

**NAMCHOW HOLDINGS CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023**

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Namchow Holdings Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Namchow Holdings Co., Ltd. ("the Company") and its subsidiaries ("the Group") as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2024 and 2023, as well as the changes in equity and cash flows for the six months ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$1,703,306 thousand and \$1,846,662 thousand, constituting 5% and 6% of the consolidated total assets; and the total liabilities amounting to \$1,327,040 thousand and \$1,598,932 thousand, constituting 7% and 9% of the consolidated total liabilities as of June 30, 2024 and 2023, respectively; as well as the total comprehensive income (loss) amounting to \$27,886 thousand, \$(101,594) thousand, \$27,964 thousand and \$(90,816) thousand, constituting 6%, 35%, 3% and 275% of the consolidated total comprehensive income (loss) for the three months and six months ended June 30, 2024 and 2023, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, and of its consolidated financial performance for the three months and six months ended June 30, 2024 and 2023, as well as its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Wu, Chung-Shun and Chang, Chun-I.

KPMG

Taipei, Taiwan (Republic of China)
August 13, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2024, December 31, 2023, and June 30, 2023

(Expressed in thousands of New Taiwan dollars)

		June 30, 2024		December 31, 2023		June 30, 2023				June 30, 2024		December 31, 2023		June 30, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
11XX	Assets							21XX	Liabilities and Equity						
	Current assets:								Current liabilities:						
1100	Cash and cash equivalents (note 6(a))	\$ 10,248,434	32	9,516,930	31	9,955,352	33	2100	Short-term borrowings (note 6(l))	\$ 3,769,537	12	4,313,501	15	3,717,236	12
1137	Financial assets measured at amortized cost—current (note 6(d))	184,979	1	-	-	-	-	2110	Short-term commercial paper payables (note 6(l))	-	-	234,855	1	349,703	1
1150	Notes receivable, net (note 6(e))	209,899	1	197,365	1	161,813	1	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	1,214	-	-	-	3,148	-
1170	Accounts receivable, net (note 6(e))	2,087,831	6	2,012,280	6	1,896,539	6	2322	Current portion of long-term borrowings (notes 6(l) and 8)	54,072	-	336,260	1	35,669	-
1200	Other receivables (note 6(f))	150,886	1	184,747	1	179,061	1	2130	Contract liabilities — current (note 6(u))	272,723	1	383,721	1	352,297	1
1220	Current income tax assets	194,949	1	183,784	1	240,036	1	2170	Accounts payable	1,656,139	5	1,245,781	4	1,485,365	5
130x	Inventories (note 6(g))	3,502,455	11	3,290,649	11	3,356,231	11	2216	Dividend payables (note 6(r))	620,614	2	247	-	247	-
1410	Prepayments	148,278	-	170,877	1	229,662	1	2219	Other payables (notes 6(p), (v) and 9)	2,328,353	8	1,718,025	6	1,487,398	5
1470	Other current assets	76,310	-	87,218	-	86,114	-	2230	Current income tax liabilities	257,950	1	168,657	1	210,519	1
	Total current assets	<u>16,804,021</u>	<u>53</u>	<u>15,643,850</u>	<u>52</u>	<u>16,104,808</u>	<u>54</u>	2280	Current lease liabilities (notes 6(o) and 7)	133,479	-	140,676	-	149,979	1
15XX	Non-current assets:							2399	Other current liabilities	54,483	-	54,031	-	41,942	-
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(c))	36,717	-	23,917	-	20,842	-	25XX	Total current liabilities	<u>9,148,564</u>	<u>29</u>	<u>8,595,754</u>	<u>29</u>	<u>7,833,503</u>	<u>26</u>
1535	Financial assets measured at amortized cost—non-current (note 6(d))	1,888,971	6	1,638,372	6	699,085	2	2530	Non-Current liabilities:						
1600	Property, plant and equipment (notes 6(i), 8 and 9)	11,991,740	38	11,831,971	39	11,672,965	40	2540	Bonds payable (note 6(m))	4,921,208	16	4,907,672	16	4,894,136	16
1755	Right-of-use assets (notes 6(j) and 7)	687,722	2	719,334	2	732,006	3	2580	Long-term borrowings (notes 6(l) and 8)	2,635,864	8	1,925,778	6	2,956,716	10
1760	Investment property (note 6(k))	28,853	-	29,698	-	30,982	-	2550	Provision liabilities—non-current (note 6(n))	10,264	-	10,264	-	10,264	-
1805	Goodwill	105,417	-	105,417	-	105,417	-	2570	Lease liabilities—non-current (notes 6(o) and 7)	335,818	1	364,083	2	411,962	1
1840	Deferred income tax assets	147,484	1	172,218	1	184,065	1	2640	Deferred income tax liabilities	1,642,264	5	1,621,538	5	1,512,603	5
1915	Prepayments for equipment	78,694	-	48,061	-	58,765	-	2670	Net defined benefit liabilities—non-current	198,697	1	206,530	1	179,871	1
1990	Other non-current assets	73,086	-	68,134	-	77,322	-	2XXX	Other non-current liabilities	110,383	-	108,420	-	121,893	1
	Total non-current assets	<u>15,038,684</u>	<u>47</u>	<u>14,637,122</u>	<u>48</u>	<u>13,581,449</u>	<u>46</u>		Total non-current liabilities	<u>9,854,498</u>	<u>31</u>	<u>9,144,285</u>	<u>30</u>	<u>10,087,445</u>	<u>34</u>
									Total liabilities	<u>19,003,062</u>	<u>60</u>	<u>17,740,039</u>	<u>59</u>	<u>17,920,948</u>	<u>60</u>
									Equity attributable to shareholders of the Company (notes 6(r) and (s)):						
								3100	Common stock	2,941,330	9	2,941,330	10	2,941,330	10
								3200	Capital surplus	3,939,006	12	3,825,824	12	3,781,097	13
								3300	Retained earnings:						
								3310	Legal reserve	1,193,905	4	1,097,451	4	1,097,451	4
								3320	Special reserve	1,612,266	5	1,612,266	5	1,612,266	5
								3350	Unappropriated earnings	1,602,771	5	1,805,058	6	1,215,433	4
										<u>4,408,942</u>	<u>14</u>	<u>4,514,775</u>	<u>15</u>	<u>3,925,150</u>	<u>13</u>
								3400	Other equity:						
								3410	Financial statement translation differences for foreign operations	(651,012)	(2)	(928,392)	(3)	(1,122,330)	(4)
								3420	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	16,731	-	3,940	-	(44,130)	-
										<u>(634,281)</u>	<u>(2)</u>	<u>(924,452)</u>	<u>(3)</u>	<u>(1,166,460)</u>	<u>(4)</u>
								3500	Treasury stock	<u>(530,114)</u>	<u>(1)</u>	<u>(530,114)</u>	<u>(2)</u>	<u>(530,114)</u>	<u>(2)</u>
									Total equity attributable to shareholders of the Company	<u>10,124,883</u>	<u>32</u>	<u>9,827,363</u>	<u>32</u>	<u>8,951,003</u>	<u>30</u>
								36xx	Non-controlling interests (note 6(h))	<u>2,714,760</u>	<u>8</u>	<u>2,713,570</u>	<u>9</u>	<u>2,814,306</u>	<u>10</u>
								3XXX	Total equity	<u>12,839,643</u>	<u>40</u>	<u>12,540,933</u>	<u>41</u>	<u>11,765,309</u>	<u>40</u>
1XXX	Total assets	<u>\$ 31,842,705</u>	<u>100</u>	<u>30,280,972</u>	<u>100</u>	<u>29,686,257</u>	<u>100</u>	2-3XXX	Total liabilities and equity	<u>\$ 31,842,705</u>	<u>100</u>	<u>30,280,972</u>	<u>100</u>	<u>29,686,257</u>	<u>100</u>

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2024 and 2023

(Expressed in thousands of New Taiwan dollars, except for earnings per share)

		For the three months ended June 30				For the six months ended June 30			
		2024		2023		2024		2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (note 6(u))	\$ 5,873,022	100	5,718,733	100	11,459,094	100	10,989,322	100
5000	Operating costs (notes 6(g), (i), (j), (o), (p) and 9)	4,059,297	69	4,125,418	72	7,924,134	69	8,060,426	73
5900	Gross profit	1,813,725	31	1,593,315	28	3,534,960	31	2,928,896	27
6000	Operating expenses (notes 6(e), (f), (i), (j), (o), (p), (s), (v) and 7):								
6100	Selling expenses	809,506	14	739,297	13	1,499,680	13	1,402,256	13
6200	Administrative expenses	440,554	7	375,459	6	867,090	8	759,471	7
6300	Research and development expenses	147,349	3	93,451	2	251,906	2	172,846	2
6450	Impairment loss (reversal of impairment loss) for expected credit loss	(6,520)	-	11,419	-	(2,752)	-	3,519	-
	Total operating expenses	1,390,889	24	1,219,626	21	2,615,924	23	2,338,092	22
6900	Net operating income	422,836	7	373,689	7	919,036	8	590,804	5
7000	Non-operating income and expenses (notes 6(i), (m), (o), (w) and 7):								
7100	Interest income	66,238	1	62,183	1	130,221	1	124,151	1
7010	Other income	41,517	1	17,952	-	78,145	1	77,758	1
7020	Other gains and losses	(11,205)	-	26,493	-	55,956	-	21,389	-
7050	Finance costs	(53,864)	(1)	(53,142)	(1)	(103,425)	(1)	(108,338)	(1)
	Total non-operating income and expenses	42,686	1	53,486	-	160,897	1	114,960	1
7900	Income from continuing operations before tax	465,522	8	427,175	7	1,079,933	9	705,764	6
7950	Less: income tax expenses (note 6(q))	151,048	3	137,735	2	343,155	3	249,356	2
	Net income	314,474	5	289,440	5	736,778	6	456,408	4
8300	Other comprehensive income (note 6(r)):								
8310	Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	8,707	-	3,289	-	12,800	-	4,970	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Total items that will not be reclassified to profit or loss	8,707	-	3,289	-	12,800	-	4,970	-
8360	Items that will be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign financial statements	120,869	2	(581,261)	(10)	332,075	3	(494,439)	(4)
8399	Less: income tax related to items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Total items that will be reclassified subsequently to profit or loss	120,869	2	(581,261)	(10)	332,075	3	(494,439)	(4)
8300	Other comprehensive income	129,576	2	(577,972)	(10)	344,875	3	(489,469)	(4)
	Total comprehensive income	\$ 444,050	7	(288,532)	(5)	1,081,653	9	(33,061)	-
	Net income attributable to:								
8610	Shareholders of the Company	\$ 268,749	4	241,796	4	629,499	5	374,910	3
8620	Non-controlling interests	45,725	1	47,644	1	107,279	1	81,498	1
		\$ 314,474	5	289,440	5	736,778	6	456,408	4
	Total Comprehensive income attributable to:								
8710	Shareholders of the Company	\$ 392,973	6	(237,559)	(4)	919,670	8	(31,499)	-
8720	Non-controlling interests	51,077	1	(50,973)	(1)	161,983	1	(1,562)	-
		\$ 444,050	7	(288,532)	(5)	1,081,653	9	(33,061)	-
9750	Basic earnings per share (in New Taiwan dollars) (note 6(t))	\$ 1.08		0.97		2.54		1.51	
9850	Diluted earnings per share (in New Taiwan dollars) (note 6(t))	\$ 1.08		0.97		2.54		1.51	

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the six months ended June 30, 2024 and 2023****(Expressed in thousands of New Taiwan dollars)**

	Equity attributable to owners of the Company												
							Total other equity interest						
	Retained earnings						Financial statements translation differences for foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Treasury stock	Total equity attributable to shareholders of the parent	Non-controlling interests	Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total							
Balance at January 1, 2023	\$ 2,941,330	3,682,995	1,039,356	1,612,266	1,486,884	4,138,506	(710,951)	(49,100)	(760,051)	(530,114)	9,472,666	2,907,307	12,379,973
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	58,095	-	(58,095)	-	-	-	-	-	-	-	-
Cash dividends of common stock	-	91,760	-	-	(588,266)	(588,266)	-	-	-	-	(496,506)	(108,097)	(604,603)
Other changes in capital surplus	-	2,814	-	-	-	-	-	-	-	-	2,814	-	2,814
Net income	-	-	-	-	374,910	374,910	-	-	-	-	374,910	81,498	456,408
Other comprehensive income (loss)	-	-	-	-	-	-	(411,379)	4,970	(406,409)	-	(406,409)	(83,060)	(489,469)
Total comprehensive income (loss)	-	-	-	-	374,910	374,910	(411,379)	4,970	(406,409)	-	(31,499)	(1,562)	(33,061)
Share-based payments	-	-	-	-	-	-	-	-	-	-	-	20,186	20,186
Changes in non-controlling interests	-	3,528	-	-	-	-	-	-	-	-	3,528	(3,528)	-
Balance at June 30, 2023	\$ 2,941,330	3,781,097	1,097,451	1,612,266	1,215,433	3,925,150	(1,122,330)	(44,130)	(1,166,460)	(530,114)	8,951,003	2,814,306	11,765,309
Balance at January 1, 2024	\$ 2,941,330	3,825,824	1,097,451	1,612,266	1,805,058	4,514,775	(928,392)	3,940	(924,452)	(530,114)	9,827,363	2,713,570	12,540,933
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	96,454	-	(96,454)	-	-	-	-	-	-	-	-
Cash dividends of common stock	-	114,700	-	-	(735,332)	(735,332)	-	-	-	-	(620,632)	(38,979)	(659,611)
Other changes in capital surplus	-	2,915	-	-	-	-	-	-	-	-	2,915	-	2,915
Net income	-	-	-	-	629,499	629,499	-	-	-	-	629,499	107,279	736,778
Other comprehensive income	-	-	-	-	-	-	277,380	12,791	290,171	-	290,171	54,704	344,875
Total comprehensive income	-	-	-	-	629,499	629,499	277,380	12,791	290,171	-	919,670	161,983	1,081,653
Changes in non-controlling interests	-	(4,433)	-	-	-	-	-	-	-	-	(4,433)	(121,814)	(126,247)
Balance at June 30, 2024	\$ 2,941,330	3,939,006	1,193,905	1,612,266	1,602,771	4,408,942	(651,012)	16,731	(634,281)	(530,114)	10,124,883	2,714,760	12,839,643

