CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2022 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
By

Cheng, Wu Yeh, Chairman
March 13, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Charoen Pokphand Enterprise (Taiwan) Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensiveincome, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Evaluation of net realisable value of inventories

Description

Refer to Note 4(13) for accounting policies adopted for the valuation of inventories, Note 5(2) for uncertainty of accounting estimates and assumptions of valuation of inventories, and Note 6(5) for details of inventories. As at December 31, 2022, the carrying amount of inventories and allowance for inventory valuation losses amounted to NT$2,658,028 thousand and NT$9,953 thousand, respectively.

The main activities of the Group are the manufacturing and sales of animal feeds, fresh and processed meat products. As the market prices are affected by changes in macro-economic environment, there is a higher risk of inventory valuation losses. In addition, the evaluation of net realisable value of inventories is subject to management's judgement, and considering that feeds, fresh and processed meat products comprise most of the Group's inventories which is significant to the financial statements, the evaluation of net realisable value of inventories was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Based on our understanding of the Group's operations and related industry, assessed the reasonableness of related policies and procedures applied to the net realisable value of inventories, and ascertained the consistent application.

2. Obtained statements of net realisable value of inventories as at the balance sheet date, validated source data of merchandise prices and recalculated the provision for inventory valuation losses in order to confirm consistent application of related procedures and policies.

Measurement of biological assets

Description

Refer to Note 4(15) for accounting policies adopted for biological assets, Note 5(2) for uncertainty of accounting estimates and assumptions in measuring fair value of biological assets, and Note 6(6) for details of biological assets. As at December 31, 2022, the carrying amount of biological assets amounted to NT$2,559,662 thousand.

The Group's biological assets is mainly comprised of broiler chicken, breeder chicken, fattening swine and breeder swine, etc. Except when the fair value cannot be reliably measured, biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period. As the market prices of fresh, processed meat, livestock and poultry are affected by animal epidemic and market demand in Taiwan, biological assets with active market prices have a higher risk of fluctuations in fair value. Since the amount of biological assets is significant to the financial statements and the methods adopted in measuring each category of biological assets, market prices applied and items accounted for as costs to sell are all subject to management's judgement and with high uncertainty, the measurement of biological assets was identified as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Based on our understanding of the Group's operations and related industry, assessed the reasonableness of related policies and procedures applied in measuring biological assets, and ascertained the consistent application.

2. As at the balance sheet date, ascertained that all the active market prices information are available and reliable for biological assets measured at fair value less costs to sell. Also, validated the source data of active market prices and the reasonableness of the major components of costs to sell.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Charoen Pokphand Enterprise (Taiwan) Co., Ltd. as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 controls.

2. Obtain an understanding of internal controls 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 Group's internal controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Yifan Lin Fu-Ming Liao

Lin, Yi-Fan Liao, Fu-Ming

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 311,085	1	$ 187,008	1
1150	Notes receivable, net	6(4)	411,234	2	416,032	2
1160	Notes receivable due from related parties, net	7	2,756	-	3,951	-
1170	Accounts receivable, net	6(4)	2,730,874	10	2,370,841	10
1180	Accounts receivable - related parties	7	66,171	-	55,707	-
1200	Other receivables		54,377	-	18,665	-
1210	Other receivables - related parties	7	228	-	-	-
1220	Current income tax assets		6,284	-	6,284	-
130X	Inventories, net	6(5)	2,648,075	10	1,877,226	8
1400	Biological assets - current	6(6)	2,057,573	8	1,614,838	7
1410	Prepayments	7	412,472	2	407,566	2
1470	Other current assets	6(1) and 8	9,650	-	9,650	-
11XX	**Total current assets**		8,710,779	33	6,967,768	30
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	2,659,785	10	2,575,015	11
1550	Investments accounted for using equity method	6(7)	94,713	-	100,160	-
1600	Property, plant and equipment, net	6(8) and 8	13,789,365	52	12,471,603	54
1755	Right-of-use assets	6(9)	366,762	1	371,480	2
1780	Intangible assets	6(10)	3,155	-	3,530	-
1830	Biological assets - non-current	6(6)	502,089	2	444,841	2
1840	Deferred income tax assets	6(27)	130,607	1	121,044	-
1900	Other non-current assets		136,490	1	122,031	1
15XX	**Total non-current assets**		17,682,966	67	16,209,704	70
1XXX	**Total assets**		$ 26,393,745	100	$ 23,177,472	100

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	LIABILITIES AND EQUITY	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 4,265,097	16	$ 3,301,031	14
2110	Short-term notes and bills payable	6(12)	987,963	4	1,039,203	4
2120	Current financial liabilities at fair value through profit or loss	6(2)	11,791	-	-	-
2150	Notes payable		681,467	3	504,775	2
2160	Notes payable - related parties	7	13,389	-	10,673	-
2170	Accounts payable		1,002,088	4	850,500	4
2180	Accounts payable - related parties	7	19,185	-	21,893	-
2200	Other payables	6(13)	895,378	3	810,907	4
2220	Other payables - related parties	7	30,574	-	26,771	-
2230	Current income tax liabilities		228,618	1	170,971	1
2280	Current lease liabilities		35,888	-	31,158	-
2320	Long-term liabilities, current portion	6(14) and 8	703,597	3	239,750	1
21XX	**Total current liabilities**		8,875,035	34	7,007,632	30
	Non-current liabilities					
2540	Long-term borrowings	6(14) and 8	7,639,663	29	7,129,750	31
2570	Deferred income tax liabilities	6(27)	43,046	-	29,802	-
2580	Non-current lease liabilities		308,529	1	314,024	1
2600	Other non-current liabilities	6(15)	39,708	-	103,257	1
25XX	**Total non-current liabilities**		8,030,946	30	7,576,833	33
2XXX	**Total liabilities**		16,905,981	64	14,584,465	63
	Equity attributable to owners of parent					
	Share capital	6(16)				
3110	Common stock		2,947,901	11	2,679,910	12
	Capital surplus	6(17)				
3200	Capital surplus		6,640	-	4,666	-
	Retained earnings	6(18)				
3310	Legal reserve		1,181,684	5	1,044,641	5
3350	Unappropriated retained earnings		3,713,594	14	3,332,757	14
	Other equity interest					
3400	Other equity interest		1,147,149	4	1,067,118	4
31XX	**Equity attributable to owners of the parent**		8,996,968	34	8,129,092	35
36XX	Non-controlling interest		490,796	2	463,915	2
3XXX	**Total equity**		9,487,764	36	8,593,007	37
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 26,393,745	100	$ 23,177,472	100

The accompanying notes are an integral part of these consolidated financial statements.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	$ 28,959,220	100	$ 24,841,345	100
5000	Operating costs	6(5)(25)(26) and 7	(25,082,443)	(87)	(21,441,119)	(87)
5950	Net operating margin		3,876,777	13	3,400,226	13
	Operating expenses	6(25)(26) and 7				
6100	Selling and marketing expenses		(1,151,245)	(4)	(1,067,159)	(4)
6200	General and administrative expenses		(750,752)	(2)	(719,783)	(3)
6450	Expected credit impairment gain (loss)	12(2)	7,390	-	(9,006)	-
6000	Total operating expenses		(1,894,607)	(6)	(1,795,948)	(7)
6500	Other income and expenses, net	6(6)(20)	21,509	-	(12,738)	-
6900	Operating profit		2,003,679	7	1,591,540	6
	Non-operating income and expenses					
7100	Interest income	6(21)	711	-	359	-
7010	Other income	6(22) and 7	74,880	-	88,904	-
7020	Other gains and losses	6(23) and 7	1,853	-	45,705	-
7050	Finance costs	6(24)	(147,433)	(1)	(82,038)	-
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method	6(7)	(5,447)	-	280	-
7000	Total non-operating income and expenses		(75,436)	(1)	53,210	-
7900	**Profit before income tax**		1,928,243	6	1,644,750	6
7950	Income tax expense	6(27)	(378,069)	(1)	(331,093)	(1)
8200	**Profit for the year**		$ 1,550,174	5	$ 1,313,657	5

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CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plans	6(15)	$ 43,974	-	$ 19,705	-
8316	Unrealised gain or loss on financial assets at fair value through other comprehensive income		(74,167)	-	(316,380)	(1)
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(27)	(15,015)	-	7,650	-
8310	Other comprehensive loss that will not be reclassified to profit or loss		(45,208)	-	(289,025)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Currency translation differences of foreign operations		160,418	1	(36,291)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		160,418	1	(36,291)	-
8300	**Total other comprehensive income (loss) for the year**		$ 115,210	1	($ 325,316)	(1)
8500	**Total comprehensive income for the year**		$ 1,665,384	6	$ 988,341	4
	Profit (loss) attributable to:					
8610	Owners of the parent		$ 1,555,380	5	$ 1,355,652	5
8620	Non-controlling interest		(5,206)	-	(41,995)	-
			$ 1,550,174	5	$ 1,313,657	5
	Comprehensive income (loss) attributable to:					
8710	Owners of the parent		$ 1,669,875	6	$ 1,029,939	4
8720	Non-controlling interest		(4,491)	-	(41,598)	-
			$ 1,665,384	6	$ 988,341	4
	Earnings per share (in dollars)	6(28)				
9750	Basic earnings per share		$ 5.28		$ 4.60	
9850	Diluted earnings per share		$ 5.27		$ 4.59	

