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Great Wall Enterprise Co., Ltd.

2021 Annual Report

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One, Report to Shareholders

Dear ladies and gentlemen:

Thank you all for participating in this year's annual general meeting, and on behalf of the Company, I would like to express my most sincere gratitude for your persistent support.

In the last two years, we have endured unprecedented lockdowns throughout the world due to COVID-19, witnessed UK's exit from the European Union as well as the uprise of trade protectionism that escalated trade disputes between USA, China, and the EU, and encountered a wave of African swine fever along with rising grain prices that forced the Company to make several adjustments in terms of operations, raw material purchase, and exchange rate hedging. The spread of COVID-19 finally caught up with Taiwan in May 2021, and as we entered the state of level 3 alert, demand for poultry, pork, and edible oil from restaurants, night markets, and snack stalls plummeted, which negatively impacted profitability of the Company. Although the Company was unable to continue its growth streak, it still maintained a resilient level of profitability in 2021.

Driven by the mission to uphold business integrity and provide healthy life and safe food for consumers, DaChan Group continues to publish corporate social responsibility report this year. The Company is committed to enforcing traceability for all products sold, and has established its own farm-to-table system. The DaChan Quality Inspection Center not only passes food safety certification of the Ministry of Health and Welfare, but also takes part in the government's Food Safety Alliance Program as a way to raise consumers' confidence in DaChan products.

The Company reported consolidated net operating revenues of NT\$101.4 billion for 2021, up NT\$19.8 billion or 24.2% from 2020; net income attributable to parent company's shareholders amounted to NT\$1.87 billion for 2021, down NT\$1.25 billion or -40.1% from 2020.

All of the Company's factories have passed international and Taiwan's quality and safety certifications, including but not limited to EU HACCP and ISO22000. In addition to having a national grade laboratory featuring the most advanced instruments and systems, the Company also passes food certification of the Ministry of Health and Welfare and completed a modern food processing factory in Machouhou in 2021 that expanded production capacity for precooked frozen foods. Furthermore, the Company has acquired land at Machouhou Industrial Park through tender for phase 2 expansion of food processing capacity as well as the production of plant-based meat. In a collaboration with Showa Sangyo Co., Ltd. from Japan, a major joint venture is being created for the production of eggs and flour; in particular, the modern, highly automated warehousing facility for washed eggs and liquid eggs located in Erlin, Changhua, is expected to commence production at the end of 2022, which will greatly improve the standardization and quality of egg farming, egg washing, and liquid egg production in Taiwan. The joint venture will also introduce advanced flour-making technologies that help widen the Company's competitive advantage over peers and provide better food safety assurance for improved brand image as well as stronger confidence from customers and consumers.

Business Report

I. Report on the 2021 business and financial performance

(I) Business performance

Unit: NTD thousands

Item	2021 - actual	2020 - actual	Variation (%)
Operating revenues	101,437,842	81,650,892	24.23%
Operating profit	2,345,392	4,211,948	-44.32%
Profit/loss before tax	2,886,718	4,983,488	-42.07%
After-tax EPS	NT\$2.32	NT\$3.88	-40.21%

(II) Business plan and budget execution

The Company did not make any public financial forecast in 2021, but there was no significant difference between actual operational performance and what the Company had internally planned.

(III) Revenues, expenses, and profitability analysis

(1) Profit and loss

- (a) Interest income amounted to NT\$86,153 thousand in 2021, which were generated from bills and demand deposits.
- (b) Interest expenses amounted to NT\$284,623 thousand in 2021, which had incurred due to short-term and long-term borrowings.

(2) Profitability analysis

Item	2021	2020
Return on assets (%)	4.58%	8.68%
Return on equity (%)	8.13%	15.6%
Operating profit as a percentage of paid-up capital (%)	27.52%	50.91%
Profit before tax as a percentage of paid-up capital (%)	33.88%	60.24%
Net profit margin (%)	2.23%	4.99%
After-tax EPS (NTD)	NT\$2.32	NT\$3.88

(IV) Research and development

DaChan Group continues to increase the level of vertical integration in agricultural and animal food products. Meanwhile, additional efforts are being made to expand into related fields such as: feeds, fats, meats, seafoods, eggs, processed foods, biotech, plant-based meat, pet foods, and vaccines. This expanding diversity means that R&D efforts have to be adjusted at the group level to accommodate the Company's future opportunities and market demand, and that more manpower and resources will have to be committed into developing technologies and products that are relevant to the sustainability of the Company's growth.

Sustainability and environmental protection is an issue that modern businesses have to take note of, and besides improving product features, it is also necessary to direct research and development efforts toward the needs of consumers, the environment, and the society as a whole, and contribute to the sustainability of the Earth's environment by addressing waste reduction, carbon reduction, energy conservation, and environmental protection issues.

To ensure ongoing advancement of production technology, the Company not only invests resources and manpower persistently into research and development, but has also made plans to create a biotech R&D center for food and animal nutrition and expand experimental facilities for: vaccine-producing eggs, poultry, pork, and seafood. Meanwhile, collaborations are being made with local and foreign research institutions such as: National Taiwan University, National Cheng Kung University, National Chung Hsing University, National Pingtung University, National Taiwan Ocean University, Tainan Livestock Research Institute, Tamsui Animal Health Research Institute, and Schothorst Feed Research to acquire critical technologies and develop application capacity.

II. Summary of 2022 business plan

(I) Operational guidelines

DaChan Group has long specialized in the development of animal and aquaculture feeds, meat products, and restaurant brands. It currently surpasses peers in the market share of compound feeds and electricuted chicken. In addition to pursuing sales growth, the Company places great emphasis on improving feed quality and tightening control over its products, and caters for consumers' health at the source. By venturing into biotechnology, the Company aims to develop biotech products that meet the nutritional requirements of animals in different environments. In terms of egg production, the Company will support the government's policies on washed eggs by adopting total monitoring of feed nutrition, proper egg farm management, regular disease inspection for hens, random inspection of egg quality, and rigorous testing of the final product. With the help of professional cold chain logistics partners, these products will be delivered to customers in the optimal condition. The Company has even established a food development center to oversee research of new machinery, refinement of production process, as well as the development, production, and marketing of plant-based meats. Pet food production and development also make up a significant focus of the Company's future plan.

