

[Stock Code: 1217]

**AGV Products Corporation**  
**Parent Company Only Financial Report and**  
**Independent Auditors' Report**  
**2023 and 2022**

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

## Table of Contents

Item	Page No.
I. Cover Page	錯誤! 尚未定義書籤。
II. Table of Contents	錯誤! 尚未定義書籤。
III. Independent Auditors' Report	3
IV. Parent Company Only Balance Sheet	4
V. Parent Company Only Statement of Comprehensive Income	5
VI. Parent Company Only Statement of Changes in Equity	6
VII. Parent Company Only Statement of Cash Flows	7
VIII. Notes on the Parent Company Only Financial Report	
(I) Company History	8
(II) Date and Procedures of Approval of the Financial Report	8
(III) Adoption of New Standards, Amendments, and Interpretations	8-11
(IV) Summary of Significant Accounting Policies	11-24
(V) Major Sources of Uncertainty to Significant Accounting Judgments, Estimates and Assumptions	24-26
(VI) Description of Significant Accounting Items	26-57
(VII) Transactions of the Related Party	57-65
(VIII) Pledged Assets	65
(IX) Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts	65-66
(X) Losses Due to Major Disasters	66
(XI) Significant Subsequent Events	66
(XII) Others	66-78
(XIII) Noted Disclosures	78
1. Information Related to Major Transactions	78
2. Information Related to Reinvested Enterprises	89-92
3. Information on Investments in Mainland China	93-94
4. Major Shareholders Information	95
(XIV) Segment Information	96
IX. Statements of Important Accounting Titles	97-129

## **Independent Auditors' Report**

To AGV Products Corporation:

### **Audit opinions**

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

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

### **Basis of audit opinion**

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

### **Key audit matters**

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

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

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

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

Description of key audit matters:

As of December 31, 2023, investment property held totaled NTD 1,595,025 thousand, accounting for 13.19% of total assets, and it was subsequently measured using the fair value model. The recognized variable income generated from fair value changes totaled NTD 49,049 thousand in 2023, accounting for 21.52% of the net income before tax. The evaluation was mainly based on an

analysis of discounted cash flow and land development, under the condition that the income was calculated according to market rent and value by a commissioned external appraiser. The analysis relied on the evaluation and judgment of an external appraiser based on overall usage, and local or market conditions of the subject property. The assumptions and estimates related to profit rate and discount rate adopted for evaluation contained material uncertainty. Thus, we consider the fair value evaluation of investment property as a key audit matter when auditing the parent company only financial report of AGV Products Corporation.

Corresponding audit process:

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

## II. Recognition of revenue

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

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

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

## Other matters

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

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

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

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

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

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

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

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

- I. Identify and assess the risk of material misstatement of the parent company only financial report due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of AGV Products Corporation.
- III. Evaluate the adequacy of accounting policies adopted by management and the legitimacy of accounting estimates and related disclosures made.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of AGV Products Corporation to continue as a going concern. In cases where we consider that events or circumstances have significant uncertainty in this regard, then relevant disclosure of the parent company only financial report shall be provided in the auditors' report to allow users of the parent company only financial report to be aware of such events or circumstances, or we shall revise our opinion when such disclosure is considered inappropriate. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the AGV Products Corporation to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent company only financial report (including relevant notes), and whether the parent company only financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient and appropriate audit evidence on the financial information of individual companies within AGV Products Corporation in order to express an opinion on the parent company only financial report. Our responsibilities as auditors are to instruct, supervise and execute audits and form an audit opinion on AGV Products Corporation.

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

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

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

Crowe (TW) CPAs  
CPA: Shu-Man Tsai

CPA: Ling-Wen Huang

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

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

Unit: NTD thousand

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

(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		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6(23))	\$ 4,052,607	100	\$ 4,014,234	100
5000	Operating cost (Note 6(5))	(2,913,990)	(72)	(2,849,193)	(71)
5900	Gross profit (gross loss)	1,138,617	28	1,165,041	29
5910	Unrealized profit from sales	(4,595)	-	(5,845)	-
5920	Realized profit from sales	5,845	-	6,421	-
	Operating expense				
6100	Selling expenses	(698,034)	(17)	(688,546)	(17)
6200	Management expenses	(231,120)	(6)	(231,392)	(6)
6300	Research and development expenses	(45,443)	(1)	(45,606)	(1)
6450	Expected credit impairment profits (losses) (Note 6(4))	53	-	(16)	-
6000	Total operating expenses	(974,544)	(24)	(965,560)	(24)
6900	Operating profits (losses)	165,323	4	200,057	5
	Non-operating income and expenses				
7100	Interest revenue	1,971	-	822	-
7010	Other revenue (Note 6(25))	50,047	1	49,644	1
7020	Other profits and losses (Note 6(26))	24,919	1	165,362	4
7050	Financial cost (Note 6(27))	(98,779)	(2)	(82,451)	(2)
7070	Share of profit or loss from subsidiaries, associates and joint ventures under the equity method	84,463	2	(53,053)	(1)
7000	Total non-operating income and expense	62,621	2	80,324	2
7900	Net profit (loss) before tax	227,944	6	280,381	7
7950	Income tax profit (Note 6(28))	(27,008)	(1)	(2,491)	-
8200	Current net profit (loss)	200,936	5	277,890	7
	Other comprehensive income (Note 6(30))				
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	<u>14,522</u>	<u>(7,103)</u>
Changes of assets/liabilities related to operating activities		
Net changes in assets related to operating activities		
Decrease (Increase) in financial assets measured at fair value through profit/loss on a mandatory basis	(154,531)	(44,581)
Decrease (increase) in notes receivable	486	4
Decrease (increase) in notes receivable – related parties	(4,794)	(3,475)
Decrease (increase) in accounts receivable	27,108	(37,645)
Decrease (increase) in accounts receivable – related parties	32,666	(19,386)
Decrease (increase) in other accounts receivable	710	(821)
Other accounts receivable – decrease (increase) for related parties	(2,826)	2,486
Decrease (increase) in inventory	86,043	(145,256)
Decrease (increase) in prepayments	(5,465)	(1,073)
Decrease (increase) in other current assets	851	211
Total net changes in assets related to operating activities	<u>(19,752)</u>	<u>(249,536)</u>
Net changes in liabilities related to operations		
Increase (decrease) in contract liabilities	7,061	2,448
Increase (decrease) in notes payable	5,271	(4,229)
Increase (decrease) in accounts payable	(632)	4,706
Increase (decrease) in accounts payable – related parties	147,820	3,428
Increase (decrease) in other payables	(15,997)	15,333
Other payables – increase (decrease) for related parties	(11,617)	3,003
Increase (decrease) in liability reserve	1,975	613
Increase (decrease) in other current liabilities	(1,235)	(348)
Increase (decrease) in net defined benefit liabilities	(18,021)	(8,788)
Total net changes in liabilities related to operating activities	<u>114,625</u>	<u>16,166</u>

