
Financial structure (%)	Ratio of liabilities to assets	50.06	48.59	46.53	45.34	46.05	45.86
	Ratio of long-term capital to property, plant and equipment	294.25	306.00	355.88	413.68	515.46	511.36
Debt service ability %	Current ratio	65.06	63.88	88.40	89.51	98.24	91.14
	Quick ratio	42.90	39.14	53.65	51.93	60.62	59.02
	Interest coverage folds	1.52	3.50	3.31	3.54	2.96	4.20
Operating ability	Turnover rate of account receivables (times)	7.28	7.60	7.49	6.88	6.95	1.44
	Average days for cash receipts	50.13	48.02	48.73	53.05	52.51	63.19
	Inventory turnover rate (times)	4.74	4.49	4.20	3.8	3.75	0.92
	Payables turnover rate (times)	4.11	4.11	4.49	5.27	4.91	1.08
	Average days in sales	77.00	81.29	86.9	96.05	97.33	98.91
	Turnover rate for property, plant and equipment (times)	1.49	1.55	1.62	1.96	2.38	0.55
	Total asset turnover rate (times)	0.35	0.35	0.34	0.34	0.35	0.08
Profitability	Return on asset (%)	1.34	2.65	2.32	2.77	2.33	0.77
	Return on equity (%)	1.16	4.23	3.41	4.3	3.21	1.21
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 5)	1.41	6.27	5.76	6.13	5.27	2.03
	Net Profit Margin (%)	1.46	5.40	4.60	5.99	4.44	7.23
	Earnings per Share (NTD)	0.1	0.47	0.41	0.56	0.41	0.16
Cash flow	Cash flow ratio (%)	6.37	14.16	4.38	4.49	16.38	-1.75
	Cash flow sufficiency ratio (%)	40.4	73.18	73.49	103.6	99.36	-212.94
	Cash reinvestment ratio (%)	1.77	4.03	0.87	-0.14	1.68	-0.45
Leverage	Operating leverage	2.07	1.62	1.78	1.76	2.01	1.69
	Financial leverage	(313.61)	2.33	3.53	3.29	-32.25	3.00

Please describe the reason for changes in financial ratios in the most recent two years. (No analysis is required if the change of increase/decrease is less than 20%)

1. Long-term funds as a percentage of real estate, plant, and equipment (24.6%) and turnover rate of real estate, plant, and equipment (21.43%): This is mainly due to the reclassification of fixed assets to investment properties in 2023.
2. Return on equity (-25.35%), net profit margin (-25.88%), earnings per share (-26.79%): Mainly due to an decrease in the net profit for 2023 compared to the same period last year.
3. Cash flow adequacy ratio (264.81%), Cash reinvestment rate (1300%): Mainly due to a year-on-year increase in cash flows from operating activities in 2023.
4. Financial leverage (-1080.24%): This is mainly due to the current operating net profit being less than the interest expense.

Note 1: The following calculation formula shall be listed at the bottom of the chart in the annual report.

1. Financial structure
   (1) Ratio of liabilities to assets = Total liabilities /Total assets.
   (2) Ratio of long-term funds to property, plants and equipment = (Total equity + non-current liabilities) / net property, plants and equipment.
2. Debt service ability
   (1) Current ratio = Current assets / Current liabilities.
   (2) Quick ratio = (Current assets – Inventory – Pre-payment) / Current liabilities.
   (3) Interest coverage folds= Profit before income tax and interest expense / Interest expense.
3. Operating ability
   (1) Accounts receivable (including accounts receivable and notes receivable from operations) turnover ratio= Net sales / average of accounts receivable (including accounts receivable and notes receivable from operation) balance.
   (2) Average days for cash receipts = 365 / Accounts receivable turnover.
   (3) Inventory turnover rate = Sales cost / average inventory amount.
   (4) Accounts payable (including accounts payable and notes payable from operations) turnover ratio= Sales cost / average of accounts payable (including accounts payable and notes payable from operation) balance.
   (5) Average days in sales = 365 / Inventory turnover.
   (6) Property, plant and equipment turnover = Net sales /Average net worth of property, plant and equipment.
   (7) Total assets turnover rate = Net sales / Average total assets.
4. Profitability
   (1) Return on assets = [Profit and loss after tax + interest expense × (1- tax rate)] / average total assets.
   (2) Return on equity = Profit and loss after tax / average total equity.
   (3) Profit ratio = Profit and loss after tax / net sales.
   (4) Earning per share = (Earnings of parent company owner – Preference dividends) / weighted average number of shares outstanding. (Note 2)
5. Cash flow
   (1) Cash flow ratio = Net cash flow from operating activities / Current liabilities
   (2) Net cash flow sufficiency ratio = Net cash flows from operating activities in the last five years / (Capital expenditure ＋Inventory increase + Cash dividends) in the last five years.
   (3) Cash flow reinvestment ratio = (Cash provided by operating activities – Cash dividends) / (Gross property, plant and equipment + Long-term investments + Other non-current assets + Working capital). (Note 3)
6. Leverage:
   (1) Operating leverage = (Net operating revenue – variable costs and expenses of operations) / operating profit (Note 4).
   (2) Financial leverage = Operating profit/ (operating profit- interest expenses).

Note 2: The following shall be considered in assessing the said EPS calculation formula:

1. Weighted average outstanding common stocks are used, instead of year-end outstanding shares.
2. Those that conduct cash capital increase or treasury stock transactions shall calculate the weighted average outstanding shares based on the outstanding period.
3. If any additional shares were issued against retained earnings or capital reserves, the full year or half-year earnings per share must be adjusted proportionally and retroactively, regardless of when the additional stocks were issued.
4. If the preferred stock is unconvertible cumulative preferred stock, the dividend for the year (whether the dividend is paid or not) should be deducted from the net income or added to the net loss .If the preferred stock is not cumulative, dividends thereon shall be subtracted from net profit after tax if net profit after tax is earned, or no adjustment is required if loss arises.

Note 3: The following shall be considered in assessing cash flow analysis:

1. Net cash flow from operating activities refers to net cash inflow from operating activities as stated in the Statement of Cash Flow.
2. Capital expenditure refers to the cash outflow to annual capital investments.
3. The increase in inventory is included only when the balance at the ending is more than that at beginning. If the inventory decreases at the end of the year, it shall be calculated as “zero”.
4. Cash dividends include the dividends in cash paid to holders of common stocks and preferred stocks.
5. Gross property, plant and equipment refer to total property, plant and equipment before subtracting by accumulated depreciation.

Note 4: The issuer shall distinguish the operating costs and operating expenses as fixed and floating ones by nature. If any estimation or judgment is involved, please note the reasonableness and consistency.

Note 5: In the case of shares issued by the Company with no par value or a par value other than NTD10 per share, said calculation about the ratio of the paid-in capital shall be replaced by the equity attributable to the parent company identified in the balance sheet.

(II) Financial analysis – IFRS (parent company only)

Analysis Item \ Year		2019	2020	2021	2022	2023	Up to March 31, 2024 for the current year
		Financial analysis for the last five years					
Financial structure (%)	Ratio of liabilities to assets	45.82	44.43	42.48	42.71	43.76	Not applicable
	Ratio of long-term capital to property, plant and equipment	830.47	920.60	1041.94	1064.74	987.68	Not applicable
Debt service ability %	Current ratio	69.69	80.04	106.86	97.62	91.03	Not applicable
	Quick ratio	43.82	47.23	59.81	52.49	53.01	Not applicable
	Interest coverage folds	1.54	4.78	4.22	4.4	3.3	Not applicable
Operating ability	Turnover rate of account receivables (times)	6.79	7.02	6.89	6.29	6.32	Not applicable
	Average days for cash receipts	53.75	51.99	52.97	58.02	57.75	Not applicable
	Inventory turnover rate (times)	4.77	4.46	4.09	3.62	3.57	Not applicable
	Payables turnover rate (times)	3.78	3.79	4.16	4.86	4.39	Not applicable
	Average days in sales	76.51	81.83	89.24	100.82	102.24	Not applicable
	Turnover rate for property, plant and equipment (times)	3.81	4.08	4.17	4.37	4.04	Not applicable
	Total asset turnover rate (times)	0.36	0.35	0.34	0.34	0.33	Not applicable
Profitability	Return on asset (%)	1.12	2.77	2.37	2.97	2.36	Not applicable
	Return on equity (%)	0.85	3.95	3.16	4.15	2.96	Not applicable
	Pre-tax Income to Paid-in Capital Ratio (%) (Note 5)	0.89	5.91	5.15	5.66	4.6	Not applicable
	Net Profit Margin (%)	1.27	5.93	5.08	6.92	4.95	Not applicable
	Earnings per Share (NTD)	0.1	0.47	0.41	0.56	0.41	Not applicable
Cash flow	Cash flow ratio (%)	9.45	21.14	6.02	8.88	20.25	Not applicable
	Cash flow sufficiency ratio (%)	97.37	106.05	80.35	80.17	64.52	Not applicable
	Cash reinvestment ratio (%)	2.60	5.09	0.99	1.84	4.49	Not applicable
Leverage	Operating leverage	1.51	1.31	1.38	1.32	1.38	Not applicable
	Financial leverage	2.22	1.52	1.74	1.7	2.48	Not applicable

Please describe the reason for changes in financial ratios in the most recent two years. (No analysis is required if the change of increase/decrease is less than 20%)

1. Interest coverage folds (-25%): Mainly due to an decrease in the pre-tax net profit for 2023 compared to the same period last year.
2. Return on assets (-20.54%), Return on equity (-28.67%), net profit margin (-28.47%), earnings per share (-26.79%): Mainly due to an decrease in the net profit for 2023 compared to the same period last year.
3. Cash flow sufficiency ratio (128.04%), cash reinvestment ratio (144.02%): Mainly due to operating cash flow in 2023 being greater than the same period last year.
4. Financial leverage (45.88%): This is mainly due to a decrease in operating net profit in the current period compared to the same period last year.

Note 1: The following calculation formula shall be listed at the bottom of the chart in the annual report.

1. Financial structure
   (1) Ratio of liabilities to assets = Total liabilities /Total assets.
   (2) Ratio of long-term funds to property, plants and equipment = (Total equity + non-current liabilities) / net property, plants and equipment.
2. Debt service ability

(1) Current ratio = Current assets / Current liabilities.
(2) Quick ratio = (Current assets – Inventory – Pre-payment) / Current liabilities.
(3) Interest coverage folds= Profit before income tax and interest expense / Interest expense.

3. Operating ability
(1) Accounts receivable (including accounts receivable and notes receivable from operations) turnover ratio= Net sales / average of accounts receivable (including accounts receivable and notes receivable from operation) balance.
(2) Average days for cash receipts = 365 / Accounts receivable turnover.
(3) Inventory turnover rate = Sales cost / average inventory amount.
(4) Accounts payable (including accounts payable and notes payable from operations) turnover ratio= Sales cost / average of accounts payable (including accounts payable and notes payable from operation) balance.
(5) Average days in sales = 365 / Inventory turnover.
(6) Property, plant and equipment turnover = Net sales /Average net worth of property, plant and equipment.
(7) Total assets turnover rate = Net sales / Average total assets.

4. Profitability
(1) Return on assets = [Profit and loss after tax + interest expense × (1- tax rate)] / average total assets.
(2) Return on equity = Profit and loss after tax / average total equity.
(3) Profit ratio = Profit and loss after tax / net sales.
(4) Earning per share = (Earnings of parent company owner – Preference dividends) / weighted average number of shares outstanding. (Note 2)

5. Cash flow
(1) Cash flow ratio = Net cash flow from operating activities / Current liabilities
(2) Net cash flow sufficiency ratio = Net cash flows from operating activities in the last five years / (Capital expenditure ＋Inventory increase + Cash dividends) in the last five years.
(3) Cash flow reinvestment ratio = (Cash provided by operating activities – Cash dividends) / (Gross property, plant and equipment + Long-term investments + Other non-current assets + Working capital). (Note 3)

6. Leverage:
(1) Operating leverage = (Net operating revenue – variable costs and expenses of operations) / operating profit (Note 4).
(2) Financial leverage = Operating profit/ (operating profit- interest expenses).

Note 2: The following shall be considered in assessing the said EPS calculation formula:
1. Weighted average outstanding common stocks are used, instead of year-end outstanding shares.
2. Those that conduct cash capital increase or treasury stock transactions shall calculate the weighted average outstanding shares based on the outstanding period.
3. If any additional shares were issued against retained earnings or capital reserves, the full year or half-year earnings per share must be adjusted proportionally and retroactively, regardless of when the additional stocks were issued.
4. If the preferred stock is unconvertible cumulative preferred stock, the dividend for the year (whether the dividend is paid or not) should be deducted from the net income or added to the net loss . If the preferred stock is not cumulative, dividends thereon shall be subtracted from net profit after tax if net profit after tax is earned, or no adjustment is required if loss arises.

Note 3: The following shall be considered in assessing cash flow analysis:
1. Net cash flow from operating activities refers to net cash inflow from operating activities as stated in the Statement of Cash Flow.
2. Capital expenditure refers to the cash outflow to annual capital investments.
3. The increase in inventory is included only when the balance at the ending is more than that at beginning. If the inventory decreases at the end of the year, it shall be calculated as “zero”.
4. Cash dividends include the dividends in cash paid to holders of common stocks and preferred stocks.
5. Gross property, plant and equipment refer to total property, plant and equipment before subtracting by accumulated depreciation.

Note 4: The issuer shall distinguish the operating costs and operating expenses as fixed and floating ones by nature. If any estimation or judgment is involved, please note the reasonableness and consistency.

Note 5: In the case of shares issued by the Company with no par value or a par value other than NTD10 per share, said calculation about the ratio of the paid-in capital shall be replaced by the equity attributable to the parent company identified in the balance sheet.

III. Audit Committee’s Review Report of AGV Products Corporation

Authorized

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

Proposed for approval.

For

The Company’s 2024 Annual Meeting of Shareholders

Audit Committee convener	Yung-Chien Wu
Audit Committee member	Yung-Fu Tseng
Audit Committee member	Wei-Lung Chen

March 11, 2024

IV. Company's Parent Company Only Financial Report of the Most Recent Year Audited by CPA

To AGV Products Corporation:

Audit opinions

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

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

Basis of audit opinion

We conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and relevant auditing standards. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial report section of our report. The personnel of the CPA firm subject to the independence requirement have acted independently from the business operations of AGV Products Corporation in accordance with the Code of Ethics for Professional Accountants, and have performed the other responsibilities of the Code of Ethics. According to our audits and the other independent auditors' report, we believe to have obtained sufficient and appropriate audit evidence in order to be used as the basis for our opinion.

Key audit matters

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

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

I. Fair value evaluation of investment property

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

Description of key audit matters:

As of December 31, 2023, investment property held totaled NTD 1,595,025 thousand, accounting for 13.19% of total assets, and it was subsequently measured using the fair value model. The recognized variable income generated from fair value changes totaled NTD 49,049 thousand in 2023, accounting for 21.52% of the net income before tax. The evaluation was mainly based on an analysis of discounted cash flow and land development, under the condition that the income was calculated according to market rent and value by a commissioned external appraiser. The analysis relied on the evaluation and judgment of an external appraiser based on overall usage, and local or market conditions of the subject property. The assumptions and estimates related to profit rate and discount rated adopted for evaluation contained material uncertainty. Thus, we consider the fair value evaluation of investment property as a key audit matter when auditing the parent company only financial report of AGV Products Corporation.

Corresponding audit process:

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

II. Recognition of revenue

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

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

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

Other matters

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

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

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

In preparing the parent company only financial report, management is also responsible for assessing the ability of AGV Products Corporation to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the AGV Products Corporation or to cease operations, or there is a lack of any option except for liquidation or suspension.

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

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

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

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

I. Identify and assess the risk of material misstatement of the parent company only financial report due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of AGV Products Corporation.

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

IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of AGV Products Corporation to continue as a going concern. In cases where we consider that events or circumstances have significant uncertainty in this regard, then relevant disclosure of the parent company only financial report shall be provided in the auditors' report to allow users of the parent company only financial report to be aware of such events or circumstances, or we shall revise our opinion when such disclosure is considered inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the AGV Products Corporation to cease to continue as a going concern.

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

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

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

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

The key audit matters in the audit of the parent company only financial report of AGV Products Corporation for 2023 have been determined by us from those matters about which we have communicated with the governing unit. We describe these matters in our auditors' report unless laws or regulations preclude public disclosure about these matters, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Crowe (TW) CPAs

CPA: Shu-Man Tsai

CPA: Ling-Wen Huang

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

March 11, 2024

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

Unit: NTD thousand

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

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

(Please refer to the notes of the parent company only financial report)

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

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

Unit: NTD thousand

Code	Item	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue (Note 6(23))	$ 4,052,607	100	$ 4,014,234	100
5000	Operating cost (Note 6(5))	(2,913,990)	(72)	(2,849,193)	(71)
5900	Gross profit (gross loss)	1,138,617	28	1,165,041	29
5910	Unrealized profit from sales	(4,595)	-	(5,845)	-
5920	Realized profit from sales	5,845	-	6,421	-
	Operating expense				
6100	Selling expenses	(698,034)	(17)	(688,546)	(17)
6200	Management expenses	(231,120)	(6)	(231,392)	(6)
6300	Research and development expenses	(45,443)	(1)	(45,606)	(1)
6450	Expected credit impairment profits (losses) (Note 6(4))	53	-	(16)	-
6000	Total operating expenses	(974,544)	(24)	(965,560)	(24)
6900	Operating profits (losses)	165,323	4	200,057	5
	Non-operating income and expenses				
7100	Interest revenue	1,971	-	822	-
7010	Other revenue (Note 6(25))	50,047	1	49,644	1
7020	Other profits and losses (Note 6(26))	24,919	1	165,362	4
7050	Financial cost (Note 6(27))	(98,779)	(2)	(82,451)	(2)
7070	Share of profit or loss from subsidiaries, associates and joint ventures under the equity method	84,463	2	(53,053)	(1)
7000	Total non-operating income and expense	62,621	2	80,324	2
7900	Net profit (loss) before tax	227,944	6	280,381	7
7950	Income tax profit (Note 6(28))	(27,008)	(1)	(2,491)	-
8200	Current net profit (loss)	200,936	5	277,890	7
	Other comprehensive income (Note 6(30))				
8310	Items not reclassified to profit or loss				
8311	Re-measurement of defined benefit plan	(3,969)	-	19,701	-
8312	Appreciation on revaluation of property	87,587	2	-	-
8316	Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income	(86,415)	(2)	152,569	4
8330	Share of other comprehensive income from subsidiaries, associates and joint ventures under the equity method	55,178	1	(234,919)	(6)
8349	Income tax related to items not reclassified	(135)	-	(3,940)	-
8360	Items that may be subsequently reclassified as profit or loss				
8380	Share of other comprehensive income from subsidiaries, associates and joint ventures under the equity method	(7,078)	-	80,139	2
8399	Income tax related to items that may be reclassified	793	-	(4,394)	-
8300	Other comprehensive income (net)	45,961	1	9,156	-
8500	Total comprehensive income in the current period	$ 246,897	6	$ 287,046	7
	Earnings per share				
9750	Basic EPS (Note 6(31))	$ 0.41		$ 0.56	
9850	Diluted EPS (Note 6(31))	$ 0.41		$ 0.56	

(Please refer to the notes of the parent company only financial report)

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

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

Unit: NTD thousand

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

(Please refer to the notes of the parent company only financial report)

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

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

Unit: NTD thousand

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

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

(Please refer to the notes of the parent company only financial report)

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

AGV Products Corporation
Notes on the Parent Company Only Financial Report
January 1 to December 31, 2023 and 2022
(Unless otherwise specified, all amounts are in NTD thousand)

I. Company History

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

(II) The parent company only financial report is expressed in NTD, the functional currency of the Company.

II. Date and Procedures of Approval of the Financial Report

This parent company only financial report was published after its approval by the Board of Directors on March 11, 2024.

III. Adoption of New Standards, Amendments, and Interpretations

(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 table below lists the new, revised and amended standards and interpretations of the IFRSs, which apply to the reporting period of 2023, as endorsed by the FSC.

New/Amended/Revised Standards and Interpretations	Effective date published by the IASB
Amendments to IAS 1 - "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 - "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)
Amendments to IAS 12 - "International Tax Reform - Pillar Two Model Rules"	(Note 4)

(Note 1) The amendment is applicable during the annual reporting period beginning from January 1, 2023.

(Note 2) The amendment is applicable to changes in accounting estimates and policies occurring during the annual reporting period beginning from January 1, 2023.

(Note 3) Unless there are additional requirements for temporary differences related to leases and decommissioning obligations, the amendment is applicable to transactions occurring on or after the start date of the earliest comparative period (January 1, 2022) presented.

(Note 4) The temporary exceptions to IAS 12 (i.e., a business shall not recognize deferred income tax assets and liabilities related to Pillar Two income tax, and shall not disclose their relevant information, provided that the business shall disclose in its financial report that it has applied such exceptions) shall be applied retroactively in accordance with IAS 8 immediately after the publication of these amendments (May 23, 2023). Other disclosure requirements are applicable to the annual reporting period beginning from January 1, 2023. No such other information is required to be disclosed in any interim report whose end date of reporting precedes December 31, 2023.

1. Amendments to IAS 1 - “Disclosure of Accounting Policies”

   The amendment clarifies that if the scale or nature of any transaction or other event or condition is material, and if the related accounting policy information is also material for the financial report, such material accounting policy information shall be disclosed. Conversely, if an entity determines that the scale or nature of any transaction or other event or condition is immaterial, or that the related accounting policy information is immaterial despite its scale or nature being material, the entity is not required to disclose such immaterial accounting policy information. Nonetheless, the entity’s conclusion that accounting policy information is immaterial will not affect the related disclosures required by other IFRSs.

2. Amendments to IAS 8 - “Definition of Accounting Estimates”

   The amendment defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty, and provides further clarification in this regard. The effects of a change in an input or a measurement technique on accounting estimates are changes in accounting estimates if they do not result from the correction of prior period errors.

3. Amendments to IAS 12 - “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

   The amendment narrows down the scope of exemption from the recognition of deferred income tax liabilities and assets under paragraphs 15 and 24 of IAS 12. Such exemption does not apply to any transaction in which equal amounts of taxable and deductible temporary differences arise on initial recognition. When applying the amendment for the first time, an entity shall, on the start date of the earliest comparative period (January 1, 2022) presented, recognize deferred income tax for all temporary differences related to leases and decommissioning obligations, and shall recognize the cumulative effect as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) on that date. The amendment shall be applicable prospectively to other transactions occurring on or after January 1, 2022.

4. Amendments to IAS 12 - “International Tax Reform - Pillar Two Model Rules”

   According to these amendments, under the temporary exceptions to IAS 12, a business shall not recognize deferred income tax assets and liabilities of Pillar Two income tax related to international tax reform, and shall not disclose their relevant information, provided that the business shall disclose in its financial report that it has applied such exceptions. Additionally, a business shall disclose the current income tax expense (profit) related to Pillar Two income tax separately. If any Pillar Two law has been enacted or has been de facto enacted but yet to come into effect, a business shall disclose qualitative and quantitative information that is known or can be reasonably estimated in relation to its exposure to Pillar Two income tax.

   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 IFRSs endorsed by the FSC:

The table below lists the new, revised and amended standards and interpretations of the IFRSs, which apply to the reporting period of 2024, as endorsed by the FSC.

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

(Note 1) The seller and lessee shall apply these amendments retroactively to all sale and leaseback transactions entered into after the date of initial application of IFRS 16 in accordance with IAS 8.

(Note 2) These amendments provide certain transition relief. On initial application, a business is not required to disclose comparative information, interim period information, and the beginning information required by Paragraph 44H(b)(ii)-(iii).

1. Amendments to IFRS 16 - "Lease Liability in a Sale and Leaseback"

   These amendments clarify that for a sale and leaseback transaction, if the transfer of assets is treated as a sale in accordance with IFRS 15, the liabilities of the seller and lessee arising from leaseback shall be treated in accordance with the provisions of IFRS 16 concerning lease liabilities. However, if it involves variable lease payments not depending on any index or rate, the seller and lessee shall still recognize the lease liabilities arising from such variable payments in a manner that does not recognize profits/losses related to the retained right of use. Any difference between the subsequent actual amount of lease payment and the reduced carrying amount of lease liabilities will be recognized in profit/loss.

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

   These amendments clarify that when determining whether to classify a liability as non-current, a business shall assess whether it has the right to defer the repayment date for at least 12 months after the reporting period at the end date of the reporting period. If the business has such right at the end date of the reporting period, the liability shall be classified as non-current regardless of whether the business is expected to exercise that right. If the business is required to meet specific conditions to have the right to defer repayment, it must meet those conditions at the end date of the reporting period to classify the liability as non-current, even if the creditor verifies whether the business has met those conditions at a later date.

   In addition, these amendments provide that, for the purpose of liability classification, the aforesaid repayment means the transfer of cash, other economic resources or the Company's equity instruments to the counterparty to extinguish a liability. However, where the terms of a liability may, at the option of the counterparty, result in its repayment by the transfer of the Company's equity instruments, and where such option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforesaid terms will not affect the classification of the liability.

3. Amendments to IAS 1 - "Non-current Liabilities with Covenants"

   These amendments further clarify that only contractual terms which must be complied with before the end date of the reporting period will affect the classification of a liability on that date. Contractual terms which must be complied with within 12 months after the reporting period will not affect the classification of a liability. However, where a business has classified a liability as non-current at the end date of the reporting period, and where the liability must be repaid within 12 months after the reporting period as the business is unable to comply with the contractual terms, the relevant facts and circumstances shall be disclosed in the notes.

4. Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

A supplier finance arrangement is where one or more finance providers pay the supplier on behalf of a business, and the business agrees to pay the finance providers on a payment date agreed with the supplier or a later date. The amendments to IAS 7 require a business to disclose information about its supplier finance arrangements, so that users of financial statements are able to assess the effect of such arrangements on a business' liabilities and cash flows and its exposure to liquidity risk. The amendments to IFRS 7 include in their application guidelines that a business, when disclosing how to manage the liquidity risk of financial liabilities, may consider whether it has acquired or is able to acquire financing facilities through a supplier finance arrangement, and whether such arrangement may result in a concentration of liquidity risk.

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) Effects of IFRSs issued by the IASB but not yet approved by the FSC:

The table below lists the new, revised, and amended standards and interpretations of IFRSs issued by the IASB but not yet approved by the FSC:

New/Amended/Revised Standards and Interpretations	Effective date published by the IASB
Amendments to IFRS 10 and IAS 28 - "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	TBD
IFRS 17 - "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

As of the date of publication of this parent company only financial report, the Company has continued to assess the effect of the amendments to the standards and interpretations above on the financial condition and performance of the Company. The relevant effect will be disclosed after completion of the assessment.

IV. Summary of Significant Accounting Policies

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

(I) Compliance Statement

The parent only financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter "IFRSs") as endorsed and promulgated by the FSC.

(II) Basis of preparation

1. Except for the following important items, the parent company only financial report has been duly prepared on the basis of historical costs:

(1) Financial assets and liabilities (including derivatives) at fair value through profit or loss which are at fair value.

(2) Financial assets measured at fair value through other comprehensive income which are 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 in compliance with the IFRSs endorsed by the FSC 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-degree judgment or complexity or items involving important estimates and assumptions of the parent company only financial report, see the description in Note 5.

3. The Company applied the equity method to its invested subsidiaries, associates 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, associates and joint ventures under the equity method", "shares of other comprehensive income in subsidiaries, associates and joint ventures under the equity method", and related equity.

(III) Foreign currency translation

1. Foreign currency transaction and balance

(1) Foreign currency transaction converts the conversion difference generated by the transaction to the 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 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 associates with differences in functional currency and presentation currency, the business result and financial status is converted to presentation currency using 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 the current period.

C. All resulted exchange differences were recognized under other comprehensive income.

(2) When the foreign operation partially disposed or sold is an associate, the exchange differences in the 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 associates but loses the control over the associates 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 loses 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) Those primarily for trading purposes.
   (3) Those 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 more than 12 months after the balance sheet date, and those with restricted uses.

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

2. Liabilities that match any of the following conditions shall be classified as current liabilities:

   Liabilities expected to be settled in normal operating cycles.

   Those primarily for trading purposes.

   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).

   Liabilities with due dates that cannot be unconditionally extended to more than 12 months after the balance sheet date. Liabilities under 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 lists all liabilities that do 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 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 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 at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

The financial assets at fair value through profit or loss include financial assets measured compulsorily at fair value through profit or loss and designated to be at fair value through profit or loss. Financial assets measured at fair value through profit or loss on a mandatory basis include investments in equity instruments not designated by the Company to be measured at fair value through other comprehensive income and investments in debt instruments not classified to be measured at amortized cost or measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value, and the profits or losses generated from their remeasurement (excluding any dividend or interest generated from such financial assets) are recognized in profits/losses. For the method used to determine fair value, see Note 12(3).

B. 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 multiplied 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 credit-impaired financial assets subsequently, the interest revenue is calculated at the effective interest rate multiplying by their amortized cost.

C. Equity instrument investments 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 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 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 losses. 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 are 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 value of all impairment losses on financial assets is reduced via the allowance account. However, the loss allowance of debt instrument investments 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. Not all risks and returns of ownership over the financial assets are transferred or retained, but 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 at fair value through other comprehensive income is derecognized, the difference between the book value 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 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 are 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

All financial liabilities are measured at amortized cost using the effective interest method, except under the following circumstances:

A. Financial liabilities measured at fair value through profit/loss refer to financial liabilities held for trading or financial liabilities designated as measured at fair value through profit/loss on initial recognition. Financial liabilities classified as held for trading refer to derivative instruments, except for financial contracts or designated and effective hedging instruments, which at the time of occurrence are primarily for repurchase in the short term. Financial liabilities meeting any of the following criteria will be designated by the Company as measured at fair value through profit/loss on initial recognition:

(a) The financial liabilities are a hybrid (combined) contract including embedded derivatives, and the host contract is not an asset within the scope of IFRS 9; or

(b) The financial liabilities may eliminate or significantly reduce the measurement or recognition inconsistency; or

(c) The financial liabilities are an instrument using the fair value basis for its management and performance evaluation in accordance with a written risk management policy.

B. Financial liabilities measured at fair value through profit/loss are measured at fair value on initial recognition, and the related transaction costs are recognized as profit/loss in the current period. For such liabilities subsequently measured at fair value, any change in the fair value will be recognized as profit/loss in the current period.

C. For financial liabilities designated as measured at fair value through profit/loss, any amount of fair value change arising from credit risk change will be recognized as other comprehensive income and will not be subsequently reclassified as profit/loss. The remaining amount of fair value change of such liabilities will be recognized as profit/loss. However, if the foregoing accounting treatment causes or exacerbates accounting mismatch, all profits or losses of such liabilities will be recognized as profit/loss.

(2) Derecognition of financial liabilities

The Company will derecognize financial liabilities when the obligation is rescinded, discharged, or expired. During the derecognition of a financial liability, the difference between the book value 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.

4. Amendment of financial instruments

In the event that any renegotiation or amendment of the contractual cash flow of a financial instrument does not result in a situation where derecognition of the financial instrument is required, the Company will recalculate the total carrying amount of financial assets or the amortized cost of financial liabilities based on the amended contractual cash flow discounted at initial effective interest rate, and will recognize the amended profit or loss as profit/loss. Any cost or expense arising therefrom will be considered an adjustment to the carrying amount of the amended financial instrument and amortized during the remaining period following amendment. If the renegotiation or amendment results in a situation where derecognition of the financial instrument is required, such situation shall be addressed according to the requirements for derecognition.

(VII) Inventory

Inventory is 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 works in process includes material, direct labor, other direct costs and manufacturing expenses related to production (amortized based on normal productivity) without loan cost. When cost and net realizable value are compared to see which is lower, the item-by-item comparison method is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business less the estimated cost required for completion and the estimated cost necessary to complete the sale.

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

1. Subsidiaries refer to 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 said remuneration by virtue of its power over the entities, the Company controls 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 associates 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 associates refer to entities which the Company has significant impact upon without any control and generally holds more than 20% of voting shares directly or indirectly. The investment of the Company in associates adopts the equity method and is recognized based on cost upon acquisition.
7. The shares of profit or loss acquired from associates by the Company were recognized as current profit or loss and shares of other comprehensive income were recognized as other comprehensive income. If the Company's share of the losses of an associate equals or exceeds its equity in the associate (including the carrying amount of investment in the associate determined using the equity method and any long-term equity de facto constituting part of the net investment of the Company in the associate), the Company will not recognize further losses, unless the Company has incurred legal or constructive obligations toward or made payments on behalf of the associate.
8. The unrealized profit or loss generated from the transactions between the Company and the associates were written off based on the Company's equity ratio of the associates; the unrealized loss was written off unless the evidence displayed the impairment of transferred assets in such transaction. Accounting policies of the associates 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 associate upon the disposal of the associate, the accounting treatment for all amounts related to the associate 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 losses control over the associate, such profit or loss shall be reclassified as income from equity. Provided that, where it still has material influence over the associated 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. If the Company's share of the losses of a joint venture equals or exceeds its equity in the joint venture (including the carrying amount of investment in the associate determined using the equity method and any long-term equity de facto

constituting part of the net investment of the Company in the associate), the Company will not recognize further losses, unless the Company has incurred legal or constructive obligations toward or made payments 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. Before property, plant and equipment under construction are ready for their intended use, any sample produced when testing whether such assets are able to operate normally is measured at cost or net realizable value (whichever is lower), with its sales proceeds and cost recognized as profit/loss.
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	3-55 years
Machinery and equipment	2-32 years
Other equipment	2-36 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 deducing received lease incentives, original direct cost and the estimated costs for the restoration of the underlying assets); subsequently, they are measured at cost deducting the accumulated depreciation and accumulated impairment loss while the re-measurement of the lease liabilities is also adjusted.

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

   Lease liabilities

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

   Subsequently, the lease liabilities are measured at the amortized cost under the effective interest method, and interest expenses are allocated during the lease periods. If there is any change in 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 uses 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 any property of property, plant and equipment is reclassified as investment property upon the end of private use, the difference between the original carrying value and fair value is recognized in other comprehensive income and accumulated as appreciation on revaluation under other equity, and will be directly transferred to retained earnings upon derecognition.

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.

(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, and no equivalent taxable and deductible temporary difference arises at the time of 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.
(6) 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

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 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 there is any change in the business model, the Company will reclassify financial assets in accordance with IFRS 9 and apply the reclassification prospectively from the date of reclassification.

2. Recognition of revenue

In accordance with IFRS 15, the Company determines it to be the principal or agent of any transaction transferring specific products or services to a customer based on whether the customer has or has not acquired the control of such products or services prior to their transfer. If the Company determines it to be the agent of such 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 are 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 at fair value has no open quotation in active market, the Company decides whether to commission external appraisal and determine appropriate fair value valuation technique 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) are also taken into consideration.

VI. Description of Significant Accounting Items

(I) Cash and cash equivalents

Item	December 31, 2023	December 31, 2022
Cash	$ 865	$ 749
Checking deposit	3	3
Savings deposit	264,647	293,911
Foreign currency deposit	706	404
Total	$ 266,221	$ 295,067

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) Financial assets at fair value through profit or loss

Item	December 31, 2023	December 31, 2022
Non-derivative financial assets		
Listed stocks	$ 207,737	$ 50,377
Total	$ 207,737	$ 50,377

1. The net profits (losses) recognized by the Company in 2023 and 2022 were NTD 2,829 thousand and NTD 5,796 thousand respectively.
2. The Company has not pledged any financial assets measured at fair value through profit/loss as collateral.
3. For methods related to the management and evaluation of credit risks, see Note 12(2).

(III) Net notes receivable

Item	December 31, 2023	December 31, 2022
Carried at amortized cost		
Total book amount	$ 8,584	$ 9,070
Less: Allowance loss	(8)	(9)
Net notes receivable	$ 8,576	$ 9,061

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

(IV) Net accounts receivable

Item	December 31, 2023	December 31, 2022
Carried at amortized cost		
Total book amount	$ 480,533	$ 507,641
Less: Allowance loss	(690)	(717)
Net accounts receivable	$ 479,843	$ 506,924

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 has adopted the simplified approach under IFRS 9 to recognize the loss allowance for accounts receivable based on the full lifetime expected credit losses. The expected credit losses throughout the duration are calculated based on the provision matrix and take 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 for notes and accounts receivable (including related parties) of the Company based on the provision matrix is as follows:

December 31, 2023	Expected credit loss	Total book amount	Loss allowance (lifetime expected credit loss)	Amortized cost
Undue	0%~1%	$ 608,790	$ (516)	$ 608,274
Overdue 0–30 days	0%~1%	4,602	(3)	4,599
Overdue 31–90 days	0%~20%	33	-	33
Overdue 91–180 days	0%~30%	-	-	-
Overdue 181–365 days	0%~50%	-	-	-
Trading counterparty with signs of default	0%~100%	209	(209)	-
Total		$ 613,634	$ (728)	$ 612,906

December 31, 2022	Expected credit loss	Total book amount	Loss allowance (lifetime expected credit loss)	Amortized cost
Undue	0%~1%	$ 662,013	$ (570)	$ 661,443
Overdue 0–30 days	0%~1%	6,878	(2)	6,876
Overdue 31–90 days	0%~20%	-	-	-
Overdue 91–180 days	0%~30%	-	-	-
Overdue 181–365 days	0%~50%	-	-	-
Trading counterparty with signs of default	0%~100%	209	(209)	-
Total		$ 669,100	$ (781)	$ 668,319

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

Item	2023	2022
Balance – beginning	$ 781	$ 765
Plus: Impairment loss appropriated	-	16
Less: Impairment loss reversed	(53)	-
Balance – ending	$ 728	$ 781

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 for the contract amounts written off in 2023 and 2022 were both NTD 0 thousand.

6. For methods related to the management and evaluation of credit risks, see the description in Note 12.

(V) Cost of inventory and sales

Item	December 31, 2023	December 31, 2022
Raw material	$ 114,599	$ 99,867
Supplies	68,105	63,758
Goods in process	83,408	85,924
Finished products	505,876	608,482
Total	$ 771,988	$ 858,031

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

Item	2023	2022
Cost of sold inventory	$ 2,652,602	$ 2,652,696
Processing cost	226,396	154,034
Manufacturing expenses not amortized	29,756	33,032
Loss (revaluation profit) on inventory devaluation	(3,634)	(1,183)
Loss on scrapped inventory	11,961	13,606
Loss (profit) on inventory	(522)	25
Revenue from scraps	(2,569)	(3,017)
Total operating costs	$ 2,913,990	$ 2,849,193

2. In 2023 and 2022, due to the Company writing inventory down to net realizable value, or due to recovery of the net realizable value of inventory as a result of increased prices of certain products and partial consumption of inventory, the recognized losses (profits on recovery) on inventory devaluation were NTD (3,634) thousand and NTD (1,183) thousand respectively.
3. The inventory of the Company has not been pledged.

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

Item	December 31, 2023	December 31, 2022
Non-current		
Equity instruments		
Domestic TWSE/TPEx listed stocks	$ 102,579	$ 102,579
Domestic non-TWSE/TPEx-listed stocks	857,337	857,337
Overseas non-listed (non-OTC) stocks	16,820	16,820
Valuation adjustment	51,556	136,431
Total	$ 1,028,292	$ 1,113,167

1. The Company invested in domestic non-TWSE/TPEx-listed 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 at fair value through other comprehensive income.
2. In 2023 and 2022, the Company adjusted its investment positions to spread risks, and sold part of its shares at fair value. Other related equity-realized losses on financial assets measured at fair value through other comprehensive income, amounting to NTD 0 thousand and NTD 1,282 thousand (excluding the related amounts of NTD

(79) thousand and NTD (18,579) thousand recognized using the equity method), were transferred to retained earnings.