The accompanying notes are an integral part of these consolidated financial statements.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent								
				Retained Earnings		Other Equity Interest				
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
2021										
Balance at January 1, 2021		$2,679,910	$ 3,957	$ 880,252	$ 3,332,669	($ 132,921)	$1,541,119	$8,304,986	$ 428,500	$8,733,486
Profit (loss) for the year		-	-	-	1,355,652	-	-	1,355,652	(41,995)	1,313,657
Other comprehensive income (loss)		-	-	-	15,367	(36,291)	(304,789)	(325,713)	397	(325,316)
Total comprehensive income (loss)		-	-	-	1,371,019	(36,291)	(304,789)	1,029,939	(41,598)	988,341
Appropriations of 2020 earnings:	6(18)									
Legal reserve		-	-	164,389	(164,389)	-	-	-	-	-
Cash dividends		-	-	-	(1,205,959)	-	-	(1,205,959)	-	(1,205,959)
Capital surplus - dividends not received by shareholders		-	1,161	-	-	-	-	1,161	-	1,161
Change in ownership interests in subsidiaries		-	(452)	-	(583)	-	-	(1,035)	1,035	-
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash		-	-	-	-	-	-	-	98,000	98,000
Change in non-controlling interests		-	-	-	-	-	-	-	(22,022)	(22,022)
Balance at December 31, 2021		$2,679,910	$ 4,666	$1,044,641	$ 3,332,757	($ 169,212)	$1,236,330	$8,129,092	$ 463,915	$8,593,007
2022										
Balance at January 1, 2022		$2,679,910	$ 4,666	$1,044,641	$ 3,332,757	($ 169,212)	$1,236,330	$8,129,092	$ 463,915	$8,593,007
Profit (loss) for the year		-	-	-	1,555,380	-	-	1,555,380	(5,206)	1,550,174
Other comprehensive income (loss)		-	-	-	34,464	160,418	(80,387)	114,495	715	115,210
Total comprehensive income (loss)		-	-	-	1,589,844	160,418	(80,387)	1,669,875	(4,491)	1,665,384
Appropriations of 2021 earnings:	6(18)									
Legal reserve		-	-	137,043	(137,043)	-	-	-	-	-
Cash dividends		-	-	-	(803,973)	-	-	(803,973)	-	(803,973)
Stock dividends	6(16)	267,991	-	-	(267,991)	-	-	-	-	-
Capital surplus - dividends not received by shareholders		-	1,974	-	-	-	-	1,974	-	1,974
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash		-	-	-	-	-	-	-	49,000	49,000
Change in non-controlling interests		-	-	-	-	-	-	-	(17,628)	(17,628)
Balance at December 31, 2022		$2,947,901	$ 6,640	$1,181,684	$ 3,713,594	($ 8,794)	$1,155,943	$8,996,968	$ 490,796	$9,487,764

The accompanying notes are an integral part of these consolidated financial statements.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 1,928,243	$ 1,644,750
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment (gain) loss	12(2)	(7,390)	9,006
Depreciation	6(8)(25)	895,140	752,396
Depreciation of right-of-use assets	6(9)(25)	58,994	50,473
Amortization	6(25)	5,870	4,551
Interest income	6(21)	(711)	(359)
Interest expense	6(24)	147,433	82,038
Dividend income	6(3)(22)	(66,108)	(82,101)
Gain on reversal of loss on inventory market price decline	6(5)	(1,681)	(127)
Change in fair value less cost to sell of biological assets	6(6)(20)	(21,509)	12,738
Share of profit or loss recognised under equity method	6(7)	5,447	(280)
(Gain) loss on disposal of property, plant and equipment	6(23)	(4,392)	3,088
Gain arising from lease modifications	6(23)	(201)	-
Loss (gain) of financial assets at fair value through profit or loss		11,791	(888)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		4,798	(135,265)
Notes receivable - related parties		1,195	(3,951)
Accounts receivable		(352,643)	(476,456)
Accounts receivable - related parties		(10,464)	(55,707)
Other receivables		(35,712)	(5,170)
Other receivables - related parties		(228)	-
Inventories		(769,168)	(560,707)
Biological assets		(478,474)	(239,262)
Prepayments		(5,043)	37,160
Changes in operating liabilities			
Notes payable		176,692	(95,303)
Notes payable - related parties		2,716	10,673
Accounts payable		151,588	104,216
Accounts payable - related parties		(2,708)	20,620
Other payables		116,571	59,156
Other payables - related parties		3,803	19,423
Net defined benefit liability		(19,575)	(18,912)
Cash inflow generated from operations		1,734,274	1,135,800
Cash paid for income tax		(331,756)	(442,837)
Refund of income tax		-	6,314
Net cash flows from operating activities		1,402,518	699,277

(Continued)

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		$ -	($ 138,653)
Proceeds from disposal of financial assets at fair value through profit or loss		-	139,541
Decrease in other current assets		-	38,284
Acquisition of financial assets at fair value through other comprehensive income		-	(999,544)
Acquisition of property, plant and equipment	6(29)	(2,255,295)	(2,326,005)
Proceeds from disposal of property, plant and equipment		11,245	6,960
Acquisition of intangible assets	6(10)	(1,151)	(4,089)
Increase in other non-current assets		(18,803)	(17,699)
Cash receipt of interest		711	359
Cash receipt of dividends	6(3)(22)	66,108	82,101
Net cash flows used in investing activities		(2,197,185)	(3,218,745)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		964,066	641,316
(Decrease) increase in short-term notes and bills payable		(51,240)	439,777
Proceeds from long-term borrowings		8,758,510	7,684,250
Payment of long-term borrowings		(7,784,750)	(5,043,250)
Payment of lease liabilities	6(9)	(54,840)	(51,953)
Cash payment for interest		(143,856)	(80,255)
Cash dividends paid	6(18)	(803,973)	(1,205,959)
Cash receipt from non-controlling interest of a subsidiary through capital increase establishment		49,000	98,000
Cash dividends paid to non-controlling interest		(17,628)	(22,022)
Capital surplus - dividends not received by shareholders		1,974	1,161
Net cash flows from financing activities		917,263	2,461,065
Effects of changes in foreign exchange rate		1,481	(2,268)
Net increase (decrease) in cash and cash equivalents		124,077	(60,671)
Cash and cash equivalents at beginning of year	6(1)	187,008	247,679
Cash and cash equivalents at end of year	6(1)	$ 311,085	$ 187,008

The accompanying notes are an integral part of these consolidated financial statements.

CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

1. HISTORY AND ORGANISATION

Charoen Pokphand Enterprise (Taiwan) Co., Ltd. (the "Company") was incorporated on August 22, 1977 as a company limited by shares under the Statute for Investment by Overseas Chinese and the provisions of the Company Act of the Republic of China. The main activities of the Company and its subsidiaries (collectively referred herein as the "Group") are the manufacture and sales of animal feeds, livestock, chicken and processed meat products. The Company's common stock has been traded on the Taiwan Stock Exchange since July 27, 1987. The ultimate parent company,Charoen Pokphand Foods Public Company Limited ("CPF"), which was incorporated in Thailand, directly and indirectly holds 39% equity interest in the Company.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 13, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
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

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

(d) Biological assets measured at fair value less costs to sell.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2022	December 31, 2021	Note
The Company	Plenty Type Limited (Cayman Islands)	Management of producing and non-producing business investments	100.00	100.00	Note 3
The Company	Charoen Pokphand (Taiwan) Corp., Ltd.	Management of importing and exporting business	90.00	90.00	
The Company	Arbor Acres Taiwan Co., Ltd.	Husbandry, management of chickens to produce breeder chicken and daily chicken	50.00	50.00	Note 1
The Company	Rui Mu Foods Co., Ltd.	Management of layers and related business	68.00	68.00	
The Company	Rui Fu Foods Co., Ltd.	Management of layers and related business	51.00	51.00	Note 4 Note 5
Plenty Type Limited (Cayman Islands)	Chia Tai Lianyungang Co., Ltd.	Management of producing and non-producing business investments	99.99	99.99	
Rui Fu Foods Co., Ltd.	Sheng Da Foods Co., Ltd.	Management of eggs and related business	75.00	75.00	Note 2

Note 1: The Company’s direct or indirect shareholding ratio does not exceed 50%. However, the Company holds more than half of the seats of the Board of Directors. Thus, the subsidiary was included in the consolidation.

Note 2: The Board of Directors of Sheng Da Foods Co., Ltd. resolved to increase its capital by cash in June 2021. Rui Fu Foods Co., Ltd. subscribed 6,000,000 ordinary shares for a total amount of $60,000 in July 2021, and the registration had been completed. The shareholding ratio of Rui Fu Foods Co., Ltd increased to 75% from 60%.

Note 3: In October 2021, the Board of Directors of Plenty Type Limited (Cayman Islands) resolved to reduce its capital by $150,012, equivalent to 23,376,623 shares.

Note 4: Rui Fu Foods Co., Ltd. increased its capital by cash in January 2021 and July 2021, and the Company subscribed ordinary shares proportionately to its ownership in the amount of 5,100,000 shares, equivalent to $102,000. The registration for the changes had been completed.

Note 5: Rui Fu Foods Co., Ltd. increased its capital by cash in December 2022, and the Company subscribed ordinary shares proportionately to its ownership in the amount of 5,100,000 shares, equivalent to $51,000. The registration for the changes had been completed.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) <u>Foreign currency translation</u>

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in NTD, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value.