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Item	2023	2022
Total net changes in assets and liabilities related to operating activities	\$ 94,873	\$ (233,370)
Total adjustments	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:

- (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 liabilities, even if it is later refinanced or rearranged into long-term liabilities at any time between the balance sheet date and approval and announcement date of the financial report).
- (4) Liabilities with due 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 commencing 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 loses 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 deducting received lease incentives, original direct cost and the estimated costs for the restoration of the underlying assets); subsequently, they are measured at cost deducting the accumulated depreciation and accumulated impairment loss while the re-measurement of the lease liabilities is also adjusted.

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

Lease liabilities

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

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

2. The Company was the Lessor

Upon the sublease of right-of-use assets, the Company 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	<u>\$ 266,221</u>	<u>\$ 295,067</u>

- 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.
- 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	<u>\$ 207,737</u>	<u>\$ 50,377</u>

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	<u>\$ 8,576</u>	<u>\$ 9,061</u>

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	<u>\$ 479,843</u>	<u>\$ 506,924</u>

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		<u>\$ 613,634</u>	<u>\$ (728)</u>	<u>\$ 612,906</u>

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		<u>\$ 669,100</u>	<u>\$ (781)</u>	<u>\$ 668,319</u>

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	<u>\$ 728</u>	<u>\$ 781</u>

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	<u>\$ 771,988</u>	<u>\$ 858,031</u>

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	<u>\$ 2,913,990</u>	<u>\$ 2,849,193</u>

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	<u>\$ 1,028,292</u>	<u>\$ 1,113,167</u>

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	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	<u>\$ 4,625,099</u>	<u>\$ 4,072,706</u>
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	<u>\$ 1,335,387</u>	<u>\$ 1,188,570</u>

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	<u>\$ 2,673,830</u>	<u>\$ 2,607,948</u>
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	<u>\$ 1,262,383</u>	<u>\$ 1,241,018</u>

B. Statement of comprehensive income

Company name	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

Company name	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	\$ 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
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(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<sup>2</sup>). 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	<u>\$ 674,167</u>	<u>\$ 658,333</u>
Interest rate interval	<u>2.09134%-2.328%</u>	<u>1.975%-2.22%</u>

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	<u>\$ 281,207</u>	<u>\$ 293,709</u>

## (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	<u>\$ 20,531</u>	December 31, 2022	<u>\$ 18,556</u>

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	<u>\$ 26,169</u>	<u>\$ 40,221</u>

- (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	\$ 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	<u>\$ 2,731</u>	<u>\$ (1,885)</u>	<u>\$ 846</u>
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	<u>\$ 5,315</u>	<u>\$ (1,346)</u>	<u>\$ 3,969</u>
Appropriated by employer	-	(9,526)	(9,526)
Benefit payment	(19,608)	10,267	(9,341)
Balance on December 31	<u>\$ 180,266</u>	<u>\$ (154,097)</u>	<u>\$ 26,169</u>

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



(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	<u>\$ 789,030</u>	<u>\$ 763,705</u>

- (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	<u>\$ 695,345</u>

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:

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

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

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

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:

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

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	<u>\$ (43,452)</u>	<u>\$ 377,242</u>	<u>\$ 86,658</u>	<u>\$ 420,448</u>

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	<u>\$ (34,267)</u>	<u>\$ 403,095</u>	<u>\$ -</u>	<u>\$ 368,828</u>

## (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	<u>\$ 4,052,607</u>	<u>\$ 4,014,234</u>

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
<u>Main area and market</u>			
Taiwan	\$ 3,803,648	\$ 248,959	\$ 4,052,607
<u>Product line</u>			
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
<u>Timing of revenue recognition</u>			
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

		2023		
By nature		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		<u>\$ 227,845</u>	<u>\$ 307,310</u>	<u>\$ 535,155</u>
		2022		
By nature		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		<u>\$ 220,346</u>	<u>\$ 301,690</u>	<u>\$ 522,036</u>

(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	<u>\$ 2,326</u>	<u>\$ -</u>	<u>\$ 2,861</u>	<u>\$ -</u>

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	<u>\$ 50,047</u>	<u>\$ 49,644</u>

(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	<u>\$ 24,919</u>	<u>\$ 165,362</u>

(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	<u>\$ 98,779</u>	<u>\$ 82,451</u>