3. Changes in expected credit impairment loss of debt instrument investment at fair value through other comprehensive income recognized by the Company: None.
4. For relevant credit risk management and evaluation methods, please refer to Note 12.

(VII) Investment under the equity method

Invested company	December 31, 2023	December 31, 2022
Subsidiaries:		
Sontenkan Resort Development Co., Ltd.	$ 1,766,114	$ 1,663,244
Apoland Development (Singapore) Pte Ltd.	129,074	154,341
Others	751,408	833,464
Subtotal	$ 2,646,596	$ 2,651,049
Associated companies:		
Important associates:		
Taiwan First Biotechnology Corp.	$ 1,262,383	$ 1,241,018
NICE Enterprise Co., Ltd.	1,335,387	1,188,570
Individual unimportant associates	984,857	967,908
Subtotal	$ 3,582,627	$ 3,397,496
Joint ventures:		
Individual unimportant joint ventures	4,230	2,092
Total	$ 6,233,453	$ 6,050,637

1. Subsidiaries:
   (1) For information about the Company's subsidiaries, see Note 4(3) of the Company's 2023 consolidated financial report.
   (2) In September 2022, the Company lost its control of Koya Biotech Corp., which was transferred to investment accounted for using the equity method. See the description in Note 6(29).
2. Associated companies:
   (1) The basic information of associates important to the Company is as follows:

Company name	Shareholding ratio December 31, 2023	Shareholding ratio December 31, 2022
Taiwan First Biotechnology Corp.	41.28%	41.28%
NICE Enterprise Co., Ltd.	28.24%	28.24%

For information on the associates' 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 associates important to the Company is as follows:

A. Balance sheet

	NICE Enterprise Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 3,118,220	$ 3,191,757
Non-current assets	4,665,346	4,241,871
Current liabilities	1,474,148	1,448,105
Non-current liabilities	1,684,319	1,912,817
Equity	$ 4,625,099	$ 4,072,706
Shares of the associates' net assets	$ 1,306,102	$ 1,150,110
Internal profit or loss	(19,512)	(11,590)
Deferred credits	25,824	27,077
Goodwill	22,973	22,973
Book value of associates	$ 1,335,387	$ 1,188,570

	Taiwan First Biotechnology Corp.	
	December 31, 2023	December 31, 2022
Current assets	$ 1,590,530	$ 1,402,024
Non-current assets	3,437,777	3,520,462
Current liabilities	1,067,079	937,584
Non-current liabilities	1,287,398	1,376,954
Equity	$ 2,673,830	$ 2,607,948
Shares of the associates' net assets	$ 1,103,737	$ 1,076,542
Internal profit or loss	(18,651)	(15,334)
Deferred credits	23,025	25,538
Goodwill	154,272	154,272
Book value of associates	$ 1,262,383	$ 1,241,018

B. Statement of comprehensive income

Company name	NICE Enterprise Co., Ltd. 2023		NICE Enterprise Co., Ltd. 2022	
Operating revenue	$	2,610,787	$	2,597,562
Current net profit	$	248,088	$	50,646
Other comprehensive income (net amount after tax)		330,955		(175,942)
Total comprehensive income in the current period	$	579,043	$	(125,296)
Dividend acquired from associates	$	7,384	$	17,228

Company name	Taiwan First Biotechnology Corp. 2023		Taiwan First Biotechnology Corp. 2022	
Operating revenue	$	2,279,721	$	2,102,345
Current net profit	$	288,888	$	255,017
Other comprehensive income (net amount after tax)		(50,560)		(44,694)
Total comprehensive income in the current period	$	238,328	$	210,323
Dividend acquired from associates	$	71,185	$	60,233

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

	2023		2022	
Shares held:				
Current net profit	$	14,141	$	17,295
Other comprehensive income (net amount after tax)		20,345		(146,959)
Total comprehensive income in the current period	$	34,486	$	(129,664)

3. Joint ventures:

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

	2023		2022	
Shares held:				
Current net profit	$	2,138	$	(2,451)
Other comprehensive income (net amount after tax)		-		-
Total comprehensive income in the current period	$	2,138	$	(2,451)

4. The Company pledged part of the investment accounted for using the equity method as collateral for loans on December 31, 2023 and 2022. See Note 8.

(VIII) Property, plant and equipment

Item	December 31, 2023	December 31, 2022
Land	$ 550,171	$ 550,171
Houses and buildings	888,127	881,782
Machinery and equipment	1,223,195	1,205,016
Other equipment	544,223	557,261
Equipment pending acceptance and construction in progress	106,345	6,267
Total cost	$ 3,312,061	$ 3,200,497
Less: Accumulated depreciation	(2,310,178)	(2,283,667)
Total	$ 1,001,883	$ 916,830

	Land	Houses and buildings	Machinery and equipment	Other equipment	Equipment pending acceptance and construction in progress	Total
Costs						
Balance as of January 1, 2023	$ 550,171	$ 881,782	$ 1,205,016	$ 557,261	$ 6,267	$ 3,200,497
Increase	-	2,847	12,042	5,040	121,670	141,599
Disposal	-	(2,393)	(6,479)	(21,163)	-	(30,035)
Reclassification	-	5,891	12,616	3,085	(21,592)	-
Balance as of December 31, 2023	$ 550,171	$ 888,127	$ 1,223,195	$ 544,223	$ 106,345	$ 3,312,061
Accumulated depreciation						
Balance as of January 1, 2023	$ -	$ 659,142	$ 1,111,289	$ 513,236	$ -	$ 2,283,667
Depreciation expenses	-	20,126	25,917	10,102	-	56,145
Disposal	-	(2,198)	(6,323)	(21,113)	-	(29,634)
Reclassification	-	-	122	(122)	-	-
Balance as of December 31, 2023	$ -	$ 677,070	$ 1,131,005	$ 502,103	$ -	$ 2,310,178

	Land	Houses and buildings	Machinery and equipment	Other equipment	Equipment pending acceptance and construction in progress	Total
Costs						
Balance as of January 1, 2022	$ 550,171	$ 881,178	$ 1,185,827	$ 553,199	$ 23,594	$ 3,193,969
Increase	-	1,507	7,194	5,281	11,373	25,355
Disposal	-	(903)	(4,957)	(12,967)	-	(18,827)
Reclassification	-	-	16,952	11,748	(28,700)	-
Balance as of December 31, 2022	$ 550,171	$ 881,782	$ 1,205,016	$ 557,261	$ 6,267	$ 3,200,497
Accumulated depreciation						
Balance as of January 1, 2022	$ -	$ 638,540	$ 1,092,201	$ 515,212	$ -	$ 2,245,953
Depreciation expenses	-	21,401	23,821	10,618	-	55,840
Disposal	-	(799)	(4,733)	(12,594)	-	(18,126)
Balance as of December 31, 2022	$ -	$ 659,142	$ 1,111,289	$ 513,236	$ -	$ 2,283,667

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

Item	2023	2022
Increase of property, plant and equipment	$ 141,599	$ 25,355
Increase/decrease of payables on equipment	(3,510)	607
Paid cash amount for purchase of property, plant and equipment	$ 138,089	$ 25,962

2. For the capitalized amount of the loan cost of property, plant and equipment, see the description in Note 6(27).
3. Impairment of property, plant and equipment: None.
4. For more information about property, plant and equipment provided as collateral, please refer to Note 8.

(IX) Lease agreement

1. Right-of-use assets

Item	December 31, 2023	December 31, 2022
Houses and buildings	$ 10,865	$ 10,865
Machinery and equipment	-	16,694
Transportation equipment	17,981	12,136
Total cost	$ 28,846	$ 39,695
Less: Accumulated depreciation	(10,499)	(19,467)
Net amount	$ 18,347	$ 20,228

Costs	Houses and buildings	Machinery and equipment	Transportation equipment	Total
Balance as of January 1, 2023	$ 10,865	$ 16,694	$ 12,136	$ 39,695
Increase in the current period	-	-	5,845	5,845
Derecognition in the current period	-	(16,694)	-	(16,694)
Balance as of December 31, 2023	$ 10,865	$ -	$ 17,981	$ 28,846
Accumulated depreciation				
Balance as of January 1, 2023	$ 2,173	$ 15,120	$ 2,174	$ 19,467
Depreciation expenses	2,173	1,574	3,979	7,726
Derecognition in the current period	-	(16,694)	-	(16,694)
Balance as of December 31, 2023	$ 4,346	$ -	$ 6,153	$ 10,499

Costs	Houses and buildings	Machinery and equipment	Transportation equipment	Total
Balance as of January 1, 2022	$ 10,865	$ 16,694	$ 2,732	$ 30,291
Increase in the current period	-	-	9,404	9,404
Balance as of December 31, 2022	$ 10,865	$ 16,694	$ 12,136	$ 39,695
Accumulated depreciation				
Balance as of January 1, 2022	$ -	$ 11,340	$ 75	$ 11,415
Depreciation expenses	2,173	3,780	2,099	8,052
Balance as of December 31, 2022	$ 2,173	$ 15,120	$ 2,174	$ 19,467

2. Lease liabilities

	December 31, 2023	December 31, 2022
Book amount of lease liabilities		
Current	$ 7,802	$ 8,506
Non-current	$ 11,178	$ 13,337

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

	December 31, 2023	December 31, 2022
Houses and buildings	1.97%	1.97%
Machine and equipment	2.54%	2.54%
Transportation equipment	1.97%	1.97%

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

3. Important lease activities and terms

The Company leased health research institutes, Tetra Pak equipment, trucks and vehicles 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, 2023 and 2022, there was 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 agreements concluded by the Company to rent out investment property under operating leases, see the description in Note 6(10).
   (2) The information on expensed related current leases is as follows:

Item	2023	2022
Short-term lease expenses	$ 4,684	$ 3,968
Expenses of lease of low-price assets	$ -	$ -
Variable lease payment not included in measurement of lease liabilities Paid expenses	$ -	$ -

Total cash outflow of lease (Note)	$ 13,392	$ 12,274

(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.

(X) Net investment property

Item	December 31, 2023	December 31, 2022
At fair value – commissioned appraisal	$ 1,575,880	$ 1,062,331
Measured at cost	19,145	396,655
Total	$ 1,595,025	$ 1,458,986

1. Investment property at fair value

Item	2023	2022
Balance – beginning	$ 1,062,331	$ 1,050,799
Measured at cost - transferred (Note)	464,500	-
Profit on valuation	49,049	11,532
Balance – ending	$ 1,575,880	$ 1,062,331

(1) The fair values of investment property as of December 31, 2023 and 2022 were appraised by Tien-Ching Hsieh, a certified real estate appraiser of Taiwan from CPAC, on January 3, 4 and 5, 2024, and January 6 and 7, 2023.

(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, 2023	December 31, 2022
Estimated future cash inflow	$ 1,441,348	$ 737,934
Estimated future cash outflow	43,000	26,482
Estimated future net cash inflow	$ 1,398,348	$ 711,452
Discount rate	3.345%	3.22%

A. In 2023, the monthly market rent of regions where investment property is located was between NTD 430 and NTD 2,435 per ping (approx. 3.31 m^2). The rent of similar comparable items in the market was between NTD 386 and NTD 2,524 per 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 Chunghwa Post Co., Ltd., plus 0.75 % as the minimum, and plus 1% as the presumed discount rate.

(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, 2023	December 31, 2022
Estimated total sales amount	$ 1,135,631	$ 1,057,949
Profit margin	18%	15%～18%
Overall capital interest rate	1.93%～2.03%	1.76%～1.91%

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	2023	2022
Balance – beginning	$ 396,655	$ 397,570
Appreciation on revaluation	87,587	-
Reclassified as measured at fair value	(464,500)	-
Depreciation appropriated	(597)	(915)
Balance – ending	$ 19,145	$ 396,655

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

(Note) At the end of September 2022, the Company lost control over Koya Biotech Corp. due to a drop in the Company’s shareholding therein. Since it is no longer a consolidated entity, the lease of its investment property which was originally measured at cost was measured at fair value, with the recognition of NTD 87,587 thousand of appreciation on revaluation. The fair value of the aforesaid appreciation on revaluation was appraised by Tien-Ching Hsieh, a certified real estate appraiser of Taiwan from CPAC, on March 31, 2023. After revaluation, the carrying value of NTD 464,500 thousand was measured at fair value.

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	2023	2022
Rent revenue from investment property	$ 6,743	$ 6,743
Direct operating expenses incurred from investment property generating rental revenue in the current period	$ 5,348	$ 5,423
Direct operating expenses incurred from investment property not generating rental revenue in the current period	$ 251	$ 252

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

	December 31, 2023	December 31, 2022
Not more than 1 year	$ 6,189	$ 6,743
2 year to 5 years	-	-
More than 5 years	-	-
Total	$ 6,189	$ 6,743

6. The fair value of the Company's investment property as of December 31, 2023 and 2022, was NTD 1,575,880 thousand and NTD 1,062,331 thousand, respectively, which was based on the valuation result of an 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.

(XI) Intangible assets

Item	December 31, 2023	December 31, 2022
Computer software cost	$ 33,691	$ 33,636
Less: Accumulated amortization	(31,973)	(30,762)
Net amount	$ 1,718	$ 2,874

Costs	Computer software cost	Costs	Computer software cost
Balance as of January 1, 2023	$ 33,636	Balance as of January 1, 2022	$ 32,227
Increase	55	Increase	1,409
Balance as of December 31, 2023	$ 33,691	Balance as of December 31, 2022	$ 33,636
Accumulated amortization		Accumulated amortization	
Balance as of January 1, 2023	$ 30,762	Balance as of January 1, 2022	$ 29,582
Amortization expenses	1,211	Amortization expenses	1,180
Balance as of December 31, 2023	$ 31,973	Balance as of December 31, 2022	$ 30,762

(XII) Other non-current assets – others

Item	December 31, 2023	December 31, 2022
Long-term prepaid expenses	$ 17,868	$ 12,285
Others	-	40
Total	$ 17,868	$ 12,325

(XIII) Other financial assets – non-current

Item	December 31, 2023	December 31, 2022
Pledged bank deposits	$ 20,129	$ 20,030

(XIV) Short-term loans

Item	December 31, 2023	December 31, 2022
Credit loans	$ 379,167	$ 423,333
Mortgage loan	295,000	235,000
Total	$ 674,167	$ 658,333
Interest rate interval	2.09134%-2.328%	1.975%-2.22%

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

(XV) Other payables

Item	December 31, 2023	December 31, 2022
Commission payable	$ 98,782	$ 118,961
Remuneration and bonus payable	124,260	122,217
Tax payable	2,656	2,414
Repair expenses payable	7,429	5,936
Payables on equipment	4,556	1,046
Advertisement expenses payable	2,303	2,613
Insurance payable	7,635	6,817
Recycling fee payable	6,377	6,656
Other payables	27,209	27,049
Total	$ 281,207	$ 293,709

(XVI) Liability reserve – current

Item	Employee benefit	Item	Employee benefit
January 1, 2023	$ 18,556	January 1, 2022	$ 17,943
Current increase of liability reserve	14,440	Current increase of liability reserve	13,380
Liability reserve used currently	(12,465)	Liability reserve used currently	(10,935)
Unused amount reversed currently	-	Unused amount reversed currently	(1,832)
December 31, 2023	$ 20,531	December 31, 2022	$ 18,556

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

(XVII) 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) In 2023 and 2022, the Company recognized NTD 13,034 thousand and NTD 12,312 thousand in the respective statements of comprehensive income as the total expense for the amount that must be appropriated in accordance with the percentage specified in the defined contribution plan.

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 appropriates 13% of the total monthly salary of an employee as a pension and deposits it into a special account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. If, by the end of each year, the estimated balance in the special account is insufficient for payments to employees who are expected to meet the criteria for retirement in the next year, the Company will make up the difference in the next 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, 2023		December 31, 2022	
Current values of the ascertained fringe benefit obligations	$	180,266	$	191,828
Fair values of the planned assets		(154,097)		(151,607)
Defined benefit liabilities	$	26,169	$	40,221

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

	2023					
Item	Current values of the ascertained fringe benefit obligations		Fair values of the planned assets		Defined benefit liabilities	
Balance on January 1	$	191,828	$	(151,607)	$	40,221
Service cost						
Service cost in the current period		402		-		402
Interest expenses (revenue)		2,329		(1,885)		444
Recognized as profit and/or loss	$	2,731	$	(1,885)	$	846
Re-measurement amount						
Return on plan assets (excluding amount included in the net interest)	$	-	$	(1,346)	$	(1,346)
Actuarial losses (profits) –						
Effects of changes in financial assumptions		-		-		-
Adjustment through experience		5,315		-		5,315
Recognized under other comprehensive income	$	5,315	$	(1,346)	$	3,969
Appropriated by employer		-		(9,526)		(9,526)
Benefit payment		(19,608)		10,267		(9,341)
Balance on December 31	$	180,266	$	(154,097)	$	26,169

Item	2022					
	Current values of the ascertained fringe benefit obligations		Fair values of the planned assets		Defined benefit liabilities	
Balance on January 1	$	215,828	$	(147,118)	$	68,710
Service cost						
Service cost in the current period		594		-		594
Interest expenses (revenue)		1,142		(795)		347
Recognized as profit and/or loss	$	1,736	$	(795)	$	941
Re-measurement amount						
Return on plan assets (excluding amount included in the net interest)	$	-	$	(11,406)	$	(11,406)
Actuarial losses (profits) –						
Effects of changes in financial assumptions		(5,578)		-		(5,578)
Adjustment through experience		(2,717)		-		(2,717)
Recognized under other comprehensive income	$	(8,295)	$	(11,406)	$	(19,701)
Appropriated by employer		-		(9,729)		(9,729)
Benefit payment		(17,441)		17,441		-
Balance on December 31	$	191,828	$	(151,607)	$	40,221

(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, 2023	December 31, 2022
Discount rate	1.25%	1.25%
Anticipated raise ratio of salaries	1.00%	1.00%
Average maturity of defined benefit obligation	8 years	8.7 years

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

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

Item	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	$ (1,707)	$ (1,933)
Decrease by 0.25%	$ 1,757	$ 1,992
Anticipated raise ratio of salaries		
Increase by 1%	$ 7,282	$ 8,272
Decrease by 1%	$ (6,639)	$ (7,498)

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) In 2024, the Company is expected to contribute NTD 1,978 thousand to the pension plan.

(XVIII) Long-term loans and liabilities maturing within a year or operating cycle

Item	December 31, 2023	December 31, 2022
Bank syndicated loans	$ 2,047,500	$ 2,137,500
Secured bank loans	1,234,333	1,100,000
Bank credit loans	73,500	-
Total	$ 3,355,333	$ 3,237,500
Less: Unamortized discount	(4,536)	(6,048)
Less: Long-term liabilities due within a year	(417,655)	(401,655)
Long-term loans	$ 2,933,142	$ 2,829,797
Interest rate interval	2.178%-2.770%	1.926%-2.575%

1. 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.
2. 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 the specific current ratio, liability ratio, interest earned ratio and tangible net worth during the loan period; after review, the relevant financial ratios in the 2023 and 2022 consolidated financial report all complied with the provisions of the loan contract.

(XIX) Common share capital

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

Item	2023		2022	
	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, 2023, the Company's authorized capital was NTD 8,800,000 thousand, divided into 880,000 thousand shares. The paid-in capital was NTD 4,945,134 thousand.
3. In order to replenish its working capital and capital expenditure and meet the needs of future development, and taking into account the timeliness and convenience of fundraising and the cost of issuance, the shareholders' meeting of the Company adopted a resolution on June 9, 2023 to raise funds by issuing common shares from cash capital increase via private placement, with the issuance of no more than 100,000,000 shares, and with the price of privately placed common shares not less than 80% of the reference price and not below the par value of NTD 10. Such shares will be issued in tranches within one year from the date of the resolution of the shareholders' meeting, with the issuance of no more than three tranches of such shares. As of December 31, 2023, such shares have yet to be issued, and the Board of Directors approved a proposal to discontinue the issuance of such shares in the remaining period on March 11, 2024.

(XX) Capital surplus

Item	December 31, 2023	December 31, 2022
Stock premium	$ 28,973	$ 28,973
Difference between actual price for acquisition or disposal of subsidiaries' equity and book value	144,001	144,001
Changes of associates and joint ventures recognized under the equity method	82,566	83,168
Treasury stock trading	7,354	7,354
Recognized changes in the ownership equity of the subsidiary	5,250	5,250
Total	$ 268,144	$ 268,746

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

(XXI) Retained earnings and dividend policy

1. According to the earnings distribution policy under the Articles of Incorporation, when there are earnings after closing of the accounts in a fiscal year, in addition to paying taxes and making up the losses from prior years, an amount equivalent to 10% of such earnings shall be set aside as a legal reserve, and a special reserve shall be set aside or reversed from the after-tax net profit of the current year plus items other than the after-tax net profit of the current year with respect to the reduction of shareholders' equity and net increase in the fair value of investment property occurring in the current year. After the dividends to be distributed in the current year for distribution of preferred shares and the accumulated undistributed dividends in prior years are distributed, the Board of Directors shall prepare a proposal for distribution of earnings, excluding the part to be retained. If such distribution is to be made in cash, the Board of Directors shall be authorized to give approval and submit a report thereon to the shareholders' meeting.

   The food industry is in a changing environment and the Company is at the stage of stable growth. To meet the demand for operating funds as the business grows and 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 NTD 0.1 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, 2023	December 31, 2022
Appropriation of initial application of IFRSs	$ 93,685	$ 93,685
Appropriation of investment property at fair value	695,345	670,020
Total	$ 789,030	$ 763,705

(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 equity 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 NTD 158,125 thousand of the accumulative translation adjustment and unrealized revaluation increase to the retained earnings. However, the retained earnings increase generated from the first-time adoption of IFRSs was insufficient for recognition. Therefore, NTD 93,685 thousand of retained earnings increase generated from the first-time adoption of IFRSs was recognized as special reserve.

(3) Appropriation of investment property at fair value

Item	Amount	
Appropriation of investment property first at fair value	$	393,347
Appropriation of investment property at fair value		301,998
Total	$	695,345

As of December 31, 2023, the special reserve was classified as accumulated net fair value increase of investment property, and the amount not provided due to insufficient undistributed earnings in the previous period totaled NTD 548,378 thousand.

4. At the shareholders' meeting held in June 2022, the proposal for distribution of the earnings of 2021 was approved as follows:

	2021		
Item	Earnings distribution		Dividends per share (NTD)
Legal reserve	$	19,002	
Special reserve		8,328	0.3
Cash dividend for common shares		148,354	
Total	$	175,684	

5. On March 13, 2023, the Board of Directors adopted a resolution for distribution of the earnings of 2022 as follows:

	2022		
Item	Earnings distribution		Dividends per share (NTD)
Legal reserve	$	30,836	
Special reserve		25,325	0.4
Cash dividend for common shares		197,805	
Total	$	253,966	

The allocated amounts of legal and special reserves for 2022 were approved by a resolution of the annual shareholders' meeting held in June 2023, with a report on the distribution of cash dividends submitted to the meeting.

6. On March 11, 2024, the Board of Directors adopted a resolution for distribution of the earnings of 2023 as follows:

	2023		
Item	Earnings distribution		Dividends per share (NTD)
Legal reserve	$	19,311	
Special reserve		126,931	0.23
Cash dividends		113,738	
Total	$	259,980	

The allocated amounts of legal and special reserves for 2023 are pending approval by a resolution of the annual shareholders' meeting held in June 2024, with a report on the distribution of cash dividends submitted to the meeting.

7. For implementation of the earnings distribution resolved by the Board of Directors and the shareholders' meetings, please visit the "Market Observation Post System" of the TWSE for inquiry.

(XXII) Other equity items

Item	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	Appreciation on revaluation of property	Total
Balance as of January 1, 2023	$ (34,267)	$ 403,095	$ -	$ 368,828
Profit of appreciation on revaluation of property	-	-	86,658	86,658
Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	-	(86,415)	-	(86,415)
Share of associates and joint ventures accounted for using the equity method	(9,185)	60,641	-	51,456
Disposal of equity instruments measured at fair value through other comprehensive income	-	(79)	-	(79)
Balance as of December 31, 2023	$ (43,452)	$ 377,242	$ 86,658	$ 420,448

Item	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	Appreciation on revaluation of property	Total
Balance as of January 1, 2022	$ (103,812)	$ 501,060	$ -	$ 397,248
Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	-	152,569	-	152,569
Share of associates and joint ventures accounted for using the equity method	69,545	(233,237)	-	(163,692)
Disposal of equity instruments measured at fair value through other comprehensive income	-	(17,297)	-	(17,297)
Balance as of December 31, 2022	$ (34,267)	$ 403,095	$ -	$ 368,828

(XXIII) Operating revenue

Item	2023	2022
Revenue from customer contracts		
Sales revenue	$ 4,188,483	$ 4,241,685
Revenue from processing	248,959	164,523
Total sales revenue from customer contracts	$ 4,437,442	$ 4,406,208
Less: Sales return	(21,827)	(28,121)
Sales discount	(363,008)	(363,853)
Net operating revenue from customer contracts	$ 4,052,607	$ 4,014,234

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:

2023:

	Drinks and canned foods	Processing	Total
Main area and market			
Taiwan	$ 3,803,648	$ 248,959	$ 4,052,607
Product line			
Tradition series	$ 882,178	$ -	$ 882,178
Dessert series	684,619	11,983	696,602
Drink series	1,466,955	236,976	1,703,931
Oat milk series	669,820	-	669,820
Oil series	86,911	-	86,911
Health series	13,165	-	13,165
Total	$ 3,803,648	$ 248,959	$ 4,052,607
Timing of revenue recognition			
Fulfillment of performance obligation at certain timing	$ 3,803,648	$ 248,959	$ 4,052,607
Gradual fulfillment of performance obligation over time	-	-	-
Total	$ 3,803,648	$ 248,959	$ 4,052,607

2022:

	Drinks and canned foods		Processing		Total	
Main area and market						
Taiwan	$	3,849,711	$	164,523	$	4,014,234
Product line						
Tradition series	$	1,006,167	$	-	$	1,006,167
Dessert series		703,855		7,248		711,103
Drink series		1,340,022		157,275		1,497,297
Oat milk series		686,007		-		686,007
Oil series		100,906		-		100,906
Health series		12,754		-		12,754
Total	$	3,849,711	$	164,523	$	4,014,234
Timing of revenue recognition						
Fulfillment of performance obligation at certain timing	$	3,849,711	$	164,523	$	4,014,234
Gradual fulfillment of performance obligation over time		-		-		-
Total	$	3,849,711	$	164,523	$	4,014,234

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, 2023		December 31, 2022	
Receivable	$	612,906	$	668,319
Contract assets		-		-
Total	$	612,906	$	668,319
Contract liabilities – current	$	11,735	$	4,674

(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	2023		2022	
Contract liabilities from the beginning of the period	$	4,674	$	2,226
Fulfilled performance obligation from the previous period	$	-	$	-

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

By nature	2023					
	As operating costs		As operating expenses		Total	
Employee benefit expenses						
Salary expenses	$	145,766	$	239,790	$	385,556
Expenses for labor and health insurance		15,313		18,842		34,155
Pension expenses		6,286		7,594		13,880
Remuneration to directors		-		7,005		7,005
Other employee benefit expenses		17,565		12,693		30,258
Depreciation expenses (Note 1)		42,915		20,175		63,090
Amortization expenses		-		1,211		1,211
Total	$	227,845	$	307,310	$	535,155

By nature	2022					
	As operating costs		As operating expenses		Total	
Employee benefit expenses						
Salary expenses	$	138,811	$	236,195	$	375,006
Expenses for labor and health insurance		13,934		17,596		31,530
Pension expenses		5,841		7,412		13,253
Remuneration to directors		-		7,691		7,691
Other employee benefit expenses		18,342		12,293		30,635
Depreciation expenses (Note 2)		43,418		19,323		62,741
Amortization expenses		-		1,180		1,180
Total	$	220,346	$	301,690	$	522,036

(Note 1): This does not include the leased asset depreciation expenses of NTD 1,378 thousand stated in non-operating expenses.

(Note 2): This does not include the leased asset depreciation expenses of NTD 2,066 thousand stated in non-operating expenses.

1. The additional information on the number of employees and employee benefit expenses of the Company in 2023 and 2022 is as follows:

Item	December 31, 2023	December 31, 2022
Number of employees	608	572
Number of directors not concurred as employees	4	4
Average employee benefit expenses	$ 768	$ 793
Average employee salary expenses	$ 638	$ 660
Changes in average employee salary expenses	(3.33%)	(1.64%)

2. The Company's remuneration policies (including directors, managers and employees) are as follows:
   (1) 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 2023 and 2022. 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 Board of Directors adopted resolutions to approve the 2023 and 2022 remuneration for employees and directors on March 11, 2024 and March 13, 2023, respectively. The relevant amounts recognized in the financial report are as follows:

	2023		2022	
	Remuneration to employees	Remuneration to directors	Remuneration to employees	Remuneration to directors
Distributed amount resolved	$ 4,652	$ 2,325	$ 5,723	$ 2,861
Amount recognized in annual financial statements	2,326	2,325	2,862	2,861
Difference	$ 2,326	$ -	$ 2,861	$ -

The difference between the 2023 and 2022 remuneration distributed to employees as approved by a resolution of the Board of Directors and the amount in the financial report was mainly due to changes in accounting estimates and will be recognized as adjustment to profit/loss in 2024 and 2023. In addition, the remuneration for 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.

(XXV) Other revenue

Item	2023	2022
Rental revenue	$ 9,860	$ 9,831
Dividend revenue	10,722	11,499
Service revenue	24,897	22,734
Others	4,568	5,580
Total	$ 50,047	$ 49,644

(XXVI) Other profits and losses

Item	2023	2022
Net profit (loss) on financial assets and liabilities measured at fair value through profit/loss	$ 2,829	$ 5,796
Profit (loss) on disposal of property, plant and equipment	(401)	23
Profit (Loss) on disposal of investments (Note)	-	178,362
Profit (loss) of foreign exchange, net	(70)	(5,119)
sProfit (loss) from fair value adjustment – investment property	49,049	11,532
Lease cost	(6,087)	(6,473)
Service cost	(20,360)	(18,716)
Others	(41)	(43)
Total	$ 24,919	$ 165,362

(Note) See the description in Note 6(29).

(XXVII) Finance costs

Item	2023	2022
Interest from bank loans	$ 96,790	$ 80,161
Other finance costs	2,219	2,213
Lease liabilities	358	401
Subtotal	$ 99,367	$ 82,775
Less: Capitalized amount of qualifying assets	(588)	(324)
Finance costs	$ 98,779	$ 82,451

(XXVIII) Income tax

1. Income tax expenses

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

Item	2023	2022
Income tax in the current period		
Income tax generated in the current period	$ -	$ -
Additional tax levied on undistributed earnings	165	-
Total income tax in the current period	$ 165	$ -
Deferred income tax		
Initial occurrence and reversal of temporary difference	$ 26,843	$ 2,491
Deferred income tax expenses	$ 26,843	$ 2,491
Income tax expenses (profits)	$ 27,008	$ 2,491

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

Item	2023	2022
Exchange difference in the financial statement translation of foreign operations	$ (793)	$ 4,394
Appreciation on revaluation of property	929	-
Re-measurement of defined benefit pension plan	(794)	3,940
Total	$ (658)	$ 8,334

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

Item	2023	2022
Net profit before tax	$ 227,944	$ 280,381
Tax calculated based on net profit before tax at the statutory tax rate	$ 45,588	$ 56,076
Tax effects of adjustments		
Effects not included in the calculation of taxable income		
Investment losses (profits) recognized under the equity method	(16,893)	10,611
Losses (profits) from adjustment of unrealized fair value	(9,810)	(2,306)
Realized losses on investment	(24,381)	(22,874)
Unrealized profits on investment	-	(35,672)
Other adjustments	5,496	(5,835)
Additional tax levied on undistributed earnings	165	-
Net change in deferred income tax		
Deduction of losses	256	947
Temporary difference	26,587	1,544
Income tax expenses recognized as profit or loss	$ 27,008	$ 2,491

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

In July 2019, the President of Taiwan promulgated the Statute for Industrial Innovation, which stipulates that where the construction or purchase of specific assets or technologies with undistributed earnings from 2018 onwards reaches a certain amount, such amount may be classified as a deduction for the calculation of undistributed earnings. When calculating the tax on undistributed earnings, the Company deducts only the amount of capital expenditure for actual investments that have been made.

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

Item	2023			
	Balance – beginning	Recognized as profit (loss)	Recognized under other comprehensive income	Balance – ending
Deferred income tax assets:				
Temporary difference				
Investment losses (profits) under the equity method	$ 166,105	$ (23,465)	$ 793	$ 143,433
Pension	8,044	(3,604)	794	5,234
Unused deduction of losses	3,719	(256)	-	3,463
Others	6,497	(410)	-	6,087
Subtotal	$ 184,365	$ (27,735)	$ 1,587	$ 158,217
Deferred income tax liabilities				
Temporary difference				
Increment tax on land value	$ (116,193)	$ 1,551	$ (929)	$ (115,571)
Others	(7,293)	(659)	-	(7,952)
Subtotal	$ (123,486)	$ 892	$ (929)	$ (123,523)
Total	$ 60,879	$ (26,843)	$ 658	$ 34,694

Item	2022			
	Balance – beginning	Recognized as profit (loss)	Recognized under other comprehensive income	Balance – ending
Deferred income tax assets:				
Temporary difference				
Investment losses (profits) under the equity method	$ 169,736	$ 747	$ (4,378)	$ 166,105
Pension	13,742	(1,758)	(3,940)	8,044
Unused deduction of losses	4,666	(947)	-	3,719
Others	6,634	(137)	-	6,497
Subtotal	$ 194,778	$ (2,095)	$ (8,318)	$ 184,365
Deferred income tax liabilities				
Temporary difference				
Increment tax on land value	$ (116,359)	$ 166	$ -	$ (116,193)
Others	(6,715)	(562)	(16)	(7,293)
Subtotal	$ (123,074)	$ (396)	$ (16)	$ (123,486)
Total	$ 71,704	$ (2,491)	$ (8,334)	$ 60,879

4. Items not recognized as deferred tax assets

Item	December 31, 2023	December 31, 2022
Temporary difference	$ 377,679	$ 337,573

5. The return of the Company’s profit-seeking enterprise income tax was approved by the tax authority as until 2021.

(XXIX) Disposal of subsidiaries

1. In September 2022, as a result of the Company's failure to participate in the cash capital increase by Koya Biotech Corp., the Company's shareholding therein dropped from 87.90% to 42.90%, causing the Company to lose its control of Koya Biotech Corp. The Company has recognized the difference in the carrying value of investment on the date when the Company lost such control in September 2022 as profit/loss, with the profit of its disposal amounting to NTD 178,362 thousand.
2. Profit on disposal of subsidiaries

Item	Amount
Fair value of investment under the equity method acquired due to loss of control	$ 276,585
Net assets on disposal of common shares	(111,782)
Non-controlling interest - common shares	13,565
Net assets of subsidiaries reclassified from equity to profit/loss due to loss of control	(6)
Profit on disposal	$ 178,362

3. Net cash inflow (outflow) from disposal of subsidiaries

Item	Amount
Proceeds from disposal of subsidiaries	$ -
Less: Balance of cash and cash equivalents on disposal	(41,144)
Net cash inflow (outflow) from disposal of subsidiaries	$ (41,144)

(XXX) Other comprehensive income

Item	2023 Before tax		2023 Income tax (expenses) profits		2023 Net amount after tax	
Items not reclassified to profit or loss:						
Appreciation on revaluation of property	$	87,587	$	(929)	$	86,658
Re-measurement of defined benefit plan		(3,969)		794		(3,175)
Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income		(86,415)		-		(86,415)
Share of subsidiaries, associates and joint ventures under the equity method		55,178		-		55,178
Subtotal	$	52,381	$	(135)	$	52,246
Items may be subsequently reclassified as profit or loss:						
Share of subsidiaries, associates and joint ventures under the equity method Exchange difference in the financial statement translation of foreign operations	$	(9,978)	$	793	$	(9,185)
Unrealized valuation profit or loss of debt financial assets at fair value through other comprehensive income		2,900		-		2,900
Subtotal	$	(7,078)	$	793	$	(6,285)
Recognized under other comprehensive income	$	45,303	$	658	$	45,961

Item	2022 Before tax		2022 Income tax (expenses) profits		2022 Net amount after tax	
Items not reclassified to profit or loss:						
Re-measurement of defined benefit plan	$	19,701	$	(3,940)	$	15,761
Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income		152,569		-		152,569
Share of subsidiaries, associates and joint ventures under the equity method		(234,919)		-		(234,919)
Subtotal	$	(62,649)	$	(3,940)	$	(66,589)
Items may be subsequently reclassified as profit or loss:						
Share of subsidiaries, associates and joint ventures under the equity method Exchange difference in the financial statement translation of foreign operations	$	73,939	$	(4,394)	$	69,545
Unrealized valuation profit or loss of debt financial assets at fair value through other comprehensive income		6,200		-		6,200
Subtotal	$	80,139	$	(4,394)	$	75,745
Recognized under other comprehensive income	$	17,490	$	(8,334)	$	9,156

(XXXI) Earnings per common stock

Item	2023		2022	
A. Basic EPS:				
Current net profit	$	200,936	$	277,890
Weighted average number of current outstanding shares (thousand shares)		494,513		494,513
Basic EPS (after tax) (NTD)	$	0.41	$	0.56
B. Diluted EPS:				
Current net profit	$	200,936	$	277,890
Effect of dilutive potential common stocks		-		-
Current net profit to be used to calculate diluted EPS	$	200,936	$	277,890
Weighted average number of current outstanding shares (thousand shares)		494,513		494,513
Effects of remuneration to employees (Note)		316		379
Weighted average number of outstanding common stock to be used to calculate diluted EPS (thousand shares)		494,829		494,892
Diluted EPS (after tax) (NTD)	$	0.41	$	0.56

(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 the diluted EPS before distributing the resolved shares as remuneration to employees in the following year, the dilutive effect of potential common stocks shall also be considered.

VII. Transactions of the related party

(I) Parent company and ultimate controller:

The Company is the ultimate controller of the Group.

(II) Name of the related party and relationship

Name of the related party	Relationship with the Company
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
Apoland International 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

Name of the related party	Relationship with the Company
Hope Choice Distribution Corp.	Subsidiary
Defender Private Security Inc.	Subsidiary
Sasaya Vitagreen Co., Ltd.	Subsidiary
Shanghai AGV Foods Co., Ltd.	Subsidiary
Koya Biotech Corp.	Associate (Note)
Taiwan First Biotechnology Corp.	Associate
Nicostar Capital Investment (BVI) Ltd.	Associate
Tongjitang Medicinal Biotech Corp.	Associate
Gangjing Co., Ltd.	Associate
Tai Fu International Corp.	Associate
Hopeman Distribution Co., Ltd.	Associate
Yanjing AGV International Company Limited	Associate
NICE Enterprise Co., Ltd.	Associate
Heding International Development Co., Ltd.	Associate
Nice Plaza Co., Ltd.	Associate
Dongruntang Biotech Corp.	Associate
Zhuqi Lionhead Mountain Leisure Development Co., Ltd.	Associate
Songshan Village Co., Ltd.	Associate
Acts Bioscience Inc.	Associate
Kuo Cheng Investment Development Corp.	Associate
Nice Investment	Associate
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

Name of the related party	Relationship with the Company
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
Pi-Hsia Ma	Other related parties
Shui Niu Cuo Co., Ltd.	Other related parties
Taiwan Daily Chemical Biotechnology Inc.	Other related parties

(Note) In September 2022, the Company's shareholding in the company dropped from 87.90% to 42.90%, causing the Company to lose control over it. Therefore, the Company has begun to list the related transactions with the company from September 20, 2022, and the company has been reclassified from a subsidiary to an associate.