With respect to food processing, the Company's new food processing factory located in Machouhou Industrial Park, Chiayi, commenced mass production at the end of 2021. This modern food processing factory, equipped with multifunctional equipment, performs a wide variety of tasks from frying, roasting, stewing, quality control to automated packaging, and has the capacity to provide local consumers with processed foods of the highest quality and safety.

The Company continues to focus on agricultural and animal products as the main business activity with corporate social responsibilities in mind. Through vertical integration and ongoing improvements to product quality and safety, we strive to raise customers' satisfaction and embrace a brighter future while adhering to our values of integrity and modesty.

(II) Expected sales volume and basis

Based on past performance and changes in market demand, the Company has estimated sales volume for 2022 as follows:

Item	Sales volume (tonnes)
Feeds	3,600,000
Meat (regular + free range chicken)	400,000
Food	200,000
Commodity	1,600,000

(III) Key production/sales policies

In terms of edible oil, DaChan's soybean oil has always been a trusted brand and preferred product for commercial use, particularly in night markets and food stalls. There is consistent demand for soybean grounds in Taiwan, and although export of locally produced pork is permitted, most of the supply is consumed domestically at this point. Future industry upgrades should increase demand for soybean grounds. The chaos of global shipping persisted in the current year, and with only 20% of shipments arriving on-time, supply of soybean to Taiwan remained uncertain throughout the winter. Nevertheless, the management still managed to secure adequate volume of soybean for the production of soybean grounds and oil, thereby enabling the Company to stay profitable during the year.

In Taiwan, total deregulation on the import of poultry products combined with slow growth in the demand for animal protein have intensified price competition. As a response, the Company is actively integrating research, development, production, and marketing resources throughout the organization to increase product quality and create differentiation as well as competitive advantage that will lessen the threat of price competition. With the help of animal protein studies from the biotech facility, the Company hopes to provide customers with better quality and safer products that are free of antibiotics.

With regards to the production of pork, the Company introduced a new swine breed that offers stronger resistance against disease and better feed efficiency to lower the cost of meat production, given the surge of raw material prices and the presence of swine disease. By raising farming efficiency at the source, we were able to assure wage payout and reasonable markup per swine to the benefit of both farmers and the Company.

As for free range chicken, the Company has raised its safety requirements and begun working with farmers to develop farming technologies without the use of antibiotics, and thereby accommodate local consumers' taste for free range chicken as well as increased frequency of home cooking during the pandemic. In an attempt to bring more variety of free range chicken products to consumers, the Company introduced special fowl species and marketed free range chicken products all under a collective brand through supermarkets and mass retailers, which should ensure the level of integration needed to deliver farm-to-table.

The Company has achieved significant success with respect to festive meal and home meal replacement in recent years, particularly with the introduction of new brands such as Yummy Dots. Additional safety inspections and preparation techniques were introduced to food processing to ensure the safety and taste of this new line of products. In light of the fundamental changes in consumers' shopping behaviors, the Company has devoted greater attention into e-commerce besides existing channels; some of its products even managed to top the best-selling chart.

(IV) Future development strategies

1. The Company will continue devoting attention to food safety in light of how consumers local and abroad have become more aware of issues concerning ractopamine, drug residue, the pandemic, and the safety and health of meat and egg products. A food development center has been established to oversee research of existing and new machinery, refinement of production process, as well as the development, production, and marketing of plant-based meats.

In terms of feeds, the Company operates complete yet diversified product lines to minimize business risks, and offers biotech solutions to help customers improve feed efficiency. The Company actively explores vertical integration within the industry as a way to secure advantage and dominance in the supply chain, and is constantly expanding its own ecosystem. After extensive research and development, DaChan is able to make layer feeds, late-stage swine feeds, and late-stage chicken feeds without any antibiotics while achieving zero drug residue. Through introduction of environment-friendly and low N.P.NH3 pollution feeds for swine and layers, the Company not only promotes productive interactions with the industry, but also strengthens sustainability and competitiveness in feed supply.

As for fresh poultry supply, the Company has made extensive vertical integrations from the chicken farm, hatchery, contract farmers, feed suppliers, electrocution slaughterhouse, processing factories all the way to the distribution channels, and markets its own poultry products under the brand - "DaChan Poultry." In doing so, the Company is able to exercise total control in such a way that reduces production cost and ensures the quality and consistency of chicken supply.

With respect to food processing, the Company produces processed poultry goods that can be stored in room temperature, chilled, and frozen, which are distributed nationwide through a variety of channels.

2. The COVID-19 pandemic has fundamentally changed consumers' dining habits. As people become more receptive of cooking at home, they start looking for frozen food options that are easy to store and cook. Satisfying customers' needs to cook and eat at home thus presents a new challenge to food producers, but it also means that there are greater opportunities to innovate.

By incorporating modern production technologies, the Company continually introduces new and differentiated products that taste good and are safe to eat, thereby bringing customers pleasant dining experience with each meal. Changes have also been made to accommodate the smaller dining size per household today; by shifting design emphasis towards smaller volume and greater variety, the Company hopes to appeal to the young population with a new brand image and fresh elements.

Demand for plant-based foods in Asia is expected to grow by 200% over the next five years as vegetarian diet increases in popularity with rising environmental awareness. Having noticed the sizable percentage of vegetarians in Taiwan and the abundant opportunities they represent, the Company has committed significant R&D resources into improving the texture, flavor, and

pricing of plant-based meat, as the flavor is what draws consumers to try, while affordability is the key to making plant-based meat popular. Pro-active actions will be taken to expand global market presence in the future.

(V) Impacts of the competitive environment, regulatory environment, and macroeconomic environment

Trade agreements have given rise to several regional markets around the world, allowing goods, services, and information to be delivered free of border limitations. As a result, the Company now faces competition from all over the world. Not only does the Company compete to offer the best product in the global market, it also competes with producers around the world for supply of low-cost materials and services. Faced with such a competitive environment, the Company will play to its size advantage and make bulk purchases worldwide to reduce raw material costs, so that more resources can be directed towards improving product quality and after-sale service.