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Operating leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads allocated based on normal operating capacity. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(14) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) Biological assets

Biological assets are measured at their fair value less costs to sell. Except for the case where the fair value cannot be measured reliably, they are measured at its cost less accumulated depreciation and impairment losses. Gains or losses on changes in fair value less costs to sell are recognised in profit or loss.

(16) Investment accounted for using equity method - joint ventures

The Group accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group’s interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group’s share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Land improvements	3~30 years
Buildings and structures	3~60 years
Machinery and equipment	2~20 years
Transportation equipment	6 years
Leasehold improvements	3~20 years
Other equipment	3~20 years

(18) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(19) Intangible assets

Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(20) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(21) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is measured over the period of the borrowings using the effective interest method.

(22) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes and accounts payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expired.

(25) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior period. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(26) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred 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 realise the asset and settle the liability simultaneously.

(27) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells animal feeds, cooked food, agricultural livestock products and related consumable food products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue from sales of goods is recognised based on the price specified in the contract, net of the estimated volume discounts, sales discounts and allowances. Accumulated experience is used to estimate and provide for the volume discounts, sales discounts and allowances using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A deduction of accounts receivable is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term of 3 to 180 days, which is consistent with market practice.

(c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. The Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the carrying amount of inventories was $2,648,075.

B. Measurement of fair value of biological assets

Except when fair value cannot be reliably measured, biological assets should be measured at fair value less costs to sell on initial recognition and at the end of each reporting period. The Group has to identify whether the active market prices are available for each category of biological assets, to determine the relevance between the nature of biological assets and the chosen market, and to decide which major items should be accounted for as costs to sell. The Group then estimates the fair value less costs to sell based on the information mentioned above. Any fluctuations in market price and costs to sell could materially affect the carrying amount of biological assets.

As of December 31, 2022, the carrying amount of biological assets was $2,559,662.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 10,749	$ 9,360
Checking accounts	4,447	4,135
Demand deposits	295,889	173,513
	$ 311,085	$ 187,008

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2022 and 2021, the Group has restricted cash and cash equivalents pledged as collateral totalling $9,650, classified as other current financial assets and shown as 'other current assets'. Refer to Note 8 for details.

(2) Financial assets and liabilities at fair value through profit or loss

Items	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives		
Forward foreign exchange contracts	$ 11,791	$ -

A. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	2022	2021
Derivatives	$ 919	$ -

B. The Group entered into contracts relating to derivative financial assets and financial liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2022		
Current items	Contract amount (notional principal) (in thousands)		Contract period
Forward foreign exchange contracts			
-Sell NTD buy USD	USD	2,000	2022.10.04~2023.01.03
-Sell NTD buy USD	USD	2,000	2022.11.14~2023.02.16
-Sell NTD buy USD	USD	2,000	2022.10.27~2023.02.03
-Sell NTD buy USD	USD	2,000	2022.11.09~2023.02.14
-Sell NTD buy USD	USD	1,000	2022.11.11~2023.02.15
-Sell NTD buy USD	USD	2,000	2022.10.04~2023.01.06
-Sell NTD buy USD	USD	2,000	2022.10.27~2023.02.03
-Sell NTD buy USD	USD	2,000	2022.11.11~2023.02.15

The Group entered into forward foreign exchange contracts to buy forward foreign exchange to hedge exchange rate risk of import proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. The Group has no financial assets and financial liabilities at fair value through profit or loss pledged to others.

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Listed stocks	$ 1,510,105	$ 1,461,863
Valuation adjustment	1,149,680	1,113,152
	$ 2,659,785	$ 2,575,015

A. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 74,167)	($ 316,380)
Dividend income recognised in profit or loss held at end of year	$ 66,108	$ 82,101

B. The Company and the subsidiary, Plenty Type Limited (Cayman Islands), holds CPF's shares, which are traded on the Thailand Stock Exchange. CPF is the ultimate parent company of the Group.

C. The Group has elected to classify equity investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $2,659,785 and $2,575,015 as at December 31, 2022 and 2021, respectively.

(4) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 411,234	$ 416,032
Accounts receivable	$ 2,739,261	$ 2,387,003
Less: Allowance for uncollectible accounts	(8,387)	(16,162)
	$ 2,730,874	$ 2,370,841

A. The ageing analysis of accounts and notes receivable is as follows:

	December 31, 2022	December 31, 2021
Current	$ 2,977,390	$ 2,618,159
Up to 120 days	170,223	174,857
121 to 365 days	180	840
Over one year	2,702	9,179
	$ 3,150,495	$ 2,803,035

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of accounts receivable and notes receivable from contracts with customers amounted to $2,184,158.

C. The credit quality of accounts receivable was in the following category based on the Group's Credit Quality Control Policy:

	December 31, 2022	December 31, 2021
With guarantee	$ 277,678	$ 153,934
Without guarantee	2,461,583	2,233,069
	$ 2,739,261	$ 2,387,003

The Group holds commercial papers, real estate, guarantee deposits and deposits as collateral for accounts receivable.

D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $411,234 and $416,032, respectively, while the amount that best represents the Group's accounts receivable were $2,730,874 and $2,370,841, respectively.

E. Information relating to credit risk of accounts receivable (including related parties) and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,587,747	$ -	$ 1,587,747
Packing supplies	39,276	(259)	39,017
Work in progress	67,694	-	67,694
Finished goods	906,691	(5,180)	901,511
General merchandise	46,818	(4,514)	42,304
Inventory in transit	9,802	-	9,802
	$ 2,658,028	($ 9,953)	$ 2,648,075

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,051,158	$ -	$ 1,051,158
Packing supplies	36,673	(247)	36,426
Work in progress	28,046	-	28,046
Finished goods	707,157	(7,502)	699,655
General merchandise	52,399	(3,885)	48,514
Inventory in transit	13,427	-	13,427
	$ 1,888,860	($ 11,634)	$ 1,877,226

The cost of inventories recognised as expense for the year:

	2022	2021
Cost of goods sold	$ 25,074,410	$ 21,434,983
Gain on reversal of decline in market value	(1,681)	(127)
Others	9,714	6,263
	$ 25,082,443	$ 21,441,119

A. The cost of goods sold includes the cost of selling biological assets.

B. Others pertain mainly to gain and loss on physical inventory count and loss from disposal of leftovers and scraps.

C. The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because of the increase in market prices of certain finished goods.

(6) Biological assets

A. Biological assets

	December 31, 2022	December 31, 2021
Biological assets - current:		
Consumable biological assets	$ 1,580,399	$ 1,281,083
Consumable biological assets - changes in fair value less costs to sell	59,738	38,229
Bearer biological assets	1,031,798	835,009
Bearer biological assets - accumulated depreciation	(614,362)	(539,483)
	$ 2,057,573	$ 1,614,838
Biological assets-non-current:		
Bearer biological assets	$ 604,654	$ 531,928
Bearer biological assets - accumulated depreciation	(102,565)	(87,087)
	$ 502,089	$ 444,841

Consumable biological assets are those that are to be harvested as agricultural products or sold as biological assets. Bearer biological assets are those other than consumable biological assets.

B. Movements of biological assets are as follows:

	2022	2021
At January 1	$ 2,059,679	$ 1,833,155
Purchases	1,573,695	1,536,504
Costs and expenses input	9,288,585	7,812,052
Sales	(4,236,324)	(3,427,142)
Gain (loss) on changes in fair value less costs to sell	21,509	(12,738)
Transferred to inventories	(6,133,166)	(5,673,743)
Others	(14,316)	(8,409)
At December 31	$ 2,559,662	$ 2,059,679

C. Biological assets are comprised of broiler chicken, breeder chicken, fattening swine, and breeder swine, etc. Biological assets, other than fattening swine which are measured at fair value less costs to sell at each reporting date, are measured at cost less accumulated depreciation and impairment losses. The fair value of fattening swine is measured using quoted market prices as references.

The market prices or fair values at the present condition of breeders are unavailable due to short production cycle; the market prices or fair values at present condition of broiler chickens are difficult to obtain. The valuation based on a discounted cash flow method is considered unreliable given the uncertainty with respect to external factors such as climate, weather, diseases etc. Therefore, breeders and broiler chicken are measured using the cost approach. Cost of biological assets includes all costs incurred during the growth cycle such as costs of new-born animals, feeds, and other farm costs. Bearer biological assets are depreciated using the straight-line method through the productive period of each biological asset. The productive period of breeder swine is approximately 24 ~ 36 months; the productive period of breeder chickens is approximately 30 weeks ~ 52 weeks. For the years ended December 31, 2022 and 2021, depreciation expense on biological assets amounted to $481,762 and $509,511, respectively.

D. Estimates of physical quantities of biological assets are as follows:

	December 31, 2022	December 31, 2021
Livestock production:		
Estimates of physical quantities (Units: heads)	5,806,461	5,385,387

E. Financial risk management policies

The Group is exposed to commodity risks arising from changes in market prices of chickens and swine. The Group does not anticipate that the prices of the agricultural products will decline significantly in the foreseeable future and there is no available derivative or other contracts. The Group reviews the predictions of the prices of the agriculture products regularly, and considers such predictions in assessing financial risk.

(7) Investment accounted for using equity method － joint ventures

The carrying amount of the Group's interests in all individually immaterial joint ventures and the Group's share of the operating results are summarised below:

As of December 31, 2022 and 2021, the carrying amount of the Group's individually immaterial joint ventures amounted to $94,713 and $100,160, respectively.