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the six months ended June 30, 2024 and 2023****(Expressed in thousands of New Taiwan dollars)**

	For the six months ended June 30	
	2024	2023
Cash flows from operating activities:		
Income before tax	\$ 1,079,933	705,764
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation	510,644	488,523
Impairment losses (reversed) recognized for expected credit losses	(2,752)	3,519
Interest expense	103,425	108,338
Interest income	(130,221)	(124,151)
Dividend income	(2,348)	(322)
Share-based payments	-	20,186
Gains on disposal of property, plant and equipment, net	(21,967)	(1,993)
Gains on lease modification	(811)	-
Total adjustments to reconcile profit and loss	455,970	494,100
Changes in assets and liabilities relating to operating activities:		
Changes in operating assets:		
Notes receivable	(12,534)	36,678
Accounts receivables	(73,285)	98,321
Other receivables	36,183	37,499
Inventories	(211,791)	316,364
Prepayments	22,599	39,595
Other current assets	10,908	2,243
Total changes in operating assets, net	(227,920)	530,700
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	1,214	3,148
Contract liabilities	(110,998)	(116,779)
Accounts payable	410,358	166,416
Other payables	610,650	(107,235)
Other current liabilities	452	(4,099)
Net defined benefit liabilities	(7,833)	(8,737)
Total changes in operating liabilities, net	903,843	(67,286)
Total changes in operating assets and liabilities, net	675,923	463,414
Total adjustments	1,131,893	957,514
Cash inflow generated from operations	2,211,826	1,663,278
Interest income received	130,221	124,151
Dividends received	-	322
Interest paid	(49,739)	(82,792)
Income taxes paid	(219,567)	(152,441)
Net cash flows from operating activities	2,072,741	1,552,518
Cash flows from investing activities:		
Acquisition of financial assets at amortised cost	(435,578)	(699,085)
Acquisition of property, plant and equipment	(645,371)	(400,222)
Proceeds from disposal of property, plant and equipment	72,917	8,192
Decrease in other non-current assets	(4,952)	3,894
Net cash flows used in investing activities	(1,012,984)	(1,087,221)
Cash flows from financing activities:		
Increase in short-term borrowings	8,689,617	6,340,648
Decrease in short-term borrowings	(9,232,972)	(5,814,376)
Increase (decrease) in short term commercial paper payable	(235,000)	50,000
Proceeds from long-term borrowings	5,094,000	6,786,000
Repayments of long-term borrowings	(4,621,458)	(7,312,691)
Payment of lease liabilities	(81,939)	(76,079)
Increase (decrease) in other non-current liabilities	15,139	(3,520)
Cash dividends paid	(39,226)	(604,356)
Interest paid	(40,734)	(25,454)
Change in non-controlling interests	(126,247)	-
Overaging unclaimed dividends	2,897	2,814
Net cash flows used in financing activities	(575,923)	(657,014)
Effect of exchange rate changes on cash and cash equivalents	247,670	(347,374)
Net increase (decrease) in cash and cash equivalents	731,504	(539,091)
Cash and cash equivalents at beginning of period	9,516,930	10,494,443
Cash and cash equivalents at end of period	\$ 10,248,434	9,955,352

See accompanying notes to the consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2024 and 2023

(Expressed in thousands of New Taiwan dollars, unless otherwise indicated)

(1) Company history

Namchow Holdings Co., Ltd. (formerly called Namchow Chemical Industrial Co., Ltd.) (the Company) was incorporated on March 29, 1952 as a corporation limited by shares under the laws of the Republic of China (R.O.C.). The consolidated financial statements comprise the Company and its Subsidiaries (the Group). The Group is engaged in the manufacture, sale, and processing of edible and non-edible oil products and frozen dough, as well as dish and laundry liquid detergent, it also provides management consulting services.

In order to improve its business performance and competitiveness, the Company decided to conduct a group restructuring and division of profession. On May 31, 2017, the shareholders of the Company decided to divide its entire departments and categorize them into two, then transfer them to two of its subsidiaries. The Department of Edible Products, which includes frozen dough items, will be transferred to Namchow Oil and Fat Co., Ltd. and the Department of Non-Edible Products will be transferred to Huaciang Industry Co., Ltd.. Both entities are 100% owned by the Company, with a record date of August 1, 2017.

For the purpose of transforming into a holding company, the Company, which was formerly named as Namchow Chemical Industrial Co., Ltd. is renamed as Namchow Holdings Co., Ltd. After the spin-off, the Company only engaged in investment holding.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were approved and authorized for issuance by the Company's Board of Directors on August 13, 2024.

(3) Application of new and revised standards, amendments and interpretations

- (a) Impact of adoption of new, revised or amended standards and interpretations endorsed by the Financial Supervisory Commission, ROC ("FSC").

The Group has adopted the following new amendments to the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations (collectively, "IFRSs") with effective date from January 1, 2024. The adoption does not have a material impact on the Group's consolidated financial statements.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) Impact of the IFRSs that have been endorsed by the FSC but yet in effect

The Group assessed that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a material impact on its consolidated financial statements.

- Amendments to IAS21 "Lack of Exchangeability"

- (c) The IFRSs issued by International Accounting Standards Board ("IASB") but not yet endorsed by the FSC

New, revised or amended standards and interpretations issued by the IASB but not yet endorsed by the FSC are listed below:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> • A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. 	January 1, 2027

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> • Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRSs Accounting Standards. • Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	

The Group continues in assessing the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The related impact will be disclosed when the assessment is completed.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a material impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards – Volume 11

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of material accounting policies

Except as described below, the material accounting policies applied in the consolidated financial statements are the same as those applied in the consolidated financial statements for the year ended December 31, 2023 and have been applied consistently to all periods presented in the consolidated financial statements. Refer to note 4 of the consolidated financial statements for the year ended December 31, 2023 for the details.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" ("the Regulations") and IAS 34 Interim Financial Reporting endorsed by the FSC, and do not present all the disclosures required for a complete set of annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Statements, IFRIC Interpretations, or SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

List of subsidiaries in the consolidated financial statements was as follows:

Name investor	Name of subsidiary	Main activities	Percentage of ownership			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Namchow (Thailand) Ltd. (Namchow Thailand)	Manufacturing and selling of instant noodles and rice cracker	100.00 %	100.00 %	100.00 %	
The Company	Mostro (Thailand) Ltd. (Mostro)	Manufacturing and selling of food	100.00 %	100.00 %	100.00 %	Note 7
The Company	Nacia International Corp. (Nacia)	Holding of investments	100.00 %	100.00 %	100.00 %	
The Company	Chow Ho Enterprise Co., Ltd. (Chow Ho)	Catering services, food and beverage retailing, and frozen food manufacturing	100.00 %	100.00 %	100.00 %	Note 7
The Company	Lucky Royal Co., Ltd. (Lucky Royal)	Manufacturing, selling and processing of various food and beverage products	99.65 %	99.65 %	99.65 %	
The Company	Nankyo Japan Co., Ltd. (Nankyo Japan)	Catering services, Bistro and wine-selling	100.00 %	100.00 %	100.00 %	Note 7
The Company	Namchow Consulting Company, Ltd. (Namchow Consulting)	Catering services, food and beverage retailing and other consulting services	100.00 %	100.00 %	100.00 %	Note 7
The Company	Namchow Oil and Fat Co., Ltd. (Namchow Oil and Fat)	Manufacturing, processing and selling of edible oil and frozen dough	100.00 %	100.00 %	100.00 %	
The Company	Huaciang Industry Co., Ltd. (Huaciang)	Manufacturing, processing and selling of dish and laundry liquid detergent as well as frozen food	100.00 %	100.00 %	100.00 %	
The Company and Lucky Royal	Navigator Business Publications Co., Ltd. (NBP)	Publishing, distributing and selling of printed publications	98.57 %	90.00 %	89.97 %	Notes 1 and 7
Lucky Royal	Namchow (British Virgin Island) Ltd. (Namchow BVI)	Holding of investments	- %	93.00 %	93.00 %	Note 2
Lucky Royal	Dian Shui Lou Restaurant Business Co., Ltd. (Dian Shui Lou)	Liquor importing and retailing, and catering services	- %	- %	99.65 %	Note 3

(Continued)

NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name investor	Name of subsidiary	Main activities	Percentage of ownership			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
Lucky Royal	Namchow Gastronomy Consulting Company, Ltd. (Namchow Gastronomy Consulting)	Catering services and food consulting services	- %	99.65 %	99.65 %	Notes 3 and 5
Huaciang	Dian Shui Lou Restaurant Business Co., Ltd. (Dian Shui Lou)	Multinational eateries, and the promotion and management of craft beers	100.00 %	100.00 %	- %	Notes 3 and 7
Huaciang	Namchow (British Virgin Island) Ltd. (Namchow BVI)	Holding of investments	93.32 %	- %	- %	Notes 2 and 7
Namchow BVI	Shanghai Bao Lai Na Company Limited. (Bao Lai Na)	Multinational eateries, and the promotion and management of craft beers	93.32 %	93.00 %	93.00 %	Notes 2 and 7
Nacia	Namchow International Corp. (Namchow International)	Holding of investments	100.00 %	100.00 %	100.00 %	
Shanghai Qiaohao	Shanghai Qiaohao Enterprise Management Co., Ltd. (Shanghai Qiaohao Enterprise Management)	Business management and investment consulting services	100.00 %	100.00 %	100.00 %	
Namchow Cayman and Shanghai Qiaohao	Shanghai Qiaohao Food Co., Ltd. (Shanghai Qiaohao Food)	Food packaging, selling and trading of restaurant equipment	100.00 %	100.00 %	100.00 %	
Shanghai Qiaohao	Tianjin Qiaohao Food Co., Ltd. (Tianjin Qiaohao)	Manufacturing, and selling of edible oil and related services	100.00 %	100.00 %	100.00 %	
Namchow Cayman	Shanghai Qiaohao Trading Co., Ltd. (Shanghai Qiaohao)	Holding of investments and international trade	100.00 %	100.00 %	100.00 %	Note 6
Namchow Cayman	Shanghai Qiizhi Business Consulting Co., Ltd. (Shanghai Qiizhi)	Business management and investment consulting services	100.00 %	100.00 %	100.00 %	
Namchow Cayman and Shanghai Qiizhi	Namchow Food Group (Shanghai) co., Ltd. (Namchow Food)	Food packaging, dairy product and product purchasing management and selling	81.30 %	81.24 %	80.88 %	Note 4
Namchow Cayman and Namchow Food	Shanghai Namchow Food co., Ltd. (Shanghai Namchow)	Selling, developing, manufacturing and processing of fats and frozen food.	81.30 %	81.24 %	80.88 %	Note 4
Namchow Food	Tianjin Namchow Food Co., Ltd. (Tianjin Namchow)	Manufacturing, and selling of edible fat	81.30 %	81.24 %	80.88 %	Note 4
Namchow Food	Guangzhou Namchow Food Co., Ltd. (Guangzhou Namchow)	Manufacturing, and selling of edible fat	81.30 %	81.24 %	80.88 %	Note 4
Namchow Food	Chongqing Qiaoxing Co., Ltd. (Chongqing Qiaoxing)	Food packaging, dairy product and product purchasing management and selling	81.30 %	81.24 %	80.88 %	Note 4
Namchow Food	Wuhan Qiaoxing Co., Ltd. (Wuhan Qiaoxing)	The technical service of baking oil and fat product	81.30 %	81.24 %	80.88 %	Note 4
Namchow Food	Namchow Trading Singapore Pte., Ltd (Namchow Singapore Pte.)	The sales service of baking oil and fat product	81.30 %	81.24 %	80.88 %	Note 4
Namchow Food	Chongqing Namchow Food Co., Ltd. (Chongqing Namchow)	Manufacturing and processing of light cream and frozen dough	81.30 %	81.24 %	80.88 %	Note 4
Namchow Food	Namchow Trading Hong Kong Limited (Namchow Hong Kong)	The sales service of baking oil and fat product	81.30 %	81.24 %	- %	Note 4
Namchow Food and Guangzhou Namchow	Namchow Food (Thailand) Co., Ltd. (Namchow Bangkok)	Manufacturing and selling of baking oil and fat product	81.30 %	81.24 %	- %	Note 4
Tianjin Namchow	Tianjin Yoshi Yoshi Food Co., Ltd. (Tianjin Yoshi Yoshi)	Developing , manufacturing, and selling of dairy products and related services	81.30 %	81.24 %	80.88 %	Note 4
Tianjin Yoshi Yoshi	Guangzhou Yoshi Yoshi Food Co., Ltd. (Guangzhou Yoshi Yoshi)	Developing , manufacturing, and selling of dairy products and related services	81.30 %	81.24 %	80.88 %	Note 4

Note 1: The Company, directly or indirectly, holds 89.97% shares of NBP on June 30, 2023; Lucky Royal's Board of Directors approved to dispose all of its 10.00% shares in NBP to the Company on December 11, 2023. As a result, the Company's ownership percentage in NBP became 90.00%. The aforementioned transaction was an organizational restructuring under common control; there has been no substantial change to the reporting entity, thus no retrospective restatement of prior period's financial statements is required. A resolution was approved by the NBP's board of directors held on April 10, 2024 to increase its capital by issuing \$6,000 thousand. The Company participated in the cash injection of NBP, and acquired 600 thousand of its shares at the amount of \$6,000 thousand and increased NBP's ownership from 90.00% to 98.57%.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- Note 2: Lucky Royal's Board of Directors approved to sell 93.32% shares in Namchow BVI to Huaciang on February 29, 2024. As a result, the Company's ownership percentage in Namchow BVI became 93.32%. The aforementioned transaction was an organizational restructuring under common control; however, there has been no substantial change to the reporting entity, thus no retrospective restatement of prior period's financial statements is required.
- Note 3: The Company, directly or indirectly, holds 99.65% shares of Dian Shui Lou and Namchow Gastronomy Consulting on June 30, 2023; Lucky Royal's Board of Directors approved to sell all of its 100.00% shares in Dian Shui Lou to Huaciang on December 11, 2023. The aforementioned transaction was an organizational restructuring under common control; however, there has been no substantial change to the reporting entity, thus no retrospective restatement of prior period's financial statements is required.
- Note 4: Namchow Food has submitted the application for A-share listing in the security market of China, thus, the board of directors of the Company has approved the resolution for the subsidiary to increase capital by cash injection and to award new shares of restricted stock on April 28, 2021 and on November 12, 2021. As the result, the Company's ownership percentage in the subsidiary decreased from 96.15% to 81.73% and then to 80.94%. In addition, due to the board of directors resolved to issue the remaining restricted shares on October 28, 2022 and the Company's ownership percentage in the subsidiary decreased further from 80.94% to 80.85%. In addition, due to the Company repurchased and write-off the remaining restricted shares for the three months ended March 31, 2023 and 2024, and the Company's ownership percentage in the subsidiary increased from 80.88% to 81.24% and then to 81.25%. On June 2024, Namchow Food repurchased its 266 thousand treasury shares from securities exchange market, thus the Company increased its ownership percentage of Namchow Food from 81.25% to 81.30%.
- Note 5: A resolution was passed by Namchow Gastronomy Consulting's board of directors meeting held on December 21, 2023 and decided the date of its disband as January 9, 2024. Since Lucky Royal had lost control over Gastronomy Consulting, the Group no longer included Gastronomy Consulting in its consolidated financial statements.
- Note 6: On April 3, 2024, a resolution was passed by Namchow Cayman's board of directors meeting to contribute RMB 70,000 thousand in Shanghai Qiaohao's equity offering. Shanghai Qiaohao increased its capital by issuing RMB 34,256 thousand on June 7, 2024 and the remaining capital increase is expected to be completed before the end of 2025.
- Note 7: It is a non-significant subsidiary, and its financial statements have not been reviewed.