(XXVIII) Income tax

1. Income tax expenses

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

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

(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	<u>\$ (658)</u>	<u>\$ 8,334</u>

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	<u><u>\$ 178,362</u></u>

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	<u><u>\$ (41,144)</u></u>

## (XXX)Other comprehensive income

Item	2023		
	Before tax	Income tax (expenses) profits	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	<u>\$ 52,381</u>	<u>\$ (135)</u>	<u>\$ 52,246</u>
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	<u>\$ (7,078)</u>	<u>\$ 793</u>	<u>\$ (6,285)</u>
Recognized under other comprehensive income	<u>\$ 45,303</u>	<u>\$ 658</u>	<u>\$ 45,961</u>
2022			
Item	Before tax	Income tax (expenses) profits	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	<u>\$ (62,649)</u>	<u>\$ (3,940)</u>	<u>\$ (66,589)</u>
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	<u>\$ 80,139</u>	<u>\$ (4,394)</u>	<u>\$ 75,745</u>
Recognized under other comprehensive income	<u>\$ 17,490</u>	<u>\$ (8,334)</u>	<u>\$ 9,156</u>

## (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

<u>Name of the related party</u>	<u>Relationship with the Company</u>
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	<u>\$ 1,147,014</u>	<u>\$ 1,156,384</u>

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

2. Purchase

Category/Name of the related party	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	<u>\$ 1,349,160</u>	<u>\$ 1,542,636</u>

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	21,520	16,724
	International Corp.		
	Total	\$ 21,520	\$ 16,726
	Less: Allowance loss	(22)	(17)
	Net amount	<u>\$ 21,498</u>	<u>\$ 16,709</u>
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	<u>\$ 102,989</u>	<u>\$ 135,625</u>
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	<u>\$ 63,993</u>	<u>\$ 36,091</u>
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	<u>\$ 8,000</u>	<u>\$ 23,000</u>

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	<u>\$ 598,716</u>	<u>\$ 450,896</u>
Other payables	Subsidiary	\$ 1,179	\$ 1,168
	Associate	19,272	23,765
	Other related parties	18,753	25,888
	Total	<u>\$ 39,204</u>	<u>\$ 50,821</u>

5. Advance receipts

Category/Name of the related party	December 31, 2023	December 31, 2022
Other related parties	<u>\$ 3</u>	<u>\$ 3</u>

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	<u>\$ 39,620</u>	<u>\$ 33,952</u>

7. Guarantee deposits

Category/Name of the related party	December 31, 2023	December 31, 2022
Associate		
Hopeman Distribution Co., Ltd.	\$ 181	\$ 356
Total	<u>\$ 181</u>	<u>\$ 356</u>

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	<u>\$ 1,032,056</u>	<u>\$ 1,422,282</u>

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

12. Others

(1) Various revenues

Category/Name of the related party	2023	2022
Subsidiary	\$ 9,923	\$ 12,734
Associate	10,295	7,060
Other related parties	13,028	12,780
Total	<u>\$ 33,246</u>	<u>\$ 32,574</u>

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
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	<u>\$ 384,180</u>	<u>\$ 365,388</u>

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

- 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:

Item	Unit: NTD thousand	
	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 occurred:

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

Financial risk management policy

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

The Board of Directors 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.

Nature and degree of important financial risk

(1) Market risk

A. Exchange rate risk

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

(B) Foreign exchange exposure and sensitivity analysis

December 31, 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)	Functional					
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						
	Foreign currency	Exchange rate	Amount recognized (NTD)	Sensitivity analysis		
				Extent of change	Impact on profit or loss	Impact on equity
(Foreign currency: Functional currency)	Functional					
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	December 31, 2022
Interest rate risk with fair value:		
Financial assets	\$ 5,000	\$ 5,000
Financial liabilities	(18,980)	(21,843)
Net amount	<u>\$ (13,980)</u>	<u>\$ (16,843)</u>
Interest rate risk with cash flow:		
Financial assets	\$ 285,482	\$ 314,345
Financial liabilities	(4,024,964)	(3,889,785)
Net amount	<u>\$ (3,739,482)</u>	<u>\$ (3,575,440)</u>

(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
<u>Financial assets</u>		
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
<u>Financial liabilities</u>		
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:

- 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).
- 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:

Item	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Fair value with repetition</u>				
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

  

Item	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
<u>Fair value with repetition</u>				
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:  
 (A) TWSE/TPEX listed stocks: closing price.
    - B. Except for financial instruments in the active market, the fair value of other financial instruments is based on the 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 valued on the basis of existing lease contracts, rent at local market rates, or current market rents for similar comparable properties in the same location and condition, and overvalued and undervalued comparable properties shall be excluded. If there is a period-end value, the discounted present period-end value may be added.
- (B) Analysis period: When there is no specified period for the income, the analysis period in principle shall not be longer than 10 years; when there is a specified period for the income, the income shall be estimated for the remainder of the specified period.
- (C) Discount rate: The discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus the estimate for the individual characteristics of the investment property. “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	<u>\$ 998,878</u>	December 31, 2022	<u>\$ 1,082,790</u>



(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	<u>\$ 1,575,880</u>	<u>\$ 1,062,331</u>

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	<u>\$ 1,575,880</u>				

	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	<u>\$ 1,062,331</u>				

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

For the Company's evaluation process for fair value classified as Level 3, the 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 (USD13,246)
		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)	
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)	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)	
		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

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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/guarant ee 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 Developme nt 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 Accounts receivable 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%	

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			
Aiken Biotechnology International Co., Ltd.	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)	
	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 Pientzhuang 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 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.