(III) Major transactions with the related party:

1. Operating revenue

Item	Category/Name of the related party	2023	2022
Sales revenue	Subsidiary		
	Hope Choice Distribution Corp.	$ 645,575	$ 640,508
	Aco Distribution Corp.	223,954	194,617
	Others	101,089	126,383
	Associate	73,234	83,840
	Other related parties		
	NICECO International Corp.	100,807	108,337
	Others	2,355	2,699
	Total	$ 1,147,014	$ 1,156,384

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 silimiar 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	2023	2022
Subsidiary	$ 53,014	$ 109,484
Associate		
Taiwan First Biotechnology Corp.	1,109,181	1,113,256
Others	64,759	11,621
Other related parties		
NICECO International Corp.	122,206	308,275
Total	$ 1,349,160	$ 1,542,636

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. Accounts receivable from the related party (excluding funds loaned to the related party)

Item	Category/Name of the related party	December 31, 2023	December 31, 2022
Notes receivable	Associate	$ -	$ 2
	Other related parties		
	NICECO International Corp.	21,520	16,724
	Total	$ 21,520	$ 16,726
	Less: Allowance loss	(22)	(17)
	Net amount	$ 21,498	$ 16,709
Accounts receivable	Subsidiary	$ 95,193	$ 97,966
	Associate	2,349	28,535
	Other related parties	5,455	9,162
	Total	$ 102,997	$ 135,663
	Less: Allowance loss	(8)	(38)
	Net amount	$ 102,989	$ 135,625
Other accounts receivable	Subsidiary		
	Sontenkan	$ 4,742	$ 4,742
	Others	2,998	2,788
	Associate		
	Taiwan First Biotechnology Corp.	6,893	5,652
	Nice Investment	17,059	6,499
	Kuo Cheng Investment	10,989	6,294
	Others	892	798
	Other related parties	-	
	Nice Capital & Finance Corp.	18,760	9,314
	Others	1,660	4
	Total	$ 63,993	$ 36,091
	Less: Allowance loss	-	-
	Net amount	$ 63,993	$ 36,091
Refundable deposits	Subsidiary		
	Yunlin Dairy Technology Corp.	$ 3,000	$ 3,000
	Associate		
	Koya Biotech Corp.	5,000	5,000
	Other related parties		
	NICECO International Corp.	-	15,000
	Total	$ 8,000	$ 23,000

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

Item	Category/Name of the related party	December 31, 2023	December 31, 2022
Accounts payable	Subsidiary	$ 3,769	$ 3,125
	Associate		
	Taiwan First Biotechnology Corp.	587,263	436,864
	Others	7,684	30
	Other related parties	-	10,877
	Total	$ 598,716	$ 450,896
Other payables	Subsidiary	$ 1,179	$ 1,168
	Associate	19,272	23,765
	Other related parties	18,753	25,888
	Total	$ 39,204	$ 50,821

5. Advance receipts

Category/Name of the related party	December 31, 2023	December 31, 2022
Other related parties	$ 3	$ 3

6. Prepayments

Category/Name of the related party	December 31, 2023	December 31, 2022
Associate		
Nice Plaza Co., Ltd.	$ -	$ 1,431
Other related parties		
NICECO International Corp.	20,579	16,212
Janfusun Fancyworld Corp.	19,041	16,309
Total	$ 39,620	$ 33,952

7. Guarantee deposits

Category/Name of the related party	December 31, 2023	December 31, 2022
Associate		
Hopeman Distribution Co., Ltd.	$ 181	$ 356
Total	$ 181	$ 356

8. Property transaction

(1) Acquisition of property, plant and equipment:

Category/Name of the related party	2023	2022
Subsidiary		
AGV First Biotech Food (BVI) Limited.	$ 56,454	$ -

The aforesaid transaction price refers to the undiscounted balance of assets and is determined after price negotiation between both parties. As of December 31, 2023, all of the transaction prices have been paid in full.

(2) Disposal of property, plant and equipment: None.

(3) Acquisition of financial assets:

2023:

Type of related party/counterparty	Transaction item	Transaction amount
Subsidiary		
Mascot International (BVI) Corporation	2,721 thousand shares of equity of Apoland Development (Singapore) Pte Ltd.	$ 6,171
Apoland International Corp.	1,320 thousand shares of equity of Apoland Development (Singapore) Pte Ltd.	2,993
Apoland International Corp.	300 thousand shares of equity of Mascot International (BVI) Corporation	1,879
Total		$ 11,043

Said share transaction price refers to the net worth per share of the invested company and is determined after price negotiation between both parties. As of December 31, 2023, all of the transaction prices have been paid in full.

2022: None.

9. Lease agreement

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

Category/Name of the related party	December 31, 2023	December 31, 2022
Lease liabilities		
Associate	$ 7,046	$ 9,176

Category/Name of the related party	2023	2022
Interest expenses		
Associate	$ 150	$ 192

(2) Lease expenses:

Category/Name of the related party	2023	2022
Subsidiary	$ 612	$ 590

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	December 31, 2023	December 31, 2022
Subsidiary		
Sontenkan Resort Development Co., Ltd.	$ 660,000	$ 800,000
Yunlin Dairy Technology Corp.	242,000	220,000
Shanghai AGV Foods Co., Ltd.	130,056	132,282
Associate		
Koya Biotech Corp.	-	270,000
Total	$ 1,032,056	$ 1,422,282

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

12. Others

(I) Various revenues

Category/Name of the related party	2023	2022
Subsidiary	$ 9,923	$ 12,734
Associate	10,295	7,060
Other related parties	13,028	12,780
Total	$ 33,246	$ 32,574

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.

(II) Various expenditures

Category/Name of the related party	2023	2022
Subsidiary	$ 24,245	$ 23,710
Associate		
Hopeman Distribution Co., Ltd.	140,043	140,375
Others	8,790	12,034
Other related parties		
Tangli Culture Media Co., Ltd.	183,250	161,337
Others	27,852	27,932
Total	$ 384,180	$ 365,388

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.

(III) 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:

2023:

Invested company	Increase of investment			Shareholding ratio	
	Shares (thousand shares)		Amount	Before capital increase	After capital increase
Sontenkan Resort Development Co., Ltd.	18,000	$	180,000	100.00%	100.00%
Apoland Development (Singapore) Pte Ltd.	2,120		49,681	100.00%	100.00%

2022:

Invested company	Increase of investment			Shareholding ratio	
	Shares (thousand shares)		Amount	Before capital increase	After capital increase
Sontenkan Resort Development Co., Ltd.	8,000	$	80,000	100.00%	100.00%
AGV First Biotech Food (BVI) Limited.	200		5,517	100.00%	100.00%
Apoland Development (Singapore) Pte Ltd.	540		11,034	93.08%	93.16%
Koya Biotech Corp. - preferred shares	8,790		87,900	-	-

(IV) Information about remuneration to key management

Item	2023		2022	
Salary and other short-term employee benefits	$	25,089	$	26,062
Benefits after severance/retirement		907		800
Other long-term employee benefits		1,349		1,133
Total	$	27,345	$	27,995

VIII. Pledged assets

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

Item	December 31, 2023		December 31, 2022	
Pledged demand deposits	$	20,129	$	20,030
Investment under the equity method		484,137		475,943
Property, plant and equipment (net amount)		661,418		644,722
Investment property		1,586,744		1,450,577
Total	$	2,752,428	$	2,591,272

IX. Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts

(I) As of December 31, 2023 and 2022, the guarantee notes issued for loan limit guarantees by the Company amounted to NTD 3,246,000 thousand and NTD 2,955,000 thousand, respectively, which was recognized as guarantee notes paid and guarantee notes payable.

(II) As of December 31, 2023 and 2022, the guarantee notes and accounts received by the Company for performance guarantees of construction and assuring claims of payment for goods amounted to NTD 51,965 thousand and NTD 44,913 thousand, respectively, which was recognized as guarantee notes and accounts received and guarantee notes and accounts receivable.

(III) As of December 31, 2023 and 2022, the details regarding unused letters of credit issued by the Company are as follows:

Unit: NTD thousand

Item	December 31, 2023		December 31, 2022	
Amount of letter of credit	USD	383	USD	276

(IV) For endorsements/guarantees provided by the Company to others as of December 31, 2023 and 2022, see Note 7(3)11.

(V) Significant capital expenses for which contracts have been signed but which have not ocuured:

Item	December 31, 2023		December 31, 2022	
Property, plant and equipment	$	12,307	$	1,600

X. Losses Due to Major Disasters: None.

XI. Significant subsequent events

On March 11, 2024, the Board of Directors adopted a resolution for the issuance of common shares from cash capital increase via private placement. The key information of the resolution is summarized as follows:

In order to replenish the working capital and capital expenditure and meet the needs of future development, and taking into account the timeliness and convenience of fundraising and the cost of issuance, the Company proposed to issue common shares from cash capital increase via private placement, with the issuance of no more than 100,000,000 shares for private placement, and with the price of privately placed common shares not less than 80% of the reference price and not below the par value of NTD 10. The issuance of such shares is expected to achieve the primary benefit of combining the advantages of the Company and its strategic partners to win market opportunities and ensure long-term, stable performance and profit.

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

<u>Financial risk management policy</u>

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 and Audit Committee audited the Company's major financial activities in accordance with the relevant regulations 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.

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

(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, 2023			
				Sensitivity analysis		
	Foreign currency	Exchange rate	Amount recognized (NTD)	Extent of change	Impact on profit or loss	Impact on equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD : NTD	23	30.705	706	1% appreciation	7	-
Non-monetary items						
Investment under the equity method						
USD : NTD	13,238	30.705	406,481	1% appreciation	-	4,065

			December 31, 2022			
				Sensitivity analysis		
	Foreign currency	Exchange rate	Amount recognized (NTD)	Extent of change	Impact on profit or loss	Impact on equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD : NTD	13	30.71	404	1% appreciation	4	-
Non-monetary items						
Investment under the equity method						
USD : NTD	17,505	30.71	537,577	1% appreciation	-	5,376

If all other variable factors remain unchanged, if the currency value of NTD relatively increases against said currency, there may be an equivalent but adverse impact on the amount reflecting said currency on December 31, 2023 and 2022.

(C) The Company's consolidated amounts of all exchange profits/losses (including realized and unrealized ones) from monetary items due to significant impacts of exchange rate fluctuations were NTD (70) thousand and NTD (5,119) thousand in 2023 and 2022, respectively.

B. Price risk

The Company mainly invested in domestic TWSE/TPEx-listed and non-TWSE/TPEx-listed stocks, beneficiary certificates and debt instruments, and the price of such equity and debt instruments is affected by the uncertainty of the investment's future value.

If the prices of equity and debt instruments increase/decrease by 1%, the after-tax profit/loss in 2023 and 2022 would increase or (decrease) by NTD 2,077 thousand and NTD 504 thousand respectively, due to an increase or decrease in the fair value of financial assets measured at fair value through profit/loss. Other after-tax comprehensive income in 2023 and 2022 would increase or (decrease) by NTD 10,283 thousand and NTD 11,132 thousand respectively, due to an 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, 2023	Book amount December 31, 2022
Interest rate risk with fair value:		
Financial assets	$ 5,000	$ 5,000
Financial liabilities	(18,980)	(21,843)
Net amount	$ (13,980)	$ (16,843)
Interest rate risk with cash flow:		
Financial assets	$ 285,482	$ 314,345
Financial liabilities	(4,024,964)	(3,889,785)
Net amount	$ (3,739,482)	$ (3,575,440)

(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 at fair value through profit or loss or 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 profits in 2023 and 2022 will increase (decrease) by NTD (37,395) thousand and NTD (35,754) thousand, respectively, for every 1% decrease (increase) in the 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, 2023 and 2022, the balance of receivables of the top 10 customers accounted for 67.58% and 67.95% of the Company's balance of receivables, 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 Note 6(4).

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, 2023	Book amount	Amount of decrease in maximum credit risk exposure: Collateral	Overall agreement on net settlement	Other credit enhancement	Total
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets measured at fair value through profit/loss	$ 207,737	$ -	$ -	$ -	$ -
Financial assets measured at fair value through other comprehensive income	1,028,292	-	-	-	-
Total	$ 1,236,029	$ -	$ -	$ -	$ -

December 31, 2022	Book amount	Amount of decrease in maximum credit risk exposure: Collateral	Overall agreement on net settlement	Other credit enhancement	Total
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets at fair value through profit or loss	$ 50,377	$ -	$ -	$ -	$ -
Financial assets measured at fair value through other comprehensive income	1,113,167	-	-	-	-
Total	$ 1,163,544	$ -	$ -	$ -	$ -

(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, 2023

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	$ 299,167	$ 375,000	$ -	$ -	$ -	$ 674,167	$ 674,167
Notes payable	66,640	-	-	-	-	66,640	66,640
Accounts payable	672,993	-	-	-	-	672,993	672,993
Other payables	315,760	4,651	-	-	-	320,411	320,411
Long-term loans (including those due within one year)	198,334	220,833	730,666	2,205,500	-	3,355,333	3,350,797
Lease liabilities	3,887	4,208	10,517	894	-	19,506	18,980
Guarantee deposits	2,078	-	-	-	-	2,078	2,078
Total	$ 1,558,859	$ 604,692	$ 741,183	$ 2,206,394	$ -	$ 5,111,128	$ 5,106,066

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 lease payment paid
Lease liabilities	$ 8,095	$ 11,411	$ -	$ -	$ -	$ -	$ 19,506

December 31, 2022

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	$ 60,000	$ 598,333	$ -	$ -	$ -	$ 658,333	$ 658,333
Notes payable	61,369	-	-	-	-	61,369	61,369
Accounts payable	525,805	-	-	-	-	525,805	525,805
Other payables	338,807	5,723	-	-	-	344,530	344,530
Long-term loans (including those due within one year)	147,833	255,333	369,667	2,464,667	-	3,237,500	3,231,452
Lease liabilities	4,550	4,282	9,468	4,247	-	22,547	21,843
Guarantee deposits	2,100	-	-	-	-	2,100	2,100
Total	$ 1,140,464	$ 863,671	$ 379,135	$ 2,468,914	$ -	$ 4,852,184	$ 4,845,432

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 lease payment paid
Lease liabilities	$ 8,832	$ 13,715	-	-	-	-	$ 22,547

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, 2023 and 2022, is as follows:

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 266,221	$ 295,067
Notes and accounts receivable (including the related party)	612,906	668,319
Other accounts receivable (including related parties)	74,695	47,503
Refundable deposits	17,113	30,570
Other financial assets – non-current	20,129	20,030
Financial assets at fair value through profit or loss – current	207,737	50,377
Financial assets measured at fair value through other comprehensive income – non-current	1,028,292	1,113,167
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term loans	674,167	658,333
Notes and accounts payable (including the related party)	739,633	587,174
Other accounts payable (including related parties)	320,411	344,530
Long-term loans due within one year or one operating cycle	417,655	401,655
Long-term loans	2,933,142	2,829,797
Lease liabilities (including current and non-current)	18,980	21,843
Guarantee deposits	2,078	2,100

(III) Fair value information:

1. For information on the fair value of the Company's financial assets and liabilities not at fair value, please refer to Note 12(3)3. Description. For information of the fair value of the Company's investment property measured at fair value, see Note 6(10).
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 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 at fair value is based on repetition and at fair value. The information of the Company's fair value levels is shown in the following table:

	December 31, 2023			
Item	Level 1	Level 2	Level 3	Total
Assets				
Fair value with repetition				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	$ 207,737	$ -	$ -	$ 207,737
Domestic TWSE/TPEx listed stocks				
Financial assets measured at fair value through other comprehensive income				
Domestic TWSE/TPEx listed stocks	29,414	-	-	29,414
Domestic non-TWSE/TPEx-listed stocks	-	-	176,143	176,143
Domestic non-TWSE/TPEx-listed preferred stocks	-	-	822,735	822,735
Investment property (Note)	-	-	1,575,880	1,575,880
Total	$ 237,151	$ -	$ 2,574,758	$ 2,811,909

	December 31, 2022			
Item	Level 1	Level 2	Level 3	Total
Assets				
Fair value with repetition				
Financial assets at fair value through profit or loss				
Non-derivative financial assets held for trading	$ 50,377	$ -	$ -	$ 50,377
Domestic TWSE/TPEx listed stocks				
Financial assets measured at fair value through other comprehensive income				
Domestic TWSE/TPEx listed stocks	30,377	-	-	30,377
Domestic non-TWSE/TPEx-listed stocks	-	-	202,896	202,896
Domestic non-TWSE/TPEx-listed preferred stocks	-	-	879,894	879,894
Investment property (Note)	-	-	1,062,331	1,062,331
Total	$ 80,754	$ -	$ 2,145,121	$ 2,225,875

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

5. Valuation technique for instruments 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:

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 valuation technique or the quotation of the counterparty. The fair value acquired through the valuation technique can take reference from other substantial conditions and present fair value, cash flow discount methods and other valuation techniques 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.

(2) Investment property

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

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

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

(C) Discount rate: The discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus the estimate for the individual characteristics of the investment property. “Based on a certain interest rate” means that 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 Chunghwa Post Co., Ltd., plus 0.75 % as the minimum, and plus 1% as the presumed discount rate.

B. The output of the valuation model is the rough estimate of the estimate and the valuation technique 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, 2023	$ 1,082,790	January 1, 2022	$ 925,621
Current acquisition	-	Current acquisition	87,900
Current disposition	-	Current disposition	(5,291)
Refunds from decapitalization	-	Refunds from decapitalization	(58,486)
Capital reduction to make up losses	-	Capital reduction to make up losses	(9,369)
Recognized under other comprehensive income	(83,912)	Recognized under other comprehensive income	142,415
December 31, 2023	$ 998,878	December 31, 2022	$ 1,082,790

(2) Investment property:

Item	2023	2022
January 1	$ 1,062,331	$ 1,050,799
Measured at cost - transferred	464,500	-
Profit or loss recognized in current profit or loss	49,049	11,532
December 31	$ 1,575,880	$ 1,062,331

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

(1) Financial instruments:

The TWSE/TPEx unlisted stocks held by the Company without an active market adopt the market approach, income approach and asset-based 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 operational status. Unobservable major input at fair value is stated as following:

2023:

	Valuation technique	Unobservable major input	Interval	Relation between inputs and fair value
Financial assets measured at fair value through other comprehensive income – stocks	Asset-based approach	Discount for lack of control	17.29%-27.80%	The higher the discount of the controlling equity, the lower the estimated fair value.
		Discount for lack of marketability	10.00%-24.45%	The higher the discount of the marketability, the lower the estimated fair value.
Financial assets measured at fair value through other comprehensive income – stocks, preferred shares	Income approach	Discount rate	12.04%-22.03%	The higher the discount rate, the lower the estimate fair value.
		Discount for lack of marketability	24.08%	The higher the discount of the marketability, the lower the estimated fair value.
Financial assets measured at fair value through other comprehensive income – stocks	Market approach	Discount for lack of marketability	24.66%-32.28%	The higher the discount of the marketability, the lower the estimated fair value.

2022:

	Valuation technique	Unobservable major input	Interval	Relation between inputs and fair value
Financial assets measured at fair value through other comprehensive income – stocks	Asset-based approach	Discount for lack of control	14.02%	The higher the discount of the controlling equity, the lower the estimated fair value.
		Discount for lack of marketability	10.00%-24.40%	The higher the discount of the marketability, the lower the estimated fair value.
Financial assets measured at fair value through other comprehensive income – stocks, preferred shares	Income approach	Discount rate	15.40%-20.37%	The higher the discount rate, the lower the estimate fair value.
Financial assets measured at fair value through other comprehensive income – stocks	Market approach	Discount for lack of marketability	23.66%-32.28%	The higher the discount of the marketability, the lower the estimated fair value.

(2) Investment property:

	Fair value as of December 31, 2023	Valuation technique	Unobservable major input	Interval (weighted average)	Relation between inputs and fair value
Investment property:					
Income approach	$ 1,003,850	Discounted cash flow method	Discount rate	3.345%	The higher the discount rate or revenue capitalization rate, the lower the fair value.
			Revenue capitalization rate of period-end value	0.532%-1.55%	
Land development approach	572,030	Land development analysis approach	Proper profit margin	18%	The higher the proper rate of return or overall capital interest rate, the lower the fair value.
			Overall capital interest rate	1.93%-2.03%	
Total	$ 1,575,880				

	Fair value as of December 31, 2022	Valuation technique	Unobservable major input	Interval (weighted average)	Relation between inputs and fair value
Investment property:					
Income approach	$ 516,580	Discounted cash flow method	Discount rate	3.22%	The higher the discount rate or revenue capitalization rate, the lower the fair value.
			Revenue capitalization rate of period-end value	1.20%-1.56%	
Land development approach	545,751	Land development analysis approach	Proper profit margin	15%-18%	The higher the proper rate of return or overall capital interest rate, the lower the fair value.
			Overall capital interest rate	1.76%-1.91%	
Total	$ 1,062,331				

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

   For the Company’s evaluation process for fair value classified as Level 3, the Company ensures the reasonableness of the evaluation result by making the evaluation result closer to the market status with information from independent sources, confirming the information sources are independent, reliable and consistent with other resources and represent executable prices, regularly calibrating the evaluation model, conducting roll-back testing, updating required input values and data as well as other necessary fair value adjustments for the evaluation model. The investment property is appraised by a commissioned external appraiser.

(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 NTD 300 million or more than 20% of the paid-in capital: None.
5. Amount on acquisition of property reaching NTD 300 million or more than 20% of the paid-in capital: Table 4.
6. Amount on disposal of real estate reaching NTD 300 million or more than 20% of the Paid-in capital: None.
7. Purchase/sale amount of transactions with the related party reaching NTD 100 million or more than 20% of the paid-in capital: Table 5.
8. Accounts receivable from the related party reaching NTD 100 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 Investments in Mainland China: Table 8.

(IV) Major Shareholders Information: Table 9.

Table 1

AGV Products Corporation
Loaning funds to others
December 31, 2023

Unit: NTD and foreign currency thousand

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 funds loaned (Note 3)	Amount of business transactions	Reasons for short-term financing	Allowance for bad debt	Collateral		Limit of loans to individual borrowers (Note 1)	Maximum amount of loans (Note 2)
													Name	Value		
1	Apoland Resource International (BVI) Corp.	Apoland Development (Singapore) Pte Ltd.	Other accounts receivable	Yes	76,763 (USD2,500)	76,763 (USD2,500)	66,446 (USD2,164)	-	2	-	Working capital	-	-	-	406,718 (USD13,246)	406,718
		AGV First Biotech Food (BVI) Limited	Other accounts receivable	Yes	18,423 (USD 600)	18,423 (USD 600)	-	-	2	-	Working capital	-	-	-	406,718 (USD13,246)	(USD13,246)
2	Mascot International (BVI) Corporation	Apoland Development (Singapore) Pte Ltd.	Other accounts receivable	Yes	15,353 (USD 500)	15,353 (USD 500)	15,353 (USD 500)	-	2	-	Working capital	-	-	-	208,917 (USD6,804)	
		AGV First Biotech Food (BVI) Limited	Other accounts receivable	Yes	21,186 (USD 690)	21,186 (USD 690)	1,842 (USD 60)	-	2	-	Working capital	-	-	-	208,917 (USD6,804)	208,917 (USD6,804)
		Asia Pacific Development (Vietnam) Co., Ltd.	Other accounts receivable	Yes	5,220 (USD 170)	5,220 (USD 170)	1,842 (USD 60)	-	2	-	Working capital	-	-	-	208,917 (USD6,804)	
3	Apoland Development (Singapore) Pte Ltd.	Shanghai AGV Foods Co., Ltd.	Long-term receivables	Yes	449,828 (USD 14,650)	449,828 (USD 14,650)	429,870 (USD 14,000)	-	2	-	Working capital	-	-	-	864,131 (USD28,143)	864,131 (USD28,143)
4	AGV First Biotech Food (BVI) Limited	Shandong AGV Food Technology Co., Ltd.	Long-term receivables	Yes	158,131 (USD 5,150)	158,131 (USD 5,150)	103,792 (USD 3,380)	-	2	-	Working capital	-	-	-	3,231,885 (USD105,256)	3,231,885 (USD105,256)
5	AGV International (BVI) Limited	AGV First Biotech Food (BVI) Limited	Long-term receivables	Yes	11,975 (USD 390)	11,975 (USD 390)	-	-	2	-	Working capital	-	-	-	8,382 (USD273)	8,382 (USD273)
6	AGV Biohealthy Food Limited	Dongruntang Biotech Corp.	Long-term receivables	Yes	13,817 (USD450)	-	-	-	2	-	Working capital	-	-	-	24,380 (USD794)	24,380 (USD794)

Note 1. Limit of loans to individual borrowers:

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

transactions conducted in the most recent year. The business transaction amount refers to the purchasing or selling amount between both parties, whichever is higher.

(2) Companies needing short-term financing:

Foreign subsidiaries – Apoland Development (Singapore) Pte Ltd., Mascot International (BVI) Corporation, Apoland Resource International (BVI) Corp., Taiwan First Biotechnology Corp. and AGV International (BVI) Limited: the loan amount of each company shall not exceed 20% of the net value of the company in the financial report certified by the independent auditor in the most recent period. For financing amounts between overseas companies with 100% voting shares held by the parent company directly and indirectly, these shall not exceed 5 times of the net value of such company in the financial report certified by the independent auditor in the most recent period; AGV Biohealthy Food Limited: the individual loan amount shall not exceed 40% of the net value of the company in the financial report certified by the independent auditor in the most recent period.

Note 2. Limit of total loans:

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

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

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

Note 4. The balance of the original loans from AGV International (BVI) Limited, the Company's subsidiary, to Taiwan First Biotechnology Corp. has exceeded an amount 5 times the former's net value. As a result of share payments returned on capital reduction by the former in 2023, its ending balance of loans exceeded its maximum amount of loans due to a decrease in its net value. The subsidiary is expected to submit the relevant improvement plan to the Board of Directors in 2024.

Table 2

AGV Products Corporation
Endorsement and guarantee made for others
December 31, 2023

Unit: NTD thousand

No. (Note 1)	Name of endorsing/ guaranteeing company	Counterparty of endorsement/guarantee		Limit of endorsement/ guarantee to a single enterprise (Note 2)	Maximum balance of endorsement/ guarantee made during the current period	Balance of endorsement/guarantee at end of the period	Amount actually disbursed	Endorsement/ guarantee secured by company assets	Ratio of the accumulated endorsement/ guarantee amount to the net worth in the most recent financial statement	Maximum limit of endorsement/ guarantee (Note 3)	As the parent company's endorsements/ guarantees toward subsidiary(ies)	As a subsidiary's endorsements/ guarantees toward its parent company	As the endorsements/ guarantees toward the mainland China area
		Company name	Relationship (Note 1)										
0	AGV Products Corporation	Sontenkan Resort Development Co., Ltd.	2	2,719,724	1,460,000	660,000	660,000	-	9.71%	6,119,379	Yes	No	No
		Yunlin Dairy Technology Corp.	2	2,719,724	242,000	242,000	138,940	-	3.56%	6,119,379	Yes	No	No
		Koya Biotech Corp.	(Note 4)	2,719,724	270,000	-	-	-	-	6,119,379	(Note 4)	No	No
		Shanghai AGV Foods Co., Ltd.	2	2,719,724	130,056	130,056	93,270	-	1.91%	6,119,379	Yes	No	Yes

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.

Note 4: Despite that the Company lost its control of the associate in September 2022, the endorsement/guarantee was reviewed and approved by the Board of Directors on record prior to the loss of control of the associate. In accordance with Article 20 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Company prepared an improvement plan and submitted it to the Audit Committee and the Board of Directors for review and approval on November 10, 2022.

Table 3

AGV Products Corporation
Marketable securities held at end of year
December 31, 2023

Unit: Thousand shares; NTD and foreign currency thousand

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 / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	16,958	207,737	0.49%	207,737	
		Share / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	4,178	29,414	2.92%	29,414	
		Share / Nice Capital & Finance Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	6,950	90,141	10.81%	90,141	
		Share / Eastern Taiwan Cultural & Creative Co., Ltd.	The chairman of the Company is a relative of a director of the Company within the second degree of consanguinity	Financial assets measured at fair value through other comprehensive income – non-current	6,750	25,145	15.00%	25,145	
		Share / Likeda Development Co., Ltd.	The vice chairman of the Company is also one of its directors	Financial assets measured at fair value through other comprehensive income – non-current	3,900	-	5.20%	-	
		Share / Tangli Culture Media Co., Ltd.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	2,200	20,948	18.97%	20,948	
		Share / Aique International Co., Ltd.	The chairman of the company is the Chairman of the Company given above	Financial assets measured at fair value through other comprehensive income – non-current	18	161	18.00%	161	
		Common stocks from private placement / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	3,265	22,202	2.28%	22,202	
		Share / B&B International Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	1,000	13,875	0.69%	13,875	
		Share / Taiwan Aixianjia Biotech Corp.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through other comprehensive income – non-current	540	3,671	18.95%	3,671	
		Preferred share / Sontenkan Resort Development Co., Ltd. – 2016	Subsidiary of the Company	Financial assets measured at fair value through other comprehensive income – non-current	9,279	79,709	-	79,709	
		Preferred share / Nice Capital & Finance Corp. – 2015	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	6,171	92,133	-	92,133	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	4,733	70,664	-	70,664	

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	Preferred shares / Tangli Culture Media Co., Ltd. – Class A	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	15,000	172,650	-	172,650	
		Preferred shares / Tangli Culture Media Co., Ltd. – Class C	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	5,500	60,885	-	60,885	
		Preferred share / NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through other comprehensive income – non-current	3,000	27,690	-	27,690	
		Preferred share / Kuo Cheng Investment Development Corp.	Associate	Financial assets measured at fair value through other comprehensive income – non-current	2,484	36,664	-	36,664	
		Preferred share / Sontenkan Resort Development Co., Ltd. – Class D	Subsidiary of the Company	Financial assets measured at fair value through other comprehensive income – non-current	2,784	22,771	-	22,771	
		Preferred share / Taiwan Aibaonuo Biotech Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	600	4,044	-	4,044	
		Preferred shares/Koya Biotech Corp. – Class A	Associate	Financial assets measured at fair value through other comprehensive income – non-current	8,790	255,525	-	255,525	
1	Mascot International (BVI) Corporation	Share / Four Seas Efood Holdings Ltd.	—	Financial assets at fair value through profit or loss – current	350	758 (USD 25)	-	758 (USD 25)	
2	Aco Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	481	5,895	0.01%	5,895	
3	Hope Choice Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	985	12,067	0.03%	12,067	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,000	14,930	-	14,930	
4	Sontenkan Resort Development Co., Ltd.	Share / Goldbank Investment Development Corp.	—	Financial assets measured at fair value through other comprehensive income – non-current	43	320	0.22%	320	
		Share / Lijing Entertainment Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	650	22	2.41%	22	
		Preferred share / Eastern Taiwan Cultural & Creative Co., Ltd.	The chairman of the Company is a relative of a director of the Company within the second degree of consanguinity	Financial assets measured at fair value through other comprehensive income – non-current	3,000	15,480	-	15,480	
		Preferred share / Tangli Culture Media Co., Ltd.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	4,000	45,880	-	45,880	
		Preferred share / Kuo Cheng Investment Development Corp.	Associate	Financial assets measured at fair value through other comprehensive income – non-current	2,116	31,232	-	31,232	

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	Sontenkan Resort Development Co., Ltd.	Preferred share / NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through other comprehensive income – non-current	2,000	18,460	-	18,460	
		Preferred share / Zitong International Corp.	—	Financial assets measured at fair value through other comprehensive income – non-current	7,200	54,000	-	54,000	
		Preferred share / Liantong Developments, Co., Ltd.	The director of the company is the Director of the Company given above	Financial assets measured at fair value through other comprehensive income – non-current	5,000	39,650	-	39,650	
		Share / New Takayama Leisure and Entertainment Co., Ltd	—	Financial assets measured at fair value through other comprehensive income – non-current	817	1,432	19.00%	1,432	
		Common stocks from private placement / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	8,500	43,602	5.94%	43,602	
5	Aiken Biotechnology International Co., Ltd.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	812	9,948	0.02%	9,948	
		Share / B&B International Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	3,000	41,626	2.06%	41,626	
		Share / Zhengda Fenghuang Shanzhuang Co., Ltd.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	54	527	18.00%	527	
		Preferred share / AGV First Biotech Food (BVI) Limited.	Subsidiary of the Company	Financial assets measured at fair value through other comprehensive income – non-current	100	1,838	-	1,838	
		Share / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	136	957	0.10%	957	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,617	24,142	-	24,142	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	500	7,465	-	7,465	
6	Hopeland Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	286	3,500	0.01%	3,500	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	300	4,479	-	4,479	
7	Shandong AGV Food Technology Co., Ltd.	Share / Jinan AGV Products Corporation	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	902	-	18.00%	-	

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
8	Rosahill Leisure Industry Co., Ltd.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	601	7,359	0.02%	7,359	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	80	1,194	-	1,194	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,800	26,874	-	26,874	
9	Yunlin Dairy Technology Corp.	Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,000	14,930	-	14,930	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,100	16,423	-	16,423	
10	Defender Private Security Inc.	Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	200	2,986	-	2,986	
11	Apoland Resource International (BVI) Corp.	Shares/Niceland Development (Singapore) Pte Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	2,536	11,681 (USD 380)	8.41%	11,681 (USD 380)	

Table 4

AGV Products Corporation

Amount on acquisition of property reaching NTD 300 million or more than 20% of the paid-in capital

January 1 to December 31, 2023

Unit: RMB thousand

Company disposing property	Asset name	Date of occurrence	Transaction amount	Payment of proceeds	Counterparty	Relationship	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	RMB153,174	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 NTD 100 million or more than 20% of the paid-in capital

January 1 to December 31, 2023

Unit: NTD thousand

Purchasing (selling) company	Counterparty	Relationship	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	1,109,181	44.39%	O/A 60 days	Equivalent	The grace period was extended for 1–5 months after the agreement of both parties	Accounts payable	587,263	87.26%	
	NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Purchase	122,206	4.89%	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	-	-	
			Sale	100,807	2.49%	O/A 90 days	Equivalent	Equivalent	Notes receivable	21,520	71.56%	
									Accounts receivable	5,128	0.88%	
	Hope Choice Distribution Corp.	Subsidiary of the Company	Sale	645,575	15.93%	O/A 45–60 days	Equivalent	Equivalent	Accounts receivable	47,908	8.22%	
	Aco Distribution Corp.	Subsidiary of the Company	Sale	223,954	5.53%	O/A 45–60 days	Equivalent	Equivalent	Accounts receivable	33,660	5.78%	

Table 6

AGV Products Corporation

Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital

December 31, 2023

Unit: NTD thousand

Stated company of account receivable	Name of the counterparty	Relationship	Balance of receivable accounts from the related party	Turnover rate	Overdue accounts receivable of the related party		Subsequently recovered amount of accounts receivable from the related party (Note 5)	Allowance for bad debt
					Amount	Treatment		
Apoland Development (Singapore) Pte Ltd.	Shanghai AGV Foods Co., Ltd.	Subsidiary of the Company	429,870 (Note 2)	(Note 4)	-	(Note 1)	-	-
Taiwan First Biotechnology Corp.	Shandong AGV Food Technology Co., Ltd.	Subsidiary of the Company	103,792 (Note 3)	(Note 4)	-	(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 is financing receivables in the amount of NTD 429,870 thousand.

(Note 3): This is financing receivables in the amount of NTD 103,792 thousand.

(Note 4): This mainly refers to other accounts receivable and therefore the turnover rate calculation does not apply.

(Note 5): Amount recovered as of March 11, 2024.