(c) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations subsequent to the end of prior fiscal year and for significant, curtailments, settlements, or other significant one-time events.

(d) Income tax

The Group measured and disclosed interim period income tax expense in accordance with paragraph B12 of IAS 34, Interim Financial Reporting.

Income tax expense for the period is best estimated by multiplying pretax income of the interim reporting period with the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and their respective tax bases which were recognized directly in equity or in other comprehensive income as tax expense shall be measured based on the tax rates that have been enacted or substantively enacted at the time when the asset or liability is realized or settled.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34, Interim Financial Reporting, as endorsed and issued into effect by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated financial statements, critical accounting judgments and key sources of estimations and assumptions uncertainty used by management in the application of accounting policies are consistent with those described in note 5 of the consolidated financial statements for the year ended December 31, 2023.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from those described in note 6 of the consolidated financial statements for the year ended December 31, 2023.

(a) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 11,920	10,103	10,912
Savings and checking deposits	6,229,793	7,008,412	8,154,413
Time deposits	2,779,281	2,153,096	1,709,921
Cash equivalents	1,227,440	345,319	80,106
Total	<u>\$ 10,248,434</u>	<u>9,516,930</u>	<u>9,955,352</u>

Within three months of expiry date on deposit satisfy the highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. Please refer to note 6(d) for the disclosure for the Group's time deposit with a maturity of over the three months and above one year were recorded under financial assets measured at amortized cost — current and financial assets measured at amortized cost — non-current.

Please refer to note 6(x) for the disclosure for the rate risk and the sensitivity analysis for the Group's financial assets and liabilities.

(b) Financial liabilities at fair value through profit or loss — current

	June 30, 2024	December 31, 2023	June 30, 2023
Financial liabilities held for trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ <u>1,214</u>	<u>-</u>	<u>3,148</u>

The Group uses derivative financial instruments to manage the exposures due to fluctuations of foreign exchange risk from its operating activities. As of June 30, 2024 and 2023, the Group reported the following derivatives financial instruments as financial liabilities at fair value through profit or loss without the application of hedge accounting.

	June 30, 2024		
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward contracts	USD 5,300 /	USD/THB	2024.10.25~2024.11.26
	THB 192,620		

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2023		
	Contract amount (thousand dollars)	Currency	Maturity dates
Forward contracts	USD 7,000 / THB 242,635	USD/THB	2023.12.1~2023.12.27

As of December 31, 2023, the Group did not hold outstanding forward contracts.

- (c) Financial assets measured at fair value through other comprehensive income—non-current

	June 30, 2024	December 31, 2023	June 30, 2023
Equity investments measured at fair value through other comprehensive income:			
Stocks listed on domestic markets	<u>\$ 36,717</u>	<u>23,917</u>	<u>20,842</u>

- (i) Equity investments measured at fair value through other comprehensive income

The Group held equity instrument investment, not held for trading purposes, which have been designated as measured at fair value through other comprehensive income.

For the six months ended June 30, 2024 and 2023, the Group did not dispose the aforementioned equity investment, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

- (ii) For the information of market risk, please refer to note 6(x).

- (iii) As of June 30, 2024, December 31 and June 30, 2023, the Group did not pledge the aforementioned equity investment as collateral.

- (d) Financial assets measured at amortized cost

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits	<u>\$ 2,073,950</u>	<u>1,638,372</u>	<u>699,085</u>
Current	\$ 184,979	-	-
Non-current	<u>1,888,971</u>	<u>1,638,372</u>	<u>699,085</u>
	<u>\$ 2,073,950</u>	<u>1,638,372</u>	<u>699,085</u>

The Group has assessed that these financial assets are held to maturity to collect contract cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

As of June 30, 2024, December 31 and June 30, 2023, the Group did not pledge the aforementioned financial assets measured at amortized cost as collateral.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	\$ 209,899	197,365	161,813
Accounts receivable	2,113,181	2,040,049	1,929,732
Less: allowance for impairment	25,350	27,769	33,193
	<u>\$ 2,297,730</u>	<u>2,209,645</u>	<u>2,058,352</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for notes and accounts receivable. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The Group's analysis of the expected credit losses on its notes and accounts receivable were determined as follows"

	June 30, 2024		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 2,153,176	0~50.00	5,711
Past due 1~30 days	103,815	0.13~50.00	1,851
Past due 31~60 days	36,976	0.16~65.76	1,640
Past due 61~90 days	7,990	0.85~100.00	1,749
Past due 91~180 days	7,399	0.95~100.00	3,314
Past due 181~365 days	5,398	0.87~100.00	2,759
Past due over 365 days	8,326	100.00	8,326
	<u>\$ 2,323,080</u>		<u>25,350</u>

	December 31, 2023		
	Gross carrying amount of notes and accounts receivable	Weighted-average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 2,072,879	0~50.00	7,060
Past due 1~30 days	120,549	0.14~50.00	4,096
Past due 31~60 days	21,714	0.47~68.78	1,952
Past due 61~90 days	5,102	0.90~100.00	1,860
Past due 91~180 days	6,145	1.00~100.00	2,773
Past due 181~365 days	3,404	69.80~100.00	2,407
Past due over 365 days	7,621	100.00	7,621
	<u>\$ 2,237,414</u>		<u>27,769</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2023		
	Gross carrying amount of notes and accounts receivable	Weighted- average expected credit loss rate (%)	Loss allowance for lifetime expected credit losses
Not past due	\$ 1,900,796	0~100.00	7,419
Past due 1~30 days	132,723	0.14~50.00	5,595
Past due 31~60 days	23,269	0.20~70.84	2,744
Past due 61~90 days	17,446	1.00~100.00	4,877
Past due 91~180 days	7,520	2.20~100.00	4,676
Past due 181~365 days	1,162	100.00	1,162
Past due over 365 days	8,629	0.75~100.00	6,720
	\$ 2,091,545		33,193

The movement in the allowance for impairment with respect to notes and accounts receivable were as follows:

	For the six months ended June 30	
	2024	2023
Balance at beginning of the period	\$ 27,769	30,203
Impairment losses recognized (reversed)	(2,703)	3,617
Amounts written off	(154)	-
Effect of changes in foreign currency exchange rates	438	(627)
Balance at end of the period	\$ 25,350	33,193

As of June 30, 2024, December 31 and June 30, 2023, the Group had not provide its notes and accounts receivable as collateral or factored them for cash.

(f) Other receivables

	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables	\$ 153,682	187,517	181,168
Less: loss allowance	2,796	2,770	2,107
	\$ 150,886	184,747	179,061

As of June 30, 2024, December 31 and June 30, 2023, the Group's other receivables have been assessed for impairment losses.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The movement in the loss of allowance for impairment with respect to other receivables was as follows:

	For the six months ended June 30	
	2024	2023
Balance at beginning of the period	\$ 2,770	2,266
Impairment losses reversed	(49)	(98)
Effect of changes in foreign currency exchange rates	75	(61)
Balance at end of the period	<u><u>\$ 2,796</u></u>	<u><u>2,107</u></u>

(g) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Merchandise	\$ 36,841	36,521	42,719
Finished goods	1,772,151	1,491,122	1,537,731
Work in progress	178,477	155,304	162,951
Raw materials	1,169,456	1,204,693	1,291,668
Supplies	315,167	358,226	313,497
Goods in transit	30,363	44,783	7,665
	<u><u>\$ 3,502,455</u></u>	<u><u>3,290,649</u></u>	<u><u>3,356,231</u></u>

The Group except for operating costs arising from the ordinary sale of inventories, other gains and losses directly recorded under operating cost were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Loss on (reversal of) decline in market value of inventory	\$ (9,561)	9,429	(7,799)	14,902
Loss on physical count, net	4	904	152	1,318
Loss on scrap of inventory	750	1,198	3,973	1,604
Income from sale of scrap	(4,093)	(5,634)	(7,957)	(9,876)
	<u><u>\$ (12,900)</u></u>	<u><u>5,897</u></u>	<u><u>(11,631)</u></u>	<u><u>7,948</u></u>

As of June 30, 2024, December 31 and June 30, 2023, the Group did not pledge its inventories as collateral.

(h) Material non-controlling interests of subsidiaries

Name of the subsidiary	The main operating place / register country	The percentage of ownership interests and voting rights held by non-controlling interests		
		June 30, 2024	December 31, 2023	June 30, 2023
Namchow Food	China	18.70 %	18.76 %	19.12 %

(Continued)

NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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The financial information of Namchow Food has been prepared in accordance with the IFRSs Accounting standards endorsed by the FSC. The amounts included in this information is the fair value adjustment made during the acquisition and the relevant difference in accounting policies between the Group and its subsidiary as at the acquisition date. The amounts in the summarized financial information shall be the amounts before the inter-company eliminations.

The summary of financial information of Namchow Food was listed as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 11,117,129	10,420,628	11,656,640
Non-current assets	7,800,465	7,275,704	6,170,359
Current liabilities	(3,431,002)	(2,826,265)	(3,491,467)
Non-current liabilities	(283,160)	(277,823)	(294,362)
Net assets	<u>\$ 15,203,432</u>	<u>14,592,244</u>	<u>14,041,170</u>
Carrying amounts of non-controlling interests	<u>\$ 2,704,401</u>	<u>2,702,705</u>	<u>2,805,601</u>

	For the three months ended June 30	For the six months ended June 30	For the six months ended June 30
	2024	2023	2024
Operating revenue	<u>\$ 3,517,845</u>	<u>3,576,496</u>	<u>6,891,339</u>
Net income	<u>\$ 237,053</u>	<u>237,534</u>	<u>566,641</u>
Other comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 237,053</u>	<u>237,534</u>	<u>566,641</u>
Net income attributable to non-controlling interests	<u>\$ 44,447</u>	<u>45,413</u>	<u>106,244</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 44,447</u>	<u>45,413</u>	<u>106,244</u>

	For the six months ended June 30	For the six months ended June 30
	2024	2023
Net Cash flow from operating activities	\$ 1,404,765	1,096,111
Net Cash flow used in investing activities	(603,716)	(1,025,949)
Net Cash flow used in financing activities	(496,101)	(220,019)
Effect of exchange rate changes on cash and cash equivalents	4,310	(340)
Increase (decrease) in cash and cash equivalents	<u>\$ 309,258</u>	<u>(150,197)</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2024 and 2023 were as follows:

	Land	Buildings	Machinery	Other equipment	Unfinished construction	Total
Cost and revaluation :						
Balance as of January 1, 2024	\$ 2,730,995	6,683,429	8,112,514	4,575,093	352,076	22,454,107
Additions	-	30,890	15,986	54,833	488,364	590,073
Disposals	(38,128)	(27,922)	(322,534)	(169,036)	-	(557,620)
Reclassification	-	48,875	81,764	77,293	(194,392)	13,540
Effect of changes in foreign currency exchange rates	(42,797)	49,252	71,006	70,741	2,128	150,330
Balance as of June 30, 2024	<u>\$ 2,650,070</u>	<u>6,784,524</u>	<u>7,958,736</u>	<u>4,608,924</u>	<u>648,176</u>	<u>22,650,430</u>
Balance as of January 1, 2023	\$ 2,769,704	6,703,485	7,757,745	4,380,878	353,707	21,965,519
Additions	-	5,998	19,629	64,198	302,768	392,593
Disposals	-	-	(6,702)	(11,904)	(4,640)	(23,246)
Reclassification	-	46,660	313,350	50,700	(385,452)	25,258
Effect of changes in foreign currency exchange rates	(47,409)	(187,288)	(149,603)	(86,385)	(8,706)	(479,391)
Balance as of June 30, 2023	<u>\$ 2,722,295</u>	<u>6,568,855</u>	<u>7,934,419</u>	<u>4,397,487</u>	<u>257,677</u>	<u>21,880,733</u>
Depreciation and impairment loss :						
Balance as of January 1, 2024	\$ 31,953	2,243,112	4,977,501	3,369,570	-	10,622,136
Depreciation	-	107,279	164,939	153,640	-	425,858
Disposals	-	(27,918)	(317,394)	(161,358)	-	(506,670)
Reclassification	-	-	-	803	-	803
Effect of changes in foreign currency exchange rates	-	26,568	39,407	50,588	-	116,563
Balance as of June 30, 2024	<u>\$ 31,953</u>	<u>2,349,041</u>	<u>4,864,453</u>	<u>3,413,243</u>	<u>-</u>	<u>10,658,690</u>
Balance as of January 1, 2023	\$ 31,953	2,069,721	4,753,543	3,155,937	-	10,011,154
Depreciation	-	104,875	156,339	143,878	-	405,092
Disposals	-	-	(6,684)	(10,363)	-	(17,047)
Effect of changes in foreign currency exchange rates	-	(44,810)	(85,370)	(61,251)	-	(191,431)
Balance as of June 30, 2023	<u>\$ 31,953</u>	<u>2,129,786</u>	<u>4,817,828</u>	<u>3,228,201</u>	<u>-</u>	<u>10,207,768</u>
Carrying amounts :						
Balance as of January 1, 2024	\$ 2,699,042	4,440,317	3,135,013	1,205,523	352,076	11,831,971
Balance as of June 30, 2024	<u>\$ 2,618,117</u>	<u>4,435,483</u>	<u>3,094,283</u>	<u>1,195,681</u>	<u>648,176</u>	<u>11,991,740</u>
Balance as of January 1, 2023	\$ 2,737,751	4,633,764	3,004,202	1,224,941	353,707	11,954,365
Balance as of June 30, 2023	<u>\$ 2,690,342</u>	<u>4,439,069</u>	<u>3,116,591</u>	<u>1,169,286</u>	<u>257,677</u>	<u>11,672,965</u>

(i) Impairment loss

The subsidiaries—Huaciang and Namchow Thailand disposed their property, plant and equipment for the part of the Cooked Rice Business, Instant Noodles and Rice Crackers Divisions, respectively, from April to June, 2024. Therefore, the accumulated impairment losses recognized in previous years on the aforementioned property, plant and equipment had been written off. For the six months ended June 30, 2023, there was no such transactions by the Group.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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The movements in accumulated impairment loss of the Group's property, plant and equipment were as follows:

	For the six months ended June 30	
	2024	2023
Balance at beginning of the period	\$ 252,708	252,627
Amounts written-off	(166,326)	-
Effect of changes in foreign currency exchange rates	(38)	81
Balance at end of the period	\$ 86,344	252,708

(ii) Collateral

As of June 30, 2024, December 31 and June 30, 2023, the Group pledged its property, plant and equipment as collateral for long-term loans and lines of credit, please refer to note 8.