In light of ongoing food safety issues and consumers' concerns about bird flu and drug residues in agricultural/animal products, the Company will be making adjustments to the product portfolio while undergoing more extensive upstream-downstream integration to diversify feed risks, and thereby ensure profit stability. DaChan Group remains persistent at promoting safety and traceability for pork, poultry, processed foods, and egg products. Our efforts to ensure "quality and safety" of the food supply chain have been rewarded with favorable results, and we are proud to be able to meet the government's requirements as well as the public's expectations for healthy and safe meats and eggs. By offering 100% assurance, we hope to build DaChan's prestige in the field of food safety and convince consumers of the quality of our products.

Lastly, we wish for your wellbeing and give you our best regards for the future ahead!

Chairman Han Chia-Yau

President Chuang Kun-Yen

Vice President Liu Chien-Chung

Two, Corporate Profile

I. Date of Incorporation

Date: December 28, 1960.

II. Company History

- Founded in 1960 under the name of "Dachan Oil Company" at Yunong Road in Tainan City, Dachan was committed to manufacturing various edible oils, soybean powder, and soybean cakes. Dachan's management vision is to "safeguard everyone's health through better nutrition".
- In 1966, the Company was renamed "Dachan Agricultural and Industrial Enterprise". A new plant, YongKang Plant I, was set up to produce various balanced animal nutrition.
- In 1969, YongKang Plant II was established and the latest oil extraction equipment from the US-based Crown brand to produce the well-beloved Dachan Soybean Oil.
- In 1973, Dachan merged with Great Wall Flour and changed its name to "Dachan Great Wall Group".
- In 1975, Dachan purchased a plastics plant in Chiayi to produce various containers and packaging needed in its operations.
- In 1976, a second animal nutrition plant was set up and a set of centralized feed productions facility was purchased from the U.S.-based Sprout Waldron.
- In 1978, Dachan became listed on the Taiwan Stock Exchange and began offering its shares to the public.
- In 1980, Shanhua Oils Plant was acquired.
- In 1981, a third animal nutrition plant was built. (Currently named No. 1 Animal Nutrition Plant).
- In May 1984, Dachan formed MeiChan Foods Company Limited, a joint venture with the U.S.-based Pillsbury Co. to actively develop consumer foods.
- In May 1987, Dachan formed Total Nutrition Technologies Co., Ltd. with U.S.-based Central Soya to actively cater to the demand from the on-farm feed market.
- In April 1988, Dachan's Essential Oils Plant No. 2 began production.
- In 1988, Dachan formed an animal food company in Indonesia through reinvestment to actively expand to the Southeast Asian market.
- In 1989, Dachan acquired an animal nutrition plant in Guantian to expand its production capacity for livestock feed.
- In June 1990, Chairman Han, Ho-jan resigned from his concurrent position as the President, Vice President Han, Jia-Hwan was voted to become the President through a unanimous vote from the Board of Directors.

- In July 1990, Dachan launched a line of beverages.
- In June 1993, the newly constructed Changhua Livestock Feed Plant began operation.
- In September 1993, a meat processing plant was constructed.
- In June 1995, Mr. Han, Jia-Yu was voted to become the Vice Chairman by the Board of Directors.
- In March 1996, Dachan began to collaborate with Northern Taiwan Broiler Distribution and Sales Co-operative, and in October that year, collaboration with Southern Taiwan Broiler Distribution and Sales Co-operative also commenced.
- In January 1997, Dachan signed contract with an investment company of the Singaporean Government to jointly produce and sell livestock feed, farm and distribution of broilers, and oils at the northeastern region of China.
- In April 1998, the newly constructed Pingtung Livestock Feed Plant began operation.
- In 1999, Dachan acquired the management rights of broiler farming and distribution for Wanda company in Tianjin.
- In September 1999, Yunlin Plant began operation.
- In March 2000, Dachan purchased equipment facilities from Southern Taiwan Broiler Distribution and Sales Co-operative.
- In November 2000, Dachan acquired Li-Da Shanghai Meat Processing Plant.
- In June 2001, a call center was formally introduced to the Livestock Feed Department.
- In June 2001, upon unanimous resolution from the Board of Directors, Chairman Mr. Han, Hao-jan was named Honorary Chairman, Vice Chairman Mr. Han, Jia-Yu was named the new Chairman, Executive Assistant to the Chairman Mr. Han, Jia-Chen was named the new Vice Chairman, President Mr. Han, Jia-Hwan was named the CEO and Senior Executive Vice President Mr. Chang, Tiew Shen was named the President.
- In December 2001, a Chicken Essence Plant was established.
- In July 2002, Dachan acquired the management rights over Dalian Lianghong Co., Ltd. and formed the Dachan Lianghong (Dalian) Foods Co., Ltd. to produce quality flour.
- In January 2003, Asia Nutritional Technology (Hanoi) Co., Ltd. was formed in Hanoi, Vietnam in response to the increased demand for livestock feed market in Vietnam.
- In February 2003, Dachan co-founded Dachan Showa Foods Tianjin Co., Ltd. with Nissho Iwai Corporation and Showa Corporation to produce batter powder.
- In March 2003, Dachan co-founded May Lan Lei Co., Ltd. with Land O'Lake Co.

to increase its market share for the feeds of dairy cattle.