Table 7

AGV Products Corporation
Information Related to Reinvested Enterprises
December 31, 2023

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 profit 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	345,354	377,745	10,510	100.00	81,342	(1,575)	(1,575)	
	Defender Private Security Inc.	Chiayi City	Security business	45,409	45,409	4,000	100.00	59,163	4,184	4,184	
	Koya Biotech Corp.	Yunlin County	Gardening	276,585	276,585	9,219	42.90	267,629	(11,236)	(4,786)	
	Aco Distribution Corp.	Chiayi City	Proprietary business	40,023	40,023	5,472	100.00	112,793	13,301	13,326	
	Sasaya Vitagreen Co., Ltd.	Chiayi City	Proprietary business	5,000	5,000	500	100.00	4,508	24	24	
	AGV International (BVI) Limited	British Virgin Islands	Re-investment business	175	13,397	50	100.00	1,677	28	28	
	Sontenkan Resort Development Co., Ltd.	Chiayi City	Leisure and recreation business	1,666,952	1,486,952	178,181	100.00	1,766,114	(49,343)	(49,343)	
	Alpha International Developments Limited	British Virgin Islands	Re-investment business	73,885	73,885	2,433	100.00	23,722	(3,162)	(3,162)	
	Hope Choice Distribution Corp.	Chiayi City	Proprietary business	66,948	66,948	6,500	100.00	85,930	8,427	8,219	
	Mascot International (BVI) Corporation	British Virgin Islands	Re-investment business	275,312	295,682	9,026	100.00	36,789	(4,528)	(4,393)	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	1,401,684	1,342,839	61,199	100.00	129,074	(88,038)	(83,093)	
	Hopeland Distribution Corp.	Taipei City	Proprietary business	12,665	12,665	1,215	81.00	18,198	2,300	1,792	
	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	35,597	35,597	4,755	75.83	132,787	34,948	26,511	
	Taiwan First Biotechnology Corp.	Chiayi County	Food manufacturing	974,348	974,348	54,757	41.28	1,262,383	288,888	113,420	(Note 1)
	AGV Biohealthy Food Limited	British Virgin Islands	Re-investment business	23,311	23,311	783	29.75	18,141	(766)	(228)	
	Aiken Biotechnology International Co., Ltd.	Chiayi City	Biotechnology service	48,000	48,000	5,757	53.77	84,856	12,075	6,497	
	AGV First Biotech Food (BVI) Limited.	British Virgin Islands	Re-investment business	720,602	720,602	28,013	100.00	91,502	(32,828)	(32,828)	
	Yanjing AGV International Company Limited	Taipei City	Proprietary business	25,000	25,000	2,500	50.00	4,230	4,276	2,138	

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment profit or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
	Heding International Development Co., Ltd.	Chiayi City	Re-investment business	201,836	201,836	16,788	48.98	162,182	16,313	7,991	
	Alpha Biotech Development (BVI) Limited	British Virgin Islands	Re-investment business	797	797	25	49.00	773	17	8	
	Kuo Cheng Investment Development Corp.	Taipei City	Investment business	50,000	50,000	5,000	47.62	103,788	3,366	1,603	
	Hopeman Distribution Co., Ltd.	Taipei City	Logistics business	69,518	69,518	6,950	43.44	54,410	1,465	636	
	Nice Investment Development Ltd.	Taipei City	Investment business	48,000	48,000	4,800	36.64	154,599	8,905	3,263	
	Nicostar Capital Investment (BVI) Ltd.	British Virgin Islands	Re-investment business	51,095	51,095	1,764	36.21	23,461	(1,524)	(552)	
	Eastern Formosa Resource Development Corporation	Taipei City	Entertainment business	58,800	58,800	5,880	32.94	35,244	421	139	
	Tongjitang Medicinal Biotech Corp.	Taipei City	Medical biotechnology	50,000	50,000	5,000	26.27	50,027	1,603	421	
	NICE Enterprise Co., Ltd.	Chiayi County	Household chemicals	625,910	625,910	49,224	28.24	1,335,387	248,088	68,805	
	Tai Fu International Corp.	New Taipei City	Food manufacturing	72,970	72,970	8,615	24.83	132,744	21,815	5,418	
Apoland Resource International (BVI) Corp.	AGV & NICE(USA)	U.S.	Marketing business	1,228 (USD 40)	1,228 (USD 40)	40	57.14	-	-	-	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	-	14,679 (USD 478)	-	-	-	(88,038) (USD-2,826)	(1,608) (USD -52)	
	Mascot International (BVI) Corporation	British Virgin Islands	Re-investment business	-	5,743 (USD 187)	-	-	-	(4,528) (USD-145)	(135) (USD -4)	
Mascot International (BVI) Corporation	Asia Pacific Product Development Co.	Vietnam	Processing and export of vegetables	55,858 (USD 1,819)	55,858 (USD 1,819)	1,903	100.00	1,541 (USD 50)	(1,352) (USD -43)	(1,352) (USD -43)	
	New Zealand Cosmetic Laboratories Limited	New Zealand	Cosmetics	12,466 (USD 406)	12,466 (USD 406)	639	28.71	-	-	-	
	Bioken Laboratories Inc.	U.S.	Biotechnology	1,228 (USD 40)	1,228 (USD 40)	40	26.67	-	-	-	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	-	36,729 (USD 1,196)	-	-	-	(88,038) (USD-2,826)	(3,315) (USD-106)	
Asia Pacific Product Development Co.	Xingrong Limited	Vietnam	Gardening	3,133	3,082	-	100.00	-	(132)	(132)	
AGV Biohealthy Food (BVI) Limited	Dongruntang Biotech Corp.	China	Food	65,639 (USD 2,129)	65,639 (USD 2,129)	13,971	29.53	45,193 (USD 1,472)	(3,165) (USD -102)	(935) (USD -30)	
Aco Distribution Corp.	Tai Fu International Corp.	New Taipei City	Food manufacturing	15,000	15,000	4,956	14.29	77,183	21,815	3,116	
	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	20,600	20,600	969	0.73	25,970	288,888	2,066	

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment profit or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
Hope Choice Distribution Corp.	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	10,350	10,350	459	0.35	12,872	288,888	975	
Defender Private Security Inc.	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	35,340	35,340	1,945	1.47	44,814	288,888	4,154	
	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	314	314	44	0.70	1,225	34,948	244	
Sontenkan Resort Development Co., Ltd.	Zhuqi Lionhead Mountain Leisure Development Co., Ltd.	Chiayi County	Landscape and interior design	400	400	40	40.00	230	(11)	(4)	
	Liantong Developments, Co., Ltd.	Chiayi City	Housing construction and building rental and sales	32,663	32,663	5,188	30.52	28,278	(3,923)	(1,197)	
	Bravo Bakery Corp.	Taipei City	Food manufacturing and sales	20,943	20,943	2,400	24.00	-	-	-	
	Eastern Formosa Resource Development Corporation	Taipei City	Entertainment business	5,971	5,971	930	5.21	5,574	421	22	

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment profit or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
	Qixing Resort Co., Ltd.	Yunlin County	Tourism and recreation	90,000	90,000	9,000	34.68	89,666	40	14	
	Nice Plaza Co., Ltd.	Chiayi City	Department store, hotel	631,724	610,924	62,200	36.00	496,412	(52,793)	(18,729)	
Aiken Biotechnology International Co., Ltd.	Acts Bioscience Inc.	Chiayi City	Health food and sales	121	121	13	21.00	152	(8)	(2)	
	Rosahill Leisure Industry Co., Ltd.	Chiayi City	Proprietary business	17,500	17,500	1,750	70.00	39,051	11,027	7,719	
	Songshan Village Co., Ltd.	Chiayi City	Floriculture	2,921	2,921	292	22.45	368	38	8	
	AGV Biohealthy Food Limited	British Virgin Islands	Re-investment business	25,856	25,856	800	30.38	18,528	(766)	(233)	
	Qixing Resort Co., Ltd.	Yunlin County	Tourism and recreation	1,000	1,000	100	0.39	996	40	1	
	Koya Biotech Corp.	Yunlin County	Gardening	300	300	10	0.05	290	(11,236)	(5)	

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

Table 8

AGV Products Corporation
Information on Investments in Mainland China
December 31, 2023

(1) Information on Investments in Mainland China

Unit: Foreign currency thousand; 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)	865,036 (USD 28,172)	-	-	865,036 (USD 28,172)	(56,952) (USD-1,828)	100.00%	(56,952) (USD-1,828) (2).2	(175,124) (USD -5,703)	None
	Xiamen Aijian Traders Co., Ltd.	Food	61,103 (USD 1,990)	(2)	51,891 (USD 1,690)	-	-	51,891 (USD 1,690)	(3,740) (USD -120)	84.92%	(3,176) (USD -102) (2).2	20,811 (USD 678)	None
	Shandong AGV Food Technology Co., Ltd.	Food	1,278,863 (USD 41,650)	(2)	524,490 (USD 17,082)	-	-	524,490 (USD 17,082)	(32,842) (USD-1,054)	100.00%	(32,842) (USD-1,054) (2).2	15,802 (USD 515) (Note 3)	None
	Zhangzhou Pientzehuang AGV Biohealthy Food Limited	Food	248,526 (USD 8,094)	(2)	44,993 (USD 1,466)	-	-	44,993 (USD 1,466)	(3,049) (USD -98)	18.11%	(552) (USD -18) (2).2	14,552 (USD 474)	None
	Dongruntang Biotech Corp.	Food	222,677 (USD 7,252)	(2)	27,476 (USD 895)	-	-	27,476 (USD 895)	(3,165) (USD -102)	16.64%	(527) (USD -17) (2).3	45,193 (USD 1,472)	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, Ministry of Economic Affairs
AGV Products Corporation	Shanghai AGV Foods Co., Ltd.	865,036 (USD28,172)	1,200,169 (USD 39,087)	4,079,586
	Xiamen Aijian Traders Co., Ltd.	51,891 (USD 1,690)	51,891 (USD1,690)	
	Shandong AGV Food Technology Co., Ltd.	524,490 (USD 17,082)	614,021 (USD 19,997)	
	Zhangzhou Pientzehuang AGV Biohealthy Food Limited	44,993 (USD 1,466)	44,993 (USD 1,466)	
	Dongruntang Biotech Corp.	27,476 (USD 895)	82,948 (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 through reinvestment in Apoland Development (Singapore) Pte Ltd.

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

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

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

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

(III) Other methods.

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

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

(II) One of the following three bases for recognition of the investment profit/loss shall be indicated:

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

Note 3: This does not include the reinvestment in Shandong AGV Food Technology Co., Ltd. by Taiwan First Biotechnology Corp. through reinvestment of USD 18,100 thousand preferred shares of AGV First Biotech Food (BVI) Limited.

Note 4: The above transactions between the parent company and subsidiaries have been written off in the consolidated statements.

(2) Material transactions with the investee companies in Mainland China directly or indirectly through third areas in 2023:

1. Material transactions with the investee companies in Mainland China: See Table 6 in Note 13.
2. Financing with the invested companies in Mainland China: See Table 1 in Note 13.
3. Guarantees/Endorsements provided to the investee companies in Mainland China: See Table 2 in Note 13.

Table 9

AGV Products Corporation
Major Shareholders Information
December 31, 2023

Major shareholder name	Shares held	Shareholding ratio
Ho Yuan Investment Co., Ltd.	30,388,258	6.14%

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 has disclosed the information of the operating segment in the consolidated financial report, and thus will not disclose it again in the parent company only financial report.

V. Company's Consolidated Financial Report of the Most Recent Year Audited by CPA

(I) Statement of Declaration

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2023 (January 1, 2023, to December 31, 2023) pursuant to the Criteria Governing Preparation of Affiliation Report, Consolidated Business Report and Consolidated Financial Statement of Affiliated Enterprises, are the same as those to be included into the consolidated financial report of the parent company and subsidiaries pursuant to the Statement of International Financial Reporting Standards (IFRS) No. 10 approved by the Financial Supervisory Commission. Further, the related information to be disclosed in the consolidated financial report of affiliated enterprises has been disclosed in the aforementioned consolidated financial report of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare a consolidated financial report of affiliated enterprises separately.

Declared by:

Company name: AGV Products Corporation

Responsible person: Kuan-Han Chen

March 11, 2024

(II) Independent Auditors' Report

To AGV Products Corporation:

Audit opinions

We have audited the consolidated balance sheet of AGV Products Corporation and its subsidiaries (hereinafter referred to as the "AGV Group") as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the periods January 1 to December 31, 2023 and 2022, and the accompanying footnotes (including the summary of major accounting policies).

In our opinion, based on our audit results and other independent auditors' report (please refer to the Other matters section), all material disclosures of the consolidated financial report mentioned above were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards approved by the Financial Supervisory Commission, the International Accounting Standards, and interpretations thereof, giving a fair presentation of the consolidated financial position of AGV Group as of December 31, 2023 and 2022, and the consolidated financial performance and cash flows for the periods January 1 to December 31, 2023 and 2022.

Basis of audit opinion

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

Key audit matters

"Key audit matters" means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2023 consolidated financial report of AGV Group. These matters were addressed in the content of our audit of the consolidated financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

The key audit matters of the 2023 consolidated financial report of AGV Group are as follows:

I. Fair value evaluation of investment property

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

Description of key audit matters:

As of December 31, 2023, the held investment property totaled NTD 3,180,182 thousand, accounting for 22.68% of the total assets, and it was subsequently measured using the fair value model. The recognized variable income generated from fair value changes totaled NTD 52,193 thousand in 2023, accounting for 20.02% of the net income before tax. The evaluation was mainly based on an analysis of discounted cash flow and land development, under the condition that the income was calculated according to market rent and value by a commissioned external appraiser. The analysis relied on the evaluation and judgment of an external appraiser based on overall usage, local or market conditions of the subject property. The assumptions and estimates related to profit rate and discount rates adopted for evaluation contained material uncertainty. Thus, we consider the fair value evaluation of investment property as a key audit matter when auditing the consolidated financial report of AGV Group.

Corresponding audit process:

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

II. Recognition of revenue

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

The main business of the AGV Group is the manufacturing, processing, and sales of products related to drinks and canned foods. The transaction terms agreed to in the sales contract signed with the customer will affect the judgment of the AGV Group regarding whether the income recognition timing meets the time in which the customer owns the right to set the price and use the same and takes responsibility for resale along with the obsolescence risk of the product. Therefore, we consider the income recognition test in 2023 as a key audit matter when auditing the consolidated financial report of the AGV Group.

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

Other matters

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

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

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

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

In preparing the consolidated financial report, management is also responsible for assessing the ability of the AGV Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the AGV Group or cease operations, or there is a lack of any option except for liquidation or suspension.

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

Auditors' responsibilities for the audit of the consolidated financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance means a high degree of assurance. However, there is no guarantee that any material misstatement contained in the consolidated financial report will be discovered during an audit conducted in accordance with relevant auditing standards. Misstatements might have been caused by fraud or errors. If individual values or an overview of misstatements can be reasonably expected to affect economic decisions made by users of consolidated financial report, they are considered significant.

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

I. Identify and assess the risk of material misstatement of the consolidated financial report due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of AGV Group.

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

IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of AGV Group to continue as a going concern. In cases where we consider that events or circumstances have significant uncertainty in this regard, then relevant disclosure of the consolidated financial report shall be provided in the auditors' report to allow users of the consolidated financial report to be aware of such events or circumstances, or we shall revise our opinion when such disclosure is considered inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the AGV Group to cease to continue as a going concern.

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

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

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

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

The independent auditor has used communications with the governing unit as the basis to determine the key audit matters to be performed on the 2023 consolidated financial report of AGV Group. We describe these matters in our auditors' report unless laws or regulations preclude public disclosure about these matters, or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.

Crowe (TW) CPAs

CPA: Shu-Man Tsai

CPA: Ling-Wen Huang

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

March 11, 2024

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

Unit: NTD thousand

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

(Continued on the next page)

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

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

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

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

Unit: NTD thousand

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

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

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

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

Unit: NTD thousand

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

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

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

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

Unit: NTD thousand

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

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

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

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

AGV Products Corporation and its Subsidiaries
Notes on Consolidated Financial Report
January 1 to December 31, 2023 and 2022
(Unless otherwise specified, all amounts are in NTD thousand)

I. Company History

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

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

II. Date and Procedures of Approval of the Financial Report

The consolidated financial report was released after being approved by the board of directors on March 11, 2024.

III. Adoption of New Standards, Amendments, and Interpretations

(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 table below lists the new, revised and amended standards and interpretations of the IFRSs, which apply to the reporting period of 2023, as endorsed by the FSC.

New, Amended, or Revised Standards and Interpretations	Effective date published by the IASB
Amendments to IAS 1 - "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 - "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)
Amendments to IAS 12 - "International Tax Reform - Pillar Two Model Rules"	(Note 4)

(Note 1) The amendment is applicable during the annual reporting period beginning from January 1, 2023.

(Note 2) The amendment is applicable to changes in accounting estimates and policies occurring during the annual reporting period beginning from January 1, 2023.

(Note 3) Unless there are additional requirements for temporary differences related to leases and decommissioning obligations, the amendment is applicable to transactions occurring on or after the start date of the earliest comparative period (January 1, 2022) presented.

(Note 4) The temporary exceptions to IAS 12 (i.e., a business shall not recognize deferred income tax assets and liabilities related to Pillar Two income tax, and shall not disclose their relevant information, provided that the business shall disclose in its financial report that it has applied such exceptions) shall be applied retrospectively in accordance with IAS 8 immediately after the publication of these amendments (May 23, 2023). Other disclosure requirements are applicable to the annual reporting period beginning from January 1, 2023. No such other information is required to be disclosed in any interim report whose end date of reporting precedes December 31, 2023.

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

   The amendment clarifies that if the scale or nature of any transaction or other event or condition is material, and if the related accounting policy information is also material for the financial report, such material accounting policy information shall be disclosed. Conversely, if an entity determines that the scale or nature of any transaction or other event or condition is immaterial, or that the related accounting policy information is immaterial despite its scale or nature being material, the entity is not required to disclose such immaterial accounting policy information. Nonetheless, the entity's conclusion that accounting policy information is immaterial will not affect the related disclosures required by other IFRSs.

2. Amendments to IAS 8 - "Definition of Accounting Estimates"

   The amendment defines accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty, and provides further clarification in this regard. The effects of a change in an input or a measurement technique on accounting estimates are changes in accounting estimates if they do not result from the correction of prior period errors.

3. Amendments to IAS 12 - "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

   The amendment narrows down the scope of exemption from the recognition of deferred income tax liabilities and assets under paragraphs 15 and 24 of IAS 12. Such exemption does not apply to any transaction in which equal amounts of taxable and deductible temporary differences arise on initial recognition. When applying the amendment for the first time, an entity shall, on the start date of the earliest comparative period (January 1, 2022) presented, recognize deferred income tax for all temporary differences related to leases and decommissioning obligations, and shall recognize the cumulative effect as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) on that date. The amendment shall be applicable prospectively to other transactions occurring on or after January 1, 2022.

4. Amendments to IAS 12 - "International Tax Reform - Pillar Two Model Rules"

   According to these amendments, under the temporary exceptions to IAS 12, a business shall not recognize deferred income tax assets and liabilities of Pillar Two income tax related to international tax reform, and shall not disclose their relevant information, provided that the business shall disclose in its financial report that it has applied such exceptions. Additionally, a business shall disclose the current income tax expense (profit) related to Pillar Two income tax separately. If any Pillar Two law has been enacted or has been de facto enacted but yet to come into effect, a business shall disclose qualitative and quantitative information that is known or can be reasonably estimated in relation to its exposure to Pillar Two income tax.

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

(II) Effect of not adopting the newly promulgated or revised IFRSs endorsed by the FSC:

The table below lists the new, revised and amended standards and interpretations of the IFRSs, which apply to the reporting period of 2024, as endorsed by the FSC.

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

(Note 1) The seller and lessee shall apply these amendments retroactively to all sale and leaseback transactions entered into after the date of initial application of IFRS 16 in accordance with IAS 8.

(Note 2) These amendments provide certain transition relief. On initial application, a business is not required to disclose comparative information, interim period information, and the beginning information required by Paragraph 44H(b)(ii)-(iii).

1. Amendments to IFRS 16 - "Lease Liability in a Sale and Leaseback"

These amendments clarify that for a sale and leaseback transaction, if the transfer of assets is treated as a sale in accordance with IFRS 15, the liabilities of the seller and lessee arising from leaseback shall be treated in accordance with the provisions of IFRS 16 concerning lease liabilities. However, if it involves variable lease payments not depending on any index or rate, the seller and lessee shall still recognize the lease liabilities arising from such variable payments in a manner that does not recognize profits/losses related to the retained right of use. Any difference between the subsequent actual amount of lease payment and the reduced carrying amount of lease liabilities will be recognized in profit/loss.

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

These amendments clarify that when determining whether to classify a liability as non-current, a business shall assess whether it has the right to defer the repayment date for at least 12 months after the reporting period at the end date of the reporting period. If the business has such right at the end date of the reporting period, the liability shall be classified as non-current regardless of whether the business is expected to exercise that right. If the business is required to meet specific conditions to have the right to defer repayment, it must meet those conditions at the end date of the reporting period to classify the liability as non-current, even if the creditor verifies whether the business has met those conditions at a later date.

In addition, these amendments provide that, for the purpose of liability classification, the aforesaid repayment means the transfer of cash, other economic resources or the Group's equity instruments to the counterparty to extinguish a liability. However, where the terms of a liability may, at the option of the counterparty, result in its repayment by the transfer of the Group's equity instruments, and where such option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforesaid terms will not affect the classification of the liability.

3. Amendments to IAS 1 - "Non-current Liabilities with Covenants"

These amendments further clarify that only contractual terms which must be complied with before the end date of the reporting period will affect the classification of a liability on that date. Contractual terms which must be complied with within 12 months after the reporting period will not affect the classification of a liability. However, where a business has classified a liability as non-current at the end date of the reporting period, and where the liability must be repaid within 12 months after the reporting period as the business is unable to comply with the contractual terms, the relevant facts and circumstances shall be disclosed in the notes.

4. Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

A supplier finance arrangement is where one or more finance providers pay the supplier on behalf of a business, and the business agrees to pay the finance providers on a payment date agreed with the supplier or a later date. The amendments to IAS 7 require a business to disclose information about its supplier finance arrangements, so that users of financial statements are able to assess the effect of such arrangements on a business’ liabilities and cash flows and its exposure to liquidity risk. The amendments to IFRS 7 include in their application guidelines that a business, when disclosing how to manage the liquidity risk of financial liabilities, may consider whether it has acquired or is able to acquire financing facilities through a supplier finance arrangement, and whether such arrangement may result in a concentration of liquidity risk.

The Group has assessed that the above standards and interpretations have a significant effect on the financial condition and financial performance of the Group.

(III) Effects of IFRSs issued by the IASB but not yet approved by the FSC:

The table below lists the new, revised, and amended standards of IFRSs issued by the IASB but not yet approved by the FSC, as well as their effects:

New/Amended/Revised Standards and Interpretations	Effective date published by the IASB
Amendments to IFRS 10 and IAS 28 - “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	TBD
IFRS 17 - “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 - “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

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

(IV) Summary of Significant Accounting Policies

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

(I) Compliance Statement

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

(II) Basis of preparation

1. Except for the following important items, the consolidated financial report has been duly prepared on the basis of historical costs:
   (1) Financial assets and liabilities (including derivatives) at fair value through profit or loss which are at fair value.
   (2) Financial assets measured at fair value through other comprehensive income which are at fair value.
   (3) Defined benefit liabilities recognized based on the net pension fund assets deducting the present value of defined benefit obligations.

2. The preparation of consolidated financial report in compliance with the IFRSs endorsed by the FSC requires some important accounting estimates. The application of the Group's accounting policy also requires management to use their judgment during the process. For items involving high judgment or complexity or items involving important estimates and assumptions of the companies included consolidated financial report, please refer to the description in Note 5.

(III) Basis of consolidation

1. Principle for preparation of consolidated financial report:

(1) The Group included all of the subsidiaries into the consolidated financial report. Subsidiaries refer to the entities controlled by the Group (including structured entities). When the Group is exposed to the changes of remuneration participated in by the entities or is entitled to changes of remuneration, and is able to influence said remuneration by virtue of its power over the entities, the Group controls the entities. The subsidiaries are included into the consolidated financial statements on the date when the Group acquires the controlling power, and the consolidation shall be suspended as of the date when the Group forfeits the controlling power.

(2) Unrealized gains and losses on transactions between the Group and subsidiaries were written off. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(3) Elements of the profit of loss and other comprehensive income shall be attributed to the owner of parent company and non-controlling equity. The total comprehensive income shall be attributed to the owner of parent company and non-controlling equity, even if the non-controlling equity suffers loss.

(4) When the change in the shareholdings on a subsidiary does not result in a loss of control (and transactions with non-controlling equity), it should be treated as an equity transaction with the shareholders. The price difference between the adjustment value of non-controlling equity and fair value of paid or collected considerations shall be stated into equity directly.

(5) When the Group forfeits control over its subsidiaries, its residual investment in its subsidiaries shall be re-measured based on fair value, and identified as the fair value of financial assets recognized initially or cost of the investment in associates or joint ventures recognized initially, as the price difference between the fair value and book value. Where the accounting treatment for all amounts related to the subsidiary as recognized in other comprehensive income previously is identical with the basis for the Group's direct disposition of related assets or liabilities, namely, when the related assets or liabilities are disposed of, the profit or loss recognized in other comprehensive income previously will be reclassified as profit or loss. When the Group loses control over the subsidiary, such profit or loss shall be reclassified into income from equity.

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

Invested company/subsidiaries	Principal business	Shareholding or capital contribution ratio December 31, 2023	Shareholding or capital contribution ratio December 31, 2022
(1) AGV Products Corporation (hereinafter referred to as the "Company")			
Apoland Resource International (BVI) Corp.	Re-investment business	100.00%	100.00%
Defender Private Security Inc.	Security business	100.00%	100.00%
Aco Distribution Corp.	Proprietary business	100.00%	100.00%
Sasaya Vitagreen Co., Ltd.	Proprietary business	100.00%	100.00%
Sontenkan Resort Development Co., Ltd.	Leisure and recreation business	100.00%	100.00%
AGV International (BVI) Limited	Re-investment business	100.00%	100.00%
Alpha International Developments Limited	Re-investment business	100.00%	100.00%
Koya Biotech Corp.	Gardening	(see 2.A)	(see 2.A)
Hope Choice Distribution Corp.	Proprietary business	100.00%	100.00%
Mascot International (BVI) Corporation	Re-investment business	100.00%	96.91%
Apoland Development (Singapore) Pte Ltd.	Re-investment business	100.00%	93.16%
Hopeland Distribution Corp.	Proprietary business	81.00%	81.00%
Yunlin Dairy Technology Corp.	Dairy manufacturing	75.83%	75.83%
AGV Biohealthy Food Limited	Re-investment business	29.75%	29.75%
Aiken Biotechnology International Co., Ltd.	Biotechnology service	53.77%	53.77%
AGV First Biotech Food (BVI) Limited.	Re-investment business	100.00%	100.00%
(2) Apoland Resource International (BVI) Corp.			
AGV & NICE (USA)	Marketing business	57.14%	57.14%
Mascot International (BVI) Corporation	Re-investment business	-	3.09%
Apoland Development (Singapore) Pte Ltd.	Re-investment business	-	2.23%
(3) Apoland Development (Singapore) Pte Ltd.			
Shanghai AGV Foods Co., Ltd.	Food	100.00%	100.00%
(4) Mascot International (BVI) Corporation			
Asia Pacific Product Development Co.	Planting, processing and export of vegetables	100.00%	100.00%
Apoland Development (Singapore) Pte Ltd.	Re-investment business	-	4.61%
(5) Defender Private Security Inc.			

Yunlin Dairy Technology Corp.	Dairy manufacturing	0.70%	0.70%
(6) Alpha International Developments Limited			
Xiamen Aijian Traders Co., Ltd.	Food	84.92%	84.92%
(7) AGV First Biotech Food (BVI) Limited.			
Shandong AGV Food Technology Co., Ltd.	Food	100.00%	100.00%
(8) Aiken Biotechnology International Co., Ltd.			
Rosahill Leisure Industry Co., Ltd.	Proprietary business	70.00%	70.00%
AGV Biohealthy Food Limited	Re-investment business	30.38%	30.38%
(9) Asia Pacific Product Development Co.			
Xingrong Limited	Gardening	100.00%	100.00%

A. Increase or decrease in consolidated subsidiaries:

In September 2022, the Group lost its control of Koya Biotech Corp., which is no longer a consolidated subsidiary. See the description in Note 6(33).

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

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

D. Important restrictions:

Cash and bank deposits of NTD 16,804 thousand saved in China are subject to the local foreign exchange control. The foreign exchange control restricts the outward remitting of funds to regions beyond the border of China (except via normal dividends).

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

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

Name of subsidiary	Shareholding ratio	December 31, 2023 Non-controlling equity	December 31, 2023 Profit or loss distributed to non-controlling equity
AGV First Biotech Food (BVI) Limited. and its subsidiaries	(Note)	$ 552,415	$ -
Others		212,766	16,664
Total		$ 765,181	$ 16,664

Name of subsidiary	Shareholding ratio	December 31, 2022 Non-controlling equity	December 31, 2022 Profit or loss distributed to non-controlling equity
AGV First Biotech Food (BVI) Limited. and its subsidiaries	(Note)	$ 552,375	$ -
Others		212,105	9,903
Total		$ 764,480	$ 9,903

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

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

(2) The summarized financial information is as follows:

A. Balance sheet:

Item	AGV First Biotech Food (BVI) Limited. and its subsidiaries December 31, 2023	AGV First Biotech Food (BVI) Limited. and its subsidiaries December 31, 2022
Current assets	$ 9,157	$ 18,964
Non-current assets	675,044	759,527
Current liabilities	35,115	37,093
Non-current liabilities	2,709	52,475
Equity	$ 646,377	$ 688,923

B. Statement of comprehensive income:

	AGV First Biotech Food (BVI) Limited. and its subsidiaries 2023	AGV First Biotech Food (BVI) Limited. and its subsidiaries 2022
Revenue	$ -	$ -
Current net loss	$ (32,828)	$ (52,633)
Other comprehensive income (net amount after tax)	(9,718)	18,438
Total comprehensive income in the current period	$ (42,546)	$ (34,195)
Net profit attributable to non-controlling interests	$ -	$ -
Comprehensive income attributable to non-controlling Interests	$ -	$ -
Dividend paid for non-controlling equity	$ -	$ -

C. Cash flow statement:

	AGV First Biotech Food (BVI) Limited. and its subsidiaries 2023	AGV First Biotech Food (BVI) Limited. and its subsidiaries 2022
Net cash inflow (outflow) from operating activities	$ (6,851)	$ (8,887)
Net cash inflow (outflow) from investment activities	138	(12)
Net cash inflow (outflow) from financing activities	(4,331)	15,799
Exchange rate effect	1,362	5,993
Increase (decrease) in cash and cash equivalents in the current period	$ (9,682)	$ 12,893
Balance of cash and cash equivalents, beginning	14,690	1,797
Balance of cash and cash equivalents, ending	$ 5,008	$ 14,690

(IV) Foreign currency translation

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

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

1. Assets that match any of the following conditions shall be classified as current assets:
   (1) Assets expected to be realized, intended to be sold or consumed over normal operating cycles.
   (2) Those primarily for trading purposes.
   (3) Those 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 more than 12 months after the balance sheet date, and those with restricted uses.

   The Group listed all assets that do 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) Those primarily for trading purposes.
   (3) Liabilities expected to be settled within 12 months after the balance sheet date. (It is classified as current liability, even if it is later refinanced or rearranged into long-term liabilities at any time between the balance sheet date and the approval and announcement date of the financial report).
   (4) Liabilities with due dates that cannot be unconditionally extended to more than 12 months after the balance sheet date. Liabilities under terms that give counterparties the option to repay in the form of equity instruments without an effect on their classification due to such terms.

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

(VI) Cash and cash equivalents

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

(VII) Financial instruments

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

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

1. Financial assets

(1) Measurement category

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

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

A. Financial assets at fair value through profit or loss

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

The financial assets at fair value through profit or loss are at fair value and the generated dividends are recognized as other revenue. Also, the interest revenue and profit or loss generated from re-measurement are recognized as other gains and losses.

B. Financial assets measured at amortized cost

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

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

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

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

Except in the following two circumstances, the interest revenue is calculated at the effective interest rate multiplied 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 credit-impaired financial assets subsequently, the interest revenue is calculated at the effective interest rate multiplying by their amortized cost.

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

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

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

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

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

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

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

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

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

(2) Impairment of financial assets

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

B. The allowance of losses on accounts receivable and rentals receivable are all recognized based on the lifetime expected credit losses. 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 are 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 value of all impairment losses on financial assets is reduced via the allowance account. However, the loss allowance of debt instrument investments at fair value through other comprehensive income is recognized in other comprehensive income without reducing its book value.

(3) Derecognition of financial assets

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

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

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

C. Not all risks and returns of ownership over the financial assets are transferred or retained, but 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 at fair value through other comprehensive income is derecognized, the difference between the book value 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 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 Group are 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 Group should be recognized based on the payment of acquisition less the direct issuing cost.

3. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except under the following circumstances:

A. Financial liabilities measured at fair value through profit/loss refer to financial liabilities held for trading or financial liabilities designated as measured at fair value through profit/loss on initial recognition. Financial liabilities classified as held for trading refer to derivative instruments, except for financial contracts or designated and effective hedging instruments, which at the time of occurrence are primarily for repurchase in the short term. Financial liabilities meeting any of the following criteria will be designated by the Company as measured at fair value through profit/loss on initial recognition:

(a) The financial liabilities are a hybrid (combined) contract including embedded derivatives, and the host contract is not an asset within the scope of IFRS 9; or

(b) The financial liabilities may eliminate or significantly reduce the measurement or recognition inconsistency; or

(c) The financial liabilities are an instrument using the fair value basis for its management and performance evaluation in accordance with a written risk management policy.

B. Financial liabilities measured at fair value through profit/loss are measured at fair value on initial recognition, and the related transaction costs are recognized as profit/loss in the current period. For such liabilities subsequently measured at fair value, any change in the fair value will be recognized as profit/loss in the current period.

C. For financial liabilities designated as measured at fair value through profit/loss, any amount of fair value change arising from credit risk change will be recognized as other comprehensive income and will not be subsequently reclassified as profit/loss. The remaining amount of fair value change of such liabilities will be recognized as profit/loss. However, if the foregoing accounting treatment causes or exacerbates accounting mismatch, all profits or losses of such liabilities will be recognized as profit/loss.

(2) Derecognition of financial liabilities

The Group will derecognize financial liabilities when the obligation is rescinded, discharged, or expired. During the derecognition of a financial liability, the difference between the book value 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.

4. Amendment of financial instruments

In the event that any renegotiation or amendment of the contractual cash flow of a financial instrument does not result in a situation where derecognition of the financial instrument is required, the Group will recalculate the total carrying amount of financial assets or the amortized cost of financial liabilities based on the amended contractual cash flow discounted at initial effective interest rate, and will recognize the amended profit or loss as profit/loss. Any cost or expense arising therefrom will be considered an adjustment to the carrying amount of the amended financial instrument and amortized during the remaining period following amendment. If the renegotiation or amendment results in a situation where derecognition of the financial instrument is required, such situation shall be addressed according to the requirements for derecognition.

(VIII) Inventory

Inventory is 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 works in process includes material, direct labor, other direct costs and manufacturing expenses related to production (amortized based on normal productivity) without loan cost. When cost and net realizable value are compared to see which is lower, the item-by-item comparison method is adopted. The net realizable value refers to the balance of the estimated selling price in the ordinary course of business less the estimated cost required for completion and the estimated cost necessary to complete the sale.

(IX) Investment/associates under the equity method

1. The associates refer to an entity upon which the Group has significant impact without any control and often holds more than 20% of voting shares directly or indirectly. The investment of the Group in associates adopts the equity method and is recognized based on cost upon acquisition.
2. The shares of profit or loss acquired from associates by the Group were recognized as current profit or loss and shares of other comprehensive income were recognized as other comprehensive income. If the Group's share of the losses of an associate equals or exceeds its equity in the associate (including the carrying amount of investment in the associate determined using the equity method and any long-term equity de facto constituting part of the net investment of the Group in the associate), the Group will not recognize further losses, unless the Group has incurred legal or constructive obligations toward or made payments on behalf of the associate.
3. The unrealized profit or loss generated from the transactions between the Group and associates were written off based on the Group's equity ratio of the associates; the unrealized loss was written off unless the evidence displayed the impairment of transferred assets in such transaction. The accounting policies of the associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
4. When the Group forfeits control over the associates, its residual investment in the associates shall be re-measured based on fair value. The price difference between the fair value and book value is stated into current income.
5. In case the Group loses its significant impact on an associate upon the disposal of the associate, the accounting treatment for all amounts related to the associate as previously recognized in other comprehensive income is identical with the basis for the Group's direct disposition of related assets or liabilities, namely, when the related assets or liabilities are disposed of, the profit or loss previously recognized in other comprehensive income will be reclassified as profit or loss. When the Group losses control over the associate, such profit or loss shall be reclassified as income from equity. Provided that, where it still has material influence over the associated companies, the amount previously recognized in other comprehensive income is transferred according the method stated above based on proportion.
6. Where the Group forfeits its material influence over an associate when the Group disposes of the associate, the capital surplus related to the associate will be stated as income, provided that where it still has material influence over the associate, the capital surplus shall be stated as income based on the proportion of disposition.
7. The Group has adopted the equity method to recognize its equity in joint ventures. Unrealized profits/losses on transactions between the Group and joint ventures were written off. However, if evidence shows any decrease in the net realizable value of assets or any impairment loss of assets, it is immediately recognized as a total loss. If the Group's share of the losses of a joint venture equals or exceeds its equity in the joint venture (including the carrying amount of investment in the joint venture

determined using the equity method and any long-term equity de facto constituting part of the net investment of the Group in the joint venture), the Group will not recognize further losses, unless the Group has incurred legal or constructive obligations toward or made payments on behalf of the joint venture.

(X) Property, plant and equipment

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

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

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

(XI) Lease

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

1. The Group was the Lessee

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

Right-of-use assets

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

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

Lease liabilities

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

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

2. The Group was the Lessor

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

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

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

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

(XII) Investment property

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

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

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

When any property of property, plant and equipment is reclassified as investment property upon the end of private use, the difference between the original carrying value and fair value is recognized in other comprehensive income and accumulated as appreciation on revaluation under other equity, and will be directly transferred to retained earnings upon derecognition.

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

(XIII) Intangible assets

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

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

(XIV) Impairment of non-financial assets

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

(XV) Liability reserve

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

(XVI) Employee benefit

1. Short-term employee benefit

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

2. Pension

(1) Defined contribution plan

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

(2) Defined benefit plan

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

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

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

3. Remuneration to employees and directors

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

4. Termination benefits

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

(XVII) Capital stock

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

(XVIII) Income tax

1. The income tax consists of current income tax and deferred income tax. The income tax is recognized in the profit or loss except the income taxes relevant to the items which are recognized under other comprehensive income or directly counted into the items of equity, is recognized under other comprehensive income or directly counted into equity respectively.
2. The Group calculates the income tax related to the current period based on the statutory tax rate or tax rate substantially enacted in the countries where the Group is operating and generating taxable income on the balance sheet date. Management shall evaluate the status of income tax returns within the statutory period defined by the related income tax laws, and shall be responsible for the income tax expected to be paid to the tax collection authority. The income tax levied on the undistributed earnings based on the Income Tax Act will be recognized based on actual distribution of earnings in the year after the year when the earnings are generated, upon approval of the motion for allocation of earnings at a shareholders' meeting.
3. The deferred income tax is recognized based on the temporary difference generated from the taxation basis for assets and liabilities and the book value thereof on the balance sheet using the balance sheet approach. The deferred income tax liabilities resulting from the initial recognition of goodwill shall not be recognized. The

deferred income tax resulting from the initial recognition of assets or liabilities in a transaction (exclusive of business mergers) shall not be recognized, insofar as the accounting profit or taxable income (taxable loss) is not affected by the transaction, and no equivalent taxable and deductible temporary difference arises at the time of transaction. All taxable provisional differences relevant to the investment in subsidiaries and affiliated companies were recognized as deferred income tax liabilities, except an event while the Group could control the time point of recovery of the control over the provisional difference or while said provisional difference would be very likely not recoverable in the foreseeable future. The deferred income tax is based on the tax rate expected to be applicable when the assets are expected to be realized or liabilities to be repaid. The tax rate shall be the tax rate (tax laws) which had been enacted or had been substantially enacted on the balance sheet date.

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

(XIX) Recognition of revenue

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

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

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

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 Group recognized the revenue and accounts receivable at that moment; it is presented by net amount deducting sales return, quantity discount and discount.

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

2. Management service revenue

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

(XX) Costs of loans

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

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

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

V. Major Sources of Uncertainty to Significant Accounting Judgments, Estimates and Assumptions

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

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

(I) Significant judgments adopted by the accounting policy

1. Business model judgment of financial asset classification

The Group assess the business model of financial assets based on the joint management level reflecting the financial asset group to achieve certain operation purpose. The estimate shall consider all relevant evidence, including performance measurement methods for assets, risks affecting performance and determination method of remuneration to relevant managers. The application of judgment is also required. The Group continues to assess the appropriateness of its business model and monitors financial assets measured at amortized cost derecognized before expiration and debt instrument investment 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 there is any change in the business model, the Group will reclassify financial assets in accordance with IFRS 9 and apply the reclassification prospectively from the date of reclassification.

2. Recognition of revenue

In accordance with IFRS 15, the Group determines it to be the principal or agent of any transaction transferring specific products or services to a customer based on whether the customer has or has not acquired the control of such products or services prior to their transfer. If the Group determines it to be the agent of such transaction, the net transaction amount will be recognized as revenue.

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

(1) The Group acquires the control of such product or asset from the counterparty before transferring the product or other assets to the customer; or

(2) The Group controls the right of labor services provided by the counterparty and therefore has the capability to guide the counterparty as the substitute to provide labor services to the customer; or

(3) The Group acquires the control of product or labor services from the counterparty to combine with other products or labor services and provide specific product or labor service for the customer.

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

(1) The Group takes the main responsibility to complete the commitment of specific product or labor service.

(2) The Group bears the inventory risk before transferring specific products or labor services to the customer or bears the inventory risk after transferring the control to the customer (e.g. The customer has the right to return goods).

(3) The Group has the discretionary power to set the price.

3. Lease period

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

4. Judgments with significant impact on associates

As stated in Note 6(9) "Investments under the equity method", the Group's shareholdings in NICE Enterprise Co., Ltd., Zhuqi Lionhead Mountain Leisure Development Co., Ltd., Kuo Cheng Investment Development Corp. and Koya Biotech Corp. are 28.24%, 40%, 47.62% and 42.95%, respectively, with the Group as the largest shareholder. Other shareholding is not extremely separated after considering the number of voting shares held by other shareholders and their distribution. Therefore, the Group does not have control over said companies since it cannot guide their relevant activities. The management of the Group considers the Group to only have significant impact on said companies and therefore listed those as the associates of the Group.

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

(II) Important accounting estimates and assumptions

1. Recognition of revenue

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

2. Estimated impairment of financial assets

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

3. Fair value measurement and valuation process

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

4. Impairment evaluation of tangible and intangible assets

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

5. Assessment of impairment on equity-accounted investments

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

6. Realizability of deferred income tax assets

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

7. Valuation of inventory

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

8. Calculation of net defined benefit liabilities

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

9. Incremental loan rate of interest of the lessee

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

VI. Description of Significant Accounting Items

(I) Cash and cash equivalents

Item	December 31, 2023	December 31, 2022
Cash	$ 2,802	$ 2,480
Checking deposit	33	430
Savings deposit	563,360	579,495
Cash equivalents		
Time deposits with initial maturity date within three months	25,052	34,116
Total	$ 591,247	$ 616,521

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

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

Item	December 31, 2023	December 31, 2022
Measured compulsorily at fair value through profit or loss		
TWSE/TPEx listed stocks	$ 247,264	$ 86,994

1. The net profits (losses) recognized by the Group in 2023 and 2022 were NTD 5,736 thousand and NTD (5,674) thousand respectively.
2. The Group has not pledged any financial assets measured at fair value through profit/loss as collateral.
3. For relevant credit risk management and evaluation methods, please refer to Note 12.