(j) Right-of-use assets

The movements in the Group's leases on land, buildings and other equipment were as follows:

	Land	Buildings	Other equipment	Total
Cost :				
Balance as of January 1, 2024	\$ 373,375	854,904	83,154	1,311,433
Additions	-	21,128	27,551	48,679
Disposals	-	(23,342)	(15,371)	(38,713)
Reclassification	-	-	(1,644)	(1,644)
Effect of changes in foreign currency exchange rates	10,182	16,852	217	27,251
Balance as of June 30, 2024	\$ 383,557	869,542	93,907	1,347,006
Balance as of January 1, 2023	\$ 334,009	850,385	82,960	1,267,354
Additions	-	27,551	12,993	40,544
Modification	-	(18,244)	(13,603)	(31,847)
Effect of changes in foreign currency exchange rates	(9,547)	(18,382)	(468)	(28,397)
Balance as of June 30, 2023	\$ 324,462	841,310	81,882	1,247,654
Accumulated depreciation :				
Balance as of January 1, 2024	\$ 105,794	439,344	46,961	592,099
Depreciation	3,988	66,907	12,249	83,144
Disposals	-	(13,038)	(14,391)	(27,429)
Reclassification	-	-	(803)	(803)
Effect of changes in foreign currency exchange rates	2,914	9,106	253	12,273
Balance as of June 30, 2024	\$ 112,696	502,319	44,269	659,284
Balance as of January 1, 2023	\$ 100,349	335,602	41,192	477,143
Depreciation	3,516	64,748	13,528	81,792
Modification	-	(18,244)	(13,603)	(31,847)
Effect of changes in foreign currency exchange rates	(2,965)	(8,136)	(339)	(11,440)
Balance as of June 30, 2023	\$ 100,900	373,970	40,778	515,648
Carrying amounts :				
Balance as of January 1, 2024	\$ 267,581	415,560	36,193	719,334
Balance as of June 30, 2024	\$ 270,861	367,223	49,638	687,722
Balance as of January 1, 2023	\$ 233,660	514,783	41,768	790,211
Balance as of June 30, 2023	\$ 223,562	467,340	41,104	732,006

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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(k) Investment property

	<u>Buildings</u>
Cost :	
Balance as of January 1, 2024	\$ 71,561
Effect of changes in foreign currency exchange rates	<u>1,951</u>
Balance as of June 30, 2024	<u>\$ 73,512</u>
Balance as of January 1, 2023	\$ 72,900
Effect of changes in foreign currency exchange rates	<u>(2,084)</u>
Balance as of June 30, 2023	<u>\$ 70,816</u>
Accumulated depreciation :	
Balance as of January 1, 2024	\$ 41,863
Depreciation	1,642
Effect of changes in foreign currency exchange rates	<u>1,154</u>
Balance as of June 30, 2024	<u>\$ 44,659</u>
Balance as of January 1, 2023	\$ 39,366
Depreciation	1,639
Effect of changes in foreign currency exchange rates	<u>(1,171)</u>
Balance as of June 30, 2023	<u>\$ 39,834</u>
Carrying amounts :	
Balance as of January 1, 2024	<u>\$ 29,698</u>
Balance as of June 30, 2024	<u>\$ 28,853</u>
Balance as of January 1, 2023	<u>\$ 33,534</u>
Balance as of June 30, 2023	<u>\$ 30,982</u>
Fair value:	
Balance as of January 1, 2024	<u>\$ 89,584</u>
Balance as of June 30, 2024	<u>\$ 96,206</u>
Balance as of January 1, 2023	<u>\$ 86,895</u>
Balance as of June 30, 2023	<u>\$ 86,065</u>

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancelable period of 5 years. Subsequent renewals are negotiable with the lessee, and no contingent rents are charged. Please refer to note 6(w) for further information.

The fair value of investment property is based on expected cash flow from the rental income, discounted at yields which reflect the specific level of risk associated with the cash flow. The range of yields applied to the net annual rentals to determine the fair value of the property was as follows:

<u>Region</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Xuhui Dist., Shanghai	2.50%	3.22%

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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As of June 30, 2024, December 31 and June 30, 2023, the Group did not pledge its investment property as collateral for long-term loans and lines of credit.

(l) Short-term borrowings, long-term borrowings and short-term commercial paper payables

The details, conditions and terms of the Group's short-term borrowings, long-term borrowings and short-term commercial paper payables were as follows:

(i) Short-term borrowings

June 30, 2024				
	Currency	Range of interest rates (%)	Year of maturity	Amount
Unsecured loans	RMB	2.15~3.55	2024~2025	\$ 1,335,367
Unsecured loans	TWD	1.77~1.920	2024~2025	1,892,000
Unsecured loans	JPY	0.78~1.13	2024~2025	542,170
Total				<u><u>\$ 3,769,537</u></u>

December 31, 2023				
	Currency	Range of interest rates (%)	Year of maturity	Amount
Unsecured loans	RMB	2.15~3.65	2024	\$ 1,505,878
Unsecured loans	TWD	1.60~1.86	2024	2,262,000
Unsecured loans	JPY	0.58~0.97	2024	536,050
Unsecured loans	THB	4.65	2024	7,213
Letter of credit	USD	6.61	2024	2,360
Total				<u><u>\$ 4,313,501</u></u>

June 30, 2023				
	Currency	Range of interest rates (%)	Year of maturity	Amount
Unsecured loans	RMB	1.85~3.90	2023~2024	\$ 1,861,011
Unsecured loans	TWD	1.60~1.80	2023~2024	1,380,000
Unsecured loans	JPY	0.58~0.98	2023~2024	476,225
Total				<u><u>\$ 3,717,236</u></u>

As of June 30, 2024, December 31 and June 30, 2023, the unused bank's credit facilities of the Group's short-term borrowing amounted to \$21,140,418 thousand, \$18,017,657 thousand and \$19,460,410 thousand, respectively.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Short-term commercial paper payable

December 31, 2023				
	Currency	Range of interest rates (%)	Year of maturity	Amount
Commercial paper payables	TWD	1.45~1.82	2024	\$ 235,000
Discount on commercial paper payable				(145)
Total				<u><u>\$ 234,855</u></u>

June 30, 2023				
	Currency	Range of interest rates (%)	Year of maturity	Amount
Commercial paper payables	TWD	1.44	2023	\$ 350,000
Discount on commercial paper payable				(297)
Total				<u><u>\$ 349,703</u></u>

As of June 30, 2024, the Group did not hold outstanding short-term commercial paper payables.

As of June 30, 2024, December 31 and June 30, 2023, the unused bank's credit facilities of the Group's short-term commercial paper payables amounted to \$630,000 thousand, \$630,000 thousand and \$410,000 thousand, respectively.

(iii) Long-term borrowings

June 30, 2024				
	Currency	Range of interest rates (%)	Year of maturity	Amount
Secured loans	JPY	1.250~1.275	2038~2039	\$ 552,766
Secured loans	TWD	1.8000~1.8200	2027	1,200,000
Unsecured loans	JPY	1.13273	2024	20,170
Unsecured loans	TWD	1.80~1.99	2025~2026	917,000
Total				<u><u>\$ 2,689,936</u></u>
Current				\$ 54,072
Non-current				2,635,864
Total				<u><u>\$ 2,689,936</u></u>

(Continued)

NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2023				
	Currency	Range of interest rates (%)	Year of maturity	Amount
Secured loans	JPY	1.25	2038~2039	\$ 613,318
Secured loans	TWD	1.8	2026	367,000
Unsecured loans	JPY	1.00545	2024	21,720
Unsecured loans	TWD	1.70~1.99	2024~2026	1,260,000
Total				<u><u>\$ 2,262,038</u></u>
Current				\$ 336,260
Non-current				1,925,778
Total				<u><u>\$ 2,262,038</u></u>

June 30, 2023				
	Currency	Range of interest rates (%)	Year of maturity	Amount
Secured loans	JPY	1.250~1.275	2038~2039	\$ 624,885
Secured loans	TWD	1.78	2026	100,000
Unsecured loans	JPY	0.99545	2024	21,500
Unsecured loans	TWD	0.95~1.99	2024~2026	2,246,000
Total				<u><u>\$ 2,992,385</u></u>
Current				\$ 35,669
Non-current				2,956,716
Total				<u><u>\$ 2,992,385</u></u>

As of June 30, 2024, December 31 and June 30, 2023, the unused bank's credit facilities of the Group's long-term borrowings amounted to \$2,732,519 thousand, \$2,584,624 thousand and \$3,130,464 thousand, respectively.

(iv) Collateral of bank's loans

As of June 30, 2024, December 31 and June 30, 2023, the Group has mortgaged its assets as collateral of loans, please refer to note 8.

(m) Bonds payable

The details of bonds payable by the Group were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Secured bonds	\$ 5,000,000	5,000,000	5,000,000
Unamortized discount on bonds payable	78,792	92,328	105,864
Ending balance of bonds payable	<u><u>\$ 4,921,208</u></u>	<u><u>4,907,672</u></u>	<u><u>4,894,136</u></u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest expenses	\$ <u>12,943</u>	<u>12,943</u>	<u>25,886</u>	<u>25,886</u>

There were no significant changes on the related information and condition of secured convertible bonds issued by the Group. Also, there were no significant issue, repurchase and repayment of bonds payable for the six months ended June 30, 2024 and 2023. For the related information, please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2023.

(n) Provisions

	June 30, 2024	December 31, 2023	June 30, 2023
Site restoration	\$ <u>10,264</u>	<u>10,264</u>	<u>10,264</u>

For the six months ended June 30, 2024 and 2023, the Group did not have any significant change on the provisions. For the related information, please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2023.

(o) Lease liabilities

The carrying amounts of lease liabilities for the Group were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	\$ <u>133,479</u>	<u>140,676</u>	<u>149,979</u>
Non-current	\$ <u>335,818</u>	<u>364,083</u>	<u>411,962</u>

For the maturity analysis, please refer to note 6(x).

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	\$ <u>5,154</u>	<u>5,921</u>	<u>27,558</u>	<u>12,216</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>7,523</u>	<u>(2,669)</u>	<u>14,484</u>	<u>12,256</u>
Income from sub-leasing right-of-use assets	\$ <u>(343)</u>	<u>(328)</u>	<u>(686)</u>	<u>(657)</u>
Expenses relating to short-term leases	\$ <u>14,300</u>	<u>19,218</u>	<u>54,101</u>	<u>38,490</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>2,580</u>	<u>1,553</u>	<u>4,560</u>	<u>2,969</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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The amounts recognized in the statement of cash flows were as follows:

	For the six months ended June 30	
	2024	2023
Total cash outflow for leases	\$ 181,956	141,353

(p) Employee benefits

(i) Defined benefit plans

Subsequent to December 31, 2023, there was no significant market volatility, significant curtailment, reimbursement and settlement or other significant one-time events. Therefore, the pension cost in the consolidated interim financial statements was measured and disclosed by the Group according to the pension cost valued by actuary as of December 31, 2023 and 2022.

The Group's expenses recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating costs	\$ 1,531	3,391	3,059	5,370
Operating expenses	1,319	3,083	3,061	5,096
Total	\$ 2,850	6,474	6,120	10,466

(ii) Defined contribution plans

The expenses under the pension plan cost to the Bureau of Labor Insurance and the local government recognized in profit or loss for the Group were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating costs	\$ 20,556	13,022	40,444	35,926
Operating expenses	36,830	31,569	72,096	64,259
Total	\$ 57,386	44,591	112,540	100,185

(iii) Short-term employee benefit

	June 30, 2024	December 31, 2023	June 30, 2023
Compensated absence liabilities (recorded under other payables)	\$ 29,447	32,067	26,010

(q) Income taxes

- i) Income tax expense was best estimated by multiplying pretax income of the interim period by a projected annual effective tax rate as forecasted by the management.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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ii) Income tax expense

The components of income tax expense were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Current tax expense				
Current period	\$ 149,561	133,258	311,318	222,883
Adjustment to prior years	<u>(13,623)</u>	<u>(884)</u>	<u>(13,623)</u>	<u>(884)</u>
	135,938	132,374	297,695	221,999
Deferred income tax expense				
Origination and reversal of temporary differences	<u>15,110</u>	<u>5,361</u>	<u>45,460</u>	<u>27,357</u>
Income tax expense from continuing operations	<u>\$ 151,048</u>	<u>137,735</u>	<u>343,155</u>	<u>249,356</u>

iii) Examination and approval

The tax returns of the Company have been examined and approved by the tax authorities through 2020.

(r) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the six months ended June 30, 2024 and 2023. For the related information, Please refer to note 6(q) of the consolidated financial statements for the year ended December 31, 2023.