- In April 2003, Ta Chiang Spinning Co., Ltd. was dismissed as a Company Director.
- In September 2003, Han, Chia-Yin was promoted as Executive Vice President.
- In December 2003, Dachan acquired shareholding of Dacheng Nongmu (Yingkou) Limited Company from China Animal Husbandry Group in Liaoning Province.
- In March 2004, Yongkang Processing Plant was expanded.
- In June 2004, Mr. Chang, Tiew Shen was promoted to be Vice CEO, and Wu, Chi-Lin was promoted to be President.
- In July 2004, Dachan purchased shareholding of Dacheng Nongmu (Yingkou) Limited Company from China Animal Husbandry Industry Co., Ltd. (CAHIC).
- In October 2005, Yongkang Biotech Plant began operation.
- In May 2006, the operations and management of prepared food, meat, and oil businesses were assumed by May Lan Lei Co., Ltd.
- In December 2006, a livestock feed plant was set up in Taoyuan.
- In December 2006, Dachan co-founded Kouchan Mill Co., Ltd. with Kou Feng Industrial Co., Ltd.
- In December 2007, An-Hsin-Chiao-Chu was set up as a dedicated meat supplier for department stores.
- In November 2008, Hao-Ran Farm was founded.
- In January 2011, the core swine farm at Xinbei was formally named "Tong-De Farm".
- In December 2011, the Remuneration Committee was set up.
- In March 2012, Mr. Han, Chia-Yin resigned as Vice CEO and was appointed as CEO of Dachan Food (Asia) Limited.
- In July 2012, Mr. Wu, Chi-Lin resigned as President and was appointed as the Chairman of a subsidiary company; Mr. Chuang, Kun-Yen was appointed as President.
- In May 2013, flour plant, batter powder plant, and prepared foods plant began operations at Jinghai, Tianjin.
- In October 2013, Dachan TongDe Hotel was founded.
- In June 2014, the Biotech Animal Nutrition Plant was constructed at Liuying and began operation.
- In December 2014, Dachan signed purchase agreement for hennery at Yizhu.
- In March 2016, Dachan purchased a livestock farm at Nanjiu, Guantian.
- In May 2017, Dachan acquired shares of Taiwan Quality Egg Industry Co., Ltd.
- In December 2017, Wonder Vax Company Limited was founded.
- In January 2018, Dachan invested NT\$1.7 billion to build a food processing plant at Machouhou, Chiayi.

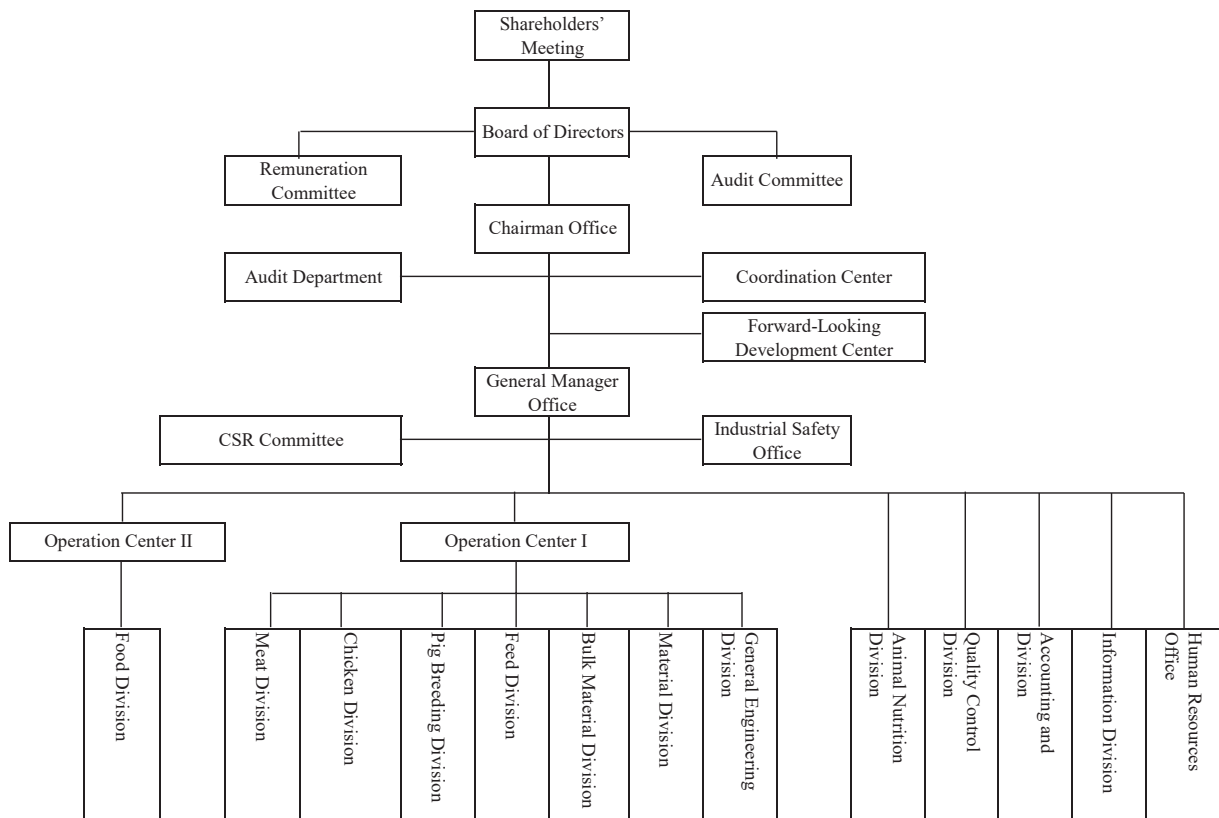
- In February 2018, Z.Y. Food Company Limited was established.
- In February 2019, Dachan purchased land at Yangmei, Taoyuan in order to expand its business scale.
- In December 2019, Dachan signed partnership agreement with Showa Sangyo Co., Ltd. on flour manufacturing and sales, poultry farming, and egg processing and sales.
- In January 2020, Dachan invested in Neo Foods Company Limited to expand into the research, development, and manufacturing of plant based meat.
- In June 2020, Showa Sangyo Co., Ltd. invested in Kouchan Mill Co., Ltd. and Z.Y. Food Company Limited and joins Dachan in catering to Taiwan's flour and egg market.
- In February 2021, The Food Development Center was established in charge of promoting and integrating the R&D of food and production in each unit under Dachan.
- In December 12, 2021, the lands in Machouhou Intelligence Robot Industrial Pare were bidden to expand the Machouhou Food Processing Plant, to increase the scale of process operating