Contents of Statements of Important Accounting Titles

Item	Number/Index
Statement of Assets, Liabilities and Equity	
Statement of Cash and Cash Equivalents	86
Statement of financial assets measured at fair value through profit/loss – current	87
Statement of Notes Receivable	88
Statement of Notes Receivable – Related Parties	89
Statement of Accounts Receivable	90
Statement of Accounts Receivable – Related Parties	91
Statement of Other Accounts Receivable	92
Statement of Other Accounts Receivable – Related Parties	93
Statement of Inventory	94
Statement of Prepayments	95
Statement of Other Current Assets	96
Statement of Changes in Financial Assets Measured at Fair Value through other Comprehensive Income – Non-current	97
Statement of Changes in Investment under the Equity Method	98
Statement of Changes in Property, Plant and Equipment	Note 6(8)
Statement of Changes in Accumulated Depreciation of Property, Plant and Equipment	Note 6(8)
Statement of Changes in Right-of-use Assets	Note 6(9)
Statement of Changes in Accumulated Depreciation of Right-of-use Assets	Note 6(9)
Statement of Changes in Investment Property	Note 6(10)
Statement of Changes in Accumulated Depreciation of Investment Property	Note 6(10)
Statement of intangible assets	Note 6(11)
Statement of deferred income tax assets	Note 6(28)
Statement of refundable deposits	100
Statement of other financial assets – non-current	101
Statement of other non-current assets – others	102
Statement of short-term loans	103
Statement of contract liabilities – current	104
Statement of notes payable	105
Statement of accounts payable	106
Statement of accounts payable – related parties	107
Statement of other payables	Note 6(15)
Statement of other payables – related parties	108
Statement of liability reserve – current	Note 6(16)
Statement of Lease Liabilities	Note 6(9)
Statement of Other Current Liabilities	109
Statement of Long-term Loans	110
Statement of Deferred Income Tax Liabilities	Note 6(28)
Statement of Guarantee Deposits	111
Statement of Profit or Loss Items	
Statement of Operating Income	112
Statement of Operating Costs	113
Statement of Manufacturing Expenses	114
Statement of Selling Expenses	115
Statement of Management Expenses	116
Statement of R&D Expenses	117
Statement of Finance Costs	Note 6(27)
Summary of employee benefits, depreciation, depletion and amortization expenses of the year by function	Note 6(24)

AGV Products Corporation  
Statement of Cash and Cash Equivalents  
December 31, 2023

		Unit: NTD and foreign currency thousand	
Item	Summary	Amount	Remarks
Cash	Cash	\$ 180	
	Petty cash	685	
Cash sub-total		\$ 865	
Bank deposits	Savings deposit	\$ 264,647	
	Checking deposit	3	
	Foreign currency deposit	706 USD 23	
Bank deposit subtotal		\$ 265,356	
Total		\$ 266,221	

USD exchange rate of 1:30.705 on December 31, 2023

AGV Products Corporation  
Statement of financial assets measured at fair value through profit/loss – current  
December 31, 2023

Name of financial product	Summary	No. of shares or unit	Cost of acquisition	Unit: Thousand shares; NTD thousand Fair value		Remarks
				Unit price	Total	
IBF Financial Holdings Co., Ltd.	Shares	16,958	\$ 199,113	\$12.25	\$ 207,737	



AGV Products Corporation  
Statement of Notes Receivable  
December 31, 2023

		Unit: NTD thousand	
Customer name	Summary	Amount	Remarks
Company A	Accounts receivable for goods	\$ 7,178	
Company B	Accounts receivable for goods	666	
Others	(Summarized total for parts less than 5%)	740	
Total		\$ 8,584	
Less: Allowance loss		(8)	
Net amount		\$ 8,576	

AGV Products Corporation  
Statement of Notes Receivable – Related Parties  
December 31, 2023

<u>Customer name</u>		<u>Summary</u>	<u>Amount</u>	Unit: NTD thousand <u>Remarks</u>
NICECO	International	Accounts receivable for	\$ 21,520	
Corp.		goods		
Others		(Summarized total for		
		parts less than 5%)		-
Total			\$ 21,520	
Less: Allowance loss			(22)	
Net amount			\$ 21,498	

AGV Products Corporation  
Statement of Accounts Receivable  
December 31, 2023

		Unit: NTD thousand	
Customer name	Summary	Amount	Remarks
Company A	Accounts receivable for goods	\$ 111,692	
Company B	Accounts receivable for goods	58,763	
Company C	Accounts receivable for goods	53,779	
Company D	Accounts receivable for goods	24,183	
Others	(Summarized total for parts less than 5%)	232,116	
Total		\$ 480,533	
Less: Allowance loss		(690)	
Net amount		\$ 479,843	

AGV Products Corporation  
Statement of Accounts Receivable – Related Parties  
December 31, 2023

		Unit: NTD thousand	
Customer name	Summary	Amount	Remarks
Hope Choice Distribution Corp.	Accounts receivable for goods	\$ 47,908	
Aco Distribution Corp.	Accounts receivable for goods	33,660	
Aiken Biotechnology International Co., Ltd.	Accounts receivable for goods	6,383	
Hopeland Distribution Corp.	Accounts receivable for goods	5,821	
Others	(Summarized total for parts less than 5%)	9,225	
Total		\$ 102,997	
Less: Allowance loss		(8)	
Net amount		\$ 102,989	

AGV Products Corporation  
Statement of Other Accounts Receivable  
December 31, 2023

		Unit: NTD thousand	
Item	Summary	Amount	Remarks
Tax refund receivable from exports	Tax refund receivable from exports	\$ 1,714	
Service revenues receivable	Service revenues receivable	821	
Contributions or discounts receivable	Discounts receivable	5,259	
Subsidies receivable	Subsidies receivable	2,250	
Other receivables	Others	658	
Total		<u>\$ 10,702</u>	