(i) Capital surplus

The components of capital surplus were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Paid-in capital in excess for par value	\$ 1,280	1,280	1,280
Overaging unclaimed dividends and other	12,769	9,854	9,906
Treasury stock	1,491,217	1,376,517	1,284,757
Recognize changes in all equity in subsidiaries	<u>2,433,740</u>	<u>2,438,173</u>	<u>2,485,154</u>
	<u>\$ 3,939,006</u>	<u>3,825,824</u>	<u>3,781,097</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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(ii) Retained earnings — Distribution of retained earnings

The Company's Board of Directors resolved to appropriate the earnings for 2023 and 2022 and the earnings were appropriated as follows:

	2023	2022
	March 12, 2024	March 14, 2023
Date resolved by Board of Directors		
Dividends distributed to common stockholders:		
Cash	\$ <u>735,332</u>	<u>588,266</u>
Dividend Payout (in New Taiwan dollars)	\$ <u>2.5</u>	<u>2.0</u>

(iii) Treasury stock

The Company's subsidiary held the Company's shares for long-term purposes and the shares were acquired in previous years. For the six months ended June 30, 2024 and 2023, the subsidiary did not acquire the Company's shares. As of June 30, 2024, December 31 and June 30, 2023, the subsidiary held the Company's shares were as follows:

June 30, 2024					
<u>Subsidiary name</u>	<u>Number of shares (in thousand)</u>	<u>Market price per share</u>	<u>Acquisition cost per share</u>	<u>Total market value</u>	<u>Total treasury stock</u>
Lucky Co.	46,041	58.70	11.51	\$ <u>2,702,622</u>	<u>530,114</u>

December 31, 2023					
<u>Subsidiary name</u>	<u>Number of shares (in thousand)</u>	<u>Market price per share</u>	<u>Acquisition cost per share</u>	<u>Total market value</u>	<u>Total treasury stock</u>
Lucky Co.	46,041	50.80	11.51	\$ <u>2,338,896</u>	<u>530,114</u>

June 30, 2023					
<u>Subsidiary name</u>	<u>Number of shares (in thousand)</u>	<u>Market price per share</u>	<u>Acquisition cost per share</u>	<u>Total market value</u>	<u>Total treasury stock</u>
Lucky Co.	46,041	47.85	11.51	\$ <u>2,203,074</u>	<u>530,114</u>

In accordance with the Business Mergers and Acquisitions Act, the treasury stock held by the Company shall not be pledged nor be entitled to any distribution of dividends or voting rights.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equities (net for tax)

	Foreign exchange differences arising from foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Non-controlling interests	Total
Balance as of January 1, 2024	\$ (928,392)	3,940	227,653	(696,799)
Foreign exchange differences arising from foreign operations	277,380	-	54,695	332,075
Unrealized gains on financial assets measured at fair value through comprehensive income	-	12,791	9	12,800
Balance as of June 30, 2024	<u>\$ (651,012)</u>	<u>16,731</u>	<u>282,357</u>	<u>(351,924)</u>
Balance as of January 1, 2023	\$ (710,951)	(49,100)	247,962	(512,089)
Foreign exchange differences arising from foreign operations	(411,379)	-	(83,060)	(494,439)
Unrealized gains on financial assets measured at fair value through comprehensive income	-	4,970	-	4,970
Balance as of June 30, 2023	<u>\$ (1,122,330)</u>	<u>(44,130)</u>	<u>164,902</u>	<u>(1,001,558)</u>

(s) Share-based payment

Except for the following disclosure, the description of the Group's share-based payment were not materially different from those disclosed in the consolidated financial statements for the year ended December 31, 2023. For the related information, please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2023.

The related information of employee restricted stocks was as follows:

	Unit: thousand of shares For the six months ended June 30	
	2024	2023
Shares outstanding on January 1	1,810	3,834
Cancelled during the year	(1,810)	(148)
Shares outstanding on June 30	<u>-</u>	<u>3,686</u>

For the three months and the six months ended June 30, 2023, the Group's expenses resulting from employee restricted stocks were \$10,071 thousand and \$20,186 thousand, and recorded under operating expenses, respectively. For the six months ended June 30, 2023, the Group did not recognize share-based payment resulting from employee restricted stocks.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Earnings per share (EPS)

The calculation of the Group's basic earnings per share and diluted earnings per share for the six months ended June 30, 2024 and 2023, were as follows:

(i) Basic EPS

	For the three months ended June 30		Unit: thousand of shares For the six months ended June 30	
	2024	2023	2024	2023
Net income attributable to common shareholders of the Company	\$ <u>268,749</u>	<u>241,796</u>	<u>629,499</u>	<u>374,910</u>
Weighted-average number of common shares outstanding	<u>248,092</u>	<u>248,092</u>	<u>248,092</u>	<u>248,092</u>
Basic EPS (in New Taiwan dollars)	\$ <u>1.08</u>	<u>0.97</u>	<u>2.54</u>	<u>1.51</u>

ii) Diluted EPS

	For the three months ended June 30		Unit: thousand of shares For the six months ended June 30	
	2024	2023	2024	2023
Net income attributable to common shareholders of the Company	\$ <u>268,749</u>	<u>241,796</u>	<u>629,499</u>	<u>374,910</u>
Weighted-average number of common shares outstanding	248,092	248,092	248,092	248,092
Influence of potentially dilutive shares				
– Remuneration to employees	<u>125</u>	<u>90</u>	<u>212</u>	<u>148</u>
Weighted-average number of shares outstanding – diluted	<u>248,217</u>	<u>248,182</u>	<u>248,304</u>	<u>248,240</u>
Diluted EPS (in New Taiwan dollars)	\$ <u>1.08</u>	<u>0.97</u>	<u>2.54</u>	<u>1.51</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

For the three months ended June 30, 2024								
Area of distribution:	<u>Edible and non- edible oil products</u>	<u>Detergent products</u>	<u>Frozen dough</u>	<u>Ice cream products</u>	<u>Foods</u>	<u>Catering</u>	<u>Management, rental revenue and others</u>	<u>Total</u>
China	\$ 3,089,242	-	455,447	-	5,475	100,121	6,765	3,657,050
Taiwan	237,949	111,066	167,406	583,304	121,514	117,015	15,326	1,353,580
Thailand	-	-	-	-	78,912	-	6,844	85,756
New Zealand and Australia	-	-	-	-	244,145	-	-	244,145
United states	-	-	-	-	215,241	-	-	215,241
Europe	-	-	-	-	247,404	-	-	247,404
Others	2,960	-	-	-	63,168	3,718	-	69,846
	<u>\$ 3,330,151</u>	<u>111,066</u>	<u>622,853</u>	<u>583,304</u>	<u>975,859</u>	<u>220,854</u>	<u>28,935</u>	<u>5,873,022</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended June 30, 2023								
Area of distribution:	Edible and non- edible oil products	Detergent products	Frozen dough	Ice cream products	Foods	Catering	Management, rental revenue and others	Total
China	\$ 3,188,855	-	405,846	-	2,562	108,052	5,887	3,711,202
Taiwan	230,145	105,569	148,963	489,660	111,034	115,941	13,229	1,214,541
Thailand	-	-	-	-	67,222	-	(9,933)	57,289
New Zealand and Australia	-	-	-	-	251,421	-	-	251,421
United states	-	-	-	-	176,525	-	-	176,525
Europe	-	-	-	-	218,813	-	-	218,813
Others	4,475	-	-	-	80,101	4,366	-	88,942
	<u>\$ 3,423,475</u>	<u>105,569</u>	<u>554,809</u>	<u>489,660</u>	<u>907,678</u>	<u>228,359</u>	<u>9,183</u>	<u>5,718,733</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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For the six months ended June 30, 2024								
	Edible and non- edible oil products	Detergent products	Frozen dough	Ice cream products	Foods	Catering	Management, rental revenue and others	Total
Area of distribution:								
China	\$ 6,068,469	-	855,098	-	14,578	157,358	14,124	7,109,627
Taiwan	483,514	231,040	337,446	1,002,079	270,182	255,512	25,410	2,605,183
Thailand	-	-	-	-	154,164	-	17,382	171,546
New Zealand and Australia	-	-	-	-	458,529	-	-	458,529
United States	-	-	-	-	418,800	-	-	418,800
Europe	-	-	-	-	546,071	-	-	546,071
Others	8,358	-	-	-	133,045	7,935	-	149,338
	<u>\$ 6,560,341</u>	<u>231,040</u>	<u>1,192,544</u>	<u>1,002,079</u>	<u>1,995,369</u>	<u>420,805</u>	<u>56,916</u>	<u>11,459,094</u>
For the six months ended June 30, 2023								
	Edible and non- edible oil products	Detergent products	Frozen dough	Ice cream products	Foods	Catering	Management, rental revenue and others	Total
Area of distribution:								
China	\$ 6,070,244	-	814,102	-	6,872	172,375	15,261	7,078,854
Taiwan	468,418	220,137	303,546	835,003	239,659	249,753	27,457	2,343,973
Thailand	-	-	-	-	125,123	-	1,066	126,189
New Zealand and Australia	-	-	-	-	505,049	-	-	505,049
United States	-	-	-	-	341,805	-	-	341,805
Europe	-	-	-	-	419,228	-	-	419,228
Others	15,345	-	-	-	149,594	9,285	-	174,224
	<u>\$ 6,554,007</u>	<u>220,137</u>	<u>1,117,648</u>	<u>835,003</u>	<u>1,787,330</u>	<u>431,413</u>	<u>43,784</u>	<u>10,989,322</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	June 30, 2024	December 31, 2023	June 30, 2023
Contract liability	<u>\$ 272,723</u>	<u>383,721</u>	<u>352,297</u>

For the details of disclosure on notes and accounts receivable and allowance impairment, please refer to note 6(e).

The amount of revenue recognized for the six months ended June 30, 2024 and 2023, that was included in the contract liability balances at the beginning of the period were \$277,474 thousand and \$174,326 thousand, respectively.

(v) Remuneration to employees and directors

In accordance with the Company's articles of incorporation, if there is profit for the year, the Company shall set aside no less than 1% of its profit as for employee remuneration and no more than 5% as directors' remuneration. However, priority shall be given to covering cumulative losses, if any. Employees of subsidiaries may also be entitled to the employee remuneration of the Company, which can be settled in the form of cash or stock.

For the three months and six months ended June 30, 2024 and 2023, the estimated amounts of employees' compensation were \$3,213 thousand, \$2,791 thousand, \$7,353 thousand and \$4,300 thousand, respectively, and the estimated amounts of directors' remuneration were \$14,458 thousand, \$11,164 thousand, \$33,090 thousand and \$17,198 thousand, respectively. The estimated amounts mentioned above are based on the net profit before tax, excluding employee compensation and directors' remuneration, of each respective ending period, multiplied by the percentage of the employee compensation, and the directors' remuneration, as specified in the Company's article. The estimations are recorded under operating expenses. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

For the years ended December 31, 2023 and 2022, the remunerations to employees amounted to \$12,190 thousand and \$6,645 thousand, respectively, and the remunerations to directors amounted to \$54,856 thousand and \$26,578 thousand, respectively. The amounts, as stated in the consolidated statements, are identical to those of the actual distributions. The related information can be accessed from Market Observation Post System website.

(w) Non-operating income and expenses

(i) Interest income

The details of the Group's interest income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest income from bank deposits	<u>\$ 66,238</u>	<u>62,183</u>	<u>130,221</u>	<u>124,151</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other income

The details of the Group's other income were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Rental income	\$ 3,009	2,459	5,756	4,971
Dividend income	2,348	322	2,348	322
Other income — other				
Government grants	17,442	2,666	39,657	43,415
Others	18,718	12,505	30,384	29,050
Total other income — other	36,160	15,171	70,041	72,465
Total other income	<u>\$ 41,517</u>	<u>17,952</u>	<u>78,145</u>	<u>77,758</u>

(iii) Other gains and losses

The details of the Group's other gains and losses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Gains on disposal of property, plant and equipment, net	\$ 351	1,595	21,967	1,993
Gains on lease modification, net	811	-	811	-
Foreign exchange gains, net	1,669	21,903	45,987	22,669
Other gains and losses	(14,036)	2,995	(12,809)	(3,273)
Other gains and losses, net	<u>\$ (11,205)</u>	<u>26,493</u>	<u>55,956</u>	<u>21,389</u>

(iv) Finance costs

The details of the Group's finance costs were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest expenses				
Interest expenses on bank's loans	\$ 35,767	34,278	49,981	70,236
Interest expenses on bonds payable	12,943	12,943	25,886	25,886
Interest expenses on lease liabilities	5,154	5,921	27,558	12,216
Finance costs, net	<u>\$ 53,864</u>	<u>53,142</u>	<u>103,425</u>	<u>108,338</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and in the degree of exposure to credit risk, market risk—interest rate risk and other market risk arising from financial instruments. For the related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2023.

(i) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-2 years	2-5 years	Over 5 years
As of June 30, 2024						
Non-derivative financial liabilities						
Secured loans	\$ 1,752,766	1,910,137	62,369	102,987	1,382,220	362,561
Unsecured loans	4,706,707	4,789,813	3,836,393	658,569	294,851	-
Accounts payable	1,656,139	1,656,139	1,656,139	-	-	-
Dividends payable	620,614	620,614	620,614	-	-	-
Other payables	2,328,353	2,328,353	2,328,353	-	-	-
Bonds payable	4,921,208	5,000,000	-	-	5,000,000	-
Lease liabilities	469,297	516,082	150,237	126,696	216,212	22,937
Guarantee deposits received	60	60	60	-	-	-
Derivative financial liabilities						
Other forward exchange contracts:						
Outflow	1,214	1,214	1,214	-	-	-
	<u>\$ 16,456,358</u>	<u>16,822,412</u>	<u>8,655,379</u>	<u>888,252</u>	<u>6,893,283</u>	<u>385,498</u>
As of December 31, 2023						
Non-derivative financial liabilities						
Secured loans	\$ 980,318	1,069,659	50,346	94,086	512,934	412,293
Unsecured loans	5,595,221	5,673,993	4,652,926	811,286	209,781	-
Short-term commercial paper payable	234,855	235,000	235,000	-	-	-
Accounts payable	1,245,781	1,245,781	1,245,781	-	-	-
Dividends payable	247	247	247	-	-	-
Other payables	1,718,025	1,718,025	1,718,025	-	-	-
Bonds payable	4,907,672	5,000,000	-	-	5,000,000	-
Lease liabilities	504,759	559,455	158,939	111,468	236,909	52,139
Guarantee deposits received	60	60	60	-	-	-
	<u>\$ 15,186,938</u>	<u>15,502,220</u>	<u>8,061,324</u>	<u>1,016,840</u>	<u>5,959,624</u>	<u>464,432</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
As of June 30, 2023						
Non-derivative financial liabilities						
Secured loans	\$ 724,885	797,969	45,077	88,374	234,753	429,765
Unsecured loans	5,984,736	6,134,426	3,787,308	1,835,425	511,693	-
Short-term commercial paper payable	349,703	350,000	350,000	-	-	-
Accounts payable	1,485,365	1,485,365	1,485,365	-	-	-
Dividends payable	247	247	247	-	-	-
Other payables	1,487,398	1,487,398	1,487,398	-	-	-
Bonds payable	4,894,136	5,000,000	-	-	3,000,000	2,000,000
Lease liabilities	561,941	625,355	170,041	143,222	230,955	81,137
Guarantee deposits received	60	60	60	-	-	-
Derivative financial liabilities						
Other forward exchange contracts:						
Outflow	3,148	3,148	3,148	-	-	-
	<u>\$ 15,491,619</u>	<u>15,883,968</u>	<u>7,328,644</u>	<u>2,067,021</u>	<u>3,977,401</u>	<u>2,510,902</u>

The Group is not expect that the cash flows including the maturity analysis could occur significantly earlier or at significantly different amounts.