Three. Corporate Governance Report

I. Organization

(I) Corporate Organization

(1) Organizational structure



(2) Business of main departments

- Forward-Looking Development Center
Promoting and integrating the R&D of food and production in each unit under Dachan.
- Industrial Safety Office
Planning and industrial safety system implementation
- Audit Department
Planning, implementation, improvement recommendation and tracking of audit operations.
- Animal Nutrition Division
Feed formula, animal nutrition and veterinary services
- Quality Control Department
Quality inspection of raw materials and finished products and implementation of ISO system, etc.
- Accounting Office
Accounting information collection, stock operations and capital control, business performance analysis, etc.
- Information Office
Erection and maintenance of information software and hardware, assist in the planning and construction of ERP
- Human Resources Office
Planning the overall development of human resources, education and training and knowledge base management
- Meat Division
Broiler chicken scheduling, white broiler contract breeding and trading
- Native Chicken Business Office
Contract breeding, electric slaughter and sales of native chickens
- Pig Breeding Business Office
Breeding pig breeding, piglet breeding and scheduling, pig contract breeding and trading
- Feed Business Department
Production and sales of feed products
- Bulk Materials Office
Procurement and transportation of raw materials, production and sales of oil powder
- Materials Office
Project contracting, hardware miscellaneous and other commissioned items such as procurement and repairing operations
- General Engineering Office
Planning and design of new plants and commissioned projects, supervision of manufacturing and other related technical services
- Food Division
Production and sales of processed food.

II. Director of, Supervisor, General Manager, Vice General Manager, Associate, Heads of Departments and Branches
1. Director of and Supervisor

April 19, 2022

Title	Nationality or place of registration	Name	Gender and age	Date elected (appointed)	Date first elected	Term of service	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Director (Corporate shareholder)	Republic of China	Fu Ju Investment Co., Ltd.	-	2019.05.31	1984.06.30	3 years	65,434,232	8.30%	73,219,551	8.59%	-	-	-	-	None	None	None	None		
Chairman (representative of corporate entity)	Republic of China	Han Chia-Yau	Male 72	2019.05.31	1984.06.30	3 years	59,383	0.01%	64,222	0.01%	-	-	-	-	Master's Degree, University of Connecticut ITT Senior Engineer Great Wall Enterprise Co., Ltd. - Vice Chairman Great Wall Enterprise Co., Ltd. - Chairman	Fu Ju Investment Co., Ltd. - Chairman Huang-Ho Invest. Company Limited - Chairman Total Nutrition Technology Company Limited- Chairman Great Wall Feedtech Enterprise Company Limited - Chairman Linyi Chair Company Limited- Chairman Nissaki Chain Co. Ltd. - Chairman Saboten Company Limited - Chairman Oriental Best Foods Company Limited - Chairman Honolulu Chain Food & Beverage Co., Ltd. - Chairman Wonder Vax Company Limited - Chairman Neo Foods Company Limited - Chairman Shunan Investment Co., Ltd. - Chairman Au Hsin Chiao Chu Company Limited - Chairman TTEET Union Corporation - Director De-Jia Investment Company Limited - Director Fu Rui Investment Co., Ltd. - Supervisor	Vice Chairman Director	Han Jia-Chen Han Chia-Yin	Brothers Brothers	
Vice Chairman (representative of corporate entity)	Republic of China	Han Jia-Chen	Male 68	2019.05.31	1984.06.30	3 years	63,784	0.01%	-	-	-	-	-	-	Master's Degree, University of New Haven Ta Cheng Securities Co., Ltd. - Vice Chairman Great Wall Enterprise Co., Ltd. - Chairman's Special Assistant Great Wall Enterprise Co., Ltd. - Vice Chairman	Fu Rui Investment Co., Ltd. - Chairman Great Wall FeedTech Enterprise Company Limited - Vice Chairman Huang-Ho Invest. Company Limited- Director Fu Ju Investment Co., Ltd. - Director Honolulu Chain Food & Beverage Co., Ltd. - Director De-Jia Investment Company Limited - Supervisor	Chairman Director Vice President	Han Chia-Yau Han Chia-Yin Han Fung-Hao	Brothers Brothers Father and son	

Title	Nationality or place of registration	Name	Gender and age	Date elected (appointed)	Date first elected	Term of service	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Director (representative of corporate entity)	Republic of China	Han Chia-Yin	Male 62	2019.05.31	1984.06.30	3 years	-	-	-	-	-	-	-	-	Master's Degree, University of New Haven, Wall Enterprise Co., Ltd. - President of Catering Services Segment Great Wall Enterprise Co., Ltd. - Executive Vice President Great Wall Enterprise Co., Ltd. - Deputy CEO	Dachan Food(Asia) Limited - Standing Director An Hsin Chiao Chu Company Limited - Chairman Cheng Co., Ltd - Chairman Xiang Cheng Co., Ltd. - Chairman De-Jia Investment Company Limited - Chairman Oriental Best Foods Company Limited - Director City Chain Company Limited - Director Nissin Chain Co., Ltd. - Chairman Shao Company Limited - Director Huang-Ho Invest. Company Limited - Director Fu Ju Investment Co., Ltd. - Director Fu Rui Investment Co., Ltd. - Director Honolulu Chain Food & Beverage Co., Ltd. - Director Sunmi Investment Co., Ltd. - Director	Chairman Vice Chairman	Han Chia-Yau Jia-Chen	Brothers Brothers	
Director (Corporate shareholder)	Republic of China	Liao Hsu Industrial Holdings Corp. Chiao Thai	-	2019.05.31	1977.04	3 years	16,742,884	2.12%	18,107,428	2.12%	-	-	-	-	None	None	None	None	None	
Director (Corporate shareholder)	Republic of China	Hsing Investment Company Limited	-	2019.05.31	2007.06.15	3 years	10,959,071	1.39%	11,852,234	1.39%	-	-	-	-	None	None	None	None	None	
Director	Republic of China	Tseng Pan-Jung	Male 72	2019.05.31	1995.05.19	3 years	3,751,764	0.48%	4,057,532	0.48%	2,195,483	0.26%	-	-	Kaohsiung Medical University Tseng Pan-Jung Dermatology Clinic - Physician KaiNan High School of Commerce and Industry Formosa Club Taipei - Person-in-charge	None	None	None	None	
Director	Republic of China	Wang Zi-Lin	Male 85	2019.05.31	1989.05.17	3 years	3,128,171	0.40%	3,383,115	0.40%	67,720	0.01%	-	-		None	None	None	None	
Independent Director	Republic of China	Ting Yu-Shan	Male 72	2019.05.31	2016.06.24	3 years	-	-	-	-	-	-	-	-	Master's Degree, National Sun Yat-sen University Chieh-Yeh Certified Public Accountants KPMG	Dachan Food(Asia) Limited - Independent Non-standing Director Dachan Food(Asia) Limited - Audit Committee member Dachan Food(Asia) Limited - Remuneration Committee chairperson	None	None	None	None
Independent Director	Republic of China	Tao Chung-Chen	Male 76	2019.05.31	2016.06.24	3 years	-	-	-	-	231,441	0.03%	-	-	University of San Francisco EMBA Kou Feng Industrial Co., Ltd. - Chairman Chickabiddy Co., Ltd. - Chairman	Tao Yeah Culture and Arts Foundation - Chairman	None	None	None	None