	2022	2021
(Loss) profit for the year from continuing operations	($ 5,447)	$ 280
Other comprehensive income, net of tax	-	-
Total comprehensive (loss) income	($ 5,447)	$ 280

(8) Property, plant and equipment

	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
At January 1, 2022									
Cost	$ 3,018,294	$ 243,735	$ 4,317,427	$ 4,256,052	$ 430,389	$ 1,020,888	$ 1,190,493	$ 3,310,643	$ 17,787,921
Accumulated depreciation	-	(74,644)	(1,456,885)	(2,417,059)	(206,655)	(678,346)	(482,729)	-	(5,316,318)
	$ 3,018,294	$ 169,091	$ 2,860,542	$ 1,838,993	$ 223,734	$ 342,542	$ 707,764	$ 3,310,643	$ 12,471,603
2022									
Opening net book amount as at January 1	$ 3,018,294	$ 169,091	$ 2,860,542	$ 1,838,993	$ 223,734	$ 342,542	$ 707,764	$ 3,310,643	$ 12,471,603
Additions	31,016	25,664	150,754	141,489	50,199	37,245	74,782	1,708,606	2,219,755
Disposals	-	-	(502)	(2,301)	(4,050)	-	-	-	(6,853)
Reclassifications	233,495	57,877	1,217,012	906,883	66,794	530	157,075	(2,639,666)	-
Depreciation	-	(22,988)	(274,836)	(328,779)	(67,049)	(84,943)	(116,545)	-	(895,140)
Closing net book amount as at December 31	$ 3,282,805	$ 229,644	$ 3,952,970	$ 2,556,285	$ 269,628	$ 295,374	$ 823,076	$ 2,379,583	$ 13,789,365
At December 31, 2022									
Cost	$ 3,282,805	$ 326,303	$ 5,613,834	$ 5,124,119	$ 519,730	$ 1,036,366	$ 1,416,229	$ 2,379,583	$ 19,698,969
Accumulated depreciation	-	(96,659)	(1,660,864)	(2,567,834)	(250,102)	(740,992)	(593,153)	-	(5,909,604)
	$ 3,282,805	$ 229,644	$ 3,952,970	$ 2,556,285	$ 269,628	$ 295,374	$ 823,076	$ 2,379,583	$ 13,789,365

	Land	Land improvements	Buildings and structures	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
At January 1, 2021									
Cost	$ 2,700,970	$ 185,876	$ 3,948,001	$ 3,891,542	$ 358,829	$ 1,018,486	$ 1,016,864	$ 2,633,662	$ 15,754,230
Accumulated depreciation	-	(59,810)	(1,395,534)	(2,212,956)	(163,656)	(610,083)	(416,073)	-	(4,858,112)
	$ 2,700,970	$ 126,066	$ 2,552,467	$ 1,678,586	$ 195,173	$ 408,403	$ 600,791	$ 2,633,662	$ 10,896,118
2021									
Opening net book amount as at January 1	$ 2,700,970	$ 126,066	$ 2,552,467	$ 1,678,586	$ 195,173	$ 408,403	$ 600,791	$ 2,633,662	$ 10,896,118
Additions	9,969	13,015	89,859	128,523	38,999	16,843	63,285	1,977,436	2,337,929
Disposals	-	-	(5,224)	-	(4,084)	-	(740)	-	(10,048)
Reclassifications	307,355	47,839	443,015	307,449	49,874	5,863	139,060	(1,300,455)	-
Depreciation	-	(17,829)	(219,575)	(275,565)	(56,228)	(88,567)	(94,632)	-	(752,396)
Closing net book amount as at December 31	$ 3,018,294	$ 169,091	$ 2,860,542	$ 1,838,993	$ 223,734	$ 342,542	$ 707,764	$ 3,310,643	$ 12,471,603
At December 31, 2021									
Cost	$ 3,018,294	$ 243,735	$ 4,317,427	$ 4,256,052	$ 430,389	$ 1,020,888	$ 1,190,493	$ 3,310,643	$ 17,787,921
Accumulated depreciation	-	(74,644)	(1,456,885)	(2,417,059)	(206,655)	(678,346)	(482,729)	-	(5,316,318)
	$ 3,018,294	$ 169,091	$ 2,860,542	$ 1,838,993	$ 223,734	$ 342,542	$ 707,764	$ 3,310,643	$ 12,471,603

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	2022	2021
Amount capitalised	$ 20,250	$ 18,758
Interest rate range	0.5%~1.83%	0.46%~1.40%

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

C. As of December 31, 2022 and 2021, the Group held 205 parcels and 207 parcels of agricultural land, respectively. The carrying amounts of land registered under the title of others amounted to $1,100,676 and $1,055,111, respectively. The titles of these parcels of land are registered under the title of individuals, however, the Group has agreements with those individuals to pledge these agricultural land to the Group.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings, business vehicles, and other equipment. Rental contracts are typically made for periods of 1 to 22 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land	$ 292,683	$ 299,768
Buildings	39,622	35,331
Transportation equipment (Cargo truck)	18,527	25,472
Other equipment	15,930	10,909
	$ 366,762	$ 371,480
	2022	2021
	Depreciation charge	Depreciation charge
Land	$ 30,249	$ 27,608
Buildings	13,468	10,026
Transportation equipment (Cargo truck)	6,944	6,037
Other equipment	8,333	6,802
	$ 58,994	$ 50,473

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $57,429 and $76,038, respectively.

D. The Group has no significant profit or loss in relation to lease contracts for the years ended December 31, 2022 and 2021.

E. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were $54,840 and $51,953, respectively.

(10) Intangible assets

	2022	2021
Software		
At January 1		
Cost	$ 14,740	$ 10,651
Accumulated amortisation and impairment	(11,210)	(10,477)
	$ 3,530	$ 174
At January 1	$ 3,530	$ 174
Additions	1,151	4,089
Amortisation	(1,526)	(733)
At December 31	$ 3,155	$ 3,530
At December 31		
Cost	$ 15,891	$ 14,740
Accumulated amortisation and impairment	(12,736)	(11,210)
	$ 3,155	$ 3,530

(11) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Unsecured borrowings	$ 3,854,000	1.49%~2.41%	None
Letters of credit	411,097	5.54%~6.22%	None
	$ 4,265,097		

Type of borrowings	December 31, 2021	Interest rate range	Collateral
Unsecured borrowings	$ 3,090,000	0.95%~1.55%	None
Letters of credit	211,031	0.94%~1.12%	None
	$ 3,301,031		

(12) Short-term notes and bills payable

	December 31, 2022	December 31, 2021
Commercial paper payable	$ 990,000	$ 1,040,000
Less: Unamortised discounts	(2,037)	(797)
	$ 987,963	$ 1,039,203
Interest rate range	1.00%~1.95%	0.14%~0.84%

The short-term notes and bills payable were guaranteed by certain financial institutions.

(13) Other payables

	December 31, 2022	December 31, 2021
Accrued salary	$ 483,106	$ 432,804
Payables for machinery and equipment	37,528	73,068
Contract liabilities	75	159
Others	374,669	304,876
	$ 895,378	$ 810,907

(14) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	December 31, 2022
Secured loans	2019.04.03~2037.10.11	0.47%-2.31%	$ 2,083,260
Unsecured credit loans	2020.12.31~2028.09.29	1.43%-2.25%	6,260,000
			8,343,260
Less: Current portion			(703,597)
			$ 7,639,663

Type of borrowings	Borrowing period	Interest rate range	December 31, 2021
Secured loans	2017.10.05~2031.04.07	0.10%-1.43%	$ 1,879,500
Unsecured credit loans	2017.09.06~2028.09.29	0.79%-1.35%	5,490,000
			7,369,500
Less: Current portion			(239,750)
			$ 7,129,750

Information on collaterals pledged for long-term borrowings is provided in Note 8.

(15) Pensions

A. Defined benefit plans

(a) The Company and its domestic subsidiaries have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit plans, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to specific percentage of the employees' monthly salaries and wages to the retirement fund deposited with the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the

Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balances are insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 355,284)	($ 399,078)
Fair value of plan assets	315,576	295,821
Net defined benefit liability	($ 39,708)	($ 103,257)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
Balance at January 1	($ 399,078)	$ 295,821	($ 103,257)
Current service cost	(1,665)	-	(1,665)
Interest (expense) income	(2,487)	1,869	(618)
	(403,230)	297,690	(105,540)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	23,373	23,373
Change in demographic assumptions	-	-	-
Change in financial assumptions	15,371	-	15,371
Experience adjustments	5,230	-	5,230
	20,601	23,373	43,974
Pension fund contribution	-	21,858	21,858
Paid pension	27,345	(27,345)	-
Balance at December 31	($ 355,284)	$ 315,576	($ 39,708)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2021			
Balance at January 1	($ 448,438)	$ 306,564	($ 141,874)
Current service cost	(2,328)	-	(2,328)
Interest (expense) income	(1,289)	890	(399)
	(452,055)	307,454	(144,601)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,631	4,631
Change in demographic assumptions	(552)	-	(552)
Change in financial assumptions	10,539	-	10,539
Experience adjustments	5,087	-	5,087
	15,074	4,631	19,705
Pension fund contribution	-	21,639	21,639
Paid pension	37,903	(37,903)	-
Balance at December 31	($ 399,078)	$ 295,821	($ 103,257)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labour Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	1.25%	0.65%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
2022				
Effect on present value of defined benefit obligation	($ 23,410)	$ 26,226	$ 25,754	($ 23,465)

	Discount rate		Future salary increases	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
2021				
Effect on present value of defined benefit obligation	($ 28,107)	$ 31,712	$ 30,944	($ 28,015)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company and domestic subsidiaries for the year ending December 31, 2023 amount to $15,846.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 4~8 years.