(ii) Market risk—currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
As of June 30, 2024			
Financial assets:			
Monetary items:			
USD	\$	7,696	32.450
HKD		54,940	0.890
Financial liabilities:			
Monetary items:			
USD	\$	1,733	32.450
EUR		15,095	34.710
As of December 31, 2023			
Financial assets:			
Monetary items:			
USD	\$	21,185	30.705
THB		109,069	0.900
Financial liabilities:			
Monetary items:			
USD	\$	3,725	30.705
EUR		9,272	33.980

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
As of June 30, 2023			
Financial assets:			
Monetary items:			
USD	\$	3,254	31.140
			101,329
Financial liabilities:			
Monetary items:			
USD	\$	6,799	31.140
			211,724
EUR		10,765	33.810
			363,957

The Group's exposure to foreign currency risk arose from cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable and other payables that were denominated in foreign currencies. A strengthening (weakening) of 1% of the TWD against the USD, THB and EUR as of June 30, 2024 and 2023, would have increased (decreased) the net income before tax for the six months ended June 30, 2024 and 2023 by \$2,817 thousand and \$4,744 thousand, respectively.

Due to the variety of the Group's functional currency, the Group disclosed its exchange gains and losses of monetary items collectively. For the three months and six months ended June 30, 2024 and 2023, the Group's foreign exchange gains (losses), net (including realized and unrealized of monetary items) amounted to \$1,669 thousand, \$21,903 thousand, \$45,987 thousand and \$22,669 thousand, respectively.

(iii) Interest rate risk analysis

Please refer to the note on liquidity risk management for the interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on derivative and non-derivative financial instruments on the reporting date. For variable-rate instruments, the sensitivity analysis assumes the variable-rate liabilities are outstanding for the whole year on the reporting date. The Group's internal department reported the increases (decreases) in the interest rates and the exposure to change in the interest rates by 1% to the Group's key management so as to allow key management to assess the reasonableness of the changes in the interest rates.

If the interest rates increase (decrease) by 1% with all other variable factors that remain constant, the net income before tax of the Group would have changed \$29,255 thousand and \$17,921 thousand for the six months ended June 30, 2024 and 2023, respectively due to the Group's floating-interest loans, financial assets measured at amortized cost and time deposits.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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(iv) Fair value of financial instruments

1) Categories and fair values of financial instruments

Financial assets measured at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs whose carrying amount is reasonably close to the fair value, including cash and cash equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, short-term borrowings, short-term commercial paper payables, long-term borrowings (included current portion), account payables, dividend payables, bonds payable, and lease liabilities, disclosure of fair value information is not required:

		June 30, 2024				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income						
Stocks listed on domestic markets						
	\$	<u>36,717</u>	<u>36,717</u>	<u>-</u>	<u>-</u>	<u>36,717</u>
Financial liabilities at fair value through profit or loss						
Derivative financial liabilities						
	\$	<u>1,214</u>	<u>-</u>	<u>1,214</u>	<u>-</u>	<u>1,214</u>
		December 31, 2023				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income						
Stocks listed on domestic markets						
	\$	<u>23,917</u>	<u>23,917</u>	<u>-</u>	<u>-</u>	<u>23,917</u>
		June 30, 2023				
		Carrying amount	Fair value			
			Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income						
Stocks listed on domestic markets						
	\$	<u>20,842</u>	<u>20,842</u>	<u>-</u>	<u>-</u>	<u>20,842</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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	June 30, 2023				
	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at fair value through profit or loss					
Derivative financial liabilities	\$ <u>3,148</u>	<u>-</u>	<u>3,148</u>	<u>-</u>	<u>3,148</u>

2) Valuation techniques and assumptions used in fair value determination

a) Non-derivative financial instruments

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

The stocks of publicly traded companies are financial assets which are traded in active markets under standard terms and conditions. The fair value of the abovementioned stocks is based on quoted market prices.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Fair value hierarchy

The Group used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair value levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

- a) Level 1 inputs: Unadjusted quoted prices for identical assets or liabilities in active markets.
- b) Level 2 inputs: Other than quoted prices included within Level 1, inputs are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- c) Level 3 inputs: For the asset or liability that are not based on observable market data (unobservable inputs).

There was no such situation that the Group reclassified the financial instruments from one level to another as of the reporting date.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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4) Transfers between Level 1 and Level 2

For the six months ended June 30, 2024 and 2023, the fair value hierarchy levels of financial instruments were not transferred.

(y) Financial risk management

There were no significant change in the objectives and policies concerning the financial risk that the Group was exposed to. For the related information, please refer to 6(x) of the consolidated financial statements for the year December 31, 2023.

(z) Capital management

The objectives, policies and procedures of the Group's capital management have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, there was no significant change in the Group's capital management information as disclosed for the year ended December 31, 2023. Refer to Note 6(y) of the consolidated financial statements for the year ended December 31, 2023 for the relevant information.

(aa) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the six months ended June 30, 2024 and 2023, were as follows:

(i) For the acquisition of right-of-use assets, please refer to note 6(j).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash changes			June 30, 2024
			Acquisition of right-of- use assets	Foreign exchange movement	Others	
Short-term borrowings	\$ 4,313,501	(543,355)	-	(609)	-	3,769,537
Short-term commercial paper payables	234,855	(235,000)	-	-	145	-
Bonds payable	4,907,672	-	-	-	13,536	4,921,208
Long-term borrowings (included current portion)	2,262,038	472,542	-	(44,644)	-	2,689,936
Lease liabilities	504,759	(81,939)	48,679	9,893	(12,095)	469,297
Other non-current liabilities	108,420	1,963	-	-	-	110,383
Total liabilities from financing activities	<u>\$ 12,331,245</u>	<u>(385,789)</u>	<u>48,679</u>	<u>(35,360)</u>	<u>1,586</u>	<u>11,960,361</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	January 1, 2023	Cash flows	Non-cash changes			June 30, 2023
			Acquisition of right-of- use assets	Foreign exchange movement	Others	
Short-term borrowings	\$ 3,283,265	526,272	-	(92,301)	-	3,717,236
Short-term commercial paper payables	299,909	50,000	-	-	(206)	349,703
Bonds payable	4,880,600	-	-	-	13,536	4,894,136
Long-term borrowings (included current portion)	3,571,902	(526,691)	-	(52,826)	-	2,992,385
Lease liabilities	609,397	(76,079)	40,544	(11,921)	-	561,941
Other non-current liabilities	138,651	(16,758)	-	-	-	121,893
Total liabilities from financing activities	<u>\$ 12,783,724</u>	<u>(43,256)</u>	<u>40,544</u>	<u>(157,048)</u>	<u>13,330</u>	<u>12,637,294</u>

(7) Related-party transactions

(a) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Chen Fei Lung	Key management personnel
Chen Chang Li	Other related parties

(b) Significant transactions with related parties—leases

The Group entered into a two-year lease agreement with its key management personnel for a building to be used for its business operation, with a rental fee based on the rental rates within the vicinity. For the three months and six months ended June 30, 2024 and 2023, the Group recognized the amount of \$17 thousand, \$44 thousand, \$40 thousand and \$95 thousand as interest expense, respectively. As of June 30, 2024, December 31 and June 30, 2023, the ending balance of lease liabilities amounted to \$4,172 thousand, \$10,377 thousand and \$12,432 thousand, respectively.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Short-term employee benefits	\$ 89,645	66,042	177,189	119,387
Post-employments benefits	566	522	1,115	1,021
	<u>\$ 90,211</u>	<u>66,564</u>	<u>178,304</u>	<u>120,408</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
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(8) Pledged assets

The carrying amounts of the assets which the Group pledged as collateral were as follows:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Property, plant and equipment:				
Land	Long-term borrowings	\$ 1,598,493	1,716,872	1,711,264
Buildings	Long-term borrowings	623,348	722,996	728,622
		<u>\$ 2,221,841</u>	<u>2,439,868</u>	<u>2,439,886</u>

(9) Significant contingent liabilities and unrecognized commitments

(a) Significant unrecognized commitments:

(i) The Group's unrecognized contractual commitments were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Acquisition of property, plant and equipment	<u>\$ 909,653</u>	<u>350,984</u>	<u>109,128</u>

(ii) The Group's unused letters of credit for purchases of materials:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Unused letters of credit for purchases of materials	<u>\$ 373,365</u>	<u>440,615</u>	<u>360,931</u>

(iii) The Group's letters of credit guarantee bill for purchasing merchandise and credit facilities:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Letters of credit guarantee bill	<u>\$ 17,713,148</u>	<u>16,381,859</u>	<u>16,525,555</u>

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (b) Lucky Co., Namchow BVI Co. and Paulaner Brauhaus Consult GmbH (PBCG) have entered into a contract for the use of the PBCG brand name and beer brewing techniques. In accordance with the contract, PBCG has to provide the right to use its brand name and its management consultation service for restaurant management, information service. The contract lasts for 10 years, starting from October 1, 2019 to September 30, 2029, with the option of extending it for an additional of 10 years, and there will be an automatic renewal for five years after the first renewal.

	June 30, 2024
One year	\$ 833
Less than five years	3,332
More than five years	278
	\$ 4,443

- (c) Dian Shui Lou Co. entered into an agreement with several malls, it is agreed to take a certain percentage according to the turnover of each store.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events

In order to prepare for the listing of the subsidiary, Lucky Royal Co., Ltd. (hereinafter refer to as Lucky Royal), the Company resolved in the Board of Director meeting on July 18, 2024 to dispose the shares of Lucky Royal and expected to reduce the interests in Lucky Royal to less than 70%. The Company set up the date of share release on June 8, 2024, the period of subscription was August 8 to August 14, 2024. The Company expected to dispose of 21,101 thousand shares of Lucky Royal, the subscription price was set at \$61 per share with a total subscription price of \$1,287,161 thousand and expected to reduce its shareholding percentage in Lucky Royal by 30.14%. If the above transaction is completed, the Company's shareholding percentage in Lucky Royal will be decreased from 99.65% to 69.51%.

(12) Other

- (a) A summary of personnel expenses, depreciation and amortization, by function, is as follows:

By function	For the three months ended June 30, 2024			For the three months ended June 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
By item						
Personnel expenses						
Salaries	289,753	462,782	752,535	225,476	353,309	578,785
Labor and health insurance	88,527	50,238	138,765	79,359	44,364	123,723
Pension	22,087	38,149	60,236	16,413	34,652	51,065
Remuneration of directors	-	16,074	16,074	-	12,603	12,603
Others	27,452	32,765	60,217	14,076	33,893	47,969
Depreciation (note 1)	161,759	94,304	256,063	143,322	100,749	244,071
Amortization	-	-	-	-	-	-

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By function By item	For the six months ended June 30, 2024			For the six months ended June 30, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Personnel expenses						
Salaries	567,667	866,702	1,434,369	526,068	752,076	1,278,144
Labor and health insurance	177,712	99,230	276,942	166,357	91,573	257,930
Pension	43,503	75,157	118,660	41,296	69,355	110,651
Remuneration of directors	-	36,303	36,303	-	19,794	19,794
Others	52,970	68,346	121,316	35,532	80,003	115,535
Depreciation (note 1)	308,967	196,998	505,965	287,788	199,096	486,884
Amortization	-	-	-	-	-	-

Note 1: Depreciation expenses for investment property recognized under non-operating income and expenses — other gains and losses amounting to \$830 thousand, \$813 thousand, \$1,642 thousand and \$1,639 thousand for the three months and six months ended June 30, 2024 and 2023 were not excluded, respectively.

Note 2: The Group's depreciation expenses amounting to \$3,037 thousand was recorded under other gains and losses for the six months ended June 30, 2024.

(b) Seasonality or cyclically of interim operations

The ice cream department of the Group's operation is affected by the weather conditions and the impact of seasonal fluctuations. In which ice cream sales at the main areas are easily adversely impacted due to the winter weather conditions from November to the following February each year. The Group's attempts satisfy supply needs by inventory management during this period to reduce the seasonal effects. Generally, revenue and operating profit in the first quarter of ice cream department is relatively low.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the six months ended June 30, 2024:

(i) Loans extended to other parties:

Unit: thousand dollars

No.	Name of lender	Name of borrower	Financial statement account	Related party	Highest balance of financing to other parties during the period	Ending balance	Amount actually drawn (Note 1)	Range of interest rates	Purposes of fund financing for the borrowers	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Maximum financing limit for the lender
													Item	Value		
1	Namchow Food	Tianjin Namchow	Other receivables — related parties	Yes	1,175,788	583,692	583,692	-	Short term financing	-	Capital for operation	-	-	-	6,076,502 (Note 2)	6,076,502 (Note 2)
2	Namchow Food	Guangzhou Namchow	Other receivables — related parties	Yes	1,674,663	831,346	831,346	-	Short term financing	-	Capital for operation	-	-	-	6,076,502 (Note 2)	6,076,502 (Note 2)
3	Namchow Food	Shanghai Namchow	Other receivables — related parties	Yes	1,167,632	579,643	579,643	-	Short term financing	-	Capital for operation	-	-	-	6,076,502 (Note 2)	6,076,502 (Note 2)

Note 1: The transactions within the Group were eliminated in the consolidated financial statements.