Title	Nationality or place of registration	Name	Gender and age	Date elected (appointed)	Date first elected	Term of service	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) achievements	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Remarks	
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship		
Independent Director	Republic of China	Wei Chien-Ming	Male 75	2019.05.31	2016.06.24	3 years															

Note: Lien Hwa Industrial Holdings Corp. and Chiao Thai Hsing Investment Company Limited do not appoint representatives, but instead issue separate letters of appointment for each board of directors meeting and shareholder meeting.

1-1: Major shareholders of corporate shareholders

April 19, 2022

Name of corporate shareholder (Note 1)	Major shareholders of legal persons (Note 2)	
	Shareholder name	Shareholding ratio
Fu-Ju Investment Co., Ltd.	Fei Tai Investment CO., LTD.	18.53%
	Chia Yau Han	14.81%
	Jia Chen Han	14.81%
	Jia Hwan Han	14.81%
	Chia Yin Han	14.81%
Lien Hwa Industrial Holdings Corp	UPC TECHNOLOGY CORPORATION	9.68%
	Yiyuan Investment CO., LTD.	9.14%
	Yifeng Investment CO., LTD.	4.86%
	Tsu An Chou	3.32%
	Feng Kang Miao	3.19%
	Feng Chuan Miao	3.02%
	Yuxiu Education Foundation	3.00%
	Feng Sheng Miao	2.98%
	Employee Welfare Committee of Lien Hwa Industrial Holdings Corp	2.82%
	MITAC INTERNATIONAL CORP	2.79%
Chiao Thai Hsing Investment CO., LTD.	Fang Ching Chen Chao	77.17%

Note 1: For director or supervisor who acts as a corporate shareholder's representative, please specify the corporate shareholder's name.

Note 2: The name of the main shareholder of the legal person shareholder (the top ten shareholders in terms of shareholding ratio) and the shareholding ratio should be filled in. Where the major shareholder is a legal person, please complete the following Table 2.

Note 3: If the legal person shareholder is not organized as a company, the "names of shareholders" and the "ratio of shareholding" in the preceding paragraph shall be "names of funders or donors" and the "ratio of fund or donation" (Justice Yuan's announcement may be referred to. If a donor is deceased, please note as "Deceased."

Note 4: The major shareholders of Lien Hwa Industrial Holdings Corp. legal person shareholders are the latest information available as of the deadline for the preparation of the annual report of the Company.

1-2: Table 1 Main shareholders of legal persons whose main shareholders are legal persons

April 19, 2022

Name of corporate shareholder (Note 1)	Major shareholders of legal persons (Note 2)	
	Shareholder name	Shareholding ratio
Fei Tai Investment Co., Ltd.	British Virgin Islands Merchant Fei Smith CO., LTD.	100.00%
	Lien Hwa Industrial Holdings Corp	31.46%
UPC TECHNOLOGY CORPORATION	Synnex Technology International Corporation	5.11%
	Yiyuan Investment CO., LTD.	1.59%
	Liberty Stationery Corp.	1.53%
	Mei An Investment CO., LTD.	1.35%
	Zifeng Investment CO., LTD.	1.29%
	MITAC INTERNATIONAL CORP	1.20%
	Thaishang Huamao CO., LTD.	1.11%
	Tongda Investment CO., LTD.	1.07%
	Yifeng Investment CO., LTD.	0.97%
	Yiyuan Investment Co., Ltd.	100.00%
Yifeng Investment Co., Ltd.	B.V.I Shang Quanneng Co., Ltd.	100.00%
	B.V.I Shang Heng Fu Co., Ltd.	100.00%
MITAC INTERNATIONAL CORP	MiTAC Holdings Corporation	100.00%
	Synnex Technology International Corporation	20%
Yuxiu Education Foundation	Lien Hwa Industrial Holdings Corp	20%
	UPC TECHNOLOGY CORPORATION	20%
	Mix System Holdings Ltd.	20%
	MITAC INTERNATIONAL CORP	10%
	Getac Holdings Corporation	6%
	Handa Precision Technology Co., Ltd.	4%
Employee Welfare Committee of Lien Hwa Industrial Holdings Corp	Unincorporated organization (not applicable)	—

Note 1: If the main shareholder of the above table 1 is a legal person, the name of the legal person shareholder should be filled in.

Note 2: Fill in the name of the main shareholder of the legal person (top ten shareholders) and the ratio of shareholding.

Note 3: If the legal person shareholder is not organized as a company, the "names of shareholders" and the "ratio of shareholding" in the preceding paragraph shall be "names of funders or donors" and the "ratio of fund or donation" (Justice Yuan's announcement may be referred to. If a donor is deceased, please note as "Deceased.")