B. Defined contribution plans

Effective July 1, 2005, the Company and its domestic subsidiaries have established defined contribution pension plans (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs for the aforementioned defined contribution pension plans of the

Group for the years ended December 31, 2022 and 2021 were $57,580 and $56,639, respectively.

(16) Share capital - common stock

A. As of December 31, 2022, the Company's authorised capital was $3,579,000, consisting of 357,900 thousand shares of common stock, and the paid-in capital was $2,947,901, consisting of 294,791 thousand shares of common stock with a par value of $10 (in dollars) per share. All proceeds from shares issuance have been collected. Movements in the number of the Company's ordinary shares outstanding are as follows:(in thousands shares)

	2022	2021
At January 1	2,679,910	2,679,910
Shareholders' stock dividends	267,991	-
At December 31	2,947,901	2,679,910

B. A resolution was passed during the Shareholders' meeting held on June 23, 2022, for the undistributed surplus used in the issuance of 26,799 thousand ordinary shares, with par value of $10 per share amounting to $267,991. The resolution was approved by the Financial Supervisory Commission. The shares were issued on August 31, 2022 after the chairman was authorised by the board of directors on August 8 , 2022.The total issued shares amounted to $2,947,901 after the completion of capital increase, consisting of 294,790 thousand shares.

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. A special reserve is set aside or reversed in accordance with related laws or regulations by the Competent Authority. The remainder, if any, along with the accumulated unappropriated earnings in prior years, shall be distributed as shareholders' bonus as resolved by the shareholders. Cash dividends to shareholders shall account for at least 10% of the total dividends distributed to shareholders. If cash dividend is lower than $0.1 (in dollars) per share, dividends are distributed using share dividends.

The Board of Directors of the Company may, upon resolution adopted by a majority vote at its meeting attended by two-thirds of the total number of directors, distribute dividends and bonus, or legal reserve and capital surplus, in whole or in part, in accordance with Paragraph 1 of Article 241 of the Company Act in the form of cash, which shall also be reported at the shareholders' meeting, while the proposal for appropriation shall be approved by the shareholders if dividends will be distributed by issuing new shares.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The appropriations of earnings for 2021 and 2020 have been resolved at the shareholders' meeting on June 23, 2022 and June 21, 2021, respectively, as follows:

	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 137,043		$ 164,389	
Cash dividends	803,973	$ 3.00	1,205,959	$ 4.50
Stock dividends	267,991	1.00		

The effective dates for the above distribution of cash dividends were June 23, 2022 and June 21, 2021, respectively. The ex-rights effective date for stock dividends was set on August 31, 2022.

E. For the year ended December 31, 2022, dividends distributed to the owners amounted to $1,071,964 ($4 dollars per share). On June 23, 2022, the stockholders during their meeting resolved to distribute cash dividends and stock dividends from the 2021 earnings at $3 and $1 per share (amounting to 26,799 thousand shares), respectively, and the total dividends amounted to $1,071,964. The effective date for the above distribution of cash dividends was July 11, 2022, and the effective date for the distribution of stock dividends was August 31, 2022.

(19) Operating revenue

	2022	2021
Revenue from contracts with customers	$ 28,959,220	$ 24,841,345

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

	2022	2021
Total segment revenue	$ 29,628,166	$ 25,455,436
Inter-segment revenue	(668,946)	(614,091)
Revenue from external customer contracts	$ 28,959,220	$ 24,841,345
Timing of revenue recognition		
At a point in time	$ 28,959,220	$ 24,841,345

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021
Contract liabilities:		
Contract liabilities - advance receipts	$ 75	$ 159

C. Information on revenue categorised by nature is provided in Note 14(2).

(20) Other income and expenses, net

Other income and expenses, net are gains (losses) on changes in fair value less costs to sell of biological assets.

	2022	2021
Other income and expenses, net	$ 21,509	($ 12,738)

(21) Interest income

	2022	2021
Interest income from bank deposits	$ 711	$ 359

(22) Other income

	2022	2021
Rental income	$ 8,743	$ 6,803
Royalties income	29	-
Dividend income	66,108	82,101
	$ 74,880	$ 88,904

(23) Other gains and losses

	2022	2021
Gain (loss) on disposal of property, plant and equipment	$ 4,392	($ 3,088)
Net foreign exchange (losses) gains	(40,473)	31,326
Gains on financial assets at fair value through profit or loss	919	888
Gains arising from lease modifications	201	-
Other gains and losses	36,814	16,579
	$ 1,853	$ 45,705

(24) Finance costs

	2022	2021
Interest expense:		
Bank borrowings and lease liabilities	$ 147,433	$ 82,038

(25) Expenses by nature

	2022		
	Operating cost	Operating expenses	Total
Employee benefit expense	$ 1,429,524	$ 853,628	$ 2,283,152
Depreciation on property, plant and equipment	813,021	82,119	895,140
Depreciation on right-of-use assets	42,957	16,037	58,994
Amortisation	5,167	703	5,870
	$ 2,290,669	$ 952,487	$ 3,243,156

	2021		
	Operating cost	Operating expenses	Total
Employee benefit expense	$ 1,421,590	$ 804,129	$ 2,225,719
Depreciation on property, plant and equipment	677,813	74,583	752,396
Depreciation on right-of-use assets	37,812	12,661	50,473
Amortisation	3,958	593	4,551
	$ 2,141,173	$ 891,966	$ 3,033,139

(26) Employee benefit expense

	2022					
	Operating cost		Operating expenses		Total	
Wages and salaries	$	1,196,072	$	768,847	$	1,964,919
Labor and health insurance		130,723		48,309		179,032
Pension costs		37,474		22,389		59,863
Other personnel expenses		65,255		14,083		79,338
	$	1,429,524	$	853,628	$	2,283,152

	2021					
	Operating cost		Operating expenses		Total	
Wages and salaries	$	1,187,334	$	725,954	$	1,913,288
Labor and health insurance		129,360		47,550		176,910
Pension costs		37,478		21,888		59,366
Other personnel expenses		67,418		8,737		76,155
	$	1,421,590	$	804,129	$	2,225,719

Other personnel expenses include meal allowance, training expenses and employee benefits.

A. According to the Articles of Incorporation of the Company, an amount equal to at least 1% of the Company’s distributable profit of the current year should be appropriated as employees’ compensation expense. If the Company has an accumulated deficit, earnings should be reserved to cover the accumulated losses in advance.

B. For the years ended December 31, 2022 and 2021, employees’ compensation was accrued at $19,058 and $17,194, respectively. The aforementioned amounts were recognised in wages and salaries expense.

For the year ended December 31, 2022, the employees’ compensation was estimated and accrued based on 1% (as prescribed by the Company’s Articles of Incorporation) of distributable profit of current year as of the end of reporting period.

For 2021, the difference of $36 between employees’ compensation of $17,158 resolved by the Board of Directors and the amount of $17,194 recognised in the 2021 financial statements, mainly resulting from a variance in estimation, had been adjusted in profit or loss for 2022.

C. Information about employees’ compensation and directors’ and supervisors’ remuneration of the Company as resolved by the Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	2022	2021
Current tax:		
Current tax on profits for the year	$ 402,140	$ 356,504
Tax on undistributed surplus earnings	8,072	13,677
Prior year income tax (over) underestimation	(14,185)	(15,023)
Separate taxation (Repatriated Offshore Funds)	(6,624)	(3,617)
Total current tax	389,403	351,541
Deferred tax:		
Origination and reversal of temporary differences	(11,334)	(20,448)
Total deferred tax	(11,334)	(20,448)
Income tax expense	$ 378,069	$ 331,093

(b) The income tax relating to components of other comprehensive income is as follows:

	2022	2021
Changes in fair value of financial assets at fair value through other comprehensive income	$ 6,220	($ 11,591)
Remeasurement of defined benefit obligations	$ 8,795	$ 3,941

B. Reconciliation between income tax expense and accounting profit

	2022	2021
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 381,893	$ 322,501
Tax exempt income by tax regulation/ Expenses disallowed by tax regulation	8,913	13,555
Tax on undistributed surplus earnings	8,072	13,677
Prior year income tax (over) underestimation	(14,185)	(15,023)
Separate taxation (Repatriated Offshore Funds)	(6,624)	(3,617)
Income tax expense	$ 378,069	$ 331,093

Note: The basis of applicable tax rate was calculated by using the tax rate of Taiwan (20%).