Note 2: Base on the Namchow Food's guidelines, the allowable aggregate amount of financing provided to others and the maximum financing provided to an individual company shall not exceed 40% of the Namchow Food's stockholder's equity.

(ii) Guarantees and endorsements for other parties:

Unit: thousand dollars

No.	Name of company	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for one party	Highest balance for guarantees and endorsements during the period	Ending balance of guarantees and endorsements	Amount actually drawn	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum allowable amount for guarantees and endorsements	Parent company endorsement / guarantees to third parties on behalf of subsidiary	Subsidiary endorsement / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of company in Mainland China
		Name	Relationship with the Company										
0	The Company	Nankyo Japan	2	10,124,883	1,002,090	969,940	562,340	-	9.58 %	10,124,883	Y	N	N

Note 1: The guarantee's relationship with the guarantor is as follows:

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

Note 2: According to the Company's guarantee and endorsement policies, the total guarantee and endorsement not exceed 100% of the Company's net worth, while the total guarantees and endorsements for an individual party not exceed 100% of the Company's net worth.

(iii) Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures):

Unit: thousand dollars/thousand of shares

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Remarks
				Number of shares	Book value	Holding percentage	Market value	
The Company	Stock: Capital Securities Co., Ltd.	—	Financial assets at fair value through comprehensive income — non-current	1,185	29,752	0.05 %	29,752	
Lucky Royal	Stock: The Company	The Company's subsidiary	Financial assets at fair value through comprehensive income — non-current	46,041	2,702,622	15.65 %	2,702,622	
Lucky Royal	Stock: Capital Securities Co., Ltd.	—	Financial assets at fair value through comprehensive income — non-current	277	6,965	0.01 %	6,965	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

(v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.

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NAMCHOW HOLDINGS CO., LTD. AND SUBSIDIARIES

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- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

Unit: thousand dollars

Name of company	Counter-party	Relationship	Transaction details				Status and reason for deviation from arm's-length transaction		Accounts / notes receivable (payable)		Remarks
			Purchase / Sale	Amount	Percentage of total purchases / sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
Lucky Royal	Huaciang	Subsidiary	Purchase	104,384	17 %	Note 1	-	-	(891)	- %	Eliminated
Huaciang	Lucky Royal	Subsidiary	(Sales)	(104,384)	(12) %	Note 1	-	-	891	1 %	Eliminated
Tianjin Yoshi Yoshi	Tianjin Namchow	Subsidiary	Purchase	146,012	61 %	Note 1	-	-	(40,182)	(69) %	Eliminated
Tianjin Namchow	Tianjin Yoshi Yoshi	Subsidiary	(Sales)	(146,012)	(12) %	Note 1	-	-	40,182	18 %	Eliminated
Namchow Food	Tianjin Namchow	Subsidiary	Purchase	901,988	20 %	Note 1	-	-	(149,439)	(12) %	Eliminated
Tianjin Namchow	Namchow Food	Subsidiary	(Sales)	(901,988)	(72) %	Note 1	-	-	149,439	67 %	Eliminated
Namchow Food	Guangzhou Namchow	Subsidiary	Purchase	779,584	17 %	Note 1	-	-	(134,569)	(10) %	Eliminated
Guangzhou Namchow	Namchow Food	Subsidiary	(Sales)	(779,584)	(50) %	Note 1	-	-	134,569	36 %	Eliminated
Namchow Food	Tianjin Yoshi Yoshi	Subsidiary	Purchase	231,615	5 %	Note 1	-	-	(53,709)	(4) %	Eliminated
Tianjin Yoshi Yoshi	Namchow Food	Subsidiary	(Sales)	(231,615)	(67) %	Note 1	-	-	53,709	65 %	Eliminated
Namchow Food	Shanghai Namchow	Subsidiary	Purchase	1,055,981	23 %	Note 1	-	-	-	- %	Eliminated
Shanghai Namchow	Namchow Food	Subsidiary	(Sales)	(1,055,981)	(77) %	Note 1	-	-	-	- %	Eliminated
Chongqing Qiaoxing	Tianjin Namchow	Subsidiary	Purchase	166,717	17 %	Note 1	-	-	(30,551)	(3) %	Eliminated
Tianjin Namchow	Chongqing Qiaoxing	Subsidiary	(Sales)	(166,717)	(13) %	Note 1	-	-	30,551	14 %	Eliminated
Chongqing Qiaoxing	Tianjin Yoshi Yoshi	Subsidiary	Purchase	111,256	11 %	Note 1	-	-	(28,371)	(7) %	Eliminated
Tianjin Yoshi Yoshi	Chongqing Qiaoxing	Subsidiary	(Sales)	(111,256)	(32) %	Note 1	-	-	28,371	34 %	Eliminated
Chongqing Qiaoxing	Shanghai Namchow	Subsidiary	Purchase	239,638	25 %	Note 1	-	-	(43,118)	(5) %	Eliminated
Shanghai Namchow	Chongqing Qiaoxing	Subsidiary	(Sales)	(239,638)	(17) %	Note 1	-	-	43,118	100 %	Eliminated
Chongqing Qiaoxing	Guangzhou Namchow	Subsidiary	Purchase	453,958	47 %	Note 1	-	-	(83,177)	(9) %	Eliminated
Guangzhou Namchow	Chongqing Qiaoxing	Subsidiary	(Sales)	(453,958)	(29) %	Note 1	-	-	83,177	22 %	Eliminated
Guangzhou Yoshi Yoshi	Guangzhou Namchow	Subsidiary	Purchase	311,941	67 %	Note 1	-	-	(159,586)	85 %	Eliminated
Guangzhou Namchow	Guangzhou Yoshi Yoshi	Subsidiary	(Sales)	(311,941)	(20) %	Note 1	-	-	159,586	42 %	Eliminated
Namchow Food	Guangzhou Yoshi Yoshi	Subsidiary	Purchase	434,524	10 %	Note 1	-	-	(92,190)	(7) %	Eliminated
Guangzhou Yoshi Yoshi	Namchow Food	Subsidiary	(Sales)	(434,524)	(66) %	Note 1	-	-	92,190	67 %	Eliminated
Chongqing Qiaoxing	Guangzhou Yoshi Yoshi	Subsidiary	Purchase	225,800	23 %	Note 1	-	-	(45,799)	(5) %	Eliminated
Guangzhou Yoshi Yoshi	Chongqing Qiaoxing	Subsidiary	(Sales)	(225,800)	(34) %	Note 1	-	-	45,799	33 %	Eliminated
Namchow Food	Chongqing Qiaoxing	Subsidiary	Purchase	1,169,911	26 %	Note 1	-	-	(199,748)	(15) %	Eliminated
Chongqing Qiaoxing	Namchow Food	Subsidiary	(Sales)	(1,169,911)	(41) %	Note 1	-	-	199,748	49 %	Eliminated

Note 1: Depending on capital movement motor adjustment.

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Unit: thousand dollars

Name of related party	Counter-party	Relationship	Balance of receivables from related party (Note 1)	Turnover rate	Overdue amount		Amounts received in subsequent period	Allowances for bad debts
					Amount	Action taken		
Guangzhou Namchow	Namchow Food	Subsidiary	134,569	5.49	-		134,569 (As of August 13, 2024)	-
Tianjin Namchow	Namchow Food	Subsidiary	149,439	5.51	-		149,439 (As of August 13, 2024)	-
Guangzhou Namchow	Guangzhou Yoshi Yoshi	Subsidiary	159,586	1.95	-		89,209 (As of August 13, 2024)	-
Chongqing Qiaoxing	Namchow Food	Subsidiary	199,748	5.32	-		199,748 (As of August 13, 2024)	-
Namchow Food	Tianjin Namchow	Subsidiary	583,692 (Note 2)	-	-		- (As of August 13, 2024)	-
Namchow Food	Guangzhou Namchow	Subsidiary	831,346 (Note 2)	-	-		- (As of August 13, 2024)	-

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Name of related party	Counter-party	Relationship	Balance of receivables from related party (Note 1)	Turnover rate	Overdue amount		Amounts received in subsequent period	Allowances for bad debts
					Amount	Action taken		
Namchow Food	Shanghai Namchow	Subsidiary	579,643 (Note 2)	-	-		- (As of August 13, 2024)	-
Lucky Royal	The Company	The Company's subsidiary	115,103 (Note 3)	-	-		115,103 (As of August 13, 2024)	-

Note 1: The transactions within the Group were eliminated in the consolidated financial statements.

Note 2: Loan to the subsidiary.

Note 3: Lucky Royal's dividends receivable from the Company.

(ix) Trading in derivative instruments: Please refer to note 6(b).

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Existing relationship with the counter-party	Transaction details			
				Account name	Amount (Notes 3 and 4)	Trading terms	Percentage of the total consolidated revenue or total assets
1	Tianjin Namchow	Tianjin Yoshi Yoshi	3	Sales revenue	146,012	No significant differences	1.27 %
1	Tianjin Namchow	Tianjin Yoshi Yoshi	3	Accounts receivable	40,182	No significant differences	0.13 %
1	Tianjin Namchow	Namchow Food	3	Sales revenue	901,988	No significant differences	7.87 %
1	Tianjin Namchow	Namchow Food	3	Accounts receivable	149,439	No significant differences	0.47 %
1	Tianjin Namchow	Chongqing Qiaoxing	3	Sales revenue	166,717	No significant differences	1.45 %
1	Tianjin Namchow	Chongqing Qiaoxing	3	Accounts receivable	30,551	No significant differences	0.10 %
2	Guangzhou Namchow	Namchow Food	3	Sales revenue	779,584	No significant differences	6.80 %
2	Guangzhou Namchow	Namchow Food	3	Accounts receivable	134,569	No significant differences	0.42 %
2	Guangzhou Namchow	Chongqing Qiaoxing	3	Sales revenue	453,958	No significant differences	3.96 %
2	Guangzhou Namchow	Chongqing Qiaoxing	3	Accounts receivable	83,177	No significant differences	0.26 %
2	Guangzhou Namchow	Guangzhou Yoshi Yoshi	3	Sales revenue	311,941	No significant differences	2.72 %
2	Guangzhou Namchow	Guangzhou Yoshi Yoshi	3	Accounts receivable	159,586	No significant differences	0.50 %
3	Tianjin Yoshi Yoshi	Namchow Food	3	Sales revenue	231,615	No significant differences	2.02 %
3	Tianjin Yoshi Yoshi	Namchow Food	3	Accounts receivable	53,709	No significant differences	0.17 %
3	Tianjin Yoshi Yoshi	Chongqing Qiaoxing	3	Sales revenue	111,256	No significant differences	0.97 %
3	Tianjin Yoshi Yoshi	Chongqing Qiaoxing	3	Accounts receivable	28,371	No significant differences	0.09 %
4	Shanghai Namchow	Namchow Food	3	Sales revenue	1,055,981	No significant differences	9.22 %
4	Shanghai Namchow	Chongqing Qiaoxing	3	Sales revenue	239,638	No significant differences	2.09 %
4	Shanghai Namchow	Chongqing Qiaoxing	3	Accounts receivable	43,118	No significant differences	0.14 %
5	Guangzhou Yoshi Yoshi	Namchow Food	3	Sales revenue	434,524	No significant differences	3.79 %
5	Guangzhou Yoshi Yoshi	Namchow Food	3	Accounts receivable	92,190	No significant differences	0.29 %

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No.	Name of company	Name of counter-party	Existing relationship with the counter-party	Transaction details			
				Account name	Amount (Notes 3 and 4)	Trading terms	Percentage of the total consolidated revenue or total assets
5	Guangzhou Yoshi Yoshi	Chongqing Qiaoxing	3	Sales revenue	225,800	No significant differences	1.97 %
5	Guangzhou Yoshi Yoshi	Chongqing Qiaoxing	3	Accounts receivable	45,799	No significant differences	0.14 %
6	Chongqing Qiaoxing	Namchow Food	3	Sales revenue	1,169,911	No significant differences	10.21 %
6	Chongqing Qiaoxing	Namchow Food	3	Accounts receivable	199,748	No significant differences	0.63 %
7	Namchow Oil and Fat	Huaciang	3	Sales revenue	56,632	No significant differences	0.49 %
8	Huaciang	Lucky	3	Sales revenue	104,384	No significant differences	0.91 %
9	Namchow Food	Tianjin Namchow	3	Other receivables-related parties	583,692	Determined capital demand	1.83 %
9	Namchow Food	Guangzhou Namchow	3	Other receivables-related parties	831,346	Determined capital demand	2.61 %
9	Namchow Food	Shanghai Namchow	3	Other receivables-related parties	579,643	Determined capital demand	1.82 %
10	Lucky Royal	The Company	2	Other receivables-related parties	115,103	Approved by the Board meeting	0.36 %

Note 1: Company numbering is as follows:

- (1) Parent company - 0.
- (2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:

- (1) 1 represents downstream transactions.
- (2) 2 represents upstream transactions.
- (3) 3 represents sidestream transactions.

Note 3: Disclose that the individual amount record under the assets and liabilities are greater than \$20,000 thousand; profit and loss are greater than \$50,000 thousand.

Note 4: The transactions within the Group were eliminated in the consolidated financial statements.