AGV Products Corporation  
Statement of Other Accounts Receivable – Related Parties  
December 31, 2023

		Unit: NTD thousand	
Item	Summary	Amount	Remarks
Taiwan First Biotechnology Corp.	Other revenue receivable	\$ 6,893	
Nice Capital & Finance Corp.	Dividends receivable	18,760	
Sontenkan Resort Development Co., Ltd.	Preferred stock dividends receivable	4,742	
Kuo Cheng Investment Development Corp.	Dividends receivable	10,989	
Nice Investment	Dividends receivable	17,059	
Others	Service revenue receivable	5,550	
Total		<u>\$ 63,993</u>	

AGV Products Corporation  
Statement of Inventory  
December 31, 2023

Unit: NTD thousand

Item	Summary	Amount		Remarks
		Costs	Net realizable value	
Raw material	Food, spice	\$ 114,610	\$ 114,763	
Supplies	Cartons, caps, glass bottles	68,109	68,418	
Goods in process	Food in process	83,671	95,817	
Finished products	Canned foods, drinks	514,770	593,008	
Total		\$ 781,160	\$ 872,006	
Less: Allowance devaluation and obsolescence losses		(9,172)	-	
Net amount		<u>\$ 771,988</u>	<u>\$ 872,006</u>	

AGV Products Corporation  
Statement of Prepayments  
December 31, 2023

			Unit: NTD thousand
Item	Summary	Amount	Remarks
Prepayment for goods	Prepayment for material purchase and issuing	\$ 32,248	
Prepayment of repair expenses	Prepayment of repair expenses	3,341	
Bonus prepayment	Prepayment for gift certificates	19,000	
Other prepayments	Prepayments by others	7,820	
Total		<u>\$ 62,409</u>	



AGV Products Corporation  
Statement of Other Current Assets  
December 31, 2023

			Unit: NTD thousand
Item	Summary	Amount	Remarks
With a right of return	Right of goods to be returned under sale with a right of return	\$ 1,743	
Total		<u>\$ 1,743</u>	

AGV Products Corporation  
Statement of Changes in Financial Assets Measured at Fair Value through other Comprehensive Income – Non-current  
January 1 to December 31, 2023

									Unit: Thousand shares; NTD thousand	
Name	Balance – beginning		Increase in the current period		Decrease in the current period		Balance – ending		Collateral and mortgage	Remarks
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
TWSE/TPEX listed stocks:										
Common stock:										
Janfusun Fancyworld Corp.	10,332	30,377	-	-	6,154	963	4,178	29,414	None	
Subtotal of TWSE/TPEX listed stocks		<u>30,377</u>		<u>-</u>		<u>963</u>		<u>29,414</u>		
TWSE/TPEX unlisted stocks:										
Common stock:										
Eastern Taiwan Cultural & Creative Co., Ltd.	6,750	26,456	-	-	-	1,311	6,750	25,145	None	
Tangli Culture Media Co., Ltd.	2,200	22,854	-	-	-	1,906	2,200	20,948	None	
Nice Capital & Finance Corp.	6,950	115,519	-	-	-	25,378	6,950	90,141	None	
Aique International Co.	18	160	-	1	-	-	18	161	None	
B&B International Development Co., Ltd.	1,000	11,605	-	2,270	-	-	1,000	13,875	None	
Taiwan Aixianjia Biotech Corp.	540	3,694	-	-	-	23	540	3,671	None	
Janfusun Fancyworld Corp. – private placement	8,074	22,608	-	-	4,809	406	3,265	22,202	None	
Subtotal of common stocks		<u>202,896</u>		<u>2,271</u>		<u>29,024</u>		<u>176,143</u>		
Preferred share										
Koya Biotech Corp. (Class A)	8,790	256,404	-	-	-	879	8,790	255,525	None	
Sontenkan Resort Development Co., Ltd. (Class C)	9,279	78,503	-	1,206	-	-	9,279	79,709	None	
Nice Capital & Finance Corp. – 2015	6,171	116,138	-	-	-	24,005	6,171	92,133	None	
Nice Capital & Finance Corp. – 2017	4,733	89,075	-	-	-	18,411	4,733	70,664	None	
NICECO International Corp.	3,000	24,540	-	3,150	-	-	3,000	27,690	None	
Tangli Culture Media Co., Ltd. – 2005	15,000	187,350	-	-	-	14,700	15,000	172,650	None	
Tangli Culture Media Co., Ltd. – 2015	5,500	65,340	-	-	-	4,455	5,500	60,885	None	
Kuo Cheng Investment Development Corp.	2,484	36,267	-	397	-	-	2,484	36,664	None	
Sontenkan Resort Development Co., Ltd. (Class D)	2,784	22,437	-	334	-	-	2,784	22,771	None	
Taiwan Aibaonuo Biotech Co., Ltd.	600	3,840	-	204	-	-	600	4,044	None	
Subtotal of preferred shares		<u>879,894</u>		<u>5,291</u>		<u>62,450</u>		<u>822,735</u>		
Subtotal of TWSE/TPEX unlisted stocks		<u>1,082,790</u>		<u>7,562</u>		<u>91,474</u>		<u>998,878</u>		
Unlisted foreign stocks:										
Common stock:										
Likeda Development Co., Ltd.	3,900	-		-		-	3,900	-	None	
Subtotal of foreign unlisted stocks		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>		
Total		<u>1,113,167</u>		<u>7,562</u>		<u>92,437</u>		<u>1,028,292</u>		

Description: 1. The increase of NTD 7,562 thousand in the current period is due to an unrealized profit of NTD 6,022 thousand on valuation of financial assets and the effect of NTD 1,540 thousand of the consolidated entity Sontenkan (accounted for as a long-term equity investment under the equity method).  
2. The decrease of NTD 92,437 thousand in the current period is due to an unrealized loss on valuation of financial assets.