(III) Net notes receivable

Item	December 31, 2023	December 31, 2022
Carried at amortized cost		
Total book amount	$ 43,221	$ 42,644
Less: Allowance loss	(50)	(49)
Net notes receivable	$ 43,171	$ 42,595

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

(IV) Net accounts receivable

Item	December 31, 2023	December 31, 2022
Carried at amortized cost		
Total book amount	$ 610,000	$ 631,065
Less: Allowance loss	(5,549)	(3,530)
Net accounts receivable	$ 604,451	$ 627,535

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

December 31, 2023	Expected credit loss	Total book amount	Loss allowance (lifetime expected credit loss)	Amortized cost
Undue	0%~1%	$ 675,257	$ (2,907)	$ 672,350
Overdue 0–30 days	0%~1%	8,036	(8)	8,028
Overdue 31–90 days	0%~20%	510	(25)	485
Overdue 91–180 days	0%~30%	-	-	-
Overdue 181–365 days	0%~50%	-	-	-
Trading counterparties with signs of default	0%~100%	-	-	-
		2,689	(2,689)	-
Total		$ 686,492	$ (5,629)	$ 680,863

December 31, 2022	Expected credit loss	Total book amount	Loss allowance (lifetime expected credit loss)	Amortized cost
Undue	0%~1%	$ 722,695	$ (750)	$ 721,945
Overdue 0–30 days	0%~1%	6,240	(6)	6,234
Overdue 31–90 days	0%~20%	961	(231)	730
Overdue 91–180 days	0%~30%	-	-	-
Overdue 181–365 days	0%~50%	-	-	-
Trading counterparties with signs of default	0%~100%	2,647	(2,647)	-
Total		$ 732,543	$ (3,634)	$ 728,909

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

Item	2023	2022
Balance – beginning	$ 3,634	$ 4,794
Plus: Impairment loss appropriated	1,994	19
Less: Irrecoverable amounts written off	-	(1,207)
Less: Effect of decrease in consolidated entities	-	(4)
Plus(Less): Difference in foreign currency translation	1	32
Balance – ending	$ 5,629	$ 3,634

Other credit enhancements held by above accounts receivable: None.

When there is objective evidence showing that the trading counterparty is facing serious financial difficulty and the recoverable amount cannot be reasonably expected, the Group shall directly write off relevant accounts receivable. However, the Group will continue to pursue recourse, and the recovered amount from recourse is recognized as profit or loss. In 2023 and 2022, the irrecoverable accounts receivable written off by the Group amounted to NTD 0 thousand and NTD 1,207 thousand, respectively.

6. For methods related to the management and evaluation of credit risks, see the description in Note 12.

(V) Other accounts receivable

Item	December 31, 2023		December 31, 2022	
Investment refunds receivable	$	103,935	$	103,952
Dividend receivable		4,020		2,285
Other receivables		15,690		16,267
Total	$	123,645	$	122,504
Less: Allowance loss		(105,806)		(105,823)
Net amount	$	17,839	$	16,681

1. Regarding the investment refunds receivable, the description related to the transaction, lawsuit and reconciliation of both parties is as follows:
   (1) The Group invested HKD 26,240 thousand in MAS Media Group Limited (hereinafter referred to as "MAS Media") in March 2011 and expected to improve product advertising in Mainland China, Hong Kong and Macao by holding the equity of Macau Asia Satellite Television Company, Limited. According to the stock agreement signed by both parties, MAS Media should have been listed on the Hong Kong stock market before the end of 2011. However, the listing plan changed.
   (2) The Group later requested MAS Media to return the investment amount listed above according to the contract, but MAS Media defaulted and did not refund the investment amount. The Group submitted the arbitration to the Hong Kong International Arbitration Centre in April 2013 and won the arbitration. Therefore, the Group reclassified the amount originally recognized as financial assets measured at cost to other accounts receivable.
   (3) The Hong Kong International Arbitration Centre inquired the latest situation of the arbitration by letter in May 2016. We also requested the counterparty to execute the reconciliation to maintain the Company's rights in various manners.
   (4) In September 2016, the counterparty proposed the arbitration agreement via email, the contents of which were as follows: (1) the counterparty shall repay HKD 20,000,000 invested (in which the Group accounted for 65.6%) within 30 days after the signing of the arbitration agreement; (2) transfer HKD 20,000,000 of MAS Media's equity within 60 days after the signing of the arbitration agreement (in which the Group accounted for 65.6%); however, the Group expressed dissent with said content and communicated with the counterparty regarding the repayment promise and hypothecation agreement such as the interest, lawsuit expenses and equity transfer via attorney in December 2016.
   (5) The Group submitted a letter of criminal complaint to the Taipei District Prosecutors Office accusing the three persons including the responsible person surnamed Lin of MAS Media, who intended to solicit for investment in Taiwan, of fraud in July 2018. After that, the Taipei District Prosecutors Office rendered the ruling not to prosecute on January 14, 2022, holding that the case was only a dispute over investment, and based on the related evidence presented by Lin Nan, et al., they did engage in the IPO; therefore, it would be hard to determine that Lin Nan, et al. committed fraud intentionally and no fraud should be constituted. In disagreement with the ruling, the Company petitioned for a reconsideration on January 13, 2022. The Taiwan High Prosecutors Office revoked the petition for reconsideration on February 18, 2022. Then, the Company petitioned with the Taiwan Taipei District Court for a trial on February 25, 2022. On May 11, 2022, the Taipei District Court dismissed the petition for trial, thus concluding the criminal case.
   (6) For the refund matters communicated by the Hong Kong attorney assigned by the counterparty in May 2020, the main contents were as follows:

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

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

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

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

(7) Currently, the attorneys of both parties are negotiating for said settlement contents proposed by the counterparty, because we claimed that the refund should be paid in cash before withdrawing the lawsuit, and Lin Nan, et al. requested the negotiation again in February 2022.

(8) For the investment refunds as of December 31, 2023 and 2022, the recognized accumulated impairment amount was NTD 103,935 thousand and NTD 103,952 thousand, respectively.

2. In 2023 and 2022, the expected credit losses of other accounts receivable above recognized (reversed) were both NTD 0 thousand.

(VI) Cost of inventory and sales

Item	December 31, 2023		December 31, 2022	
Raw material	$	169,277	$	137,215
Supplies		83,905		81,452
Goods in process		83,642		86,586
Finished goods and products		554,600		661,025
Total	$	891,424	$	966,278

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

Item	2023		2022	
Cost of sold inventory	$	3,405,809	$	3,266,949
Manufacturing expenses not amortized		72,692		87,164
Loss (revaluation profit) on inventory devaluation		(2,539)		(1,341)
Loss on scrapped inventory		13,735		14,096
Loss (profit) on inventory and revenue from scraps		(3,317)		(3,221)
Exchange rate effect		(55)		28
Total operating costs	$	3,486,325	$	3,363,675

2. In 2023 and 2022, due to the Group writing inventory down to net realizable value, or due to recovery of the net realizable value of inventory as a result of increased prices of certain products and partial consumption of inventory, the recognized losses (profits on recovery) on inventory devaluation were NTD (2,539) thousand and NTD (1,341) thousand respectively.

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

(VII) Prepayments

Item	December 31, 2023		December 31, 2022	
Retained for tax	$	1,745	$	2,440
Prepayment for goods		67,923		61,046
Other prepayments		33,785		44,614
Total	$	103,453	$	108,100

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

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

Item	December 31, 2023		December 31, 2022	
Non-current				
Debt instruments				
Domestic non-TWSE/TPEx-listed preferred stocks	$	50,000	$	50,000
Valuation adjustment		(10,350)		(13,250)
Subtotal	$	39,650	$	36,750
Equity instruments				
Domestic TWSE/TPEx listed stocks	$	103,280	$	103,281
Domestic non-TWSE/TPEx-listed stocks		1,132,363		1,058,292
Overseas non-listed (non-OTC) stocks		20,262		17,694
Valuation adjustment		48,549		180,565
Subtotal	$	1,304,454	$	1,359,832
Total	$	1,344,104	$	1,396,582

1. The Group chose to invest in TWSE/TPEx unlisted preferred shares with stable dividend collection and for selling to achieve targets, and these are classified as financial assets at fair value through other comprehensive income. The fair value of such investment as of December 31, 2023 and 2022 was NTD 39,650 thousand and NTD 36,750 thousand, respectively.
2. The Group invested in TWSE/TPEx and foreign listed and unlisted stocks in accordance with mid and long-term investment goals and expects to gain profit from long-term investment. The management of the Group considers that if the changes in short-term fair value of such investment is recognized as profit or loss, it is not consistent with the previous long-term investment planning. Thus, management chose to specify that such investment to be at fair value through other comprehensive income.
3. Changes in expected credit impairment loss of debt instrument investment at fair value through other comprehensive income recognized by the Group: None.
4. In 2023 and 2022, the Group adjusted its investment positions to spread risk, and sold part of its shares at fair value. Other related equity - unrealized profits on financial assets measured at fair value through other comprehensive income, amounting to NTD 0 thousand and NTD 22,290 thousand (excluding the related amounts of NTD 79 thousand and NTD (4,993) thousand recognized using the equity method), were transferred to retained earnings.
5. For relevant credit risk management and evaluation methods, please refer to Note 12.

(IX) Investment under the equity method

Invested company	December 31, 2023	December 31, 2022
Associated companies:		
Important associates:		
NICE Enterprise Co., Ltd.	$ 1,335,387	$ 1,188,570
Taiwan First Biotechnology Corp.	1,346,039	1,323,150
Individual unimportant associates	1,729,199	1,704,408
Subtotal	$ 4,410,625	$ 4,216,128
Joint ventures:		
Individual unimportant joint ventures	$ 4,230	$ 2,092
Total	$ 4,414,855	$ 4,218,220

1. In Q3 of 2022, the Group lost control over Koya Biotech Corp., which was transferred to investment accounted for using the equity method. See the description in Note 6(33).
2. Associated companies:
   (1) The basic information of associates important to the Group is as follows:

Company name	Shareholding ratio December 31, 2023	Shareholding ratio December 31, 2022
NICE Enterprise Co., Ltd.	28.24%	28.24%
Taiwan First Biotechnology Corp.	43.83%	43.83%

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

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

A. Balance sheet

	NICE Enterprise Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 3,118,220	$ 3,191,757
Non-current assets	4,665,346	4,241,871
Current liabilities	1,474,148	1,448,105
Non-current liabilities	1,684,319	1,912,818
Equity	$ 4,625,099	$ 4,072,705
Shares of the associates' net assets	$ 1,306,102	$ 1,150,110
Internal profit or loss	(19,512)	(11,590)
Deferred credits	25,824	27,077
Goodwill	22,973	22,973
Book value of associates	$ 1,335,387	$ 1,188,570

	Taiwan First Biotechnology Corp.	
	December 31, 2023	December 31, 2022
Current assets	$ 1,590,530	$ 1,402,024
Non-current assets	3,437,777	3,520,463
Current liabilities	1,067,079	937,584
Non-current liabilities	1,287,398	1,376,954
Equity	$ 2,673,830	$ 2,607,949
Shares of the associates' net assets	$ 1,171,726	$ 1,142,856
Internal profit or loss	(18,651)	(15,334)
Deferred credits	24,414	27,078
Goodwill	168,550	168,550
Book value of associates	$ 1,346,039	$ 1,323,150

B. Statement of comprehensive income

	NICE Enterprise Co., Ltd.			
	2023		2022	
Operating revenue	$	2,610,787	$	2,597,562
Current net profit	$	248,088	$	50,646
Other comprehensive income (net amount after tax)		330,955		(175,942)
Total comprehensive income in the current period	$	579,043	$	(125,296)
Dividend acquired from associates	$	7,384	$	17,228

	Taiwan First Biotechnology Corp.			
	2023		2022	
Operating revenue	$	2,279,721	$	2,102,345
Current net profit	$	288,888	$	255,017
Other comprehensive income (net amount after tax)		(50,560)		(44,694)
Total comprehensive income in the current period	$	238,328	$	210,323
Dividend acquired from associates	$	75,569	$	63,943

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

	2023		2022	
Shares held:				
Current net profit (loss)	$	(3,570)	$	(10,081)
Other comprehensive income (net amount after tax)		25,622		(152,907)
Total comprehensive income in the current period	$	22,052	$	(162,988)

3. Joint ventures:

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

	2023		2022	
Shares held:				
Current net profit (loss)	$	2,138	$	(2,451)
Other comprehensive income (net amount after tax)		-		-
Total comprehensive income in the current period	$	2,138	$	(2,451)

4. For investment under the equity method, share of profit or loss and other comprehensive income held by the Group, besides Zhuqi Lionhead Mountain Leisure Development Co., Ltd., Acts Bioscience Inc., New Zealand Cosmetic Laboratories Limited and Bioken Laboratories Inc. not having been calculated based on the financial report audited by the CPAs in 2023 and 2022, the remaining were calculated based on the financial report audited by the CPAs; however, the management of the Group considered the financial reports of said companies not audited by the CPAs to have no material effect.
5. The Group pledged part of the investment accounted for using the equity method as collateral for loans on December 31, 2023 and 2022. See the description in Note 8.
6. The statement of cash flows and acquisition of investment under the equity method in the current period are adjusted as follows:

Item	2023		2022	
Acquisition of investment under the equity method	$	20,800	$	305,935
Less: Fair value of investment under the equity method acquired due to loss of control		-		(276,585)
Proceeds paid for the current period	$	20,800	$	29,350

(X) Property, plant and equipment

Item	December 31, 2023		December 31, 2022	
Land	$	617,283	$	993,124
Houses and buildings		1,530,757		1,566,419
Machinery and equipment		1,964,753		1,944,191
Other equipment		705,821		713,094
Equipment pending acceptance and construction in progress		665,687		649,523
Total cost	$	5,484,301	$	5,866,351
Less: Accumulated depreciation		(3,355,512)		(3,364,659)
Accumulated impairment		(70,020)		(52,505)
Total	$	2,058,769	$	2,449,187

	Land		Houses and buildings		Machinery and equipment		Other equipment		Equipment pending acceptance and construction in progress		Total	
Costs												
Balance as of January 1, 2023	$	993,124	$	1,566,419	$	1,944,191	$	713,094	$	649,523	$	5,866,351
Increase		-		7,012		26,248		11,780		82,995		128,035
Disposal		-		(69,012)		(10,051)		(23,801)		-		(102,864)
Transferred to expenses		-		-		(167)		-		-		(167)
Reclassification		-		36,813		15,275		5,405		(57,493)		-
Appreciation on revaluation		78,906		3,298		-		-		-		82,204
Transferred to investment property		(454,747)		(9,753)		-		-		-		(464,500)
Impact of exchange difference		-		(4,020)		(10,743)		(657)		(9,338)		(24,758)
Balance as of December 31, 2023	$	617,283	$	1,530,757	$	1,964,753	$	705,821	$	665,687	$	5,484,301
Accumulated depreciation and impairment												
Balance as of January 1, 2023	$	-	$	1,074,404	$	1,661,262	$	642,047	$	39,451	$	3,417,164
Depreciation expenses		-		32,082		57,587		17,274		-		106,943
Disposal		-		(68,818)		(9,538)		(23,564)		-		(101,920)
Reclassification		-		-		122		(122)		-		-
Impairment loss provided (reversed)		-		-		-		-		18,552		18,552
Appreciation on revaluation		-		(5,383)		-		-		-		(5,383)
Impact of exchange difference		-		(861)		(7,433)		(493)		(1,037)		(9,824)
Balance as of December 31, 2023	$	-	$	1,031,424	$	1,702,000	$	635,142	$	56,966	$	3,425,532

	Land	Houses and buildings	Machinery and equipment	Other equipment	Equipment pending acceptance and construction in progress	Total
Costs						
Balance as of January 1, 2022	$ 1,384,215	$ 1,568,501	$ 1,959,705	$ 713,709	$ 633,100	$ 6,259,230
Increase	-	1,715	8,309	8,230	42,882	61,136
Disposal	-	(1,012)	(49,111)	(20,344)	-	(70,467)
Reclassification	-	-	17,260	11,440	(28,700)	-
Effect of consolidated entities	(391,091)	(15,985)	(2,128)	(717)	(7,403)	(417,324)
Impact of exchange difference	-	13,200	10,156	776	9,644	33,776
Balance as of December 31, 2022	$ 993,124	$ 1,566,419	$ 1,944,191	$ 713,094	$ 649,523	$ 5,866,351
Accumulated depreciation and impairment						
Balance as of January 1, 2022	$ -	$ 1,047,217	$ 1,645,066	$ 643,316	$ 17,850	$ 3,353,449
Depreciation expenses	-	34,650	56,012	18,064	-	108,726
Disposal	-	(838)	(44,236)	(19,437)	-	(64,511)
Reclassification	-	-	-	-	-	-
Impairment loss provided (reversed)	-	-	-	-	21,519	21,519
Effect of consolidated entities	-	(15,736)	(2,047)	(522)	-	(18,305)
Impact of exchange difference	-	9,111	6,467	626	82	16,286
Balance as of December 31, 2022	$ -	$ 1,074,404	$ 1,661,262	$ 642,047	$ 39,451	$ 3,417,164

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

Item	2023	2022
Increase of property, plant and equipment	$ 128,035	$ 61,136
Increase/decrease of payables on equipment	(3,490)	1,140
Paid cash amount for purchase of property, plant and equipment	$ 124,545	$ 62,276

2. For the capitalized interest amount, please see Note 6(31).
3. For more information about property, plant and equipment provided as collateral, please refer to Note 8.
4. As of December 31, 2023 and 2022, due to restrictions of relevant laws, the land temporarily registered in the name of others which cannot be registered in the name of Company was NTD 6,632 thousand. However, the mortgage registration was conducted as a security measure to secure the right of the Company.
5. The book balance regarding the uncompleted construction of the subsidiary of the Group, Shandong AGV Food Technology Co., Ltd. was NTD 495,921 thousand as of December 31, 2023. Please refer to Note 9(6) for the relevant lawsuit and suspension of construction.

6. The impairment losses recognized by the Group as of December 31, 2023 and 2022 were NTD 18,552 thousand and NTD 21,519 thousand, respectively. Because the expected recoverable amount from part of the production equipment was less than the carrying amount, the carrying value of related equipment cannot be recovered by use or sale. Therefore, the cumulative amounts of impairment recognized as of December 31, 2023 and 2022 were NTD 70,020 thousand and NTD 52,505 thousand, respectively. The aforesaid residual value of disposition is classified as Level 3 fair value.
7. At the end of September 2022, the Group lost control over Koya Biotech Corp. due to a drop in the Group's shareholding therein. The real property leased to the subsidiary, which was originally recognized in property, plant and equipment on a consolidated basis, has been reclassified as investment property, with the recognition of NTD 87,587 thousand of appreciation on revaluation (including accumulated depreciation of NTD 5,383 thousand for reversal). The fair value of the aforesaid appreciation on revaluation was appraised by Tien-Ching Hsieh, a certified real estate appraiser of Taiwan from CPAC, on March 31, 2023.

(XI) Lease agreement

1. Right-of-use assets

Item	December 31, 2023	December 31, 2022
Right of land use	$ 139,844	$ 137,319
Buildings	20,916	20,267
Machine and equipment	34,817	51,511
Other equipment	26,754	17,077
Total cost	$ 222,331	$ 226,174
Less: Accumulated depreciation	(49,365)	(52,015)
Net amount	$ 172,966	$ 174,159

Costs	Right of land use	Buildings	Machinery and equipment	Other equipment	Total
Balance as of January 1, 2023	$ 137,319	$ 20,267	$ 51,511	$ 17,077	$ 226,174
Increase in the current period	10,875	2,573	-	10,620	24,068
Decrease in the current period	-	(1,924)	-	-	(1,924)
Derecognition in the current period	(6,137)	-	(16,694)	(943)	(23,774)
Exchange rate effect	(2,213)	-	-	-	(2,213)
Balance as of December 31, 2023	$ 139,844	$ 20,916	$ 34,817	$ 26,754	$ 222,331
Accumulated depreciation and impairment					
Balance as of January 1, 2023	$ 17,470	$ 4,889	$ 25,999	$ 3,657	$ 52,015
Depreciation expenses	5,461	4,146	5,927	6,571	22,105
Increase in the current period	-	-	-	-	-
Decrease in the current period	-	(695)	-	-	(695)
Derecognition in the current period	(6,137)	-	(16,694)	(943)	(23,774)
Exchange rate effect	(286)	-	-	-	(286)
Balance as of December 31, 2023	$ 16,508	$ 8,340	$ 15,232	$ 9,285	$ 49,365

Costs	Right of land use		Buildings		Machinery and equipment		Other equipment		Total	
Balance as of January 1, 2022	$	129,108	$	21,162	$	51,511	$	9,306	$	211,087
Increase in the current period		6,137		1,924		-		10,828		18,889
Decrease in the current period		-		(2,819)		-		-		(2,819)
Derecognition in the current period		-		-		-		(3,057)		(3,057)
Exchange rate effect		2,074		-		-		-		2,074
Balance as of December 31, 2022	$	137,319	$	20,267	$	51,511	$	17,077	$	226,174
Accumulated depreciation and impairment										
Balance as of January 1, 2022	$	9,698	$	2,892	$	17,867	$	2,895	$	33,352
Depreciation expenses		3,909		4,191		8,132		3,819		20,051
Increase in the current period		3,739		-		-		-		3,739
Decrease in the current period		-		(2,194)		-		-		(2,194)
Derecognition in the current period		-		-		-		(3,057)		(3,057)
Exchange rate effect		124		-		-		-		124
Balance as of December 31, 2022	$	17,470	$	4,889	$	25,999	$	3,657	$	52,015

In 2023 and 2022, the Group's right-of-use assets were not subject to any material sublease or impairment except for the expenses for addition and depreciation listed above.

2. Lease liabilities

	December 31, 2023		December 31, 2022	
Book amount of lease liabilities				
Current	$	17,365	$	17,671
Non-current	$	41,145	$	37,036

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

	December 31, 2023	December 31, 2022
Land	1.97%	2.54%
Buildings	1.93%-2.20%	1.93%-2.20%
Machine and equipment	2.20-2.54%	2.2%-2.54%
Other equipment	1.93%-1.97%	1.93%-1.97%

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

3. Important lease activities and terms

The Group leases lands and buildings, machines and other equipment for operational use. The lease period is 3-50 years and the Group included the right of renewal of those with expired lease periods in the lease liabilities. According to the contract agreement, the Group shall not sublease assets of a leased item to others without the approval of the lessor. As of December 31, 2023 and 2022, there was no sign of impairment regarding the right-of-use assets, therefore the impairment evaluation was not conducted.

4. Sublease: None.

5. Other information about the lease

(1) For the Group's agreement of investment property leased as operating lease, please refer to Note 6(12).

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

Item	2023	2022
Short-term lease expenses	$ 7,440	$ 7,205
Expenses of lease of low-price assets	$ 914	$ 1,066
Variable lease payment not included in measurement of lease liabilities Paid expenses	$ -	$ -
Total cash outflow of lease (Note)	$ 27,346	$ 26,343

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

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

(XII) Net investment property

Item	December 31, 2023	December 31, 2022
At fair value – commissioned appraisal	$ 3,129,230	$ 2,612,537
Measured at cost	50,952	50,952
Total	$ 3,180,182	$ 2,663,489

1. Investment property at fair value

Item	2023	2022
Balance – beginning	$ 2,612,537	$ 2,602,263
Property, plant and equipment - transferred	464,500	-
Profit on valuation	52,193	10,274
Balance – ending	$ 3,129,230	$ 2,612,537

(1) The fair value of investment property as of December 31, 2023 was appraised by Tien-Ching Hsieh, a certified real estate appraiser of Taiwan from CPAC, and by Chien-Hui Ku, a certified real estate appraiser of Taiwan from Colliers Taiwan, on December 31, 2023 and January 3, 4, 5 and 9, 2024.

(2) The fair value of investment property as of December 31, 2022 was appraised by Tien-Ching Hsieh, a certified real estate appraiser of Taiwan from CPAC, and by Chien-Hui Ku, a certified real estate appraiser of Taiwan from Colliers Taiwan, on December 31, 2022 and January 6, 7 and 16, 2023.

(3) Besides the undeveloped land referred to in (4), the fair value of the other investment assets is appraised based on the income approach. The fair value will increase when the increase of future net cash inflow or decrease of discount rate is estimated. The important assumptions are as follows:

Item	December 31, 2023	December 31, 2022
Estimated future cash inflow	$ 3,427,020	$ 2,712,321
Estimated future cash outflow	145,723	128,613
Estimated future net cash inflow	$ 3,281,297	$ 2,583,708
Discount rate	3.345%-4.795%	3.22%-4.495%

A. In 2023, the monthly market rent of regions where investment property is located was between NTD 385 and NTD 2,435 per ping (approx. 3.31 m^2). The rent of similar comparable items in the market was between NTD 330 and NTD 2,524 per 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 Chunghwa Post Co., Ltd., plus 0.75 % as the minimum, and plus 1%-2.5% as the presumed discount rate.

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

Item	December 31, 2023	December 31, 2022
Estimated total sales amount	$ 2,507,993	$ 2,851,051
Profit margin	18%	15%～18%
Overall capital interest rate	0.92%～2.03%	1.43%～1.91%

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	2023	2022
Balance – beginning	$ 50,952	$ 50,952
Increase	-	-
Balance – ending	$ 50,952	$ 50,952

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

3. The lease period of the investment property is 1 year without 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	2023		2022	
Rent revenue from investment property	$	8,879	$	6,425
Direct operating expenses incurred from investment property generating rental revenue in the current period	$	5,762	$	2,947
Direct operating expenses incurred from investment property not generating rental revenue in the current period	$	739	$	741

5. In 2023 and 2022, the total lease payments receivable in the future for property rented via operating lease are summarized as follows:

	December 31, 2023		December 31, 2022	
1st year	$	6,610	$	7,210
2nd to 5th years		-		-
More than 5 years		-		-
Total	$	6,610	$	7,210

6. The fair value of the Group's investment property as of December 31, 2023 and 2022, was NTD 3,129,230 thousand and NTD 2,612,537 thousand, respectively, which was based on the valuation result of an independent appraiser. The valuation adopting the income approach and land development approach is classified as Level 3 fair value. Please refer to Note 12.
7. For information of investment property provided as collateral, please refer to Note 8.
8. As of December 31, 2023 and 2022, due to restrictions of relevant laws, the land temporarily registered in the name of others which cannot be registered in the name of Company was NTD 50,952 thousand. However, the mortgage registration was conducted as a security measure to secure the rights of the Company.

(XIII) Intangible assets

Item	December 31, 2023		December 31, 2022	
Patent	$	5,000	$	5,000
Computer software cost		39,808		39,498
Trademark		21,733		21,733
Total cost	$	66,541	$	66,231
Less: Accumulated amortization		(60,319)		(58,504)
Net amount	$	6,222	$	7,727

	Patent		Computer software cost		Trademark		Total	
Costs								
Balance as of January 1, 2023	$	5,000	$	39,498	$	21,733	$	66,231
Increase		-		414		-		414
Impact of exchange difference		-		(104)		-		(104)
Balance as of December 31, 2023	$	5,000	$	39,808	$	21,733	$	66,541
Accumulated amortization								
Balance as of January 1, 2023	$	5,000	$	36,334	$	17,170	$	58,504
Amortization expenses		-		1,479		434		1,913
Impact of exchange difference		-		(98)		-		(98)
Balance as of December 31, 2023	$	5,000	$	37,715	$	17,604	$	60,319

	Patent		Computer software cost		Trademark		Total	
Costs								
Balance as of January 1, 2022	$	5,000	$	37,990	$	21,733	$	64,723
Increase		-		1,459		-		1,459
Derecognition		-		(41)		-		(41)
Impact of exchange difference		-		90		-		90
Balance as of December 31, 2022	$	5,000	$	39,498	$	21,733	$	66,231
Accumulated amortization								
Balance as of January 1, 2022	$	5,000	$	34,669	$	16,735	$	56,404
Amortization expenses		-		1,630		435		2,065
Derecognition		-		(41)		-		(41)
Impact of exchange difference		-		76		-		76
Balance as of December 31, 2022	$	5,000	$	36,334	$	17,170	$	58,504

(XIV) Other financial assets – non-current

Item	December 31, 2023		December 31, 2022	
Pledged bank deposits	$	32,748	$	27,838

(XV) Other non-current assets – others

Item	December 31, 2023		December 31, 2022	
Long-term prepaid expenses	$	31,544	$	19,977
Others		-		40
Total	$	31,544	$	20,017

(XVI) Short-term loans

Item	December 31, 2023		December 31, 2022	
Credit loans	$	439,335	$	478,509
Mortgage loan		449,277		707,693
Total	$	888,612	$	1,186,202
Interest rate interval		2.03%-5.74%		1.7%-5.74%

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

(XVII) Other payables

Item	December 31, 2023		December 31, 2022	
Commission payable	$	130,841	$	150,301
Remuneration and bonus payable		173,141		168,699
Payables on equipment		4,730		1,240
Advertisement expenses payable		19,458		27,032
Insurance payable		10,719		9,731
Freight payable		20,502		21,543
Accounts payable for financing		29,477		29,482
Other payables		74,481		75,597
Total	$	463,349	$	483,625

For related party transactions, please refer to Note 7(3)4.

(XVIII) Liability reserve – current

Item	Employee benefit		Item	Employee benefit	
January 1, 2023	$	25,747	January 1, 2022	$	24,878
Effect of decrease in consolidated entities		-	Effect of decrease in consolidated entities		(190)
Current increase of liability reserve		19,217	Current increase of liability reserve		18,340
Liability reserve used currently		(14,547)	Liability reserve used currently		(12,912)
Unused amount reversed currently		(2,659)	Unused amount reversed currently		(4,369)
December 31, 2023	$	27,758	December 31, 2022	$	25,747

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

(XIX) Other current liabilities

Item	December 31, 2023		December 31, 2022	
Refund liabilities	$	3,173	$	4,474

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

Lending institution	December 31, 2023		December 31, 2022	
Bank syndicated loans	$	2,707,500	$	2,137,500
Secured bank loans		1,234,333		1,489,000
Unsecured bank loans		73,500		-
Total	$	4,015,333	$	3,626,500
Less: Unamortized discount		(8,102)		(9,500)
Less: Long-term liabilities due within a year		(431,729)		(482,828)
Long-term loans	$	3,575,502	$	3,134,172
Interest rate interval		2.178%-2.92%		1.421%-3.08%

1. For long-term loans, the Group provides part of property, plant and equipment, investment property, investment under the equity method and bank deposit as collateral, please refer to Note 8.
2. 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 the specific current ratio, liability ratio, interest earned ratio and tangible net worth during the loan period; after review, the relevant financial ratios in the 2023 and 2022 consolidated financial report all complied with the provisions of the loan contract.

(XXI) Pension

1. Defined contribution plan
   (1) The Company and its subsidiaries located in the territory of the Republic of China applied the pension system under the "Labor Pension Act," which was identified as a defined contribution plan managed by the government. Under the plan, the Company contributed 6% of each employee's salary to the personal account maintained at the Bureau of Labor Insurance on a monthly basis; subsidiaries beyond the borders of the Republic of China participated in the defined contribution plan conducted by the local government and contributed pension to the local government on a monthly basis.
   (2) In 2023 and 2022, the Group recognized NTD 25,528 thousand and NTD 23,785 thousand in the respective consolidated statements of comprehensive income as the total expense for the amount that must be appropriated in accordance with the percentage specified in the defined contribution plan.
2. Defined benefit plan
   (1) The employee pension system established by the Group is a defined benefit plan based on the "Labor Standards Act." The payment of the employee pension is calculated based on their years of service and the average salary for six months prior to the approval date of retirement. The Company has an amount equivalent to 2%–13% of the total monthly salary of employees appropriated and deposited in the specific account with Bank of Taiwan in the name of the Labor Pension Reserve Committee. Before the end of the fiscal year, if the pension account balance is insufficient to pay for the employees expecting to meet the retirement conditions in the following year, the spread amount shall be deposited by the Company in a lump sum in the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor. The Group has no right to affect the investment management strategies.

(2) The amount of defined benefit plan recognized in the consolidated balance sheet by the Group is shown below:

Item	December 31, 2023	December 31, 2022
Current values of the ascertained fringe benefit obligations	$ 218,438	$ 230,635
Fair values of the planned assets	(182,139)	(180,030)
Defined benefit liabilities (assets)	$ 36,299	$ 50,605
Net assets recognized in the balance sheet	$ (1,029)	$ (949)
Net liabilities recognized in the balance sheet	$ 37,328	$ 51,554

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

Item	2023		
	Current values of the ascertained fringe benefit obligations	Fair values of the planned assets	Defined benefit liabilities
Balance on January 1	$ 230,635	$ (180,030)	$ 50,605
Service cost			
Service cost in the current period	544	-	544
Interest expenses (revenue)	2,812	(2,245)	567
Recognized as profit and/or loss	$ 3,356	$ (2,245)	$ 1,111
Re-measurement amount			
Return on plan assets (excluding amount included in the net interest)	$ -	$ (1,584)	$ (1,584)
Actuarial losses (profits) –			
Effects of changes in financial assumptions	-	-	-
Adjustment through experience	6,371	-	6,371
Recognized under other comprehensive income	$ 6,371	$ (1,584)	$ 4,787
Appropriated by employer	$ -	$ (11,469)	$ (11,469)
Benefit payment	(22,530)	13,189	(9,341)
Transfer-in (out) from affiliates	606	-	606
Balance on December 31	$ 218,438	$ (182,139)	$ 36,299

Item	2022					
	Current values of the ascertained fringe benefit obligations		Fair values of the planned assets		Defined benefit liabilities	
Balance on January 1	$	255,883	$	(173,213)	$	82,670
Service cost						
Service cost in the current period		760		-		760
Interest expenses (revenue)		1,362		(941)		421
Recognized as profit and/or loss	$	2,122	$	(941)	$	1,181
Re-measurement amount						
Return on plan assets (excluding amount included in the net interest)	$	-	$	(13,457)	$	(13,457)
Actuarial losses (profits) –						
Effects of changes in financial assumptions		(7,032)		-		(7,032)
Adjustment through experience		(2,014)		-		(2,014)
Recognized under other comprehensive income	$	(9,046)	$	(13,457)	$	(22,503)
Appropriated by employer	$	-	$	(10,743)	$	(10,743)
Benefit payment		(18,324)		18,324		-
Transfer-in (out) from affiliates		-		-		-
Balance on December 31	$	230,635	$	(180,030)	$	50,605

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

A. Investment risk

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

B. Interest rate risk

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

C. Salary risk

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

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

Item	Measurement date	
	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.25%
Anticipated raise ratio of salaries	1.00%	1.00%
Average maturity of defined benefit obligation	7.3-10.2 years	8.1-11.3 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, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	$ (2,313)	$ (2,609)
Decrease by 0.25%	$ 2,382	$ 2,692
Anticipated raise ratio of salaries		
Increase by 1%	$ 9,883	$ 11,185
Decrease by 1%	$ (8,992)	$ (10,114)

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) In 2024, the Group is expected to contribute NTD 2,178 thousand to the pension plan.

(XXII) Common share capital

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

Item	2023		2022	
	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, 2023, the Company's authorized capital was NTD 8,800,000 thousand, divided into 880,000 thousand shares. The paid-in capital was NTD 4,945,134 thousand.

3. In order to replenish its working capital and capital expenditure and meet the needs of future development, and taking into account the timeliness and convenience of fundraising and the cost of issuance, the shareholders' meeting of the Company adopted a resolution on June 9, 2023 to raise funds by issuing common shares from cash capital increase via private placement, with the issuance of no more than

100,000,000 shares, and with the price of privately placed common shares not less than 80% of the reference price and not below the par value of NTD 10. Such shares will be issued in tranches within one year from the date of the resolution of the shareholders' meeting, with the issuance of no more than three tranches of such shares. As of December 31, 2023, such shares have yet to be issued, and the Board of Directors approved a proposal to discontinue the issuance of such shares in the remaining period on March 11, 2024.

(XXIII) Capital surplus

Item	December 31, 2023	December 31, 2022
Stock premium	$ 28,973	$ 28,973
Difference between the actual price for acquisition or disposal of subsidiaries' equity and the carrying value	144,001	144,001
Changes of associates and joint ventures recognized under the equity method	82,566	83,168
Treasury stock trading	7,354	7,354
Recognized changes in the ownership equity of the subsidiary	5,250	5,250
Total	$ 268,144	$ 268,746

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

(XXIV) Retained earnings and dividend policy

1. According to the earnings distribution policy under the Articles of Incorporation, when there are earnings after closing of the accounts in a fiscal year, in addition to paying taxes and making up the losses from prior years, an amount equivalent to 10% of such earnings shall be set aside as a legal reserve, and a special reserve shall be set aside or reversed from the after-tax net profit of the current year plus items other than the after-tax net profit of the current year with respect to the reduction of shareholders' equity and net increase in the fair value of investment property occurring in the current year. After the dividends to be distributed in the current year for distribution of preferred shares and the accumulated undistributed dividends in prior years are distributed, the Board of Directors shall prepare a proposal for distribution of earnings, excluding the part to be retained. If such distribution is to be made in cash, the Board of Directors shall be authorized to give approval and submit a report thereon to the shareholders' meeting.

The food industry is in a changing environment and the Company is at the stage of stable growth. To meet the demand for operating funds as the business grows and 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 NTD 0.1 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, 2023		December 31, 2022	
Appropriation of initial application of IFRSs	$	93,685	$	93,685
Appropriation of investment property at fair value		695,345		670,020
Total	$	789,030	$	763,705

(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 equity 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 NTD 158,125 thousand of the accumulative translation adjustment and unrealized revaluation increase to the retained earnings. However, the retained earnings increase generated from the first-time adoption of IFRSs was insufficient for recognition. Therefore, NTD 93,685 thousand of retained earnings increase generated from the first-time adoption of IFRSs was recognized as special reserve.

(3) Appropriation of investment property at fair value

Item	Amount	
Appropriation of investment property first at fair value	$	393,347
Appropriation of investment property at fair value		301,998
Total	$	695,345

As of December 31, 2023, the special reserve was classified as accumulated net fair value increase of investment property, and the amount not provided due to insufficient undistributed earnings in the previous period totaled NTD 548,378 thousand.

4. At the annual shareholders' meeting held in June 2022, the proposal for distribution of the earnings of 2021 was approved as follows:

Item	2021		
	Earnings distribution		Dividends per share (NTD)
Legal reserve	$	19,002	
Special reserve		8,328	
Cash dividends		148,354	0.3
Total	$	175,684	

5. On March 13, 2023, the Board of Directors proposed distribution of the earnings of 2022 as follows:

Item	2022 Earnings distribution	2022 Dividends per share (NTD)
Legal reserve	$ 30,836	
Special reserve	25,325	
Cash dividends	197,805	0.4
Total	$ 253,966	

The allocated amounts of legal and special reserves for 2022 were approved by the annual shareholders' meeting held in June 2023, with a report on the distribution of cash dividends submitted to the meeting.