C. (a) Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	December 31, 2022	December 31, 2021
Temporary differences:		
Accrued sales discounts	$ 27,102	$ 20,698
Provision for loss on spare parts	4,441	3,962
Pension expense in excess of the limit for tax purpose	7,942	20,651
Provision for inventory valuation loss and change in fair value of biological assets	(9,957)	(5,319)
Unrealised foreign investment income	(25,053)	(18,374)
Unrealised exchange gain	(1,172)	(326)
Loss carryforward	76,447	57,494
Changes in fair value of financial assets at fair value through other comprehensive income	5,371	11,591
Others	2,440	865
	$ 87,561	$ 91,242

	December 31, 2022	December 31, 2021
Deferred tax assets	$ 130,607	$ 121,044
Deferred tax liabilities	(43,046)	(29,802)
	$ 87,561	$ 91,242

(b) Amounts recognised in profit or loss and in other comprehensive income as a result of temporary differences and tax losses are as follows:

	2022	2021
Recognised in profit or loss	$ 11,334	$ 20,448
Recognised in other comprehensive income	($ 15,015)	$ 7,650

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company and its subsidiaries - Rui Fu Foods Co., Ltd., Rui Mu Foods Co., Ltd. and Sheng Da Foods Co., Ltd. are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	$ 14,351	$ 3,124	$ -	2027
2019	25,527	25,527	-	2029
2020	106,681	106,681	-	2030
2021	152,136	152,136	-	2031
2022	94,768	94,768	-	2032
	$ 393,463	$ 382,236	$ -	

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	$ 14,351	$ 3,124	$ -	2027
2019	25,527	25,527	-	2029
2020	106,681	106,681	-	2030
2021	152,136	152,136	-	2031
	$ 298,695	$ 287,468	$ -	

E. The income tax returns through 2020 of the Company and the subsidiaries - Charoen Pokphand (Taiwan) Corp., Ltd., Arbor Acres Taiwan Co., Ltd., Rui Mu Foods Co., Ltd., Rui Fu Foods Co., Ltd. and Sheng Da Foods Co., Ltd. have been assessed and approved by the Tax Authority.

(28) Earnings per share

	2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 1,555,380	294,790	$ 5.28
Diluted earnings per share			
Profit from continuing operations attributable to ordinary shareholders	$ 1,555,380	294,790	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	296	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 1,555,380	295,086	$ 5.27

	2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 1,355,652	294,790	$ 4.60
Diluted earnings per share			
Profit from continuing operations attributable to ordinary shareholders	$ 1,355,652	294,790	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	300	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 1,355,652	295,090	$ 4.59

(29) Supplemental cash flow information

	2022	2021
Acquisition of property, plant and equipment	$ 2,219,755	$ 2,337,929
Add: Opening balance of payable on equipment	73,068	61,144
Less: Ending balance of payable on equipment	(37,528)	(73,068)
Cash paid during the year	$ 2,255,295	$ 2,326,005

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

CPF (incorporated in Thailand) directly and indirectly held 39% of the Company's equity shares. The remaining shares were held by the general public. CPG is the major shareholder of CPF.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Charoen Pokphand Foods Public Co., Ltd. (CPF)	Ultimate parent company
Charoen Pokphand Group Co., Ltd. (CPG)	Other related party
C.P. Consumer Products Company Limited	"
C.P. Merchandising Company Limited	"
Chia Tai Feedmill Pte. Ltd.	"
CPF (India) Private Limited	"
Charoen Pokphand Seeds Co., Ltd.	"
Ta Chung Investment Co., Ltd.	"
Chun Ta Investment Co., Ltd.	"
Perfect Companion (Taiwan) Co., Ltd.	"
Aviagen Incorporation	"
Mu Da Egg Co.	"
Fu Ding International Corporation	"
Fu Ting Foods Co., Ltd.	"
Li - Chun Farm Product Co., Ltd.	"
Jih Ching Egg Co., Ltd.	"
Hung Peng-Da	"
Hung Yu-Chun	"
Hung Jin-Zheng	"
Huang Wei-I	"
Lu Yi-Feng	"
Lu Xiang-Da	"
Lu Pei-Lun	"
Lan Fu-Shi	"
Zhang Jian-Wen	"
Chiou Yung-Ching	"

(3) Significant related party transactions and balances

A. Operating revenue

	2022	2021
Sales of goods:		
Other related parties	$ 382,839	$ 403,608

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Purchases

	2022	2021
Purchases of goods:		
Ultimate parent company	$ 92,558	$ 41,593
Other related parties	212,204	202,482
	$ 304,762	$ 244,075

Goods are purchased from related parties on normal commercial terms and conditions.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Notes and accounts receivable:		
Other related parties	$ 68,927	$ 59,658
Other receivables:		
Other related parties	228	-
	$ 69,155	$ 59,658

The receivables from related parties arise mainly from sale transactions. The receivables are unsecured in nature and bear no interest. No allowance for uncollectible accounts was provided for receivables from related parties.

D. Payables to related parties

	December 31, 2022	December 31, 2021
Notes and accounts payable:		
Ultimate parent company	$ -	$ 3,115
Other related parties	32,574	29,451
Other payables:		
Other related parties	30,574	26,771
	$ 63,148	$ 59,337

The payables to related parties arise mainly from purchase transactions,The other payables to related parties arise mainly from technical service expenses, trademarks, the farm-member remuneration for joint collaboration for contractual breeding, freight and processing fees. The payables bear no interest.

F. Property transactions

Acquisition of property, plant and equipment

(a) In December 2021, the Board of Directors of Sheng Da Foods Co., Ltd. resolved to acquire land, buildings and ancillary facilities from a related party for a consideration of $88,999 (tax excluded) for the operational needs and expansion of production capacity. Further, it acquired related equipment from the related party for $18,691 (tax included) for the year 2022. As of December 31, 2022, payment of $14,214 was paid.

(b) The Company purchased land and buildings from other related party for operational expansion amounting to $68,660 as resolved by the Board of Directors in August 2022. As of December 31, 2022, the Company had paid $48,000.

G. Rental income (shown as 'Other income')

	2022	2021
Rental income:		
Other related parties	$ 722	$ 722

The rental receivables are collected annually or monthly based on the contracts.

H. Leasing arrangements－lessee

(a) The Company's subsidiaries lease farm buildings and equipment from other related parties.

(b) For the years ended December 31, 2022 and 2021, the Group recognised rent expense amounting to $9,000 and $18,000, respectively. As of December 31, 2022, the remaining balance has been fully paid.

I. Joint contractual breeding

(a) The Company's subsidiaries signed the joint contractual breeding agreements with other related parties to provide techniques for the husbandry management of layers, as well as farm buildings and equipment for the breeding.

(b) For the years ended December 31, 2022 and 2021, the farm-member remuneration for joint collaboration for contractual breeding recognised amounted to $35,765 and $39,950, respectively.

J. Technical service agreement

(a) The Company signed a technical service agreement with CPG since 1996. CPG helps the Company to manufacture feeds, raise animals and to process meat products, and the Company pays compensation of THB12 million (net value) for the services annually. The commitment shall not be terminated except when any of the two parties would agree to end the agreement. For the years ended December 31, 2022 and 2021, the Company recognised technical service expenses amounting to $10,840 and $11,392, respectively.

(b) The Company signed a technical service agreement with CPG at the end of 2015. CPG helps the Company to raise animals and provides consulting services of related technical skills, and the Company pays compensation of $700 for the services monthly. The contract is effective for 5 years. The contract term was extended to five years effective from the end of 2020. For the years ended December 31, 2022 and 2021, the Company recognised technical service expense amounting to $8,400 and 8,400, respectively.

K. Trademark licensing agreement

The Company signed a trademark license agreement with CPG at the end of 2015. The contract authorises the Company to use 'CP' as trademark in the designated area (Republic of China). Royalties are paid monthly based on 1.5% of the net amount of sales. The contract is effective for 5 years. The contract term was extended to five years effective from the end of 2020. For the years ended December 31, 2022 and 2021, the Company recognised royalties amounting to $92,361 and $82,709, respectively.

(4) Key management compensation

	2022	2021
Salaries and other short-term employee benefits	$ 194,056	$ 195,503
Post-employment benefits	1,544	1,661
Total	$ 195,600	$ 197,164

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged assets	December 31, 2022	December 31, 2021	Purpose
Time deposits (shown as 'Other current assets')	$ 9,650	$ 9,650	Guarantee deposit
Property, plant and equipment			
Land	1,135,305	1,069,003	Long-term borrowings
Buildings and structures	872,595	221,276	Long-term borrowings
Machinery and equipment	523,066	-	Long-term borrowings
Construction in progress	474,614	1,192,933	Long-term borrowings
	$ 3,015,230	$ 2,492,862	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

The Group subsequently invested to establish chicken farms in Hualien County starting from 2018, and had submitted an application to the Hualien County Government for approval based on the

Group's building and feeding project. However, the Hualien County Government issued a letter on July 10, 2020 to terminate the Group's application for the building of farming facilities on agricultural land without taking into consideration the measures and goodwill that the Group took in order to reach consensus with local residents and resolve controversy. The Group has appointed lawyers and filed an appeal as administrative remedy. For the administrative appeal filed against the administrative action concerning the revocation of the permission letter to use the land in dispute, the Council of Agriculture of Executive Yuan revoked the aforesaid administrative action in accordance with the Appeal Resolution Letter Order No. Nong-Su-Zi-1090727273, dated January 12, 2021. On July 26, 2021, the Hualien County Government sent another letter alleging that the Group did not obtain permission for agricultural use in accordance with the regulations and revoking the permission in accordance with Article 117 of the Administrative Procedures Act. The Group has appointed a lawyer to file an appeal. As for the administrative appeal filed against the administrative action concerning the disapproval Jingzhong Section, Shoufeng Township, Hualien County, the Council of Agriculture of Executive Yuan revoked the aforesaid administrative action in accordance with the Appeal Resolution Letter Order No. Nong-Su-Zi-1090721271, dated January 12, 2021, and requested the Hualien County Government to take other legitimate actions. As of December 31, 2022, the related costs incurred by the Group amounted to $71,281, excluding the cost of land.