2. Information of Director and Supervisors

(1) Information disclosure for professional qualification and experience of directors and supervisors, and independent directors' independence:

Criteria Name	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Han Chia-Yau</p> <ul style="list-style-type: none"> • Commercial management • Experience in the board of directors • Experience in Asian markets • Board member of other public companies 	<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 3. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 4. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof 5. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 3. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 4. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof 5. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	-
<p>Han Jia-Chen</p> <ul style="list-style-type: none"> • Commercial management • Experience in the board of directors • Experience in Asian markets • Board member of other public companies 	<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 3. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 4. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof 5. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 3. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 4. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof 5. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	-

Criteria Name	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
Han Chia-Yin	<ul style="list-style-type: none"> • Commercial management • Experience in the board of directors • Experience in Asian markets • Board member of other public companies 	<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 2. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 3. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 4. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NTS500,000, or a spouse thereof 5. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 	-
Wang Zi-Lin	<ul style="list-style-type: none"> • Commercial management • Experience in the board of directors 	<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. (provided, not subject to an independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 6. Not a director (or governor), supervisor, or employee of a company or institution where the majority of the company's director seats or voting shares and those of any other company are controlled by the same person. 7. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NTS500,000, or a spouse thereof 10. Not a spouse, or relative within the second degree of kinship of other director(s). 11. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 12. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act. 	

Criteria Name	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
Tseng Pen-Jung <ul style="list-style-type: none"> • Medical professional • Experience in the board of directors 		<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. (provided, not subject to an independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 6. Not a director (or governor), supervisor, or employee of a company or institution where the majority of the company's director seats or voting shares and those of any other company are controlled by the same person. 7. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof 10. Not a spouse, or relative within the second degree of kinship of other director(s). 11. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 12. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act. 	-

Criteria Name	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
<p>Ting Yu-Shan</p> <ul style="list-style-type: none"> • Passed the CPA examination • Experience in Asian markets • Experience in the board of directors • Board member of other TWSE/TPEx public companies 	<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. (provided, not subject to an independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 6. Not a director (or governor), supervisor, or employee of a company or institution where the majority of the company's director seats or voting shares and those of any other company are controlled by the same person. 7. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof 10. Not a spouse, or relative within the second degree of kinship of other director(s). 11. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 12. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act. 	<p>Independence status</p>	<p>1</p>

Criteria Name	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
Tao Chuang-Chen <ul style="list-style-type: none"> • Commercial management • Experience in the board of directors 		<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. (provided, not subject to an independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 6. Not a director (or governor), supervisor, or employee of a company or institution where the majority of the company's director seats or voting shares and those of any other company are controlled by the same person. 7. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof 10. Not a spouse, or relative within the second degree of kinship of other director(s). 11. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 12. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act. 	-

Name	Criteria	Professional qualification and experience	Independence status	Number of Other Public Issuing Companies in Which the Individual is Concurrently Serving as an Independent Director
Wei Chien-Ming	<ul style="list-style-type: none"> • System application • Experience in the board of directors • Experience in serving as independent director in other TWSE/TPEx public companies 	<p>During the two years before being elected or during the term of office, qualified for the following:</p> <ol style="list-style-type: none"> 1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates. (provided, not subject to an independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent). 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 6. Not a director (or governor), supervisor, or employee of a company or institution where the majority of the company's director seats or voting shares and those of any other company are controlled by the same person. 7. Not a director (or governor), supervisor, or employee of that other company or institution where the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses. 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof 10. Not a spouse, or relative within the second degree of kinship of other director(s). 11. None of the circumstances in the subparagraphs of Article 30 of the Company Act. 12. Not elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act. 	1	

(2) The board of directors' diversity and independence:

- A. The board of directors' diversity: specify the diversity police, target, and achievement of the board of directors. The diversity policy includes but not limited to the criteria of selection directors, the professional qualification and experience required for the board of directors, and composition and ratio in terms of gender, age, nationality, and culture; the concrete target and achievement of the aforesaid policy shall be specified, too.
- The Company advocates and respect the diversity policy of the board of directors, to enhance the corporate governance, and promote the health development for the composition and structure of the board of directors. The elections of the board members adopts the principle of meritocracy; the board members possess the diversified capabilities in cross-industries, and complementary to each other; they also have the abilities of making judgments about operations, business management, leadership and decision-making, and crisis management. Please refer to Note 1 in (III) Implementation of corporate governance and the deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons thereof, in this annual report.
- B. The board of directors' independence: specify the number and weight of independent directors; also describe the board of directors' independence with the reasons, to explain that there is none of the circumstances set forth in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act, including if among the directors, supervisors, between directors and supervisors, there are spouses or relatives within the second degree kinship.
- There are total ten directors; among them, three are independent directors, or 30% of the all directors; the board of directors are independent to exercise its power. There of directors are relatives within the second degree kinship to each other, but there is none of the circumstances set forth in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act.

3. President, Vice President, Associates, Heads of Departments and Branches

April 19, 2022

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
President	Republic of China	Kun Yen Chuang	Male	2012.7.1	15,692	0.00%	-	-	-	-	Department of Business Management, Chenggong University	Chairman of MAY LAN LEI CO., LTD. Director of TOTAL NUTRITION TECHNOLOGIES CO., LTD. Director of GREAT WALL FEEDTECH CO., LTD. Director of Wonder Vax Company Limited	None	None	None	-
Executive Vice President	Republic of China	Tien Fu Tseng	Male	2006.06.26	3,216	0.00%	-	-	-	-	Department of Business Management, Chenggong University	Director of MAY LAN LEI CO., LTD.	None	None	None	-
Senior Vice President	Republic of China	Chien Kuo Liang	Male	2001.03.01	42,515	0.00%	26,007	0.00%	-	-	Institute of Veterinary Medicine, National Pingtung University of Science and Technology	Director of Wonder Vax Company Limited Director of TOTAL NUTRITION TECHNOLOGIES CO., LTD.	None	None	None	-
Senior Vice President	Republic of China	Jin Ho Jan	Male	2021.08.26	2	0.00%	-	-	-	-	SYRACUSE UNIV Institute of Computer Science	Oriental Best Foods Company Limited - Director	None	None	None	-
Vice President	Republic of China	Tung Chun Lai	Male	2006.03.01	401	0.00%	-	-	-	-	Department of Industrial Management, Chenggong University	Director of Anxin Qiaochu CO., LTD. Director of MAY LAN LEI CO., LTD. Director of SAN INN ABATTOIR CORPORATION General Manager of SAN INN ABATTOIR CORPORATION	None	None	None	-