6. On March 11, 2024, the Board of Directors adopted a resolution for distribution of the earnings of 2023 as follows:

Item	2023 Earnings distribution	2023 Dividends per share (NTD)
Legal reserve	$ 19,311	
Special reserve	126,931	
Cash dividends	113,738	0.23
Total	$ 259,980	

The allocated amounts of legal and special reserves for 2023 were approved by the annual shareholders' meeting held in June 2024, with a report on the distribution of cash dividends submitted to the meeting.

7. For implementation of the earnings distribution resolved by the Board of Directors and the shareholders' meetings, please visit the "Market Observation Post System" of the TWSE for inquiry.

(XXV) Other equity items

Item	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	Appreciation on revaluation of property	Total
Balance as of January 1, 2023	$ (34,267)	$ 403,095	$ -	$ 368,828
Profit of appreciation on revaluation of property	-	-	86,658	86,658
Exchange difference in the financial statement translation of foreign operations	(4,278)	-	-	(4,278)
Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	-	(121,623)	-	(121,623)
Share of associates and joint ventures accounted for using the equity method	(4,907)	95,849	-	90,942
Disposal of equity instruments measured at fair value through other comprehensive income	-	(79)	-	(79)
Balance as of December 31, 2023	$ (43,452)	$ 377,242	$ 86,658	$ 420,448

Item	Exchange difference in the financial statement translation of foreign operations	Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	Appreciation on revaluation of property	Total
Balance as of January 1, 2022	$ (103,812)	$ 501,060	$ -	$ 397,248
Profit of appreciation on revaluation of property	-	-	-	-
Exchange difference in the financial statement translation of foreign operations	64,938	-	-	64,938
Unrealized valuation profit (loss) of financial assets measured at fair value through other comprehensive income	-	142,925	-	142,925
Share of associates and joint ventures accounted for using the equity method	4,607	(223,593)	-	(218,986)
Disposal of equity instruments measured at fair value through other comprehensive income	-	(17,297)	-	(17,297)
Balance as of December 31, 2022	$ (34,267)	$ 403,095	$ -	$ 368,828

(XXVI) Non-controlling equity

Item	2023	2022
Balance – beginning	$ 764,480	$ 776,058
Share attributable to non-controlling equity:		
Net profit (loss) for the year	16,664	9,903
Other comprehensive income for the year	(7,857)	2,513
Cash capital increase of subsidiary	-	12,100
Additional purchase of non-controlling interests	-	(190)
Decrease in non-controlling interests	(427)	-
Increase in non-controlling interests	-	25
Effect of decrease in consolidated entities	-	(24,133)
Cash dividends distributed to non-controlling equity	(7,679)	(11,796)
Balance – ending	$ 765,181	$ 764,480

(XXVII) Operating revenue

Item	2023	2022
Revenue from customer contracts		
Sales revenue	$ 4,841,303	$ 4,894,349
Revenue from processing	386,006	254,189
Management service revenue	42,312	38,555
Total operating revenue from customer contracts	$ 5,269,621	$ 5,187,093
Less: Sales return	(16,039)	(22,107)
Sales discount	(357,098)	(367,391)
Net operating revenue from customer contracts	$ 4,896,484	$ 4,797,595
Other operating income	3,554	3,554
Less: Sales return	-	(524)
Net operating revenue	$ 4,900,038	$ 4,800,625

1. Details of customer contracts

(1) Sales revenue

The Group mainly engages in the selling of drinks and canned foods to wholesalers and retailers. According to general commercial practices, the Group 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 Group estimates the refund rate at the highest possible amount to recognize the refund liabilities (as other current liabilities). Other products are sold according to the fixed price agreed to and the agreed promotional price in the contract.

(2) Revenue from processing

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

(3) Management service revenue

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

2. Details of revenue from customer contracts

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

2023:

	Drinks and canned foods	Processing	Management service	Total
Main area and market				
Taiwan	$ 4,375,533	$ 363,329	$ 42,312	$ 4,781,174
Mainland China	92,633	22,677	-	115,310
Total	$ 4,468,166	$ 386,006	$ 42,312	$ 4,896,484
Product line				
Tradition series	$ 938,195	$ 22,677	$ -	$ 960,872
Dessert series	719,771	11,982	-	731,753
Drink series	1,546,575	245,717	-	1,792,292
Oat milk series	967,569	104,392	-	1,071,961
Oil series	91,545	-	-	91,545
Health series	22,200	-	-	22,200
Others	182,311	1,238	42,312	225,861
Total	$ 4,468,166	$ 386,006	$ 42,312	$ 4,896,484
Timing of revenue recognition				
Fulfillment of performance obligation at certain timing	$ 4,468,166	$ 386,006	$ 1,185	$ 4,855,357
Gradual fulfillment of performance obligation over time	-	-	41,127	41,127
Total	$ 4,468,166	$ 386,006	$ 42,312	$ 4,896,484

2022:

	Drinks and canned foods	Processing	Management service	Total
Main area and market				
Taiwan	$ 4,393,955	$ 225,154	$ 38,555	$ 4,657,664
Mainland China	110,896	29,035	-	139,931
Total	$ 4,504,851	$ 254,189	$ 38,555	$ 4,797,595
Product line				
Tradition series	$ 1,043,339	$ 29,035	$ -	$ 1,072,374
Dessert series	736,967	7,248	-	744,215
Drink series	1,449,149	141,973	-	1,591,122
Oat milk series	963,945	74,787	-	1,038,732
Oil series	108,681	170	-	108,851
Health series	22,731	-	-	22,731
Others	180,039	976	38,555	219,570
Total	$ 4,504,851	$ 254,189	$ 38,555	$ 4,797,595
Timing of revenue recognition				
Fulfillment of performance obligation at certain timing	$ 4,504,851	$ 254,189	$ 1,254	$ 4,760,294
Gradual fulfillment of performance obligation over time	-	-	37,301	37,301
Total	$ 4,504,851	$ 254,189	$ 38,555	$ 4,797,595

3. Contract balance

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

	December 31, 2023	December 31, 2022
Receivable	$ 680,863	$ 728,909
Contract assets	-	-
Total	$ 680,863	$ 728,909
Contract liabilities – current	$ 15,209	$ 13,714

(1) Significant changes in contract assets and liabilities

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

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

Amount recognized as current revenue	2023	2022
Contract liabilities from the beginning of the period	$ 13,196	$ 9,782
Fulfilled performance obligation from the previous period	$ -	$ -

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

By nature	2023 As operating costs	2023 As operating expenses	2023 Total
Employee benefit expenses			
Salary expenses	$ 218,308	$ 364,961	$ 583,269
Expenses for labor and health insurance	23,779	28,887	52,666
Pension expenses	11,546	15,093	26,639
Other employee benefit expenses	33,368	21,975	55,343
Depreciation expenses (Note 1)	87,540	39,478	127,018
Amortization expenses	-	1,913	1,913
Total	$ 374,541	$ 472,307	$ 846,848

By nature	2022 As operating costs	2022 As operating expenses	2022 Total
Employee benefit expenses			
Salary expenses	$ 205,852	$ 359,573	$ 565,425
Expenses for labor and health insurance	21,829	27,578	49,407
Pension expenses	10,774	14,192	24,966
Other employee benefit expenses	32,629	21,393	54,022
Depreciation expenses (Note 2)	90,211	36,990	127,201
Amortization expenses	10	2,055	2,065
Total	$ 361,305	$ 461,781	$ 823,086

(Note 1): This does not include the leased asset depreciation expenses of NTD 2,030 thousand stated in non-operating expenses.

(Note 2): This does not include the leased asset depreciation expenses of NTD 1,576 thousand stated in non-operating expenses.

1. The Company shall allocate no less than 1% of the current pre-tax profit before deducting the remuneration distributed to employees and the directors as the remuneration to employees and no more than 1% thereof as the remuneration to directors. Should there be any change to the annual consolidated financial report after the reporting date, the accounting treatment shall be applied, and the adjustment accounted for in the next year.
2. The Board of Directors adopted resolutions to approve the 2023 and 2022 remuneration for employees and directors on March 11, 2024 and March 13, 2023, respectively. The relevant amounts recognized in the financial report are as follows:

	2023		2022	
	Remuneration to employees	Remuneration to directors	Remuneration to employees	Remuneration to directors
Distributed amount resolved	$ 4,652	$ 2,325	$ 5,723	$ 2,861

Amount recognized in annual financial statements	2,326	2,325	2,862	2,861
Difference	$ 2,326	$ -	$ 2,861	$ -

The difference between the 2023 and 2022 remuneration distributed to employees as approved by a resolution of the Board of Directors and the amount in the financial report was mainly due to changes in accounting estimates and will be recognized as adjustment to profit/loss in 2024 and 2023. In addition, the remuneration for employees was distributed in cash.

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

(XXIX) Other revenue

Item	2023	2022
Rental revenue	$ 11,623	$ 9,918
Dividend revenue	16,778	19,925
Others	29,833	27,090
Total	$ 58,234	$ 56,933

(XXX) Other profits and losses

Item	2023	2022
Net profit (loss) on financial assets and liabilities measured at fair value through profit/loss	$ 5,736	$ (5,674)
Profit (loss) of foreign exchange, net	(3,664)	(54,452)
Profit (loss) on disposal of property, plant and equipment	(164)	(4,265)
Profit (Loss) on disposal of investments	-	178,362
Lease cost	(4,819)	(4,203)
Profit (loss) from fair value adjustment	52,193	10,274
Impairment loss of property, plant and equipment	(18,552)	(21,519)
Profit on lease modification	13	27
Others	(16,291)	(13,554)
Total	$ 14,452	$ 84,996

(XXXI) Finance costs

Item	2023	2022
Interest from bank loans	$ 124,642	$ 111,035
Other finance costs	7,720	7,515
Interest from lease liabilities	1,105	1,182
Subtotal	$ 133,467	$ 119,732
Less: Capitalized amount of qualifying assets	(701)	(407)
Finance costs	$ 132,766	$ 119,325

(XXXII) Income tax

1. Income tax expenses

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

Item	2023		2022	
Income tax in the current period				
Income tax generated in the current period	$	15,248	$	13,002
Overestimated/underestimated income tax in previous year		-		-
Additional tax levied on undistributed earnings		256		51
Total income tax in the current period	$	15,504	$	13,053
Deferred income tax				
Initial occurrence and reversal of temporary difference	$	27,638	$	2,416
Deferred income tax expenses	$	27,638	$	2,416
Income tax expenses (profits)	$	43,142	$	15,469

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

Item	2023		2022	
Exchange difference in the financial statement translation of foreign operations	$	(840)	$	4,533
Re-measurement of defined benefit pension plan		(958)		4,501
Appreciation on revaluation of property		929		-
Total	$	(869)	$	9,034

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

Item	2023		2022	
Net profit before tax	$	260,742	$	303,262
Tax calculated based on net profit before tax at the statutory tax rate	$	32,041	$	26,471
Tax effects of adjustments				
Effects not included in the calculation of taxable income				
Losses (profits) from adjustment of unrealized fair value		(10,439)		(2,055)
Other adjustments		(32,316)		(42,306)
Deduction of losses		25,962		30,892
Additional tax levied on undistributed earnings		256		51
Net change in deferred income tax		27,638		2,416
Income tax expenses recognized as profit or loss	$	43,142	$	15,469

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

In July 2019, the President of Taiwan promulgated the Statute for Industrial Innovation, which stipulates that where the construction or purchase of specific assets or technologies with undistributed earnings from 2018 onwards reaches a certain amount, such amount may be classified as a deduction for the calculation of undistributed earnings. When calculating the tax on undistributed earnings, the Group deducts only the amount of capital expenditure for actual investments that have been made.

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

	2023				
Item	Balance – beginning	Recognized as profit (loss)	Recognized under other comprehensive income	Loss of control	Balance – ending
Deferred income tax assets:					
Temporary difference					
Investment losses (profits) under the equity method	$ 170,256	$ (23,466)	$ -	$ -	$ 146,790
Re-measurement of defined benefit	11,077	(3,816)	832	-	8,093
Unused deduction of losses	3,719	(257)	-	-	3,462
Others	5,838	(651)	840	-	6,027
Subtotal	$ 190,890	$ (28,190)	$ 1,672	$ -	$ 164,372
Deferred income tax liabilities					
Temporary difference					
Increment tax on land value	$ (133,457)	$ 1,209	$ (929)	$ -	$ (133,177)
Others	(8,684)	(657)	126	-	(9,215)
Subtotal	$ (142,141)	$ 552	$ (803)	$ -	$ (142,392)
Total	$ 48,749	$ (27,638)	$ 869	$ -	$ 21,980

	2022				
Item	Balance – beginning	Recognized as profit (loss)	Recognized under other comprehensive income	Loss of control	Balance – ending
Deferred income tax assets:					
Temporary difference					
Investment losses (profits) under the equity method	$ 169,509	$ 747	$ -	$ -	$ 170,256
Re-measurement of defined benefit	17,198	(1,912)	(4,209)	-	11,077
Unused deduction of losses	4,667	(948)	-	-	3,719
Others	11,083	(144)	(4,518)	(583)	5,838
Subtotal	$ 202,457	$ (2,257)	$ (8,727)	$ (583)	$ 190,890
Deferred income tax liabilities					
Temporary difference					
Increment tax on land value	$ (133,765)	$ 308	$ -	$ -	$ (133,457)
Others	(7,910)	(467)	(307)	-	(8,684)
Subtotal	$ (141,675)	$ (159)	$ (307)	$ -	$ (142,141)

Total	$ 60,782	$ (2,416)	$ (9,034)	$ (583)	$ 48,749

4. Items not recognized as deferred tax assets

Item	December 31, 2023	December 31, 2022
Temporary difference	$ 387,139	$ 346,421
Unused deduction of losses	159,599	180,918
Total	$ 546,738	$ 527,339

5. The return of the Company's profit-seeking enterprise income tax was approved by the tax authority as until 2021.

(XXXIII) Disposal of subsidiaries

1. In September 2022, as a result of the Group's failure to participate in the cash capital increase by Koya Biotech Corp., the Group's shareholding therein dropped from 87.90% to 42.95%, causing the Group to lose its control of Koya Biotech Corp. The Group has recognized the difference in the carrying value of investment on the date when the Company lost such control in Q3 of 2022 as profit/loss, with the profit of its disposal amounting to NTD 178,362 thousand.
2. Profit on disposal of subsidiaries

Item	Amount
Fair value of investment under the equity method acquired due to loss of control	$ 276,585
Net assets on disposal of common shares	(111,782)
Non-controlling interest - common shares	13,565
Net assets of subsidiaries reclassified from equity to profit/loss due to loss of control	(6)
Profit on disposal	$ 178,362

3. Net cash inflow (outflow) from disposal of subsidiaries

Item	Amount
Proceeds from disposal of subsidiaries	$ -
Less: Balance of cash and cash equivalents on disposal	(41,144)
Net cash inflow (outflow) from disposal of subsidiaries	$ (41,144)

(XXXIV) Other comprehensive income

Item	2023 Before tax	2023 Income tax (expenses) profits	2023 Net amount after tax
Items not reclassified to profit or loss:			
Appreciation on revaluation of property	$ 87,587	$ (929)	$ 86,658
Re-measurement of defined benefit plan	(4,787)	958	(3,829)
Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income	(131,897)	-	(131,897)
Share of associates and joint ventures accounted for using the equity method	93,912	-	93,912
Subtotal	$ 44,815	$ 29	$ 44,844
Items may be subsequently reclassified as profit or loss:			
Exchange difference in the financial statement translation of foreign operations	$ (5,572)	$ 839	$ (4,733)

Unrealized profit/loss on valuation of investment in debt instruments measured at fair value through other comprehensive income	2,900	-	2,900
Share of associates and joint ventures accounted for using the equity method	(4,908)	1	(4,907)
Subtotal	$ (7,580)	$ 840	$ (6,740)
Recognized under other comprehensive income	$ 37,235	$ 869	$ 38,104

Item	2022		
	Before tax	Income tax (expenses) profits	Net amount after tax
Items not reclassified to profit or loss:			
Re-measurement of defined benefit plan	$ 22,503	$ (4,501)	$ 18,002
Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income	137,925	-	137,925
Share of associates and joint ventures accounted for using the equity method	(221,263)	-	(221,263)
Subtotal	$ (60,835)	$ (4,501)	$ (65,336)
Items may be subsequently reclassified as profit or loss:			
Exchange difference in the financial statement translation of foreign operations	$ 70,711	$ (4,513)	$ 66,198
Unrealized valuation profit or loss of debt financial assets at fair value through other comprehensive income	6,200	-	6,200
Share of associates and joint ventures accounted for using the equity method	4,627	(20)	4,607
Subtotal	$ 81,538	$ (4,533)	$ 77,005
Recognized under other comprehensive income	$ 20,703	$ (9,034)	$ 11,669

(XXXV) Earnings per common stock

Item	2023	2022
A. Basic EPS:		
Current net profit	$ 200,936	$ 277,890
Weighted average number of current outstanding shares (thousand shares)	494,513	494,513
Basic EPS (after tax) (NTD)	$ 0.41	$ 0.56
B. Diluted EPS:		
Current net profit	$ 200,936	$ 277,890
Effect of dilutive potential common stocks	-	-
Current net profit to be used to calculate diluted EPS	$ 200,936	$ 277,890
Weighted average number of current outstanding shares (thousand shares)	494,513	494,513
Effects of remuneration to employees (Note)	316	379
Weighted average number of outstanding common stock to be used to calculate diluted EPS (thousand shares)	494,829	494,892
Diluted EPS (after tax) (NTD)	$ 0.41	$ 0.56

(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 the diluted EPS before distributing the resolved shares as remuneration to employees in the following year, the dilutive effect of potential common stocks shall also be considered.

VII. Transactions of the related party

(I) Parent company and ultimate controller:

The Company is the ultimate controller of the Group.

(II) Name of the related party and relationship

Name of the related party	Relationship with the Company
Taiwan First Biotechnology Corp.	Associate
Nicostar Capital Investment (BVI) Ltd.	Associate
Tongjitang Medicinal Biotech Corp.	Associate
Gangjing Co., Ltd.	Associate
Tai Fu International Corp.	Associate
Hopeman Distribution Co., Ltd.	Associate
Yanjing AGV International Company Limited	Associate
NICE Enterprise Co., Ltd.	Associate
Heding International Development Co., Ltd.	Associate
Nice Plaza Co., Ltd.	Associate
Dongruntang Biotech Corp.	Associate
Zhuqi Lionhead Mountain Leisure Development Co., Ltd.	Associate
Songshan Village Co., Ltd.	Associate
Acts Bioscience Inc.	Associate
Kuo Cheng Investment Development Corp.	Associate
Liantong Developments, Co., Ltd.	Associate
Nice Investment Development Ltd.	Associate
Koya Biotech Corp.	Associate (Note)
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

Name of the related party	Relationship with the Company
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
Taiwan Daily Chemical Biotechnology Inc.	Other related parties
Shui Niu Cuo Co., Ltd.	Other related parties
Pi-Hsia Ma	Other related parties
Mass Market Holding., LTD	Other related parties

(Note) In September 2022, the Group's shareholding therein dropped from 87.90% to 42.95%, causing the Group to lose its control of the associate. Since Koya Biotech Corp. is no longer a consolidated entity, the Group has begun to list the related transactions with the company from September 20, 2022.

(III) Major transactions with the related party:

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

1. Operating revenue

Item	Category/Name of the related party	2023	2022
Sales revenue	Associate	$ 101,170	$ 108,835
	Other related parties		
	NICECO International Corp.	89,168	85,586
	Others	19,208	19,157
	Total	$ 209,546	$ 213,578
Rental income	Associate	$ 1,804	$ 1,804
	Other related parties	36	36
	Total	$ 1,840	$ 1,840

(1) Sales revenue:

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

(2) Rental revenue:

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

2. Purchase

Type of the related party	2023	2022
Associate		
Taiwan First Biotechnology Corp.	$ 1,113,360	$ 1,116,787
Others	97,023	44,843
Other related parties		
NICECO International Corp.	134,497	332,740
Others	29,488	29,654
Total	$ 1,374,368	$ 1,524,024

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

3. Accounts receivable from the related party (excluding funds loaned to the related party)

Item	Category/Name of the related party	December 31, 2023	December 31, 2022
Notes receivable	Associate	$ -	$ 1
	Other related parties		
	NICECO International Corp.	21,520	16,724
	Others	-	109
	Total	$ 21,520	$ 16,834
	Less: Allowance loss	(22)	(17)
	Net amount	$ 21,498	$ 16,817
Accounts receivable	Associate	$ 4,572	$ 30,701
	Other related parties	7,179	11,299
	Total	$ 11,751	$ 42,000
	Less: Allowance loss	(8)	(38)
	Net amount	$ 11,743	$ 41,962
Other accounts receivable	Associate		
	Nice Investment	$ 17,059	$ 6,499
	Kuo Cheng Investment	12,512	7,056
	Others	7,785	6,555
	Other related parties		
	Nice Capital & Finance Corp.	24,078	11,973
	Others	5,706	3,729
	Total	$ 67,140	$ 35,812
	Less: Allowance loss	(4,046)	(3,682)
	Net amount	$ 63,094	$ 32,130

(Note) In 2023 and 2022, the expected credit losses of other accounts receivable above recognized (reversed) were NTD 410 thousand and NTD 448 thousand, respectively.

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

Item	Type of the related party	December 31, 2023	December 31, 2022
Notes payable	Associate	$ 1,381	$ 1,691
	Other related parties	2,449	3,225
	Total	$ 3,830	$ 4,916
Accounts payable	Associate		
	Taiwan First Biotechnology Corp.	$ 587,918	$ 437,487
	Others	14,363	6,315
	Other related parties	1,771	12,744
	Total	$ 604,052	$ 456,546
Other payables	Associate	$ 19,425	$ 26,318
	Other related parties	18,855	25,914
	Total	$ 38,280	$ 52,232

5. Advance receipts

Category/Name of the related party	December 31, 2023	December 31, 2022
Other related parties	$ 3	$ 3

6. Prepayments

Category/Name of the related party	December 31, 2023	December 31, 2022
Associate		
Nice Plaza Co., Ltd.	$ 180	$ 1,729
Other related parties		
NICECO International Corp.	20,579	16,212
Janfusun Fancyworld Corp.	19,091	16,308
Others	422	-
Total	$ 40,272	$ 34,249

7. Guarantee deposits

Category/Name of the related party	December 31, 2023	December 31, 2022
Associate	$ 181	$ 356
Other related parties		
Jinan AGV Products Corporation	825	839
Total	$ 1,006	$ 1,195

8. Refundable deposits

Category/Name of the related party	December 31, 2023	December 31, 2022
Associate	$ 5,000	$ 5,000
Other related parties	-	15,000
Total	$ 5,000	$ 20,000

9. Property transaction

(1) Property, plant and equipment acquired: None.
(2) Disposal of property, plant and equipment: None.
(3) Acquisition of intangible assets: None.
(4) Acquisition of investment property: None.
(5) Acquisition of financial assets:

2023:

Category/Name of the related party	Transaction item	Transaction amount
Other related parties		
Janfusun Fancyworld Corp.	Private placement of 8,500 thousand common shares for Janfusun	$ 69,700

The aforesaid share transaction price refers to purchase at the private placement price of the investee company. As of December 31, 2023, all of the transaction prices have been paid in full.

2022:

Category/Name of the related party	Transaction item	Transaction amount
Other related parties		
Janfusun Fancyworld Corp.	3,500 thousand shares of Nice Plaza Co., Ltd.	$ 29,050

Said share transaction price refers to the net worth per share of the invested company and is determined after price negotiation between both parties. As of December 31, 2022, all of the transaction prices have been paid in full.

Disposal of financial assets: None.

10. Lease agreement

A. Right-of-use assets acquired from lease:

Category/Name of the related party	Lease item	2023	2022
Acquisition of right-of-use assets	Land		
Associate		$ 10,875	$ -

B. Lease liabilities:

Category/Name of the related party	December 31, 2023	December 31, 2022
Lease liabilities		
Associate	$ 17,575	$ 11,059

C. Interest expenses:

Category/Name of the related party	2023	2022
Interest expenses		
Associate	$ 208	$ 212

(1) Lease expenses

Category/Name of the related party	2023	2022
Associate	$ 286	$ 396

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

11. Lease agreement: Please refer to Note 7(3)15.
12. Loaning of funds to the related party: None.
13. Loans from related parties (stated as other payables and long-term notes and accounts payable):

(1) Balance – ending

Type of the related party	December 31, 2023	December 31, 2022
Other related parties	$ 35,618	$ 35,624
Current	$ 29,477	$ 29,482
Non-current	$ 6,141	$ 6,142

(2) Interest expense: None.

14. Endorsement and guarantee:

Category/Name of the related party	2023	2022
Associate		
Koya Biotech Corp.	$ -	$ 270,000

For endorsements/guarantees provided by the Group to others, see the description in Note 13.

15. Others

(1) Various revenues

Category/Name of the related party	2023	2022
Associate		
Taiwan First Biotechnology Corp.	$ 4,374	$ 3,661
Nice Investment	-	900
Kuo Cheng Investment Development Corp.	894	894
Others	5,053	2,553
Other related parties		
Tangli Culture Media Co., Ltd.	3,372	3,371
Nice Capital & Finance Corp.	9,796	10,399
Others	529	509
Total	$ 24,018	$ 22,287

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	2023	2022
Associate		
Hopeman Distribution Co., Ltd.	$ 140,114	$ 140,654
Others (Note)	9,708	12,192
Other related parties		
Tangli Culture Media Co., Ltd.	183,250	161,345
Others	28,555	28,368
Total	$ 361,627	$ 342,559

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

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

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

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

(3) The Group's participation in cash capital increase, conversion of claims into capital increase and increase in investment amounts by related parties is as follows:

2023:

Invested company	Increase of investment		Shareholding ratio	
	Shares (thousand shares)	Amount	Before capital increase	After capital increase
Nice (Singapore)	467	$ 2,646	8.41%	8.41%

2022: None.

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

Type of the related party	Land number
Pi-Hsia Ma	Land Nos. 183 and 184, Datan Subsection, Datan Section, Xingang Township, Land No. 378, Houdihu Subsection, Houdihu Section, Xingang Township, Land Nos. 160-7, 165-3 and 160-30, Songzijiao Section, Minxiong Township, and Land Nos. 600 and 611, Wujiancuo Section, Zhuqi Township.

(IV) Information about remuneration to key management

Category/Name of the related party	2023	2022
Salary and other short-term employee benefits	$ 36,334	$ 37,511
Benefits after severance/retirement	907	800
Other long-term employee benefits	1,391	1,174
Total	$ 38,632	$ 39,485

VIII. Pledged assets

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

Item	December 31, 2023		December 31, 2022	
Pledged demand deposits	$	32,748	$	27,838
Investment under the equity method		484,137		475,943
Property, plant and equipment (net amount)		864,193		1,232,115
Investment property		3,105,016		2,590,275
Total	$	4,486,094	$	4,326,171

IX. Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts

(I) As of December 31, 2023, and 2022, the guarantee notes issued for loan limit guarantees by the Group amounted to NTD 4,128,000 thousand and NTD 3,955,000 thousand, respectively, which were recognized as guarantee notes paid and guarantee notes payable.

(II) As of December 31, 2023, and 2022, the guarantee notes and accounts received by the Group for performance guarantees of construction and assuring claims of payment for goods amounted to NTD 63,381 thousand and NTD 56,328 thousand, respectively, which were recognized as guarantee notes and accounts received and guarantee notes and accounts receivable.

(III) As of December 31, 2023, and 2022, the details of unused letters of credit issued by the Group are as follows:

Unit: NTD thousand

Item	December 31, 2023		December 31, 2022	
Amount of letter of credit	USD	967	USD	1,281

(IV) For endorsements/guarantees provided by the Group to others as of December 31, 2023 and 2022, see the description in Table 2 of Note 13.

(V) Significant capital expenses for which contracts have been signed but which have not ocuured:

Item	December 31, 2023		December 31, 2022	
Property, plant, and equipment (Note)	$	165,524	$	157,447

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

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

1. Shandong AGV Food Technology Co., Ltd. (hereinafter referred to as the Shandong AGV) constructed the Jiyang plant of Shandong AGV in 2014 and commissioned Shandong Taian Construction Group Co., Ltd. (hereinafter referred to as Shandong Taian) as the turnkey solutions provider for the construction of Shandong AGV Jiyang plant. The construction contract was a framework contract for the construction of the entire plant area. After Shandong AGV signed A1, A3 and A12 construction contracts with Shandong Taian, due to construction delays in 2018, Shandong Taian filed a civil action against Shandong AGV regarding unsigned construction contracts and part of the construction amount and related interest for construction in progress without reaching an acceptable level. Shandong Taian received the final judgment from Shandong Jinan Intermediate People’s Court in October 2020, stating that Shandong AGV should pay RMB 11,454 thousand of the remaining construction amount and related interest to Shandong Taian. In addition, RMB 359 thousand of trial expenses was recognized by Shandong AGV in 2020.

2. On June 19, 2020, Shandong AGV filed a claim with Jinan Intermediate People's Court for damages for Shandong Taian's breach of contract, requesting the latter to pay RMB 41,055 thousand as compensation. On April 16, 2021, Jinan Intermediate People's Court rendered its judgment revoking all claims made by Shandong AGV. Upon receipt of the first-instance judgment on April 21, 2021, Shandong AGV filed an appeal immediately. Notwithstanding, Shandong Province Higher People's Court rendered the second-instance judgment under (2021)-Lu-Min-Zhong No. 1259 on July 29, 2021, which upheld the original judgment and dismissed the appeal filed by Shandong AGV. The second-instance judgment was final and concluded the case. Shandong AGV objected to the second-instance judgment and filed a petition for retrial in accordance with the law on January 15, 2022. On May 19, 2022, Shandong AGV received a notice of dismissal of the petition for retrial, thus concluding the case.

X. Losses Due to Major Disasters: None.

XI. Significant subsequent events

On March 11, 2024, the Board of Directors adopted a resolution for the issuance of common shares from cash capital increase via private placement. The key information of the resolution is summarized as follows:

In order to replenish the working capital and capital expenditure and meet the needs of future development, and taking into account the timeliness and convenience of fundraising and the cost of issuance, the Company proposed to issue common shares from cash capital increase via private placement, with the issuance of no more than 100,000,000 shares for private placement, and with the price of privately placed common shares not less than 80% of the reference price and not below the par value of NTD 10. The issuance of such shares is expected to achieve the primary benefit of combining the advantages of the Company and its strategic partners to win market opportunities and ensure long-term, stable performance and profit.

XII. Others

(I) Management over capital risks

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

(II) Financial instruments

Financial risk of financial instruments

<u>Financial risk management policy</u>

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

The Board of Directors and Audit Committee audited the Group's major financial activities in accordance with the relevant regulations and internal control systems. Upon implementation of the financial plan, the Group must faithfully comply with the relevant financial operation procedures regarding financial risk management and the division of authority and responsibility.

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

(1) Market risk

A. Exchange rate risk

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

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

			December 31, 2023			
	Foreign currency	Exchange rate	Amount recognized (NTD)	Sensitivity analysis		
				Extent of change	Impact on profit or loss	Impact on equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD : NTD	769	30.705	23,627	1% appreciation	236	-
USD : RMB	79	7.0827	2,528	1% appreciation	25	-
HKD : USD	1,022	0.128	4,018	1% appreciation	40	-
Non-monetary items						
Investment under the equity method						
USD : NTD	13,842	30.705	425,010	1% appreciation	-	4,250
RMB : USD	106,663	0.1412	462,442	1% appreciation	-	4,624
VND : USD	1,237,650	0.000040547	1,541	1% appreciation	-	15
Financial liabilities						
Monetary items						
USD : RMB	17,381	7.0827	533,693	1% appreciation	(5,337)	-

	Foreign currency	Exchange rate	December 31, 2022 Amount recognized (NTD)	Sensitivity analysis Extent of change	Impact on profit or loss	Impact on equity
(Foreign currency: Functional currency)						
Financial assets						
Monetary items						
USD : NTD	807	30.71	24,774	1% appreciation	248	-
USD : RMB	138	6.9646	4,249	1% appreciation	42	-
HKD : USD	1,043	0.1282	4,107	1% appreciation	41	-
Non-monetary items						
Investment under the equity method						
USD : NTD	18,123	30.71	556,572	1% appreciation	-	5,566
RMB : USD	127,888	0.1436	563,979	1% appreciation	-	5,640
VND : USD	2,287,169	0.000041843	2,939	1% appreciation	-	29
Financial liabilities						
Monetary items						
USD : RMB	18,634	6.9646	572,255	1% appreciation	(5,723)	-

If all other variable factors remain unchanged, if the currency value of NTD relatively increases against said currency, there may be an equivalent but adverse impact on the amount reflecting said currency on December 31, 2023 and 2022.

(C) The Group's consolidated amounts of all exchange profits/losses (including realized and unrealized ones) from monetary items due to significant impacts of exchange rate fluctuations were NTD (3,664) thousand and NTD (54,452) thousand in 2023 and 2022, respectively.

B. Price risk

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

The Group mainly invested in domestic and overseas listed (OTC) and non-listed (non-OTC) stocks, beneficiary certificates and debt instruments, and the price of such equity and debt instrument is affected by the uncertainty of the investment's future value.

If the prices of equity and debt instruments increase/decrease by 1%, the after-tax profit/loss in 2023 and 2022 would increase or (decrease) by NTD 2,473 thousand and NTD 870 thousand respectively, due to an increase or decrease in the fair value of financial assets measured at fair value through profit/loss. Other after-tax comprehensive income in 2023 and 2022 would increase or (decrease) by NTD 13,441 thousand and NTD 13,966 thousand respectively, due to an increase or decrease in the fair value of financial assets measured at fair value through other comprehensive income.

C. Interest rate risk

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

Item	Book amount			
	December 31, 2023		December 31, 2022	
Interest rate risk with fair value:				
Financial assets	$	7,864	$	16,995
Financial liabilities		(58,510)		(54,723)
Net amount	$	(50,646)	$	(37,728)
Interest rate risk with cash flow:				
Financial assets	$	618,993	$	630,425
Financial liabilities		(4,895,843)		(4,803,202)
Net amount	$	(4,276,850)	$	(4,172,777)

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

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

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

The Group's financial instrument of the variable interest rate are assets (liabilities) with variable interest rates. The changes in market interest rates will result in changes in the effective rate and cause changes in future cash flow. The net profits in 2023 and 2022 will increase (decrease) by NTD (42,769) thousand and NTD (41,728) thousand, respectively, for every 1% decrease (increase) in the market interest rate.

(2) Credit risk

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

<u>Credit risk related to the operation</u>

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

Financial credit risk

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

A. Concentration of credit risk

As of December 31, 2023, and 2022, the balance of receivables of the top 10 customers accounted for 55.34% and 60.06% of the Group's balance of receivables, respectively. The concentration of the credit risk for other accounts receivable was relatively insignificant.

B. Measurement of expected credit impairment loss

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

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

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

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

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

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

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

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

(A) Credit risk rating:

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

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

Credit rating	Expected credit loss	December 31, 2023	December 31, 2022
Normal	0%-1%	$ 39,650	$ 36,750
Abnormal	20%	-	-
Default	30%-50%	-	-
Written off	100%	-	-

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

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

		Amount of decrease in maximum credit risk exposure			
December 31, 2023	Book amount	Collateral	Overall agreement on net settlement	Other credit enhancement	Total
Financial instruments to which the impairment requirements of IFRS 9 are applicable:					
Debt instrument investments at fair value through other comprehensive income	$ 39,650	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets at fair value through profit or loss	247,264	-	-	-	-
Financial assets measured at fair value through other comprehensive income	1,304,454	-	-	-	-
Total	$ 1,591,368	$ -	$ -	$ -	$ -

		Amount of decrease in maximum credit risk exposure			
December 31, 2022	Book amount	Collateral	Overall agreement on net settlement	Other credit enhancement	Total
Financial instruments to which the impairment requirements of IFRS 9 are applicable:					
Debt instrument investments at fair value through other comprehensive income	$ 36,750	$ -	$ -	$ -	$ -
Financial instruments to which the impairment requirements of IFRS 9 are not applicable:					
Financial assets at fair value through profit or loss	86,994	-	-	-	-
Financial assets measured at fair value through other comprehensive income	1,359,832	-	-	-	-
Total	$ 1,483,576	$ -	$ -	$ -	$ -

(3) Liquidity risk

A. Liquidity risk management

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

B. Maturity analysis on asset liabilities

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

	December 31, 2023						
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	$ 462,193	$ 426,419	$ -	$ -	$ -	$ 888,612	$ 888,612
Notes payable	92,981	-	-	-	-	92,981	92,981
Accounts payable	691,770	-	-	-	-	691,770	691,770
Other payables	432,130	31,219	-	-	-	463,349	463,349
Long-term loans (including those due within one year)	203,333	230,833	760,667	2,820,500	-	4,015,333	4,007,231
Lease liabilities	9,051	9,331	26,741	15,708	-	60,831	58,510
Long-term notes and accounts payable	-	-	6,141	-	-	6,141	6,141
Guarantee deposits	5,568	4,865	-	-	-	10,433	10,433
Total	$ 1,897,026	$ 702,667	$ 793,549	$ 2,836,208	$ -	$ 6,229,450	$ 6,219,027

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 lease payment paid
Lease liabilities	$ 18,382	$ 42,449	$ -	$ -	$ -	$ -	$ 60,831

	December 31, 2022						
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	$ 527,976	$ 658,226	$ -	$ -	$ -	$ 1,186,202	$ 1,186,202
Notes payable	90,408	-	-	-	-	90,408	90,408
Accounts payable	542,983	-	-	-	-	542,983	542,983
Other payables	449,981	4,153	29,491	-	-	483,625	483,625
Long-term loans (including those due within one year)	189,834	297,333	619,667	2,519,666	-	3,626,500	3,617,000
Lease liabilities	9,626	8,977	22,447	16,014	-	57,064	54,707
Long-term notes and accounts payable	-	6,142	-	-	-	6,142	6,142
Guarantee deposits	4,124	3,765	-	-	-	7,889	7,889
Total	$ 1,814,932	$ 978,596	$ 671,605	$ 2,535,680	$ -	$ 6,000,813	$ 5,988,956

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 lease payment paid
Lease liabilities	$ 18,603	$ 38,461	$ -	$ -	$ -	$ -	$ 57,064

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

2. Categories of financial instruments

The book amount of the Group's various financial assets and financial liabilities as of December 31, 2023 and 2022, is as follows:

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 591,247	$ 616,521
Notes and accounts receivable (including the related party)	680,863	728,909
Other accounts receivable (including related parties)	80,933	48,811
Refundable deposits	18,027	48,007
Other financial assets – non-current	32,748	27,838
Financial assets at fair value through profit or loss	247,264	86,994
Financial assets measured at fair value through other comprehensive income – non-current	1,344,104	1,396,582
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term loans	888,612	1,186,202
Notes and accounts payable (including the related party)	784,751	633,391
Other payables	463,349	483,625
Long-term loans due within one year or one operating cycle	431,729	482,828
Long-term loans	3,575,502	3,134,172
Guarantee deposits	10,433	7,889
Lease liabilities (including current and non-current)	58,510	54,707
Notes and accounts payable – related party	6,141	6,142

(III) Fair value information:

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

Level 1:

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

Level 2:

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

Level 3:

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

3. Financial assets not at fair value:

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

4. Fair value level information:

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

	December 31, 2023			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Fair value with repetition				
Financial assets at fair value through profit or loss				
Domestic TWSE/TPEx listed stocks	$ 247,264	$ -	$ -	$ 247,264
Financial assets measured at fair value through other comprehensive income				
Domestic TWSE/TPEx listed stocks	30,371	-	-	30,371
Domestic non-TWSE/TPEx-listed stocks	-	-	263,672	263,672
Overseas non-listed (non-OTC) stocks	-	-	11,681	11,681
Domestic non-TWSE/TPEx-listed preferred stocks	-	-	1,038,380	1,038,380
Investment property (Note)	-	-	3,129,230	3,129,230
Total	$ 277,635	$ -	$ 4,442,963	$ 4,720,598

	December 31, 2022			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Fair value with repetition				
Financial assets at fair value through profit or loss				
Domestic TWSE/TPEx listed stocks	$ 86,994	$ -	$ -	$ 86,994
Financial assets measured at fair value through other comprehensive income				
Domestic TWSE/TPEx listed stocks	31,365	-	-	31,365
Domestic non-TWSE/TPEx-listed stocks	-	-	239,803	239,803
Domestic non-TWSE/TPEx-listed preferred stocks	-	-	1,125,414	1,125,414
Investment property (Note)	-	-	2,612,537	2,612,537
Total	$ 118,359	$ -	$ 3,977,754	$ 4,096,113

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

5. Valuation technique for instruments at fair value:

(1) Financial instruments:

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

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

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

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 valuation technique or the quotation of the counterparty. The fair value acquired through the valuation technique can take reference from other substantial conditions and present fair value, cash flow discount methods and other valuation techniques used on similar financial instruments, including market information that can be acquired on the balance sheet date. The information is then used on a calculation model.