(2) Commitments

A. As of December 31, 2022 and 2021, the Group had opened unused letters of credit for purchases of raw materials and machinery of $508,723 and $1,226,945, respectively.

B. As of December 31, 2022 and 2021, the Group had several outstanding construction contracts and equipment purchase agreements amounting to $1,183,985 and $740,967, respectively, which will be paid based on the percentage of completion.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In December 2021, the board of directors of the subsidiary, Sheng Da Foods Co., Ltd., resolved to increase the subsidiary's capital amounting to $60,000,000, consisting of 6,000,000 ordinary shares at a par value of NT$10 per share. The Company's subsidiary, Riu Mu Foods Co., Ltd., subscribed to the capital increase thereby increasing its shareholding ratio from 75% to 81.82%. The change in registration has been completed.

12. OTHERS

(1) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

(2) Financial risk of financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets measured at fair value through other comprehensive income		
Designation of equity instrument	$ 2,659,785	$ 2,575,015
Financial assets at amortised cost		
Cash and cash equivalents	311,085	187,008
Notes receivable (including related parties)	413,990	419,983
Accounts receivable (including related parties)	2,797,045	2,426,548
Other receivables (including related parties)	54,605	18,665
Refundable deposits	41,461	43,408
Other financtal assets - current	9,650	9,650
	$ 6,287,621	$ 5,680,277

	December 31, 2022	December 31, 2021
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss on initial recognition	$ 11,791	$ -
Financial liabilities at amortised cost		
Short-term borrowings	4,265,097	3,301,031
Short-term notes and bills payable	987,963	1,039,203
Notes payable (including related parties)	694,856	515,448
Accounts payable (including related parties)	1,021,273	872,393
Other payables (including related parties)	925,952	837,678
Long-term borrowings (including current portion)	8,343,260	7,369,500
	$ 16,250,192	$ 13,935,253
Lease liability	$ 344,417	$ 345,182

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units.

C. Financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the USD, HKD, CNY, THB, EUR, SGD and JPY. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

ii. Management has set up a policy to require the group to manage their foreign exchange risk against their functional currency.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: CNY and HKD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022				
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)	
(Foreign currency : functional currency)					
Financial assets					
Monetary items					
USD:NTD	USD	40	30.66	$	1,231
USD:HKD	USD	1,209	7.80		37,015
CNY:HKD	CNY	685	1.13		3,045
Non-monetary items					
THB:HKD	THB	1,904,640	0.23	$	1,687,093
THB:NTD	THB	1,098,216	0.89		972,692
Financial liabilities					
Monetary items					
USD:NTD	USD	18,764	30.76	$	577,166
EUR:NTD	EUR	106	32.92		3,487
SGD:NTD	SGD	16	22.97		368
JPY:NTD	JPY	750	0.23		176

	December 31, 2021				
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)	
(Foreign currency : functional currency)					
Financial assets					
Monetary items					
USD:NTD	USD	12	27.63	$	319
THB:NTD	THB	48	0.81		39
USD:HKD	USD	111	7.80		3,071
CNY:HKD	CNY	685	1.23		2,987
Non-monetary items					
THB:HKD	THB	1,958,400	0.23	$	1,633,426
THB:NTD	THB	1,129,214	0.83		941,589
Financial liabilities					
Monetary items					
USD:NTD	USD	11,686	27.73	$	324,040
SGD:NTD	SGD	66	20.55		1,356
JPY:NTD	JPY	5,085	0.24		1,233
EUR:NTD	EUR	262	31.52		8,261

Note: The functional currency of certain subsidiaries belonging to the Group is HKD. Thus, this information has to be considered when reporting.

v. Total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to ($40,473) and $31,326, respectively.

vi. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD：NTD	1%	$ 12	$ -
USD：HKD	1%	370	-
CNY：HKD	1%	30	-
Non-monetary items			
THB：HKD	1%	$ -	$ 16,871
THB：NTD	1%	-	9,727
Financial liabilities			
Monetary items			
USD：NTD	1%	($ 5,772)	$ -
EUR：NTD	1%	(35)	-
SGD：NTD	1%	(4)	-
JPY：NTD	1%	(2)	-

	2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency : functional currency)			
Financial assets			
Monetary items			
USD：NTD	1%	$ 3	$ -
THB：NTD	1%	-	-
USD：HKD	1%	31	-
CNY：HKD	1%	30	-
Non-monetary items			
THB：HKD	1%	$ -	$ 16,334
THB：NTD	1%	-	9,416
Financial liabilities			
Monetary items			
USD：NTD	1%	($ 3,240)	$ -
SGD：NTD	1%	(14)	-
JPY：NTD	1%	(12)	-
EUR：NTD	1%	(83)	-

Price risk

i. The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as financial assets at fair value through other comprehensive income. Refer to Note 6(2).

ii. For the Group's strategies for biological assets price risk, Refer to Note 6(6).

iii. The Group's investment in equity securities comprise foreign listed stocks. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other equity for the years ended December 31, 2022 and 2021 would have increased/decreased by $24,652 and $23,867, respectively, as a result of post-tax gains/losses on equity securities classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2022 and 2021, the Group's borrowings at variable rate were denominated in NTD.

ii. The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios run only for liabilities that represent the major interest-bearing positions.

iii. For the years ended December 31, 2022 and 2021, if interest rates on NTD-denominated borrowings at that date had been 1% higher/lower with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021, would have been $66,746 and $58,956 lower/higher, respectively, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is the contract cash flows when counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. Based on the Group's historical experience, if the contract payments were past due over 17 days, there has been a significant increase in credit risk on that instrument since initial recognition. As a result, the Group should strengthen controls and make follow-up procedures.

iv. The Group pays attention on specific customers whose payments were past due to confirm the debts and recognises the allowance for bad debts when there is a concern about default based on the assessment of customers' credit risk.

v. The Group classifies credit risks from customers' non-performance in accordance with customer types. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss impairment under the provision matrix basis.

vi. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. For the years ended December 31, 2022 and 2021, the Group's written-off financial assets that are still under recourse procedures and recovered amounted to $7,699 and $1,645, respectively.

vii. The Group used the forecastability of the global economy to adjust historical and timely information to assess the default possibility of accounts receivable in accordance with customers' credit. As of December 31, 2022 and 2021, the expected loss rate is as follows:

	Current	Up to 120 days	121-365 days	Over one year	Total
December 31, 2022					
Expected loss rate	0.05%~0.22%	1.5%~100%	100%	100%	
Total book value	$ 2,977,390	$ 170,223	$ 180	$ 2,702	$ 3,150,495
Loss allowance	1,591	3,914	180	2,702	8,387

	Current	Up to 120 days	121-365 days	Over one year	Total
December 31, 2021					
Expected loss rate	0.05%~0.43%	1.50%~100%	100%	100%	
Total book value	$ 2,618,159	$ 174,857	$ 840	$ 9,179	$ 2,803,035
Loss allowance	1,841	4,302	840	9,179	16,162

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes and accounts receivable are as follows:

	2022
	Notes and accounts receivable (including related parties)
At January 1	$ 16,162
Reversal of impairment loss	(7,390)
Write-offs	(385)
At December 31	$ 8,387

	2021
	Notes and accounts receivable (including related parties)
At January 1	$ 7,228
Provision for impairment loss	9,006
Write-offs	(72)
At December 31	$ 16,162

The reversal of and provision for impairment loss arising from customers' contracts for the years ended December 31, 2022 and 2021 amounted to $7,390 and $9,006, respectively.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's financial ratio targets, covenant compliance and applicable external regulatory or legal requirements.

ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

December 31, 2022	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	$ 4,265,097	$ -	$ -
Short-term notes and bills payable	990,000	-	-
Notes payable (including related parties)	694,856	-	-
Accounts payable (including related parties)	1,021,273	-	-
Other payables (including related parties)	925,952	-	-
Lease liabilities	38,500	156,246	173,115
Long-term borrowings (including current portion)	831,251	6,681,090	1,171,169

Non-derivative financial liabilities

December 31, 2021	Less than 1 year	Between 1 and 5 years	Over 5 years
Short-term borrowings	$ 3,301,031	$ -	$ -
Short-term notes and bills payable	1,040,000	-	-
Notes payable (including related parties)	515,448	-	-
Accounts payable (including related parties)	872,393	-	-
Other payables (including related parties)	837,678	-	-
Lease liabilities	33,694	151,439	185,464
Long-term borrowings (including current portion)	312,743	6,066,963	1,201,453

iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. Details of the fair value of the Group's financial assets and financial liabilities not measured at fair value are provided in Note 12(2) A.

B. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments and biological assets is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.

C. The related information on financial and non-financial instruments measured at fair value by level based on the nature, characteristics and risks of the assets and liabilities is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Biological assets				
Financial assets at fair value through other comprehensive income:	$ -	$ 1,231,923	$ -	$ 1,231,923
Equity securities	$ 2,659,785	$ -	$ -	$ 2,659,785
Financial liabilities at fair value through profit or less:				
Derivative instruments	$ -	$ 11,791	$ -	$ 11,791
December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Biological assets	$ -	$ 974,696	$ -	$ 974,696
Financial assets at fair value through other comprehensive income:				
Equity securities	$ 2,575,015	$ -	$ -	$ 2,575,015

D. The methods and assumptions of the Group used to measure fair value are as follows:

(a) The instruments the Group used quoted market prices as their fair values (that is, Level 1) are listed stocks, whose quoted market prices are based on the closing prices which are classified as financial assets at fair value through other comprehensive income.