AGV Products Corporation  
Statement of Changes in Long-term Equity Investment under the Equity Method  
January 1 to December 31, 2023

											Unit: Thousand shares; NTD thousand		
Name	Balance – beginning		Increase in the current period		Decrease in the current period		Balance – ending			Market price or net worth of equity		Collateral and mortgage	Remarks
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding ratio	Amount	Unit price	Total price		
Apoland Resource International (BVI) Corp.	11,510	103,713	-	11,594	1,000	33,965	10,510	100.00	81,342	7.74	81,342	None	
Taiwan First Biotechnology Corp.	54,757	1,241,018	-	113,420	-	92,055	54,757	41.28	1,262,383	23.24	1,272,693	Partial mortgage	
Sasaya Vitagreen Co., Ltd.	500	4,484	-	24	-	-	500	100.00	4,508	9.02	4,508	None	
Hope Choice Distribution Corp.	6,500	85,715	-	10,885	-	10,670	6,500	100.00	85,930	13.47	87,560	None	
AGV Biohealthy Food (BVI) Limited	783	18,598	-	-	-	457	783	29.75	18,141	23.17	18,141	None	
Mascot International (BVI) Corporation	9,413	58,966	300	4,890	687	27,067	9,026	100.00	36,789	4.08	36,789	None	
Aiken Biotechnology International Co., Ltd.	5,757	84,838	-	6,808	-	6,790	5,757	53.77	84,856	14.69	84,564	None	
Aco Distribution Corp.	5,472	102,760	-	16,128	-	6,095	5,472	100.00	112,793	20.70	113,282	None	
Hopeland Distribution Corp.	1,215	18,218	-	3,376	-	3,396	1,215	81.00	18,198	15.99	19,424	None	
Eastern Formosa Resource Development Corporation	5,880	34,643	-	602	-	1	5,880	32.94	35,244	5.99	35,244	None	
Apoland Development (Singapore) Pte Ltd.	55,038	154,341	6,161	62,400	-	87,667	61,199	100.00	129,074	2.09	128,165	None	
Hopeman Distribution Co., Ltd.	6,950	58,965	-	636	-	5,191	6,950	43.44	54,410	7.83	54,410	None	
Heding International Development Co., Ltd.	16,788	152,742	-	9,441	-	1	16,788	48.98	162,182	9.85	165,337	None	
NICE Enterprise Co., Ltd.	49,224	1,188,570	-	155,240	-	8,423	49,224	28.24	1,335,387	27.15	1,336,208	None	
Defender Private Security Inc.	4,000	58,587	-	4,184	-	3,608	4,000	100.00	59,163	14.79	59,163	None	
Sontekan Resort Development Co., Ltd.	160,181	1,663,244	18,000	180,000	-	77,130	178,181	100.00	1,766,114	9.91	1,766,114	None	
Koya Biotech Corp.	9,219	273,146	-	-	-	5,517	9,219	42.90	267,629	29.05	267,834	None	
Tai Fu International Corp.	8,615	122,935	-	9,809	-	-	8,615	24.83	132,744	15.41	132,744	None	
Yunlin Dairy Technology Corp.	4,755	122,064	-	26,511	-	15,788	4,755	75.83	132,787	27.93	132,829	None	
Yanjing AGV International Company Limited	2,500	2,092	-	2,138	-	-	2,500	50.00	4,230	1.69	4,230	None	
Kuo Cheng Investment Development Corp.	5,000	97,268	-	11,108	-	4,588	5,000	47.62	103,788	20.76	103,788	None	
Tongjitang Medicinal Biotech Corp.	5,000	50,097	-	439	-	509	5,000	26.27	50,027	10.01	50,027	None	
Alpha International Developments Limited	2,433	27,232	-	-	-	3,510	2,433	100.00	23,722	9.75	23,722	None	
Taiwan First Biotechnology (BVI) Corp.	28,013	134,048	-	-	-	42,546	28,013	100.00	91,502	3.27	91,502	None	
Nice Investment Development Ltd.	4,800	151,674	-	14,804	-	11,879	4,800	36.64	154,599	32.21	154,599	None	
AGV International (BVI) Limited	460	14,241	-	658	410	13,222	50	100.00	1,677	33.54	1,677	None	
Alpha Biotech Development (BVI) Limited	25	765	-	8	-	-	25	49.00	773	30.92	773	None	
Nicostar Capital Investment (BVI) Ltd.	1,764	25,673	-	-	-	2,212	1,764	36.21	23,461	13.30	23,461	None	
Total		6,050,637		645,103		462,287			6,233,453		6,250,130		

Description: 1. The market price and net equity worth of investee companies: the net worth of equity was calculated based on the 2023 financial statements audited and certified by the CPAs.