The TWSE/TPEx unlisted stocks held by the Group without an active market adopt 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 operational 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 valuation technique adopted by the Group for the investment property at fair value is based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and commissioned external appraisal for calculation based on income approach and land development approach. The information on relevant parameter assumptions and input is as follows:

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

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

(C) Discount rate: The discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus the estimate for the individual characteristics of the investment property. "Based on a certain interest rate" means that 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 % as the minimum, and plus 1%-2.5% as the presumed discount rate.

B. The output of the valuation model is the rough estimate of the estimate and the valuation technique may not reflect all relevant factors regarding the non-financial instruments held by the Group. Therefore, the estimate of the valuation model will be properly adjusted based on external parameters, such as the model risk or current risk. According to the management policy of fair value evaluation model and related controlling procedure of the Group, management believes that the adjustment of valuation is appropriate and necessary to appropriately present the fair value of non-financial instruments in the balance sheet. The price information and parameters used during valuation have been carefully assessed and adjusted based on current market conditions.

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

7. Statement of changes in Level 3:

(1) Financial instruments:

Item	Financial assets measured at fair value through other comprehensive income – equity instrument		Financial assets measured at fair value through other comprehensive income – debt instrument		Total	
January 1, 2023	$	1,328,467	$	36,750	$	1,365,217
Current acquisition		76,690		-		76,690
Recognized under other comprehensive income		(130,903)		2,900		(128,003)
Difference in foreign currency translation		(171)		-		(171)
December 31, 2023	$	1,274,083	$	39,650	$	1,313,733

Item	Financial assets measured at fair value through other comprehensive income – equity instrument		Financial assets measured at fair value through other comprehensive income – debt instrument		Total	
January 1, 2022	$	1,230,219	$	30,550	$	1,260,769
Refund of share price		(58,486)		-		(58,486)
Current disposition		(5,291)		-		(5,291)
Disposal of subsidiaries		22,287		-		22,287
Recognized under other comprehensive income		139,738		6,200		145,938
December 31, 2022	$	1,328,467	$	36,750	$	1,365,217

(2) Investment property:

Item	2023		2022	
January 1	$	2,612,537	$	2,602,263
Measured at cost - transferred		464,500		-
Fair value adjustment		52,193		10,274
December 31	$	3,129,230	$	2,612,537

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

(1) Financial instruments:

The TWSE/TPEx unlisted stocks and preferred shares held by the Group without an active market adopt the market approach to estimate fair value. The determination is evaluated based on reference to evaluation of same type of companies, third-party quotations, net worth of the Company, and operational status. Unobservable major input at fair value is stated as following:

2023

Item	Valuation technique	Unobservable major input	Interval	Relation between inputs and fair value
Financial assets measured at fair value through other comprehensive income – stocks	Asset-based approach	Discount for lack of marketability	10.00%-24.45%	The higher the discount of the marketability, the lower the estimated fair value.
		Discount for lack of control	6.10%-27.80%	The higher the discount of the controlling equity, the lower the estimated fair value.
Financial assets measured at fair value through other comprehensive income – stocks, preferred shares	Income approach	Discount rate	12.04%-22.30%	The higher the discount rate, the lower the estimate fair value.
		Discount for lack of marketability	24.08%	The higher the discount of the marketability, the lower the estimated fair value.
Financial assets measured at fair value through other comprehensive income – stocks	Market approach	Discount for lack of marketability	24.66%-32.28%	The higher the discount of the marketability, the lower the estimated fair value.
Financial assets measured at fair value through other comprehensive income - preferred shares	Black-Scholes	Risk-free interest rate	1.1072%	The higher the risk-free interest rate, the higher the estimated fair value.
	Options	Stock volatility	31.33%	The higher the volatility, the lower the estimated fair value.

2022

Item	Valuation technique	Unobservable major input	Interval	Relation between inputs and fair value
Financial assets measured at fair value through other comprehensive income – stocks	Asset-based approach	Discount for lack of marketability	10.00%~24.40%	The higher the discount of the marketability, the lower the estimated fair value.
		Discount for lack of control	14.02%-19.16%	The higher the discount of the controlling equity, the lower the estimated fair value.
Financial assets measured at fair value through other comprehensive income – stocks, preferred shares	Income approach	Discount rate	15.40%-20.47%	The higher the discount rate, the lower the estimate fair value.
		Discount for lack of marketability	22.08%	The higher the discount of the marketability, the lower the estimated fair value.
Financial assets measured at fair value through other comprehensive income – stocks	Market approach	Discount for lack of marketability	23.66%-32.28%	The higher the discount of the marketability, the lower the estimated fair value.

(2) Investment property:

	Fair value as of December 31, 2023	Valuation technique	Unobservable major input	Interval (weighted average)	Relation between inputs and fair value
Investment property:					
Income approach	$ 2,366,416	Discounted cash flow method	Discount rate	3.345%-4.795%	The higher the discount rate or revenue capitalization rate, the lower the fair value.
			Revenue capitalization rate of period-end value	0.532%-3.30%	
Land development approach	762,814	Land development analysis approach	Proper profit margin	18%	The higher the proper rate of return or overall capital interest rate, the lower the fair value.
			Overall capital interest rate	0.92%-2.03%	
Total	$ 3,129,230				

	Fair value as of December 31, 2022	Valuation technique	Unobservable major input	Interval (weighted average)	Relation between inputs and fair value
Investment property:					
Income approach	$ 1,878,548	Discounted cash flow method	Discount rate	3.22%-4.495%	The higher the discount rate or revenue capitalization rate, the lower the fair value.
			Revenue capitalization rate of period-end value	0.71%-3.35%	
Land development approach	733,989	Land development analysis approach	Proper profit margin	15%-18%	The higher the proper rate of return or overall capital interest rate, the lower the fair value.
			Overall capital interest rate	1.43%-1.91%	
Total	$ 2,612,537				

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

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

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

(IV) Transfer of financial assets: None.

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

XIII. Noted Disclosures

(I) Information Related to Major Transactions (before consolidated write-off):

1. Loaning funds to others: Table 1.
2. Endorsements and guarantees for others: Table 2.
3. Marketable securities held at ending: Table 3.
4. Accumulated amount of the same marketable security purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital: None.
5. Amount on acquisition of property reaching NTD 300 million or more than 20% of the paid-in capital: Table 4.
6. Amount on disposal of real estate reaching NTD 300 million or more than 20% of the Paid-in capital: None.
7. Purchase/sale amount of transactions with the related party reaching NTD 100 million or more than 20% of the paid-in capital: Table 5.
8. Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital: Table 6.
9. Transactions of derivatives: None.
10. Business relationships and important transactions between parent company and subsidiaries: Table 7.

(II) Information Related to Reinvested Enterprises: Table 8.

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

(IV) Major Shareholders Information: Table 10.

Table 1

AGV Products Corporation and its Subsidiaries
Loaning funds to others
December 31, 2023

Unit: NTD and foreign currency thousand

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 funds loaned (Note 3)	Amount of business transactions	Reasons for short-term financing	Allowance for bad debt	Collateral		Limit of loans to individual borrowers (Note 1)	Maximum amount of loans (Note 2)
													Name	Value		
1	Apoland Resource International (BVI) Corp.	Apoland Development (Singapore) Pte Ltd.	Other accounts receivable	Yes	76,763 (USD2,500)	76,763 (USD2,500)	66,446 (USD2,164)	-	2	-	Working capital	-	-	-	406,718 (USD 13,246)	406,718 (USD 13,246)
		AGV First Biotech Food (BVI) Limited	Other accounts receivable	Yes	18,423 (USD 600)	18,423 (USD 600)	-	-	2	-	Working capital	-	-	-	406,718 (USD 13,246)	
2	Mascot International (BVI) Corporation	Apoland Development (Singapore) Pte Ltd.	Other accounts receivable	Yes	15,353 (USD 500)	15,353 (USD 500)	15,353 (USD 500)	-	2	-	Working capital	-	-	-	208,917 (USD 6,804)	208,917 (USD 6,804)
		AGV First Biotech Food (BVI) Limited	Other accounts receivable	Yes	21,186 (USD 690)	21,186 (USD 690)	1,842 (USD 60)	-	2	-	Working capital	-	-	-	208,917 (USD 6,804)	
		Asia Pacific Development (Vietnam) Co., Ltd.	Other accounts receivable	Yes	5,220 (USD 170)	5,220 (USD 170)	1,842 (USD 60)	-	2	-	Working capital	-	-	-	208,917 (USD 6,804)	
3	Apoland Development (Singapore) Pte Ltd.	Shanghai AGV Foods Co., Ltd.	Long-term receivables	Yes	449,828 (USD 14,650)	449,828 (USD 14,650)	429,870 (USD 14,000)	-	2	-	Working capital	-	-	-	864,131 (USD 28,143)	864,131 (USD 28,143)
4	AGV First Biotech Food (BVI) Limited	Shandong AGV Food Technology Co., Ltd.	Long-term receivables	Yes	158,131 (USD 5,150)	158,131 (USD 5,150)	103,792 (USD 3,380)	-	2	-	Working capital	-	-	-	3,231,885 (USD105,256)	3,231,885 (USD105,256)
5	AGV International (BVI) Limited	AGV First Biotech Food (BVI) Limited	Long-term receivables	Yes	11,975 (USD 390)	11,975 (USD 390)	-	-	2	-	Working capital	-	-	-	8,382 (USD 273)	8,382 (USD 273)
6	AGV Biohealthy Food Limited	Dongruntang Biotech Corp.	Long-term receivables	Yes	13,817 (USD450)	-	-	-	2	-	Working capital	-	-	-	24,380 (USD 794)	24,380 (USD 794)

Note 1. Limit of loans to individual borrowers:

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

transactions conducted in the most recent year. The business transaction amount refers to the purchasing or selling amount between both parties, whichever is higher.

(2) Companies needing short-term financing:
Foreign subsidiaries – Apoland Development (Singapore) Pte Ltd., Mascot International (BVI) Corporation, Apoland Resource International (BVI) Corp., Taiwan First Biotechnology Corp. and AGV International (BVI) Limited: the loan amount of each company shall not exceed 20% of the net value of the company in the financial report certified by the independent auditor in the most recent period. For financing amounts between overseas companies with 100% voting shares held by the parent company directly and indirectly, these shall not exceed 5 times of the net value of such company in the financial report certified by the independent auditor in the most recent period; AGV Biohealthy Food Limited: the individual loan amount shall not exceed 40% of the net value of the company in the financial report certified by the independent auditor in the most recent period.

Note 2. Limit of total loans:

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

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

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

Note 4. The balance of the original loans from AGV International (BVI) Limited, the Company's subsidiary, to Taiwan First Biotechnology Corp. has exceeded an amount 5 times the former's net value. As a result of share payments returned on capital reduction by the former in 2023, its ending balance of loans exceeded its maximum amount of loans due to a decrease in its net value. The subsidiary is expected to submit the relevant improvement plan to the Board of Directors in 2024.

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

Table 2

AGV Products Corporation and its Subsidiaries
Endorsement and guarantee made for others
December 31, 2023

Unit: NTD thousand

No. (Note 1)	Name of endorsing/ guaranteeing company	Counterparty of endorsement/guarantee		Limit of endorsement/ guarantee to a single enterprise (Note 2)	Maximum balance of endorsement/ guarantee made during the current period	Balance of endorsement/ guarantee at end of the period	Amount actually disbursed	Endorsement/ guarantee secured by company assets	Ratio of the accumulated endorsement/ guarantee amount to the net worth in the most recent financial statement	Maximum limit of endorsement/ guarantee (Note 3)	As the parent company's endorsements/ guarantees toward subsidiary(ies)	As a subsidiary's endorsements/ guarantees toward its parent company	As the endorsements/ guarantees toward the mainland China area
		Company name	Relationship (Note 1)										
0	AGV Products Corporation	Sontenkan Resort Development Co., Ltd.	2	2,719,724	1,460,000	660,000	660,000	-	9.71%	6,119,379	Yes	No	No
		Yunlin Dairy Technology Corp.	2	2,719,724	242,000	242,000	138,940	-	3.56%	6,119,379	Yes	No	No
		Koya Biotech Corp.	(Note 4)	2,719,724	270,000	-	-	-	-	6,119,379	(Note 4)	No	No
		Shanghai AGV Foods Co., Ltd.	2	2,719,724	130,056	130,056	93,270	-	1.91%	6,119,379	Yes	No	Yes

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.

Note 4: Despite that the Group lost its control of the company in September 2022, the endorsement/guarantee was reviewed and approved by the Board of Directors on record prior to the loss of control of the company. In accordance with Article 20 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the Group prepared an improvement plan and submitted it to the Audit Committee and the Board of Directors for review and approval on November 10, 2022.

Table 3

AGV Products Corporation and its Subsidiaries
Marketable securities held at end of year
December 31, 2023

Unit: Thousand shares; NTD and foreign currency thousand

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 / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	16,958	207,737	0.49%	207,737	
		Share / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	4,178	29,414	2.92%	29,414	
		Share / Nice Capital & Finance Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	6,950	90,141	10.81%	90,141	
		Share / Eastern Taiwan Cultural & Creative Co., Ltd.	The chairman of the Company is a relative of a director of the Company within the second degree of consanguinity	Financial assets measured at fair value through other comprehensive income – non-current	6,750	25,145	15.00%	25,145	
		Share / Likeda Development Co., Ltd.	The vice chairman of the Company is also one of its directors	Financial assets measured at fair value through other comprehensive income – non-current	3,900	-	5.20%	-	
		Share / Tangli Culture Media Co., Ltd.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	2,200	20,948	18.97%	20,948	
		Share / Aique International Co., Ltd.	The chairman of the company is the Chairman of the Company given above	Financial assets measured at fair value through other comprehensive income – non-current	18	161	18.00%	161	
		Common stocks from private placement / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	3,265	22,202	2.28%	22,202	
		Share / B&B International Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	1,000	13,875	0.69%	13,875	
		Share / Taiwan Aixianjia Biotech Corp.	The director of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through other comprehensive income – non-current	540	3,671	18.95%	3,671	
		Preferred share / Sontenkan Resort Development Co., Ltd. – 2016	Subsidiary of the Company	Financial assets measured at fair value through other comprehensive income – non-current	9,279	79,709	-	79,709	
		Preferred share / Nice Capital & Finance Corp. – 2015	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	6,171	92,133	-	92,133	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	4,733	70,664	-	70,664	

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	Preferred shares / Tangli Culture Media Co., Ltd. – Class A	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	15,000	172,650	-	172,650	
		Preferred shares / Tangli Culture Media Co., Ltd. – Class C	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	5,500	60,885	-	60,885	
		Preferred share / NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through other comprehensive income – non-current	3,000	27,690	-	27,690	
		Preferred share / Kuo Cheng Investment Development Corp.	Associate	Financial assets measured at fair value through other comprehensive income – non-current	2,484	36,664	-	36,664	
		Preferred share / Sontenkan Resort Development Co., Ltd. – Class D	Subsidiary of the Company	Financial assets measured at fair value through other comprehensive income – non-current	2,784	22,771	-	22,771	
		Preferred share / Taiwan Aibaonuo Biotech Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	600	4,044	-	4,044	
		Preferred shares/Koya Biotech Corp. – Class A	Associate	Financial assets measured at fair value through other comprehensive income – non-current	8,790	255,525	-	255,525	
1	Mascot International (BVI) Corporation	Share / Four Seas Efood Holdings Ltd.	—	Financial assets at fair value through profit or loss – current	350	758 (USD 25)	-	758 (USD 25)	
2	Aco Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	481	5,895	0.01%	5,895	
3	Hope Choice Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	985	12,067	0.03%	12,067	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,000	14,930	-	14,930	
4	Sontenkan Resort Development Co., Ltd.	Share / Goldbank Investment Development Corp.	—	Financial assets measured at fair value through other comprehensive income – non-current	43	320	0.22%	320	
		Share / Lijing Entertainment Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	650	22	2.41%	22	
		Preferred share / Eastern Taiwan Cultural & Creative Co., Ltd.	The chairman of the Company is a relative of a director of the Company within the second degree of consanguinity	Financial assets measured at fair value through other comprehensive income – non-current	3,000	15,480	-	15,480	
		Preferred share / Tangli Culture Media Co., Ltd.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	4,000	45,880	-	45,880	
		Preferred share / Kuo Cheng Investment Development Corp.	Associate	Financial assets measured at fair value through other comprehensive income – non-current	2,116	31,232	-	31,232	

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	Sontenkan Resort Development Co., Ltd.	Preferred share / NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Financial assets measured at fair value through other comprehensive income – non-current	2,000	18,460	-	18,460	
		Preferred share / Zitong International Corp.	—	Financial assets measured at fair value through other comprehensive income – non-current	7,200	54,000	-	54,000	
		Preferred share / Liantong Developments, Co., Ltd.	The director of the company is the Director of the Company given above	Financial assets measured at fair value through other comprehensive income – non-current	5,000	39,650	-	39,650	
		Share / New Takayama Leisure and Entertainment Co., Ltd	—	Financial assets measured at fair value through other comprehensive income – non-current	817	1,432	19.00%	1,432	
		Common stocks from private placement / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	8,500	43,602	5.94%	43,602	
5	Aiken Biotechnology International Co., Ltd.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	812	9,948	0.02%	9,948	
		Share / B&B International Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	3,000	41,626	2.06%	41,626	
		Share / Zhengda Fenghuang Shanzhuang Co., Ltd.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	54	527	18.00%	527	
		Preferred share / AGV First Biotech Food (BVI) Limited.	Subsidiary of the Company	Financial assets measured at fair value through other comprehensive income – non-current	100	1,838	-	1,838	
		Share / Janfusun Fancyworld Corp.	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	136	957	0.10%	957	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,617	24,142	-	24,142	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	500	7,465	-	7,465	
6	Hopeland Distribution Corp.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	286	3,500	0.01%	3,500	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	300	4,479	-	4,479	
7	Shandong AGV Food Technology Co., Ltd.	Share / Jinan AGV Products Corporation	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	902	-	18.00%	-	

No.	Holder	Type and name	Relationship with the security issuer	Account title	End of year				Remarks
					Shares (unit)	Book amount	Shareholding ratio	Fair value	
8	Rosahill Leisure Industry Co., Ltd.	Share / IBF Financial Holdings Co., Ltd.	—	Financial assets at fair value through profit or loss – current	601	7,359	0.02%	7,359	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	80	1,194	-	1,194	
		Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,800	26,874	-	26,874	
9	Yunlin Dairy Technology Corp.	Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,000	14,930	-	14,930	
		Preferred share / Nice Capital & Finance Corp. – 2017	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	1,100	16,423	-	16,423	
10	Defender Private Security Inc.	Preferred share / Nice Capital & Finance Corp. – 2019	De facto related party of the Company	Financial assets measured at fair value through other comprehensive income – non-current	200	2,986	-	2,986	
11	Apoland Resource International (BVI) Corp.	Shares/Niceland Development (Singapore) Pte Ltd.	—	Financial assets measured at fair value through other comprehensive income – non-current	2,536	11,681	8.41%	11,681	

(Note): The above transactions between the parent company and subsidiaries have been written off in the consolidated statements.

Table 4

AGV Products Corporation and its Subsidiaries

Amount on acquisition of property reaching NTD 300 million or more than 20% of the paid-in capital

January 1 to December 31, 2023

Unit: RMB thousand

Company disposing property	Asset name	Date of occurrence	Transaction amount	Payment of proceeds	Counterparty	Relationship	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	RMB153,174	Shandong Taian Construction Group Co., Ltd. and Fujian Liantai Construction Co., Ltd.	—	—	—	—	—	Contract made after price comparison	For operation and production / construction suspended	(Note)

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

Table 5

AGV Products Corporation and its Subsidiaries
Purchase/sale amount of transactions with the related party reaching NTD 100 million or more than 20% of the paid-in capital
January 1 to December 31, 2023

Unit: NTD thousand

Purchasing (selling) company	Counterparty	Relationship	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	1,109,181	44.39%	O/A 60 days	Equivalent	The grace period was extended for 1–5 months after the agreement of both parties	Accounts payable	587,263	87.26%	
	NICECO International Corp.	The chairman of the company is the second-degree relative of the Company's Chairman	Purchase	122,206	4.89%	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	-	-	
			Sale	100,807	2.49%	O/A 90 days	Equivalent	Equivalent	Notes receivable Accounts receivable	21,520 5,128	71.56% 0.88%	
	Hope Choice Distribution Corp.	Subsidiary of the Company	Sale	645,575	15.93%	O/A 45–60 days	Equivalent	Equivalent	Accounts receivable	47,908	8.22%	
	Aco Distribution Corp.	Subsidiary of the Company	Sale	223,954	5.53%	O/A 45–60 days	Equivalent	Equivalent	Accounts receivable	33,660	5.78%	

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

Table 6

AGV Products Corporation and its Subsidiaries

Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital

December 31, 2023

Unit: NTD thousand

Stated company of account receivable	Name of the counterparty	Relationship	Balance of receivable accounts from the related party	Turnover rate	Overdue accounts receivable of the related party		Subsequently recovered amount of accounts receivable from the related party (Note 5)	Allowance for bad debt
					Amount	Treatment		
Apoland Development (Singapore) Pte Ltd.	Shanghai AGV Foods Co., Ltd.	Subsidiary of the Company	429,870 (Note 2)	(Note 4)	-	(Note 1)	-	-
Taiwan First Biotechnology Corp.	Shandong AGV Food Technology Co., Ltd.	Subsidiary of the Company	103,792 (Note 3)	(Note 4)	-	(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 is financing receivables in the amount of NTD 429,870 thousand.

(Note 3): This is financing receivables in the amount of NTD 103,792 thousand.

(Note 4): This mainly refers to other accounts receivable and therefore the turnover rate calculation does not apply.

(Note 5): Amount recovered as of March 11, 2024.

(Note 6): Said transactions between the parent company and the subsidiaries have been written off in the consolidated statements.

Table 7

AGV Products Corporation and its Subsidiaries

Business relationship and important transactions between parent company and subsidiaries

December 31, 2023

Individual transactions with amounts less than NTD 100 million (inclusive) are not disclosed; they are disclosed in the aspect of assets and revenue while the corresponding transactions are not disclosed.

Unit: NTD thousand

No. (Note 1)	Name of trader	Trading counterparty	Relationship with the counterparty (Note 2)	Transaction			
				Title	Amount	Trading conditions	Percentage in total consolidated revenue or assets (Note 3)
0	AGV Products Corporation	Hope Choice Distribution Corp.	1	Sales revenue	645,576	Equivalent to the price of the distributor, the collection period is O/A 45-60 days	13.17%
				Accounts receivable	47,908		0.34%
		Aco Distribution Corp.	1	Sales revenue	223,955	Equivalent to the price of the distributor, the collection period is O/A 45-60 days	4.57%
				Accounts receivable	33,660		0.24%
1	AGV First Biotech Food (BVI) Limited	Shandong AGV Food Technology Co., Ltd.	1	Long-term receivables	103,792	N/A	0.74%
2	Apoland Development (Singapore) Pte Ltd.	Shanghai AGV Foods Co., Ltd.	1	Long-term receivables	429,870	N/A	3.07%

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

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

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

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

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

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

Table 8

AGV Products Corporation and its Subsidiaries
Information Related to Reinvested Enterprises
December 31, 2023

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 profit 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	345,354	377,745	10,510	100.00	81,342	(1,575)	(1,575)	
	Defender Private Security Inc.	Chiayi City	Security business	45,409	45,409	4,000	100.00	59,163	4,184	4,184	
	Koya Biotech Corp.	Yunlin County	Gardening	276,585	276,585	9,219	42.90	267,629	(11,236)	(4,786)	
	Aco Distribution Corp.	Chiayi City	Proprietary business	40,023	40,023	5,472	100.00	112,793	13,301	13,326	
	Sasaya Vitagreen Co., Ltd.	Chiayi City	Proprietary business	5,000	5,000	500	100.00	4,508	24	24	
	AGV International (BVI) Limited	British Virgin Islands	Re-investment business	175	13,397	50	100.00	1,677	28	28	
	Sontenkan Resort Development Co., Ltd.	Chiayi City	Leisure and recreation business	1,666,952	1,486,952	178,181	100.00	1,766,114	(49,343)	(49,343)	
	Alpha International Developments Limited	British Virgin Islands	Re-investment business	73,885	73,885	2,433	100.00	23,722	(3,162)	(3,162)	
	Hope Choice Distribution Corp.	Chiayi City	Proprietary business	66,948	66,948	6,500	100.00	85,930	8,427	8,219	
	Mascot International (BVI) Corporation	British Virgin Islands	Re-investment business	275,312	295,682	9,026	100.00	36,789	(4,528)	(4,393)	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	1,401,684	1,342,839	61,199	100.00	129,074	(88,038)	(83,093)	
	Hopeland Distribution Corp.	Taipei City	Proprietary business	12,665	12,665	1,215	81.00	18,198	2,300	1,792	
	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	35,597	35,597	4,755	75.83	132,787	34,948	26,511	
	Taiwan First Biotechnology Corp.	Chiayi County	Food manufacturing	974,348	974,348	54,757	41.28	1,262,383	288,888	113,420	(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 profit 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	18,141	(766)	(228)	
	Aiken Biotechnology International Co., Ltd.	Chiayi City	Biotechnology service	48,000	48,000	5,757	53.77	84,856	12,075	6,497	
	AGV First Biotech Food (BVI) Limited.	British Virgin Islands	Re-investment business	720,602	720,602	28,013	100.00	91,502	(32,828)	(32,828)	
	Yanjing AGV International Company Limited	Taipei City	Proprietary business	25,000	25,000	2,500	50.00	4,230	4,276	2,138	
	Heding International Development Co., Ltd.	Chiayi City	Re-investment business	201,836	201,836	16,788	48.98	162,182	16,313	7,991	
	Alpha Biotech Development (BVI) Limited	British Virgin Islands	Re-investment business	797	797	25	49.00	773	17	8	
	Kuo Cheng Investment Development Corp.	Taipei City	Investment business	50,000	50,000	5,000	47.62	103,788	3,366	1,603	
	Hopeman Distribution Co., Ltd.	Taipei City	Logistics business	69,518	69,518	6,950	43.44	54,410	1,465	636	
	Nice Investment Development Ltd.	Taipei City	Investment business	48,000	48,000	4,800	36.64	154,599	8,905	3,263	
	Nicostar Capital Investment (BVI) Ltd.	British Virgin Islands	Re-investment business	51,095	51,095	1,764	36.21	23,461	(1,524)	(552)	
	Eastern Formosa Resource Development Corporation	Taipei City	Entertainment business	58,800	58,800	5,880	32.94	35,244	421	139	
	Tongjitang Medicinal Biotech Corp.	Taipei City	Medical biotechnology	50,000	50,000	5,000	26.27	50,027	1,603	421	

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment profit or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
	NICE Enterprise Co., Ltd.	Chiayi County	Household chemicals	625,910	625,910	49,224	28.24	1,335,387	248,088	68,805	
	Tai Fu International Corp.	New Taipei City	Food manufacturing	72,970	72,970	8,615	24.83	132,744	21,815	5,418	
Apoland Resource International (BVI) Corp.	AGV & NICE(USA)	U.S.	Marketing business	1,228 (USD 40)	1,228 (USD 40)	40	57.14	-	-	-	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	-	14,679 (USD 478)	-	-	-	(88,038) (USD-2,826)	(1,608) (USD -52)	
	Mascot International (BVI) Corporation	British Virgin Islands	Re-investment business	-	5,743 (USD 187)	-	-	-	(4,528) (USD-145)	(135) (USD -4)	
Mascot International (BVI) Corporation	Asia Pacific Product Development Co.	Vietnam	Processing and export of vegetables	55,858 (USD 1,819)	55,858 (USD 1,819)	1,903	100.00	1,541 (USD 50)	(1,352) (USD -43)	(1,352) (USD -43)	
	New Zealand Cosmetic Laboratories Limited	New Zealand	Cosmetics	12,466 (USD 406)	12,466 (USD 406)	639	28.71	-	-	-	
	Bioken Laboratories Inc.	U.S.	Biotechnology	1,228 (USD 40)	1,228 (USD 40)	40	26.67	-	-	-	
	Apoland Development (Singapore) Pte Ltd.	Singapore	Re-investment business	-	36,729 (USD 1,196)	-	-	-	(88,038) (USD-2,826)	(3,315) (USD-106)	
Asia Pacific Product Development Co.	Xingrong Limited	Vietnam	Gardening	3,133	3,082	-	100.00	-	(132)	(132)	
AGV Biohealthy Food (BVI) Limited	Dongruntang Biotech Corp.	China	Food	65,639 (USD 2,129)	65,639 (USD 2,129)	13,971	29.53	45,193 (USD 1,472)	(3,165) (USD -102)	(935) (USD -30)	
Aco Distribution Corp.	Tai Fu International Corp.	New Taipei City	Food manufacturing	15,000	15,000	4,956	14.29	77,183	21,815	3,116	
	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	20,600	20,600	969	0.73	25,970	288,888	2,066	
Hope Choice Distribution Corp.	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	10,350	10,350	459	0.35	12,872	288,888	975	
Defender Private Security Inc.	Taiwan First Biotechnology Corp.	Chiayi County	Drink manufacturing	35,340	35,340	1,945	1.47	44,814	288,888	4,154	
	Yunlin Dairy Technology Corp.	Yunlin County	Dairy manufacturing	314	314	44	0.70	1,225	34,948	244	

Name of investor	Name of invested company	Address	Principal business	Original investment cost		Holdings at end of year			Net income of investee	Recognized investment profit or loss	Remarks
				End of the current period	The last year end	Shares	Ratio %	Book amount			
Sontenkan Resort Development Co., Ltd.	Zhuqi Lionhead Mountain Leisure Development Co., Ltd.	Chiayi County	Landscape and interior design	400	400	40	40.00	230	(11)	(4)	
	Liantong Developments, Co., Ltd.	Chiayi City	Housing construction and building rental and sales	32,663	32,663	5,188	30.52	28,278	(3,923)	(1,197)	
	Bravo Bakery Corp.	Taipei City	Food manufacturing and sales	20,943	20,943	2,400	24.00	-	-	-	
	Eastern Formosa Resource Development Corporation	Taipei City	Entertainment business	5,971	5,971	930	5.21	5,574	421	22	
	Qixing Resort Co., Ltd.	Yunlin County	Tourism and recreation	90,000	90,000	9,000	34.68	89,666	40	14	
	Nice Plaza Co., Ltd.	Chiayi City	Department store, hotel	631,724	610,924	62,200	36.00	496,412	(52,793)	(18,729)	
Aiken Biotechnology International Co., Ltd.	Acts Bioscience Inc.	Chiayi City	Health food and sales	121	121	13	21.00	152	(8)	(2)	
	Rosahill Leisure Industry Co., Ltd.	Chiayi City	Proprietary business	17,500	17,500	1,750	70.00	39,051	11,027	7,719	
	Songshan Village Co., Ltd.	Chiayi City	Floriculture	2,921	2,921	292	22.45	368	38	8	
	AGV Biohealthy Food Limited	British Virgin Islands	Re-investment business	25,856	25,856	800	30.38	18,528	(766)	(233)	
	Qixing Resort Co., Ltd.	Yunlin County	Tourism and recreation	1,000	1,000	100	0.39	996	40	1	
	Koya Biotech Corp.	Yunlin County	Gardening	300	300	10	0.05	290	(11,236)	(5)	

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

Table 9

AGV Products Corporation and its Subsidiaries
Information on Investments in Mainland China
December 31, 2023

(1) Information on Investments in Mainland China

Unit: Foreign currency thousand; 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)	865,036 (USD 28,172)	-	-	865,036 (USD 28,172)	(56,952) (USD-1,828)	100.00%	(56,952) (USD-1,828) (2).2	(175,124) (USD -5,703)	None
	Xiamen Aijian Traders Co., Ltd.	Food	61,103 (USD 1,990)	(2)	51,891 (USD 1,690)	-	-	51,891 (USD 1,690)	(3,740) (USD -120)	84.92%	(3,176) (USD -102) (2).2	20,811 (USD 678)	None
	Shandong AGV Food Technology Co., Ltd.	Food	1,278,863 (USD 41,650)	(2)	524,490 (USD 17,082)	-	-	524,490 (USD 17,082)	(32,842) (USD-1,054)	100.00%	(32,842) (USD-1,054) (2).2	15,802 (USD 515) (Note 3)	None
	Zhangzhou Pientzehuang AGV Biohealthy Food Limited	Food	248,526 (USD 8,094)	(2)	44,993 (USD 1,466)	-	-	44,993 (USD 1,466)	(3,049) (USD -98)	18.11%	(552) (USD -18) (2).2	14,552 (USD 474)	None
	Dongruntang Biotech Corp.	Food	222,677 (USD 7,252)	(2)	27,476 (USD 895)	-	-	27,476 (USD 895)	(3,165) (USD -102)	16.64%	(527) (USD -17) (2).3	45,193 (USD 1,472)	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, Ministry of Economic Affairs
AGV Products Corporation	Shanghai AGV Foods Co., Ltd.	865,036 (USD28,172)	1,200,169 (USD 39,087)	4,079,586
	Xiamen Aijian Traders Co., Ltd.	51,891 (USD 1,690)	51,891 (USD1,690)	
	Shandong AGV Food Technology Co., Ltd.	524,490 (USD 17,082)	614,021 (USD 19,997)	
	Zhangzhou Pientzehuang AGV Biohealthy Food Limited	44,993 (USD 1,466)	44,993 (USD 1,466)	
	Dongruntang Biotech Corp.	27,476 (USD 895)	82,948 (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 through reinvestment in Apoland Development (Singapore) Pte Ltd.

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

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

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

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

(III) Other methods.

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

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

(II) One of the following three bases for recognition of the investment profit/loss shall be indicated:

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

Note 3: This does not include the reinvestment in Shandong AGV Food Technology Co., Ltd. by Taiwan First Biotechnology Corp. through reinvestment of USD 18,100 thousand preferred shares of AGV First Biotech Food (BVI) Limited.

Note 4: The above transactions between the parent company and subsidiaries have been written off in the consolidated statements.

(2) Material transactions with the investee companies in Mainland China directly or indirectly through third areas in 2023:

1. Material transactions with the investee companies in Mainland China: See Table 6 in Note 13.
2. Financing with the invested companies in Mainland China: See Table 1 in Note 13.
3. Guarantees/Endorsements provided to the investee companies in Mainland China: See Table 2 in Note 13.

Table 10

AGV Products Corporation and its Subsidiaries
Major Shareholders Information
December 31, 2023

Major shareholder name	Shares held	Shareholding ratio
Ho Yuan Investment Co., Ltd.	30,388,258	6.14%

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

XIV. Segment Information

(I) General information:

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

(II) Measurement of segment information:

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

(III) Financial information of segment:

2023:

Item	Room temperature segment	Low temperature segment	International trade segment	Health segment	Other operating segments	Adjustment and elimination	Total
Revenue							
Income from external customers	$ 3,814,112	$ 732,524	$ 119,718	$ 100,544	$ 133,140	$ -	$ 4,900,038
Inter-segment income	1,049,453	66,024	11,753	28,584	16,142	(1,171,956)	-
Total revenues	$ 4,863,565	$ 798,548	$ 131,471	$ 129,128	$ 149,282	$(1,171,956)	$ 4,900,038
Segment profit and loss	$ 50,312	$ 23,966	$ 1,353	$ 13,043	$ (73,360)	$ 1,285	$ 16,599

2022:

Item	Room temperature segment	Low temperature segment	International trade segment	Health segment	Other operating segments	Adjustment and elimination	Total
Revenue							
Income from external customers	$ 3,741,907	$ 684,790	$ 129,973	$ 100,587	$ 143,368	$ -	$ 4,800,625
Inter-segment income	996,687	69,845	22,781	29,263	93,893	(1,212,469)	-
Total revenues	$ 4,738,594	$ 754,635	$ 152,754	$ 129,850	$ 237,261	$(1,212,469)	$ 4,800,625
Segment profit and loss	$ 37,675	$ 28,424	$ 687	$ 11,437	$ (65,662)	$ 1,178	$ 13,739

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

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

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

Item	2023	2022
Net profit or loss from reportable segment	$ 16,599	$ 13,739
Dividend revenue	16,778	19,925
Share of profit or loss of associates and joint ventures under the equity method	187,988	108,155
Net profit (loss) on financial assets and liabilities measured at fair value through profit/loss	5,736	(5,674)
Profit (Loss) on disposal of investments	-	178,362
Impairment loss of property, plant and equipment	(18,552)	(21,519)
Profit (loss) from fair value adjustment	52,193	10,274
Profit or loss before tax	$ 260,742	$ 303,262

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

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

Product name	2023	2022
Tradition series	$ 960,872	$ 1,072,374
Dessert series	731,753	744,215
Drink series	1,792,292	1,591,122
Oat milk series	1,071,961	1,038,732
Oil series	91,545	108,851
Health series	22,200	22,731
Others	229,415	222,600
Total	$ 4,900,038	$ 4,800,625

(VI) Information by regions:

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

Region	2023	2022
Taiwan	$ 4,784,728	$ 4,660,694
Mainland China	115,310	139,931
Total	$ 4,900,038	$ 4,800,625

2. Non-current assets:

Region	December 31, 2023	December 31, 2022
Taiwan	$ 8,805,768	$ 8,367,690
Mainland China	1,007,295	1,111,500
Others	51,475	53,609
Total	$ 9,864,538	$ 9,532,799

VI. If the Company or its affiliate has encountered any financial difficulties in the most recent years and up to the publication date of the annual report, the impact on the Company's financial condition shall be specified: None.

Seven. Review and Analysis of Financial Status and Financial Performance and Risk Management

I. Financial status

The main reasons for, and impact of, any material change in the Company's assets, liabilities, or equity during the most recent two years, and description of future countermeasure:

Unit: NTD thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	2,597,921	2,559,073	38,848	1.52%
Fund and investment (Note 1)	5,758,959	5,614,802	144,157	2.57%
Property, plant and equipment (Note 2)	5,411,917	5,286,835	125,082	2.37%
Other assets	252,913	294,479	-41,566	-14.12%
Total assets	14,021,710	13,755,189	266,521	1.94%
Current liabilities	2,644,278	2,858,783	-214,505	-7.50%
Long-term liabilities	3,812,941	3,378,934	434,007	12.84%
Total liabilities	6,457,219	6,237,717	219,502	3.52%
Capital stock	4,945,134	4,945,134	-	-
Capital surplus	268,144	268,746	-602	-0.22%
Retained earnings	1,165,584	1,170,284	-4,700	-0.40%
Other equity	420,448	368,828	51,620	14.00%
Treasury stock	-	-	-	-
Total equity of owners of the parent	6,799,310	6,752,992	46,318	0.69%

Note 1: fund and investment refers to the total of financial assets measured at fair value through other comprehensive income – non-current and investment under the equity method.