(b) Information on investees:

The following is the information on investees for the six months ended June 30, 2024 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Address	Scope of business	Original cost		Ending balance			Net income (losses) of investee	Investment income (losses)	Remarks
				June 30, 2024	December 31, 2023	Shares	Percentage of ownership	Book value			
The Company	Namchow Thailand	Bangkok, Thailand	Manufacturing and selling instant noodles and rice cracker	1,027,405	1,027,405	9,245	100.00 %	3,658,082	360,965	360,965	Eliminated
The Company	Mostro	Bangkok, Thailand	Manufacturing and selling food	10,201	10,201	100	100.00 %	50,600	16,753	16,753	Eliminated
The Company	Nacia	Tortola, British Virgin Islands	Holding of investments	343,443	343,443	1	100.00 %	13,246,410	360,919	360,919	Eliminated
The Company	Chow Ho	Taipei, Taiwan	Catering services, food and beverage retailing, and frozen food manufacturing	156,500	137,000	2,900	100.00 %	25,299	(3,647)	(3,639)	Eliminated
The Company	Lucky Royal	Taipei, Taiwan	Manufacturing, selling and processing various food and beverage products	682,641	938,438	69,758	99.65 %	677,648	237,571	122,057	Eliminated
The Company	NBP	Taipei, Taiwan	Publishing, distributing and selling printed publications	6,792	792	690	98.57 %	5,723	(478)	(469)	Eliminated
The Company	Nankyo Japan	Tokyo, Japan	Catering services, Bistro and wine-selling	690,580	690,580	- (Note 2)	100.00 %	46,678	(40,596)	(40,596)	Eliminated
The Company	Namchow Consulting	Taipei, Taiwan	Catering services, food and beverage retailing and other consulting	9,200	9,200	500	100.00 %	3,467	(1,161)	(1,161)	Eliminated
The Company	Namchow Oil and Fat	Taipei, Taiwan	Manufacturing, processing and selling of edible oil and frozen dough	411,731	411,731	41,173	100.00 %	590,466	69,374	69,454	Eliminated
The Company	Huaciang	Taipei, Taiwan	Manufacturing, processing and selling of dish and laundry liquid detergent as well as frozen food	792,341	792,341	70,000	100.00 %	682,589	38,680	38,667	Eliminated
Lucky Royal	Namchow BVI	Tortola, British Virgin Islands	Holding of investments	-	293,793	-	- %	-	(12,054)	(11,249)	Eliminated (Note 3)
Lucky Royal	Namchow Gastronomy Consulting	Taipei, Taiwan	Catering services and food consulting	-	18,300	-	- %	-	-	-	(Note 4)
Huaciang	Dian Shui Lou	Taipei, Taiwan	Liquor importing and retailing	20,135	20,135	13,100	100.00 %	37,667	12,916	12,916	Eliminated
Huaciang	Namchow BVI	Tortola, British Virgin Islands	Holding of investments	72,270	-	6,705	93.32 %	82,438	15,089	14,081	Eliminated (Note 3)

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Name of investor	Name of investee	Address	Scope of business	Original cost		Ending balance			Net income (losses) of investee	Investment income (losses)	Remarks
				June 30, 2024	December 31, 2023	Shares	Percentage of ownership	Book value			
Nacia	Namchow Cayman	Gayman Islands British West Indies	Holding of investments	2,522,207	2,522,207	35,378	100.00 %	13,227,489	360,126	360,126	Eliminated
Namchow Food	Namchow Singapore Pte.	Singapore	The sales service of baking oil and fat product	30,517	30,517	-	81.30 %	20,647	2,257	1,834	Eliminated
Namchow Food	Namchow Hong Kong	Hong Kong	The sales service of baking oil and fat product	31,408	31,408	-	81.30 %	24,115	(719)	(584)	Eliminated
Namchow Food	Namchow Bangkok	Bangkok, Thailand	Manufacturing and selling of baking oil and fat product	95,366	95,336	-	80.49 %	70,993	(6,669)	(5,364)	Eliminated
Guangzhou Namchow	Namchow Bangkok	Bangkok, Thailand	Manufacturing and selling of baking oil and fat product	964	964	-	0.81 %	717	(6,669)	(54)	Eliminated

Note 1: Its investment gain and loss are also recognized by parent company.
Note 2: The Company holds the shares in subsidiaries Nankyo Japan Co. totaling 6 shares.
Note 3: In response to the Group's reorganization, Lucky Royal has separately signed equity transfer agreements with Huaciang to sell all of its shares in Namchow BVI Co.
Note 4: A resolution was passed during the board of directors meeting of Namchow Gastronomy Consulting held on December 21, 2023 and decided January 9, 2024 as the date of its disband. Since Lucky Royal had lost control over Gastronomy Consulting, the Group no longer included Gastronomy Consulting in its consolidated financial statements.

- (c) Information on investment in mainland China:
- (i) The names of investees in Mainland China, the main businesses and products, and other information:

Unit: thousand dollars												
Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2024	Investment flow during current period		Cumulative investment (amount) from Taiwan as of June 30, 2024	Net income (losses) of investee	Direct / indirect investment holding percentage	Investment income (loss) (note 2)	Book value as of June 30, 2024	Accumulated remittance of earnings in current period
					Remittance amount	Repatriation amount						
Shanghai Qiaohao	Holding of investments and international trade	1,262,581	(3)	-	-	-	-	(65,315)	100.00 %	(65,315) (2)b.)	396,256	-
Shanghai Qiaohao Enterprise Management	Business management and investment consulting	961	(3)	-	-	-	-	-	100.00 %	- (2)b.)	889	-
Shanghai Qiaohao Food	Food packaging, selling and trading of restaurant equipment and trading	925,111	(3)	-	-	-	-	(44,335)	100.00 %	(44,335) (2)b.)	378,975	-
Tianjin Qiaohao Food	Food packaging, selling and trading of restaurant equipment and trading	90,836	(3)	-	-	-	-	(2,269)	100.00 %	(2,269) (2)b.)	11,915	-
Namchow Food	Food packaging, dairy product and product purchasing management and selling	1,142,628	(3)	-	-	-	-	566,641	81.30 %	460,397 (2)a.)	12,499,031	1,282,626
Tianjin Namchow	Manufacturing and selling of edible fat	795,379	(3)	372,813	-	-	372,813	210,510	81.30 %	171,040 (2)a.)	2,290,031	45,974
Tianjin Yoshi Yoshi	Developing , manufacturing, and selling of dairy products and related services	136,840	(3)	-	-	-	-	135,355	81.30 %	109,976 (2)a.)	1,078,912	-
Guangzhou Yoshi Yoshi	Developing , manufacturing, and selling of dairy products and related services	452,150	(3)	-	-	-	-	120,432	81.30 %	97,851 (2)a.)	662,702	-
Guangzhou Namchow	Manufacturing and selling of edible fat	544,950	(3)	-	-	-	-	179,508	81.30 %	145,850 (2)a.)	1,543,369	279,529
Shanghai Namchow	Selling, developing, manufacturing and processing of fats and frozen food	824,810	(3)	-	-	-	-	37,143	81.30 %	30,179 (2)a.)	1,215,518	-
Chongqing Qiaoxing	Food packaging dairy product and product purchasing management and selling	94,200	(3)	-	-	-	-	122,027	81.30 %	99,147 (2)a.)	757,471	-
Wuhan Qianxing	The technical service of baking oil and fat product	215,250	(3)	-	-	-	-	64	81.30 %	52 (2)a.)	178,421	-
Chongqing Namchow	Manufacturing and processing of light cream and frozen dough	1,445,967	(3)	-	-	-	-	9,284	81.30 %	7,543 (2)a.)	1,217,835	-
Shanghai Qizhi	Business management and investment consulting services	4,541	(3)	-	-	-	-	125	100.00 %	125 (2)b.)	8,896	-
Bao Lai Na	Multinational eateries, and the promotion, and management of self-made beers	112,018	(3)	226,649	-	-	226,649	3,480	93.32 %	3,248 (2)c.)	77,690	35,967

Note 1: The method of investment is divided into the following four categories:
(1) Remittance from third-region companies to invest in Mainland China.
(2) Through the establishment of third-region companies then investing in Mainland China.
(3) Through transferring the investment to third-region existing companies then investing in Mainland China.
(4) Other methods: EX: delegated investments.
Note 2: Amount of investment income (loss) was recognized base on:
(1) There is no investment income for the preparatory case.
(2) Investment gains and losses were based on three basic:
a. The financial statements were reviewed by an international accounting firm that has a cooperative relationship with accounting firms of the Republic of China.
b. The financial statements were reviewed by the auditors of the parent company and were recognized as investment income (loss) under the equity method.
c. Others: the financial statements were not reviewed by the auditors of the parent company and were recognized as investment income (loss) under the equity method.
Note 3: The transactions within the Group were eliminated in the consolidated financial statements.

- (ii) Limitation on investment in Mainland China:

Company name	Accumulated investment amount in Mainland China as of June 30, 2024	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
The Company	372,813	3,783,667	6,074,930
Huaciang	72,270	72,270	407,661
Lucky Royal	154,379	194,406	2,053,261

Note: Huaciang's Board of Directors approved to acquire 93.32% shares in Namchow BVI from Lucky Royal on February 29, 2024. The acquisition price of above transaction amounted to \$ 72,270 thousand. The original investment amount which was approved by the Department of Investment Review, Ministry of Economic Affairs, R.O.C. will be cancelled upon being submitted to Department of Investment Review, Ministry of Economic Affairs, R.O.C., for reference.

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(iii) Significant transactions with investees in Mainland China: None.

(d) Major shareholders:

Unit: Shares			
Shareholder's Name	Shareholding	Shares	Percentage
Lucky Royal Co., Ltd.		46,041,259	15.65 %
Chen Fei Lung		33,814,934	11.49 %
Chen Yu Wen		32,541,619	11.06 %

Note: (i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

(ii) If shares are entrusted, the above information regarding such shares will be revealed by each trustors using the individual trust accounts opened by the trustees. As for shareholders who are required by the Securities and Exchange Act to declare their equity of more than 10% of the total shares of the Company, their shareholdings include their own shares plus the shares of the trusts they have entrusted and have the right to decide on the use of the trust's assets. For details of the insider's equity announcement, please refer to Market Observation Post System.

(14) Segment information

There are seven service departments which should be reported: Edible and non-edible oil department, frozen dough department, detergent department, ice cream department, food department, catering department and management and rental revenue department and other departments. The Edible and non-edible oil department provides manufacturing and selling of edible oil; frozen dough department provides manufacturing and selling of frozen dough; detergent department provides manufacturing and selling of detergent; ice cream department provides manufacturing and selling of variant ice cream; food department provides manufacturing and selling of instant noodles and rice cracker; catering department provides liquor importing and retailing and management and rental revenue department and other department provides business management and investment consulting services.

A reportable department is a strategic business unit providing different products and services. Because each strategic business unit requires different kinds of techniques and marketing tactics, it should be separately managed.

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Information on reportable segments and reconciliation for the Group is as follows:

	<u>Edible and non-edible oil products</u>	<u>Detergent products</u>	<u>Frozen dough</u>	<u>Ice cream products</u>	<u>Foods</u>	<u>Catering</u>	<u>Management, rental revenue and others</u>	<u>Adjustments elimination</u>	<u>Total</u>
Three months ended June 30, 2024									
Revenue:									
Revenue from external customers	\$ 3,330,151	111,066	622,853	583,304	975,859	220,854	28,935	-	5,873,022
Inter-segment revenues	49,298	64	599	(78)	30,173	5,959	47,306	(133,321)	-
Total revenue	\$ 3,379,449	111,130	623,452	583,226	1,006,032	226,813	76,241	(133,321)	5,873,022
Reportable segment profit or loss	\$ 222,265	(14,355)	21,980	68,205	182,853	(938)	(57,266)	92	422,836
Interest income and other income									107,755
Other gains and losses									(11,205)
Finance costs									(53,864)
Net income before tax									\$ 465,522
	<u>Edible and non-edible oil products</u>	<u>Detergent products</u>	<u>Frozen dough</u>	<u>Ice cream products</u>	<u>Foods</u>	<u>Catering</u>	<u>Management, rental revenue and others</u>	<u>Adjustments or elimination</u>	<u>Total</u>
Three months ended June 30, 2023									
Revenue from external customers	\$ 3,423,475	105,569	554,809	489,660	907,678	228,359	9,183	-	5,718,733
Inter-segment revenues	51,154	-	721	6,445	79,661	4,037	60,383	(202,401)	-
Total revenue	\$ 3,474,629	105,569	555,530	496,105	987,339	232,396	69,566	(202,401)	5,718,733
Reportable segment profit or loss	\$ 315,956	(8,696)	(72,104)	73,054	95,650	11,436	(44,099)	2,492	373,689
Interest income and other income									80,135
Other gains and losses									26,493
Finance costs									(53,142)
Net income before tax									\$ 427,175

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	Edible and non-edible oil products	Detergent products	Frozen dough	Ice cream products	Foods	Catering	Management, rental revenue and others	Adjustments or elimination	Total
Six months ended June 30, 2024									
Revenue:									
Revenue from external customers	\$ 6,560,341	231,040	1,192,544	1,002,079	1,995,369	420,805	56,916	-	11,459,094
Inter-segment revenues	109,674	135	1,279	626	115,082	11,425	91,387	(329,608)	-
Total revenue	\$ 6,670,015	231,175	1,193,823	1,002,705	2,110,451	432,230	148,303	(329,608)	11,459,094
Reportable segment profit or loss	<u>\$ 545,207</u>	<u>(18,798)</u>	<u>59,801</u>	<u>123,808</u>	<u>351,551</u>	<u>(21,312)</u>	<u>(119,522)</u>	<u>(1,699)</u>	919,036
Interest income and other income									208,366
Other gains and losses									55,956
Finance costs									(103,425)
Net income before tax									<u>\$ 1,079,933</u>
	Edible and non-edible oil products	Detergent products	Frozen dough	Ice cream products	Foods	Catering	Management, rental revenue and others	Adjustments or elimination	Total
Six months ended June 30, 2023									
Revenue:									
Revenue from external customers	\$ 6,554,007	220,137	1,117,648	835,003	1,787,330	431,413	43,784	-	10,989,322
Inter-segment revenues	108,661	-	1,597	14,112	162,082	8,930	93,210	(388,592)	-
Total revenue	\$ 6,662,668	220,137	1,119,245	849,115	1,949,412	440,343	136,994	(388,592)	10,989,322
Reportable segment profit or loss	<u>\$ 399,139</u>	<u>(4,519)</u>	<u>3,233</u>	<u>84,724</u>	<u>186,006</u>	<u>8,142</u>	<u>(82,327)</u>	<u>(3,594)</u>	590,804
Interest income and other income									201,909
Other gains and losses									21,389
Finance costs									(108,338)
Net income before tax									<u>\$ 705,764</u>

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- (a) For the three months and six months ended June 30, 2024 and 2023, inter-segment revenues amounted to \$133,321 thousand, \$202,401 thousand, \$329,608 thousand and \$388,592 thousand, respectively, should be eliminated from total revenue.
- (b) For the three months and six months ended June 30, 2024 and 2023, share of associate income (loss) under equity method amounted to \$92 thousand, \$2,492 thousand, \$(1,699) thousand and \$(3,594) thousand, respectively, should be eliminated.