(b) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

(c) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

(d) Details of methods for measuring Level 2 - Biological assets are provided in Note 6(6).

E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and

Level 2.

F. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

(4) Other matter

The Group was able to maintain its normal operations during the Covid-19 outbreak and has implemented several preventive measures imposed by the government. The Group assessed that the pandemic has no significant impact on the Group's ability to continue as a going concern, assets impairment and financing risks.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others during the year ended December 31, 2022: None.

C. Holding of marketable securities at December 31, 2022 (not including subsidiaries, associates and joint ventures):

	Marketable securities		Relationship with	General ledger	As of December 31, 2022				
Securities held by	Types	Name	the securities issuer	account	Number of shares	Book value	Ownership	Fair value (Note 1)	Footnote
The Company	Common share	CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	(Note 2)	Financial assets at fair value through other comprehensive income	44,282,900	$ 972,692	0.51%	$ 972,692	
Plenty Type Limited (Cayman Islands)	Common share	CHAROEN POKPHAND FOODS PUBLIC COMPANY LIMITED	(Note 2)	Financial assets at fair value through other comprehensive income	76,800,000	1,687,093	0.89%	1,687,093	

Note 1: The numbers filled in for market value are as follows:

(1) Where there is a quoted market price, the fair value is based on the closing price at the balance sheet date, the fair value of open-end funds is based on the net asset value at the balance sheet date.

(2) Where there is no quoted market price, this column is filled in with the book value per share for stocks or left blank for other instruments.

Note 2: Investee company accounted for as financial assets at fair value through other comprehensive income by the Company and Plenty Type Limited (Cayman Islands), which is ultimate parent entity of the Company

D. Acquisition or sale of the same security with the accumulated cost exceeding NT$300,000 or 20% of the Company's paid-in capital during the year ended December 31, 2022: None.

E. Acquisition of real estate reaching NT$300,000 or 20% of paid-in capital or more during the year ended December 31, 2022: None.

F. Disposal of real estate reaching NT$300,000 or 20% of paid-in capital or more during the year ended December 31, 2022: None.

G. Purchases or sales of goods from or to related parties reaching NT$100,000 or 20% of paid-in capital or more during the year ended December 31, 2022:

			Transaction				Differences in transaction terms compared to transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
The Company	Rui Fu Foods Co., Ltd.	Subsidiary	Sales revenue	$215,234	0.74%	60 days	The same as general transactions	None	$ 45,097	1.40%	
The Company	Rui Mu Foods Co., Ltd.	Subsidiary	Sales revenue	119,383	0.41%	180 days	The same as general transactions	None	29,970	0.93%	
The Company	Arbor Acres Taiwan Co., Ltd.	Subsidiary	Purchases	110,516	0.49%	105 days	The same as general transactions	None	9,529	0.56%	

H. Receivables from related parties reaching NT$100,000 or 20% of paid-in capital or more as at December 31, 2022: None.

I. Trading in derivative instruments undertaken during the year ended December 31, 2022: Refer to Note 6(2).

J. Significant inter-company transactions during the year ended December 31, 2022: The inter-company transactions below 1% of consolidated assets or revenue are not disclosed.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China):

				Initial investment amount		Shares held as of December 31, 2022					
Investor	Investee	Location	Main business activities	Balance as of December 31, 2022	Balance as of December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee	Investment income (loss) recognised by the Company	Footnote
The Company	Plenty Type Limited (Cayman Islands)	Cayman Islands	Management of producing and non-producing business investments	$ 470,459	$ 470,459	57,841,941	100.00	$ 1,728,226	$ 33,395	$ 33,395	Subsidiary (Note 1)
The Company	Charoen Pokphand (Taiwan) Corp., Ltd.	Taiwan	Management of importing and exporting businesses	20,086	20,086	2,443,716	90.00	49,730	19,687	17,718	Subsidiary
The Company	Arbor Acres Taiwan Co., Ltd.	Taiwan	Husbandry management of chickens to produce breeder chicken and daily chicken	60,131	60,131	1,600,000	50.00	94,185	47,784	23,892	Subsidiary
The Company	Rui Mu Foods Co., Ltd.	Taiwan	Husbandry management of layers and related business	193,860	193,860	20,400,000	68.00	130,058	(37,329)	(25,384)	Subsidiary
The Company	Rui Fu Foods Co., Ltd.	Taiwan	Husbandry management of layers and related business	408,000	357,000	40,800,000	51.00	317,014	(29,091)	(14,836)	Subsidiary (Note 1)
The Company	Feng Sheng Livestock Co., Ltd.	Taiwan	Electric livestock slaughter	100,000	100,000	10,000,000	50.00	94,713	(10,894)	(5,447)	Investment accounted for using equity method - joint ventures
Plenty Type Limited (Cayman Islands)	Chia Tai Lianyungang Co., Ltd.	Hong Kong	Management of producing and non-producing business investments	HKD 19,910	HKD 19,910	999,999	99.99	3,615	(568)	-	Indirectly owned subsidiary (Note 2)
Rui Fu Foods Co., Ltd.	Sheng Da Foods Co., Ltd.	Taiwan	Husbandry management of eggs and related business	120,000	120,000	12,000,000	75.00	75,897	(19,467)	-	Indirectly owned subsidiary (Note 2)

Note 1: Including recognition of current profit of its investees.

Note 2: Current period income (loss) has been recognised by subsidiaries and indirectly owned subsidiaries.

(3) Information on investments in Mainland China: None.

(4) Major shareholders information

	Shares	
Name of major shareholders	Number of shares held	Ownership (%)
Charoen Pokphand Foods Public Co., Ltd (CPF)	54,193,826	18.38
Charoen Pokphand (Taiwan) Investment Ltd., Bermuda	29,483,006	10.00
Chun Ta Investment Co., Ltd.	17,120,207	5.80

Note: The information provides by Taiwan Depository & Clearing Corporation on December 31, 2022.

14. OPERATING SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decision.

The Group's Chief Operating Decision-Maker considers the business from a product type perspective. The main activities of the Group are feeds business, meat processing business, food processing business, management of importing and exporting animal medicine and husbandry business. The reportable segments are as follows:

A. Feeds business: Manufacture and sale of animal feeds and wholesale of commodity;

B. Meat processing business;

C. Food processing business; and

D. Husbandry business: Husbandry management of chickens to produce eggs and meat.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this year.

(2) Measurement of segment information

The Chief Operating Decision-Maker evaluates the performance of the operating segments based on revenue and a measure of profit before income tax. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as goodwill impairment. The measurement also excludes the effects of unrealised gains/losses on financial instruments, interest expense and foreign exchange gain or loss, since the action are managed by central management department, operating department are not included.

(3) Segment information

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

2022	Feeds	Meat processing	Food processing	Husbandry	Others	Total
Revenues from third parties	$ 15,539,912	$ 6,555,291	$ 4,418,999	$ 2,352,187	$ 92,831	$ 28,959,220
Revenues from the Group	367,307	54,991	892	185,207	60,549	668,946
Total segment revenue	$ 15,907,219	$ 6,610,282	$ 4,419,891	$ 2,537,394	$ 153,380	$ 29,628,166
Segment income (loss)	$ 1,312,756	$ 717,503	$ 202,335	($ 12,763)	($ 104,601)	$ 2,115,230

2021	Feeds	Meat processing	Food processing	Husbandry	Others	Total
Revenues from third parties	$ 13,305,798	$ 5,583,139	$ 3,984,589	$ 1,887,696	$ 80,123	$ 24,841,345
Revenues from the Group	392,908	43,840	953	120,901	55,489	614,091
Total segment revenue	$ 13,698,706	$ 5,626,979	$ 3,985,542	$ 2,008,597	$ 135,612	$ 25,455,436
Segment income (loss)	$ 1,520,830	$ 209,751	$ 176,534	($ 109,521)	($ 102,132)	$ 1,695,462

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The operating revenue from external customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income to the income before tax from continuing operations for the years ended December 31, 2022 and 2021 is provided as follows:

	2022	2021
Reportable segment income	$ 2,219,831	$ 1,797,594
Other segment loss	(104,601)	(102,132)
Total segment	2,115,230	1,695,462
Interest expense	(147,433)	(82,038)
Foreign exchange (losses) gains, net	(40,473)	31,326
Gains on financial assets at fair value through profit or loss	919	-
Income before tax from continuing segment	$ 1,928,243	$ 1,644,750

(5) Information on products and services

Refer to Note 14(3) for the related information.

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

2022	Taiwan
Revenues from third parties	$ 28,959,220
Revenues from the Group	668,946
Total revenue	$ 29,628,166
Segment assets –non-current	$ 14,797,861

2021	Taiwan
Revenues from third parties	$ 24,841,345
Revenues from the Group	614,091
Total revenue	$ 25,455,436
Segment assets –non-current	$ 13,413,485

(7) Major customer information

For the years ended December 31, 2022 and 2021, the Group has no customers accounting for more than 10% of consolidated sales revenue. Therefore, no additional disclosure is required.