Note 2: the property, plant and equipment refers to the total of the property, plant and equipment, right-of-use assets and investment property.

(I) Main reasons for material changes (changes exceeding 20%):

An increase or decrease of 20% or more has not occurred.

(II) Impact: No significant impact.

(III) Future countermeasures: N/A.

II. Financial Performance

Main reasons for any material change in operating revenues, operating income, or income before tax in the most recent two years, sales volume forecast and the basis therefor, and the impact on the Company's future financial operations and countermeasure:

Unit: NTD thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Operating revenue	4,900,038	4,800,625	99,413	2.07%
Operating costs	3,486,325	3,363,675	122,650	3.65%
Gross profit	1,413,713	1,436,950	-23,237	-1.62%
Operating expenses	1,284,939	1,265,682	19,257	1.52%
Operating profit (loss)	128,774	171,268	-42,494	-24.81%
Non-operating income and expenses	131,968	131,994	-26	-0.02%
Net profit (loss) before tax	260,742	303,262	-42,520	-14.02%
Income tax expenses (gains)	43,142	15,469	27,673	178.89%
Current net profit (loss)	217,600	287,793	-70,193	-24.39%

(I) Main reasons for material changes (change of no less than 20%):

1. A decrease in net operating profit by 24.81%: Due to a decline in the net operating profit resulting from increased costs and expenses.
2. An increase in income tax expense by 178.89%: Due to a net change in deferred income tax assets.
3. A decrease in net profit for the current period by 24.39%: Due to a decrease in the net operating profit and an increase in the income tax expense.

(II) Expected sales volumes and their basis:

The Company is a brand in the downstream of the food industry. The scope of its primary business includes the manufacturing and sales of traditional pickles, desserts, drinks, fruit juice, cereal milk, and other products. The sales volumes of the Company's products are mainly affected by demographic, climate, and economic changes. Taking into account factors including the actual sales volumes of products in past years, the plan for the launching of new products in this year, and internal and external economic and environmental changes in the future, the sales volumes of the Company's products are expected to grow reasonably this year.

(III) Impact on the Company's future financial operations: No significant impact.

(IV) Countermeasures: N/A.

III. Analysis of Cash flow

Description and analysis of cash flow changes in the most recent year, improvement plans for illiquidity, and liquidity analysis for the coming year

(I) Description and analysis of cash flow changes in 2023:

Item \ Year	2023	2022	Increase (decrease) ratio %
Cash flow ratio	16.38%	4.49%	264.81%
Cash flow sufficiency ratio	99.36%	103.60%	-4.09%
Cash reinvestment ratio	1.68%	-0.14%	1,300%

The changes are analyzed and described as follows:

Increase in cash flow ratio by 264.81%: Mainly due to an increase in the net cash flow from operating activities.

Increase in cash reinvestment ratio by 1300%: Mainly due to an increase in the net cash flow from operating activities.

(II) Improvement plans for illiquidity: None.

(III) Cash liquidity analysis for the next year:

Unit: NTD thousand

Cash balance at beginning of period	Expected annual net cash flow from operating activities	Expected annual cash outflow	Expected cash surplus (deficit) amount	Expected cash deficiency amount remedies	
				Investment plan	Fundraising plan
591,247	255,351	149,572	697,026	—	—

1. Operating activities: The expected growth of operating revenue and increase in profits from main business will generate the net cash inflow from operating activities.
2. Investment activities: The expected increase in the long-term and short-term investments and capital expenditure will generate net cash outflow.
3. Financing activities: The expected payment of the long-term and short-term loans will generate net cash outflow.

IV. Material capital expenditure in the most recent years and impacts on business performance

The capital expenditure plan of the Company is planned according to the business strategies of the Company. The main items include long-term investment and purchase of fixed assets.

The long-term investment is planned in accordance with the long-term business strategies and mainly includes the re-investment conducted in response to the demand of future business expansion and future development trend of the industry. There was no material capital expenditure in 2023. For fixed assets, the repair of plant equipment, purchase of machine and equipment as well as the upgrading and replacement of equipment parts totaled NTD128,881,000 in 2023.

V. The re-investment policy in the most recent year, the main reasons for the profits/losses generated thereby, improvement plan, and investment plans for the coming year

The Company’s re-investment policy is to invest in the upstream and downstream industries along with the peripheral industry relevant to our main business, or focus on the investment in the leisure industry supporting the main business. We expect to diversify the operating risk in the industry by vertical or horizontal integration and diversified operations to improve the Company’s profits and return on shareholder’s equity.The recognized profit or loss of the Company’s re-investment in 2023, and the main reason and improvement plan thereof is as follows:

Unit: NTD thousand

Item/Description	Scope of business	Investment profit or loss recognized in 2023	Main cause of profit or loss	Rectification
Apoland Resource International (BVI) Corp.	Re-investment business	(1,575)	The business performance of reinvested company is not yet revealed	Active management
Defender Private Security Inc.	Security business	4,184	Proper cost control and Re-investment profit	None
Aco Distribution Corp.	Proprietary business	13,326	Successful market development	None
Sasaya Vitagreen Co., Ltd.	Proprietary business	24	The business performance of reinvested company is not yet revealed in the transformation stage	None
Sontenkan Resort Development Co., Ltd.	Leisure and recreation business	(49,343)	The business performance of reinvested company is not yet revealed in the development stage	Active management
Koya Biotech Corp.	Gardening business and oil production	(4,786)	The business performance of reinvested company is not yet revealed in the transformation stage	Active development of new business
AGV International (BVI) Limited	Re-investment business	28	The company is in the preparation stage	None
Alpha International Developments Limited	Re-investment business	(3,162)	The business performance of reinvested company is not yet revealed	Active management
Hope Choice Distribution Corp.	Proprietary business	8,219	Successful market development	None
Mascot International (BVI) Corporation	Re-investment business	(4,393)	The business performance of reinvested company is not yet revealed	Active management

Item/Description	Scope of business	Investment profit or loss recognized in 2023	Main cause of profit or loss	Rectification
Apoland Development (Singapore) Pte Ltd.	Re-investment business	(83,093)	The business performance of reinvested company is not yet revealed	Active management
Hopeland Distribution Corp.	Proprietary business	1,792	Successful market development	None
Yunlin Dairy Technology Corp.	Dairy manufacturing	26,511	Successful market development	None
Taiwan First Biotechnology Corp.	Food manufacturing	113,420	Successful market development	None
AGV Biohealthy Food Limited	Re-investment business	(228)	The re-investment is in the development stage	Active management
Aiken Biotechnology International Co., Ltd.	Biotechnology service	6,497	Successful market development	None
AGV First Biotech Food (BVI) Limited.	Re-investment business	(32,828)	The business performance of reinvested company is not yet revealed	Active management
YANJING AGV INTERNATIONAL COMPANY LIMITED	Proprietary business	2,138	In the transformation stage	None
Heding International Development Co., Ltd.	Re-investment business	7,991	Re-investment profit	None
ALPHA BIOTECH DEVELOPMENT (BVI) LIMITED	Re-investment business	8	The company is in the preparation stage	None
Kuo Cheng Investment Development Corp.	Re-investment business	1,603	Re-investment profit	None
HOPEMAN DISTRIBUTION CO., LTD.	Logistics business	636	Proper cost control	None
Nice Investment Development Ltd.	Re-investment business	3,263	Re-investment profit	None
Nicostar Capital Investment (BVI) Ltd.	Re-investment business	(552)	The re-investment is in the development stage	None
Eastern Formosa Resource Development Corporation	Recreation business	139	The re-investment is in the development stage	None
Tongjitang Medicinal Biotech Corp.	Medical biotechnology	421	The re-investment is in the development stage	None
NICE Enterprise Co., Ltd.	Household chemicals	68,805	Successful market development	None
TAI FU INTERNATIONAL CORP.	Food manufacturing	5,418	Re-investment profit	None

The Company's investment plans for the coming year will focus on the food industry and related leisure industry in the hope of expanding the business scale. We will also improve the completeness and competitive advantage of the Company's future product lines based on the principles of vertical integration and technology development.We will only evaluate and consider industries irrelevant to food or leisure industry if it is beneficial to the subsequent operation development for the entire Company.

VI. Risk analysis and assessment made in the most recent year and up to the printing date of the annual report

(I) Impact of changes to interest and exchange rates as well as inflation on the Company's earnings, and responsive measures

1. Interest rate change

   The interest rate interval of the Company's short-term bank loans in 2023 was between 1.975% and 2.328%. Due to the impact of COVID-19 and the Russia–Ukraine war on the world, in consideration of the unclear status of international environment and domestic economy, the central bank will adjust interest rate decisions according to the situation. Regarding short-term interest rates, it is expected to follow the Federal Reserve's lead and gradually lower rates. Therefore, the designated personnel of the Company's Financial Department conducts regular or irregular evaluation on the interest rate of bank loans and pays attention to the changes in financial markets at home and abroad at all times while maintaining close connection with the bank to acquire privileged interest rate and sufficient limits.

2. Exchange rate change

   The Company does not accept foreign currency payments for the products it sells, but it is still in need of foreign currencies since some of its finished goods are processed abroad. In this regard, the Company has directed designated personnel at the Financial Department to pay constant attention to changes in the exchange rate market and keep full track of trends in exchange rates and the timeliness of exchange based on the information of exchange rate changes provided by banks dealing with the Company. Personnel have also been directed to open foreign exchange deposit accounts for purchasing foreign currencies at appropriate times in order to meet the need for foreign currency payments arising from imported finished goods and reduce the risks caused by exchange rate fluctuations.

3. Inflation

   In recent years, the world has witnessed rising prices of commodities, including raw materials used for food production, as a result of out-of-balance agricultural production caused by climate anomalies, leading to potential inflation concerns. Nevertheless, the inflation rate in Taiwan has remained within certain levels thanks to government efforts in stabilizing financial order and prices. Furthermore, the Company has continued to control production costs and marketing expenses, management and research in recent years, thus limiting the impact of inflation on the operations and profits of the Company. In the future, in order to reduce the negative effects of inflation on its operations, the Company will increase the added values of products through strategies such as product innovation and differentiation, and will maintain control over costs.

(II) Policy on high-risk, high-leverage investments, loaning of funds to others, endorsements and guarantees as well as derivatives transactions, main reason for profits or losses and future countermeasures

Item	Policy	Main cause of profit or loss	Future countermeasures
High-risk, high-leverage investments	The Company does not engage in high-risk, high-leverage investments	None	None
Loaning funds to others	Implemented based on the Company's "Regulations on Loaning of Funds to Others"	None	None
Endorsement/guarantee	Implemented based on the Company's "Regulations on Endorsements and Guarantees"	None	None
Derivatives transactions	The Company does not engage in "derivatives transactions"	None	None

(III) Future research and development projects, and expenditures expected in connection therewith

1. Our design meets the food and health regulations while giving consideration to the idea of ecological conservation and economic benefits. We also research and develop functional products meeting natural, healthy, nutritious, safe and hygienic needs.
2. We promote marketing-oriented product research and development to create a sense of belonging for the consumer. By controlling the consumer and market trends, channel information and after-sales service, we provide products that fully satisfy the customer.
3. According to the idea of similar origins between food and medicine as well as preventive medicine, we use biopharmacy technology to develop health food with "antioxidant effect and prevention of modern illness."
4. We establish a R&D environment with creative and innovative learning to cultivate R&D talents with comprehensive international perspective in aspects of health, technique, intelligent and manner.
5. Being dedicated to the "material extract biotechnology" and core technology of "cold aseptic filling" for manufacturing, we develop new products with concepts meeting the contemporary trends of "germ-free, no pollution, natural flavor preserved, nutritious, healthy and eco-friendly."

6. Taiwan has become an aging society with aging population structure in Taiwan society. In the future, we actively develop commodities for the senior and comprehensive products with nutrient formula through industry-government-academia collaborations.
7. By introducing foreign technology, seeking for international strategic alliances, establishing globalized operation mechanism for R&D of the Group and developing intelligent network, we accelerate the integration of entire R&D technology to create global competitive advantage for the Group.
8. Engage in deployment in response to the home economy in the post-epidemic era, and proactively invest capital in innovation and R&D of new products including plant protein drinks, traditional cuisine series, appetizer series, and prepared foods series.
9. By investing in comprehensive food and drink plant and new product lines, we integrate R&D and new equipment to actively develop functional grain drinks managed by AGV for many years, such as oats milk, peanut milk and almond milk.
10. The expected expenditures for future research and development by the Company is about NTD71,000 thousand in 2024.

(IV) Impact on the Company’s financial operations of important policy and legal developments at home and abroad, and responsive measures

None.

(V) Impact on the Company’s business and finance due to technological or industrial changes (including cyber security risk), and responsive measures:

As the diet habits of the consumer gradually change to aspects of high added value foods, convenience foods and diversified food types, the market demand begins to grow for all kinds of frozen prepared foods, prepared foods suitable for the aging population and current needs, health foods and foods convenient to prepare in response to the aging society and current consumption demand. Recently, food businesses have begun to make efforts in refinement of food processing, nano-grinding technology and extracting technology.

Nevertheless, the price increase of raw materials in the post-epidemic era results in the pressure of food businesses due to the increase of production cost; on the other hand, because of the rising health consciousness of the public, the consumer demand transforms from the pursuit of enlarged quantity in the past into the requirement for quality. Encountering the changes in technology and industry, the Company provides the following responsive measures:

1. Production innovation: Use the production advantage of cold aseptic filling to develop products which other competitors are unable to produce and plan to invest in production line for

prepared foods to produce prepared foods and foods for the elderly.

2. Sales innovation: Expand domestic and foreign markets by innovating quality product and integrating strategic partners.

3. Manpower innovation: Strengthen creativity, improve execution and enhance teamwork of specialists in each department.

4. R&D innovation: In response to the rise of health awareness in the nation, the Company develops prepared foods, drinks or health foods. For example, food series with the pursuit of health to meet the demand of the pubic, including the pure dense oats series, appetizer series, compound fermented milk, capsules, caplets, prepared foods and supplements for the senior.

(VI) Impact of changes in the Company's image upon its crisis management, and countermeasures

None.

(VII) Expected benefits and potential risks of any merger or acquisition, and measures to be adopted in response

The Company has no plan for merger or acquisition up to the present day.

(VIII) Expected benefits and potential risks of any plant expansion, and measures to be adopted in response

None.

(IX) Risks associated with any consolidation of purchasing or sales operations, and measures to be adopted in response

The main production/sales items of the Company include room temperature and low temperature processed foods and drinks with various types of products. According to the sales of top 10 customers in the most recent three years, because Hope Choice Distribution Corp. is designated by the Company for the sales and delivery of room temperature products in domestic traditional channels and CHUAN LIAN Enterprise Co., Ltd. is the largest franchises supermarket in the nation, the two companies accounted higher weight for the sales of the Company in recent years while the sales amount of other individual customer was less than 10% of the current net sales amount.In addition, the Company has control over Hope Choice Distribution Corp. since it is a 100% owned subsidiary of the Company. Hope Choice Distribution Corp. has a wide scope of product types and the downstream customers are traditional grocery stores, small shops as well as small and medium supermarkets with decentralized customer groups.In conclusion, the Company has no risk of sales concentration.

In addition, the Company commissioned AGV First Biotech Food (BVI)

Limited. to produce bottled drinks since 2006 with weight of purchase respectively accounted for 37.34% and 35.30% in 2022 and 2023, which was the largest supplier of the Company. However, AGV First Biotech Food (BVI) Limited. is the affiliate of the Company with 41.28% of shareholding. The supply quality and delivery over the years is good without any supply shortage or interruption.Overall, the Company has no risk of concentrated purchases.

(X) Impact and risk associated with large share transfers or changes in shareholdings of directors, supervisors, or shareholders who hold more than 10% of the Company's shares, and countermeasures: None.

(XI) Impact on and risk to the Company of change in management rights and countermeasures: None.

(XII) (For litigation or non-litigation cases indicating the Company and directors, supervisors, President, substantial responsible person, major shareholder with shareholding exceeding 10% of the Company and affiliates that are involved in major lawsuits with affirmative judgment or is pending in the court proceeding, non-litigation or administrative dispute cases with results capable of causing material impacts on the interests of Shareholder or stock price, the dispute fact, claim amount, litigation starting date, primary litigation parties and handling status up to the printing date of the annual report shall be disclosed: None.

(XIII) Other significant risks and countermeasure:

None.

VII. Other Important matters:

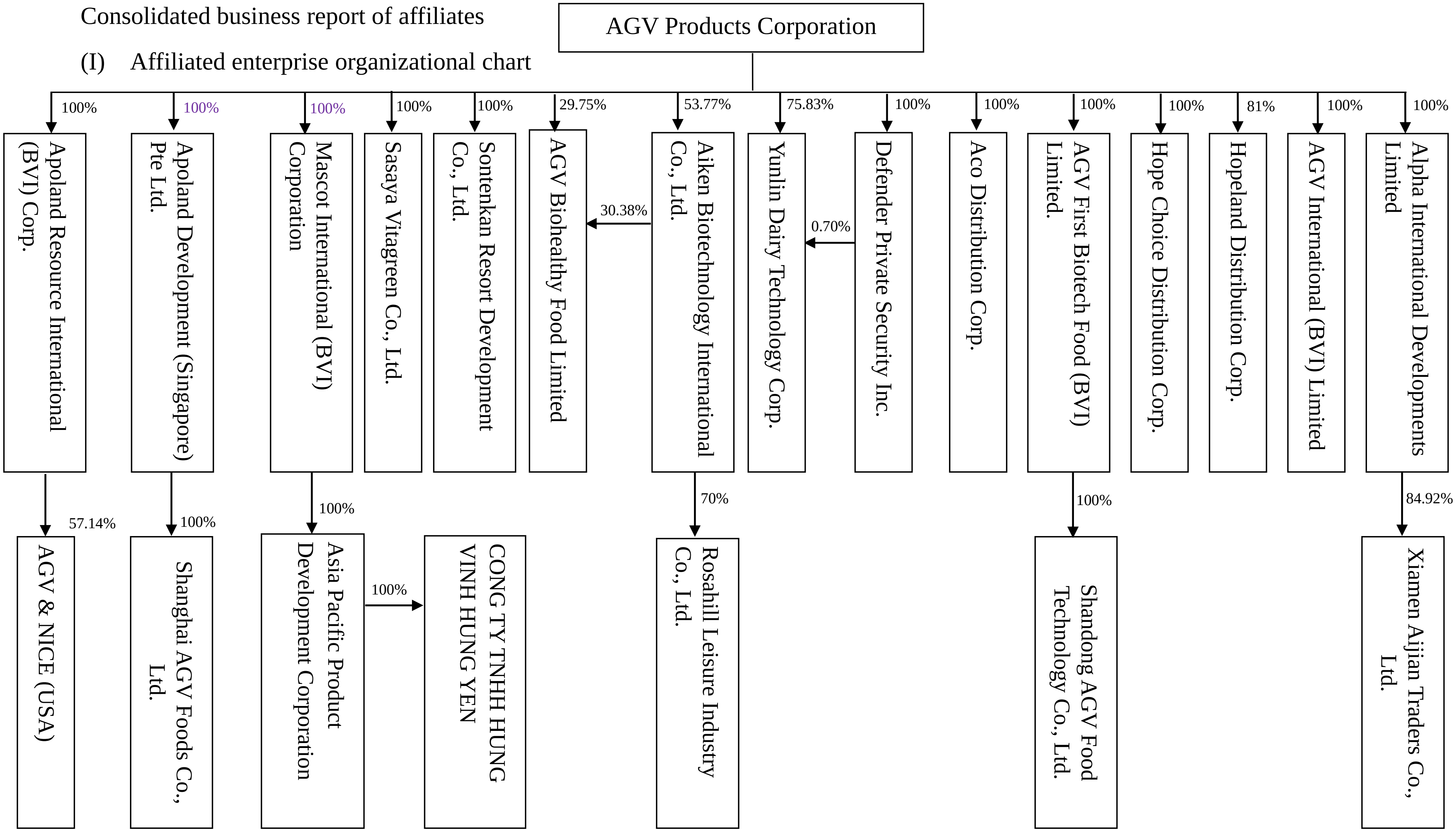
None.

Eight. Special Items to be Included

I. Affiliated Enterprise Information

Consolidated business report of affiliates

(I) Affiliated enterprise organizational chart



(II) Basic information and business of affiliates

December 31, 2023 Unit: NTD thousand

Enterprise name	Establishment date	Address	Paid-in capital	Primary business or production item
Hope Choice Distribution Corp.	2001.05.22	No. 81, Jiangwen St., West Dist., Chiayi City	NTD65,000	Proprietary business
Hopeland Distribution Corp.	1989.10.13	17F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City	NTD15,000	Proprietary business
Aco Distribution Corp.	1986.08.04	13F., No. 515, Zhongxiao Rd., Zhongzhuang Vil., East Dist., Chiayi City	NTD54,720	Proprietary business
Aiken Biotechnology International Co., Ltd.	2004.10.19	No. 1, Fuquan, Fuquan Vil., Minxiong Township, Chiayi County	NTD107,066	Biotechnology service
Rosahill Leisure Industry Co., Ltd.	2013.11.19	1F., No. 77, Jiangwen St., West Dist., Chiayi City	NTD25,000	Proprietary business
Sasaya Vitagreen Co., Ltd.	2005.03.11	No. 81, Jiangwen St., West Dist., Chiayi City	NTD5,000	Proprietary business
Sontenkan Resort Development Co., Ltd.	1999.03.16	12F.-2, No. 515, Zhongxiao Rd., Chiayi City	NTD1,902,441	Leisure and recreation business
Defender Private Security Inc.	1990.07.03	3F.-2, No. 515, Zhongxiao Rd., East Dist., Chiayi City	NTD40,000	Security business
Koya Biotech Corp.	1991.04.13	No. 152, Sec. 2, Yunlin Rd., Douliu City, Yunlin County	NTD314,887	Gardening business and oil production
Yunlin Dairy Technology Corp.	2002.09.12	No. 78, Gongye Rd., Liuzhong Vil., Douliu City, Yunlin County	NTD62,700	Dairy manufacturing and sales
Mascot International (BVI) Corporation	1993.09.24	Vistra Corporate Services Centre, Wickhams Cay Ⅱ, Road Town, Tortola, VG1110, British Virgin Islands.	USD9,200	Re-investment business
Apoland Resource International (BVI) Corp.	1997.07.22	Vistra Corporate Services Centre, Wickhams Cay Ⅱ, Road Town, Tortola, VG1110, British Virgin Islands.	USD10,510	Re-investment business
Apoland Development (Singapore) Pte Ltd.	1993.09.14	8 Wilkie Edge, #03-01 Wilkie Edge, Singapore 228095	USD47,724	Re-investment business

Enterprise name	Establishment date	Address	Paid-in capital	Primary business or production item
Asia Pacific Product Development Corporation	1995.11.18	Aiguoshe, Nance County, Hai Dương Province, Vietnam	VND26,032,702	Planting, processing and export of vegetables
Shanghai AGV Foods Co., Ltd.	1994.03.02	No. 5268, Bei Song Highway, Chedun, Songjiang District, Shanghai	CNY311,721	Food manufacturing and sales
AGV & NICE (USA), INC.	2002.04.12	44370 OLD WARM SPRINGS BLVD. FREMONT, CA94538	USD70	Marketing business
Xiamen Aijian Traders Co., Ltd.	2009.09.30	18 F., Building 2, No. 625, Sishui Road, Wuyuan Bay, Huli District, Xiamen City	CNY12,545	Food
Alpha International Developments Limited	2004.08.30	Vistra Corporate Services Centre, Wickhams Cay Ⅱ, Road Town, Tortola, VG1110, British Virgin Islands.	USD2,433	Re-investment business
AGV International (BVI) Limited	2011.08.30	Vistra Corporate Services Centre, Wickhams Cay Ⅱ, Road Town, Tortola, VG1110, British Virgin Islands.	USD50	Re-investment business
AGV First Biotech Food (BVI) Limited.	2011.10.12	Vistra Corporate Services Centre, Wickhams Cay Ⅱ, Road Town, Tortola, VG1110, British Virgin Islands.	USD46,213	Re-investment business
SHANDONG AGV FOOD TECHNOLOGY CO., LTD	2012.09.14	Room 512-513, Development Area Building 3, Kaiyuan Rd., Jiyang District, Jinan	CNY259,186	Food
AGV Biohealthy Food Limited	2013.05.25	Vistra Corporate Services Centre, Wickhams Cay Ⅱ, Road Town, Tortola, VG1110, British Virgin Islands.	USD2,633	Food
CONG TY TNHH HUNG VINH HUNG YEN	2015.03.12	Liangping Township, Jindong County, Hưng Yen Province, Vietnam	VND2,516,364	Planting, processing and export of vegetables

(III) Director and president information of affiliates

December 31, 2023 Unit: shares;%

Company name	Title	Name or representative	Shareholding	
			No. of shares/Amount of contribution	Shareholding (%)
Ho Kang Trading Co., Ltd.	Chairman Director Director Director Director	Representative of AGV Products Corporation: Yuan-Chun Wang Representative of AGV Products Corporation: Kuan-Han Chen Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Chien-Hua Chen Representative of AGV Products Corporation: Nai-Pin Lin	6,500,000	100.00%
	Supervisor Supervisor Supervisor	Representative of AGV Products Corporation: Hsien-Chueh Hsieh Representative of AGV Products Corporation: Kuan-Hua Chen Representative of AGV Products Corporation: Chih-Cheng Yang		
Ho Lien Trading Co., Ltd.	Chairman Director Director Director Director	Representative of AGV Products Corporation: Jui-Hsu Wu Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Chien-Hua Chen Representative of AGV Products Corporation: Chin-Huang Chen Representative of AGV Products Corporation: Ching-Chih Chang	1,215,000	81.00%
	Supervisor Supervisor	Representative of NICE Enterprise Co., Ltd.: Hsien-Chueh Hsieh Representative of NICE Enterprise Co., Ltd.: Ming-Cheng Hung	285,000	19.00%
Love House Distribution Co., Ltd.	Chairman Director Director Director Director	Representative of AGV Products Corporation: Jui-Hsu Wu Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Hsien-Chueh Hsieh Representative of AGV Products Corporation: Chien-Hua Chen Representative of AGV Products Corporation: Yue-Tsu Tsai	5,472,000	100.00%
	Supervisor Supervisor	Representative of AGV Products Corporation: Chih-Cheng Yang Representative of AGV Products Corporation: Chen-Jung Chang		

Company name	Title	Name or representative	Shareholding	
			No. of shares/Amount of contribution	Shareholding (%)
Sontenkan Resort Development Co., Ltd.	Chairman Director Director Director Director Director Director	Representative of AGV Products Corporation: Nai-Pin Lin Representative of AGV Products Corporation: Ching-Jen Chen Representative of AGV Products Corporation: Kuan-Chou Chen Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Chung-Sung Shen Representative of AGV Products Corporation: Kuan-Te Ho Representative of AGV Products Corporation: Ming-Fa Lai	普 178,181,050 特 12,063,093	100.00%
	Supervisor Supervisor Supervisor	Representative of AGV Products Corporation: Ching-Liang Chen Representative of AGV Products Corporation: Kuan-Ju Chen Representative of AGV Products Corporation: Tzu-Chiang Wang		
Asia Pacific Development Co., Ltd.	Shareholder	Mascot International (BVI) Corporation	1,903,100	100.00%
Aiken Biotechnology International Co., Ltd.	Chairman Director Director Director Director	Representative of AGV Products Corporation: Chih-Yu Chang Representative of AGV Products Corporation: Kuan-Han Chen Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Chang-Fa Wang Representative of AGV Products Corporation: Kuan-Te Ho	5,756,900	53.77%
	Supervisor Supervisor Supervisor	Representative of Taiwan First Biotechnology Corp.: Kuan-Ju Chen Representative of Taiwan First Biotechnology Corp.: Ching-Jen Chen Representative of Taiwan First Biotechnology Corp.: Hsien-Chueh Hsieh	4,680,678	43.71%
Rosahill Leisure Industry Co., Ltd.	Chairman Director Director Director Director Director	Representative of Aiken Biotechnology International Co., Ltd.: Kuan-Te Ho Representative of Aiken Biotechnology International Co., Ltd.: Ching-Jen Chen Representative of Aiken Biotechnology International Co., Ltd.: Ching-Liang Chen Representative of Aiken Biotechnology International Co., Ltd.: Chih-Yu Chang Representative of Aiken Biotechnology International Co., Ltd.: Hsien-Chueh Hsieh Representative of Aiken Biotechnology International Co., Ltd.: Chih-Cheng Yang	1,750,000	70.00%

Company name	Title	Name or representative	Shareholding	
			No. of shares/Amount of contribution	Shareholding (%)
	Supervisor Supervisor Supervisor	Representative of Ho Yuan Investment Co., Ltd.: Kuan-Han Chen Representative of Ho Yuan Investment Co., Ltd.: Chih-Chan Chen Representative of Ho Yuan Investment Co., Ltd.: Kuan-Ju Chen	500,000	20.00%
Sasaya Vitagreen Co., Ltd.	Chairman Director Director Director Director	Representative of AGV Products Corporation: Jui-Hsu Wu Representative of AGV Products Corporation: Hsien-Chueh Hsieh Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Chien-Hua Chen Representative of AGV Products Corporation: Yuan-Chun Wang	500,000	100.00%
	Supervisor Supervisor	Representative of AGV Products Corporation: Nai-Pin Lin Representative of AGV Products Corporation: Hsuan-Hui Chen		
Thunder Eagle Private Security Inc.	Chairman Director Director Director Director Director Director	Representative of AGV Products Corporation: Ching-Jen Chen Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Ching-Liang Chen Representative of AGV Products Corporation: Chih-Hung Chen Representative of AGV Products Corporation: Hsien-Chueh Hsieh Representative of AGV Products Corporation: I-Hsien Yu Representative of AGV Products Corporation: Ming-Fa Lai	4,000,000	100.00%
	Supervisor Supervisor	Representative of AGV Products Corporation: Kuan-Han Chen Representative of AGV Products Corporation: Kuan-Ju Chen		
Yunlin Dairy Technology Corp.	Chairman Vice Chairman Director	Representative of Koya Biotech Corp.: Hsien-Chueh Hsieh Representative of Koya Biotech Corp.: Kuan-Ju Chen Representative of Koya Biotech Corp.: Pai-Fang Hsu	65,161	1.04%
	Director	Representative of Thunder Eagle Private Security Inc.: Ching-Jen Chen	43,860	0.70%
	Director Director Director	Representative of Taiwan First Biotechnology Corp.: Cheng-Lung Kuo Representative of Taiwan First Biotechnology Corp.: Chang-Fa Wang Representative of Taiwan First Biotechnology Corp.: Shih-Pei Yang	126,322	2.01%

Company name	Title	Name or representative	Shareholding: No. of shares/Amount of contribution	Shareholding: Shareholding (%)
	Supervisor Supervisor Supervisor	Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Chih-Cheng Yang Representative of AGV Products Corporation: Yue-Tsu Tsai	4,754,551	75.83%
AGV & NICE USA	Shareholder	Apoland Resource International Limited	40,000	57.14%
	Shareholder	Niceco Holdings Limited	30,000	42.86%
Koya Biotech Corp.	Chairman Director Director	Representative of Taiwan First Biotechnology Corp.: Kuan-Han Chen Representative of Taiwan First Biotechnology Corp.: Chang-Fa Wang Representative of Taiwan First Biotechnology Corp.: Hsien-Chueh Hsieh	8,249,211 (common)	38.39%
			1,210,000 (preferred)	12.10%
	Director Director Director	Representative of AGV Products Corporation: Ching-Jen Chen Representative of AGV Products Corporation: Chih-Chan Chen Representative of AGV Products Corporation: Tse-Min Pao	9,219,489 (common)	42.90%
			8,790,000 (preferred)	87.90%
	Director	Representative of Thunder Tiger Corporation: Kuan-Ju Chen	4,000,000 (common)	18.61%
	Supervisor	Representative of Aiken Biotechnology International Co., Ltd.: Ching-Liang Chen	10,000 (common)	0.05%
	Supervisor	Representative of Thunder Tiger Corporation: Sheng-Chieh Su	10,000 (common)	0.05%
Apoland Resource International Limited	Shareholder	AGV Products Corporation	10,510,000	100.00%
Mascot International (BVI) Corporation	Shareholder	AGV Products Corporation	9,026,195 (common)	100.00%
	Shareholder	Tongjitang Medicine and Biotech Corp.	267,635 (preferred)	96.00%
	Shareholder	Kun-Chin Chang	7,434 (preferred)	2.67%
	Shareholder	Ching-Yao Chen	3,717 (preferred)	1.33%
Apoland Development (Singapore) Pte Ltd.	Shareholder	AGV Products Corporation	61,199,161 (common)	100.00%
	Shareholder	Taiwan First Biotechnology Corp.	1,300,000 (preferred)	72.53%
	Shareholder	Tongjitang Medicine and Biotech Corp.	478,110 (preferred)	26.67%
	Shareholder	Yu-Ying Chen Hung	14,352 (preferred)	0.80%
Shanghai AGV Foods Co., Ltd.	Shareholder	Apoland Development (Singapore) Pte Ltd.	43,800,000	100.00%
Xiamen Aijian Traders Co., Ltd.	Shareholder	Ai-Hwa Co., Ltd.	1,690,000	84.92%
	Shareholder	Nicostar International Development Limited	300,000	15.08%

Company name	Title	Name or representative	Shareholding	
			No. of shares/Amount of contribution	Shareholding (%)
Ai-Hwa Co., Ltd.	Shareholder	AGV Products Corporation	2,433,455	100.00%
AGV International (BVI) Limited	Shareholder	AGV Products Corporation	50,000	100.00%
AGV First Biotech Food (BVI) Limited	Shareholder	AGV Products Corporation	28,013,400 (common)	100.00%
	Shareholder	Taiwan First Biotechnology Corp.	18,100,000 (preferred)	99.45%
	Shareholder	Aiken Biotechnology International Co., Ltd.	100,000 (preferred)	0.55%
Shandong AGV Food Technology Co., Ltd.	Shareholder	AGV First Biotech Food (BVI) Limited	259,186,235	100.00%
AGV Biohealthy Food Limited	Shareholder	AGV Products Corporation	783,300	29.75%
	Shareholder	Aiken Biotechnology International Co., Ltd.	800,000	30.38%
	Shareholder	Taiwan First Biotechnology Corp.	1,050,000	39.87%
CONG TY TNHH HUNG VINH HUNG YEN	Shareholder	Asia Pacific Development Co., Ltd.	2,516,363,870	100.00%

(IV) Operation overview of affiliates

Unit: NTD thousand

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit or loss after tax	EPS after tax
AGV Products Corporation	4,945,134	12,089,984	5,290,674	6,799,310	4,052,607	165,322	200,936	0.41
Hope Choice Distribution Corp.	65,000	184,429	96,869	87,560	817,200	5,040	8,427	1.30
Hopeland Distribution Corp.	15,000	57,527	33,546	23,981	133,316	1,829	2,300	1.53
Aco Distribution Corp.	54,720	164,787	51,505	113,282	273,471	9,517	13,301	2.43
Aiken Biotechnology International Co., Ltd.	107,066	169,270	11,998	157,272	46,704	2,710	12,075	1.13
Sasaya Vitagreen Co., Ltd.	5,000	4,550	42	4,508	0	0	24	0.05
Sontenkan Resort Development Co., Ltd.	1,902,441	2,549,764	681,169	1,868,595	3,554	-10,192	-49,343	-0.30
Defender Private Security Inc.	40,000	74,960	15,797	59,163	56,996	-109	4,184	1.05
Yunlin Dairy Technology Corp.	62,700	393,428	218,262	175,166	505,852	44,960	34,948	5.57
Mascot International (BVI) Corporation	282,474	41,780	0	41,780	0	-4	-4,528	-0.50
Asia Pacific Product Development Corporation	58,435	4,059	2,518	1,541	0	-1,432	-1,352	-0.71
Apoland Resource International (BVI) Corp.	322,710	81,342	0	81,342	0	-1	-1,575	-0.15
AGV & NICE (USA), INC. NICE Enterprise Co., Ltd.	2,149	0	0	0	0	0	0	-
Apoland Development (Singapore) Pte Ltd.	1,465,358	392,864	220,036	172,828	99,396	-77,818	-88,038	-
Shanghai AGV Foods Co., Ltd.	1,351,482	386,843	561,967	-175,124	99,396	-76,634	-56,952	-
Xiamen Aijian Traders Co., Ltd.	54,391	25,396	891	24,505	30,016	-3,657	-3,740	-
Alpha International Developments Limited	74,719	23,722	0	23,722	0	0	-3,162	-1.30
AGV International (BVI) Limited	1,535	1,677	0	1,677	0	0	28	0.56
AGV First Biotech Food (BVI) Limited.	1,418,982	677,696	31,319	646,377	0	-5	-32,828	-1.17
Shandong AGV Food Technology Co., Ltd.	1,123,714	681,860	110,298	571,562	0	-18,768	-32,842	-
Rosahill Leisure Industry Co., Ltd.	25,000	74,479	18,693	55,786	52,917	11,703	11,027	4.41
AGV Biohealthy Food Limited	80,855	60,987	0	60,987	0	0	-766	-0.29

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit or loss after tax	EPS after tax
CONG TY TNHH HUNG VINH HUNG YEN	3,133	32	168	-136	0	-132	-132	-

Note: The paid-in capital with common stocks of Sontenkan Resort Development Co., Ltd. was NTD1,781,810,500, the preferred stock was NTD120,630,930.
The paid-in capital with common stocks of Mascot International (BVI) Corporation was NTD277,149,000 and the preferred stock was NTD5,324,000.
The paid-in capital with common stocks of Apoland Development (Singapore) Pte Ltd. was NTD1,372,975,000 and the preferred stock was NTD44,483,000 and the capital collected in advance was NTD47,900,000.

II. Any private placement of securities in the most recent year up to the publication date of the annual report.:

1. On May 11, 2021, the 13th meeting of the 17th Board of Directors adopted a resolution to approve the proposal for issuance of no more than 100,000,000 common shares from cash capital increases via private placement. The proposal was then submitted to the 2021 annual shareholders' meeting as required by law and approved by a resolution without amendment.
   Implementation: On May 9, 2022, the 20th meeting of the 17th Board of Directors adopted a resolution approving that the issuance will not continue in the remaining period, and that a report thereon will be submitted to the 2022 annual shareholders' meeting.
2. On May 9, 2022, the 20th meeting of the 17th Board of Directors adopted a resolution to approve the proposal for issuance of no more than 100,000,000 common shares from cash capital increases via private placement. The proposal was then submitted to the 2022 annual shareholders' meeting as required by law and approved by a resolution without amendment.
   Implementation: On March 13, 2023, the 5th meeting of the 18th Board of Directors adopted a resolution approving that the issuance will not continue in the remaining period, and that a report thereon will be submitted to the 2023 annual shareholders' meeting.
3. On March 13, 2023, the 5th meeting of the 18th Board of Directors adopted a resolution to approve the proposal for issuance of no more than 100,000,000 common shares from cash capital increases via private placement. The proposal will then be submitted to the 2023 annual shareholders' meeting for resolution.
   Implementation: On March 11, 2024, the 10th meeting of the 18th Board of Directors adopted a resolution approving that the issuance will not continue in the remaining period, and that a report thereon will be submitted to the 2024 annual shareholders' meeting.

III. Holding or disposal of the Company's shares by subsidiaries in the most recent year and up to the publication date of the annual report

None.

IV. Events having material impact on shareholders' equity or securities prices listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the most recent year and up to the publication date of the annual report

None.

V. Additional information required to be disclosed: None.

AGV Products Corporation

Chairman: Kuan-Han Chen

Published in May 14, 2024