2. The increase of NTD 645,103 thousand in the current period is stated as follows:

Purchase increase	240,724
Investment profits recognized under the equity method	263,504
Exchange difference in the financial statement translation of foreign operations	4,984
Accumulated profit/loss	4,595
Actuarial income on defined benefit plan	209
Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income	126,782
Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income - effect of the consolidated entity Sontenkan	(1,540)
Realized profit or loss from sales	5,845
Total	<u>645,103</u>

3. The decrease of NTD 462,287 thousand in the current period is stated as follows:

Refunds from decapitalization	67,862
Investment losses recognized under the equity method	179,041
Cash dividends under the equity method	119,545
Exchange difference in the financial statement translation of foreign operations	14,962
Capital surplus	602
Accumulated profit/loss	6,767
Actuarial income on defined benefit plan	2,772
Unrealized valuation profit/loss on investments in equity instruments measured at fair value through other comprehensive income	66,141
Unrealized profit or loss from sales	4,595
Total	<u>462,287</u>

AGV Products Corporation  
Statement of refundable deposits  
December 31, 2023

		Unit: NTD thousand	
Item	Summary	Amount	Remarks
Refundable deposits	Performance bond	\$ 8,000	
	Gas consumption		
	deposit of CPC Corporation	2,395	
	Lease guarantee fee	6,011	
	Others	707	
	Total	<u>\$ 17,113</u>	

AGV Products Corporation  
Statement of other financial assets – non-current  
December 31, 2023

		Unit: NTD thousand	
Item	Summary	Amount	Remarks
Bank of Taiwan – Chiayi Branch	Reserve account	\$ 20,129	Collateral for long-term loans
Total		<u>\$ 20,129</u>	

AGV Products Corporation  
Statement of Other Non-current Assets – others  
December 31, 2023

		Unit: NTD thousand	
Item	Summary	Amount	Remarks
Long-term prepaid expenses	Advertisement		
	production expenses	\$ 17,868	
	Total	<u>\$ 17,868</u>	

AGV Products Corporation  
Statement of short-term loans  
December 31, 2023

Unit: NTD thousand

Creditor	Summary	Balance – ending	Agreement Terms	Financing quota	Collateral and mortgage	Remarks
Taiwan Cooperative Bank	Mortgage loan	\$ 60,000	1120428-1130428	60,000	Mortgage	Land and buildings
First Commercial Bank	Credit loans	80,000	1121208-1130308	80,000	None	
Far Eastern Bank	Credit loans	50,000	1121227-1130326	50,000	None	
Hua Nan Commercial Bank	Mortgage loan	60,000	1121218-1130618	60,000	Mortgage	Land and buildings
Hua Nan Commercial Bank	Credit loans	79,167	1120526-1130526	190,000	None	
Taishin International Bank	Credit loans	120,000	1121225-1130125	150,000	None	
COTA Bank	Credit loans	50,000	1120725-1130125	50,000	None	
Land Bank of Taiwan	Mortgage loan	175,000	1121226-1130325	175,000	Mortgage	Land and buildings
Total		<u>\$ 674,167</u>				
Interest rate interval at the end		<u>2.09134%-2.328%</u>				



AGV Products Corporation  
Statement of Contract Liabilities – current  
December 31, 2023

		Unit: NTD thousand	
Customer name	Summary	Amount	Remarks
Company A	Advance sale receipts	\$ 5,168	
Company B	Advance sale receipts	3,568	
Company C	Advance raw material receipts	1,467	
Company D	Advance raw material receipts	1,082	
Others	(Summarized total for parts less than 5%)	450	
	Total	<u>\$ 11,735</u>	

AGV Products Corporation  
Statement of notes payable  
December 31, 2023

		Unit: NTD thousand	
Customer name	Summary	Amount	Remarks
Company A	Note of payment for goods	\$ 11,204	
Company B	Note of payment for goods	10,644	
Company C	Note of payment for goods	7,685	
Company D	Note of payment for goods	4,128	
Others	(Summarized total for parts less than 5%)	32,979	
Total		<u>\$ 66,640</u>	

AGV Products Corporation  
Statement of accounts payable  
December 31, 2023

		Unit: NTD thousand	
Customer name	Summary	Amount	Remarks
Company A	Accounts payable for goods	\$ 7,804	
Company B	Accounts payable for goods	5,222	
Company C	Accounts payable for goods	4,526	
Others	(Summarized total for parts less than 5%)	56,725	
Total		<u>\$ 74,277</u>	

AGV Products Corporation  
Statement of accounts payable – related parties  
December 31, 2023

		Unit: NTD thousand	
Customer name	Summary	Amount	Remarks
Taiwan First Biotechnology Corp.	Accounts payable for goods	\$ 587,263	
Others	Accounts payable for goods	11,453	
Total		<u>\$ 598,716</u>	

AGV Products Corporation  
Statement of other payables – related parties  
December 31, 2023

			Unit: NTD thousand
Item	Summary	Amount	Remarks
Hopeman Distribution Co., Ltd.	Freight payable	\$ 16,768	
Tangli Culture Media Co., Ltd.	Advertisement expenses payable	17,161	
Tangsheng International Co., Ltd.	Miscellaneous fee payable	1,398	
Taiwan First Biotechnology Corp.	Miscellaneous fee payable	2,446	
Others	Miscellaneous fee payable	1,431	
Total		<u>\$ 39,204</u>	

AGV Products Corporation  
Statement of Other Current Liabilities  
December 31, 2023

			Unit: NTD thousand
Item	Summary	Amount	Remarks
Refund liabilities	Right of goods to be returned under sale with a right of return	\$ 2,482	
Total		<u>\$ 2,482</u>	

AGV Products Corporation  
Statement of Long-term Loans  
December 31, 2023

Creditor	Summary	Loan balance	Agreement Terms	Unit: NTD thousand Mortgaged or secured	Remarks
10 syndicated loan banks such as Bank of Taiwan - Item A	Mortgage loan	\$ 787,500	1101228-1151228	Land and buildings, stocks and bank deposits	
10 syndicated loan banks such as Bank of Taiwan - Item B	Mortgage loan	1,260,000	1101228-1151228	Land and buildings, stocks and bank deposits	
Land Bank of Taiwan	Mortgage loan	103,333	1110325-1140325	Land and buildings	
East Chiayi Branch, Taiwan Cooperative Bank	Mortgage loan	301,500	1100726-1150726	Land and buildings	
Taiwan Cooperative Bank	Mortgage loan	242,000	1090820-1140820	Land and buildings	
Bank of Kaohsiung	Mortgage loan	300,000	1091230-1141230	Land	
Sunny Bank	Mortgage loan	95,000	1121215-1141215	Land	
Hua Nan Commercial Bank	Mortgage loan	142,500	1080815-1130815	Land and buildings	
Agricultural Bank of Taiwan	Mortgage loan	50,000	1121227-1141227	Land and buildings	
Bank of Panhsin	Credit loans	73,500	1120825-1150825	None	
Total		<u>\$ 3,355,333</u>			
Less: Unamortized discount		(4,536)			
Less: Long-term liabilities due within a year		(417,655)			
Long-term loans		<u><u>\$ 2,933,142</u></u>			
Interest rate interval at the end		<u><u>2.178%-2.770%</u></u>			

AGV Products Corporation  
Statement of Guarantee Deposits  
December 31, 2023

		Unit: NTD thousand	
Item	Summary	Amount	Remarks
Guarantee fee for commissioned delivery of goods	Guarantee fee for commissioned delivery of goods	\$ 181	
Lease guarantee fee	Lease deposit	220	
Warranty guarantee fee	Warranty deposit	1,058	
Performance guarantee fee	Performance deposit	619	
Total		<u>\$ 2,078</u>	



AGV Products Corporation  
Statement of Operating Income  
2023

Unit: NTD thousand

Item	Quantity (thousand dozen)	Amount	Remarks
Drink series	10,214	\$ 1,620,611	
Tradition series	2,408	968,810	
Oat milk series	3,627	738,649	
Dessert series	3,060	750,923	
Other series	45	109,490	
Subtotal		\$ 4,188,483	
Revenue from processing		248,959	
Total		\$ 4,437,442	
Less: Sales return		(21,827)	
Sales discount		(363,008)	
Net amount		<u>\$ 4,052,607</u>	

AGV Products Corporation  
Statement of Operating Costs  
2023

Item	Unit: NTD thousand 2023
Material inventory, beginning	\$ 99,886
Plus: Purchase of materials in current period	553,013
Profit on inventory	781
Less: Material inventory at ending	114,610
Sales	227
Requisition transfer expenses	1,942
Other deductions – scrapped inventory	877
Material consumption	<u>\$ 536,024</u>
Material inventory, beginning	63,775
Plus: Purchase of materials in current period	470,978
Less: Material inventory at ending	68,109
Sales	1,457
Requisition transfer expenses	7,578
Other deductions – scrapped inventory	979
Consumption of supplies	<u>\$ 456,630</u>
Direct labor	119,088
Manufacturing expenses	<u>203,678</u>
Manufacturing costs	<u>\$ 1,315,420</u>
Plus: goods in process, beginning	86,169
Less: goods in process, ending	83,671
Processing cost transfer-out	226,396
Requisition transfer expenses	68
Other deductions – scrapped inventory	345
Cost of finished products	<u>\$ 1,091,109</u>
Plus: finished products, beginning	621,007
Finished products from external purchase	1,474,541
Other additions and deductions – sales return	2,618
Less: finished products, ending	514,770
Loss on inventory	259
Requisition transfer expenses	9,052
Other deductions – scrapped inventory	9,760
Cost of finished products sold	<u>\$ 2,655,434</u>
Cost adjustments	
Other additions and deductions – sales return, price difference, etc.	(4,516)
Production and marketing costs	<u>\$ 2,650,918</u>
Processing cost	226,396
Cost of sold material	227
Cost of sold inventory	1,457
Loss (profit) on inventory	(522)
Loss on inventory devaluation and obsolescence	(3,634)
Fixed manufacturing expenses under-amortized	29,756
Loss on scrapped inventory	11,961
Revenue from sale of scraps	(2,569)
Operating costs	<u><u>\$ 2,913,990</u></u>

AGV Products Corporation  
Statement of Manufacturing Expenses  
January 1 to December 31, 2023

Item	Unit: NTD thousand 2023
Indirect labor	\$ 59,585
Repair expenses	22,644
Water, electricity and gas bill	34,795
Depreciation	42,915
Other expenses (Note)	73,495
Fixed manufacturing expenses not amortized	(29,756)
Total	<u>\$ 203,678</u>

Note: None of the balances of the titles exceeds 5% of the amount under this title.

AGV Products Corporation  
Statement of Selling Expenses  
January 1 to December 31, 2023

Item	Unit: NTD thousand 2023
Salary expense	\$ 93,565
Freight costs	136,882
Advertisement expenses	207,333
Commission expenses	210,032
Other expenses (Note)	50,222
Total	<u>\$ 698,034</u>

Note: None of the balances of the items exceeds 5% of the amount under this title.

AGV Products Corporation  
Statement of Management Expenses  
January 1 to December 31, 2023

Item	Unit: NTD thousand 2023
Salary expense	\$ 132,775
Insurance premium	11,841
Depreciation	15,001
Other expenses (Note)	71,503
Total	<u>\$ 231,120</u>

Note: None of the balances of the items exceeds 5% of the amount under this title.

AGV Products Corporation  
Statement of R&D Expenses  
January 1 to December 31, 2023

Item	Unit: NTD thousand 2023
Salary expense	\$ 23,101
Depreciation	3,639
Expenses of commissioned R&D	2,646
Other expenses (Note)	16,057
Total	\$ 45,443

Note: None of the balances of the items exceeds 5% of the amount under this title.