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
Vice President	Republic of China	Hsueh Min Wu	Female	2007.08.01	97,724	0.01%	-	-	-	-	Institute of Business Administration, University of Chicago	Supervisor of MAY LAN LEI CO., LTD. Director of CITY CHAIN FOOD LTD. Independent Director of Princeton Technology Corporation Supervisor of ORIENTAL BEST FOODS CO., LTD. Supervisor of GREAT WALL FEEDTECH CO., LTD. KOUCHAN MILL CO., LTD. Supervisor	None	None	None	-
Vice President	Republic of China	Chien Chung Liu	Male	2007.08.01	206	0.00%	-	-	-	-	Research Institute of Jinan University	Supervisor of Anxin Qiaochu CO., LTD. Supervisor of Z.Y. Food Company Limited	None	None	None	-
Vice President	Republic of China	Chin Tung Huang	Male	2014.08.01	-	-	-	-	-	-	Institute of Business Management, National Chengchi University.	None	None	None	None	-
Vice President	Republic of China	Hsien Yu Hsia	Male	2020.08.01	-	-	-	-	-	-	Department of Finance and Economics, State University of New York	Director of Z.Y. Food Company Limited Director of Ma Cheng CO., LTD. Director of GREATWALL	None	None	None	-
Vice President	Republic of China	Fang Hao Han	Male	2020.08.01	-	-	-	-	-	-	MBA of Tsinghua University in Beijing	Z.Y. Food Company Limited Chairman of KOUCHAN MILL CO., LTD. Director of Gino Pasco	Vice Chairman	Ka-Chen Hon	father and son	-

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio			Title	Name	Relationship	
Vice President	Republic of China	Ming Chi Loi	Male	2020.08.01	-	-	-	-	-	-	Institute of Industrial Engineering and Engineering Management Department, National Tsinghua University	None	None	None	-	
Vice President	Republic of China	Shu Tai Wang	Female	2021.02.01	5,090	0.00%	-	-	-	-	Doctor of Food Science, Ohio State University	None	None	None	-	

*Vice President Ming Chi Loi assumed the position on August 1, 2020, and has been discharged on January 31, 2021.

*Senior Vice President Zhan, Jin-He assumed the position on August 26, 2021.

III. The Remuneration Paid to Directors, Supervisors, General Manager and Vice General Manager

1. Remuneration Paid to General Director and Independent Director (Summarized in accordance with the Range of Remuneration and name disclosed)

December 31, 2021 Unit: NTD Thousand

Title	Name	Remuneration Paid to Directors						Relevant Remuneration Received by Directors who Are Also Employees				Total A, B, C, D, E, F, G as % of total income after tax		Remuneration from Invested Companies or the Parent Company Other than Subsidiaries															
		Compensation (A)		Severance Pay and Pension (B)		Director's Remuneration (C)		Business Execution Expenses (D)		Salaries, Bonus, and Allowance (E)		Severance Pay and Pension (F)			Employee's Remuneration (G)		All companies in the consolidated financial statements	The Company											
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	Cash amount	Share amount		Cash amount	Share amount													
Chairman	Fu Ju Investment Co., Ltd. Representative: Han Chia-Yun	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Vice Chairman	Fu Ju Investment Co., Ltd. Representative: Han Jia-Chen	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-											
Director	Fu Ju Investment Co., Ltd. Representative: Han Chia-Yin	-	-	34,000	-	34,000	900	1,987	-	23,945	216	4,800	-	4,800	-	65.97%	3.37%	64.98%	3.47%										
Director	Heng Hwa Industrial Holding Corporation Representative: Miao Feng-Sheng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None									
Director	KU THAI HSING ENTERPRISE CO., LTD. Representative: Miao Hsiang-Chao	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
Director	Feng Peng-Hung Wang Zi-Jin	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-									
Independent Director	Feng Yui-Shan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,800	8.313	0.425%	0.466%	8.213	0.466%	None		
Independent Director	Tao Chung-Chen	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Director	Wei Chien-Ming	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. The table shows the amount of the remuneration payment to the general and independent directors, and other officers of the subsidiaries with the responsibility to risk, assets, finance, and the amount paid to them, describes in Points 6 and 7.

2. Other than the disclosure above, the remuneration received by providing services (e.g. serving as a non-employee advisor for the parent, all companies in the financial statements' remuneration) by the Company's directors in the recent year.

Note: Mr. Han Chia-Yun, Mr. Han Jia-Chen and Mr. Han Chia-Yin are the legal representatives of Fuju Investment CO., LTD.; Mr. Miao Feng-Sheng is the legal representative of Lien Hwa Industrial Holdings Corp.; Mr. Chao Tien-Hsing is the legal representative of KIU THAI HSING ENTERPRISE CO., LTD.

- * Amount of Director's remuneration to be allotted for the 2020 surplus distribution determined by the Director's meeting in 2021.
- * Refers to business fees paid to the director directors in 2021 (including carriage fees, special expenses, various allowances, dormitories, car allocation, etc.). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation.
- * Refers to payments that include salaries, supervisors' allowances, severance pay, bonuses, incentive payment, traveling expense, special allowances, subsidies, dormitory, company cars, in kind payments, etc. paid to the directors who were also the Company's employees in 2021 (include concurrently serving as the president, vice presidents, other managers and employees). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation.
- * The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act. thus the purpose of this table is for information disclosure only, rather than taxation.

2. Range of Remuneration of Director

Range of Remuneration Paid to Directors of the Company	Name of Director		
	Total Amount of First Four Items (A+B+C+D)		Total Amount of First Seven Items (A+B+C+D+E+F+G)
	The Company	All companies in the consolidated financial statements H	The Company
Less than NT\$1,000,000	Han Chia-Yau; Han Jia-Chen; Han Chia-Yin; Miao Feng-Sheng	Han Chia-Yau; Han Jia-Chen; Han Chia-Yin; Miao Feng-Sheng	Miao Feng-Sheng
NT\$1,000,000 (inclusive) ~ NT\$2,000,000	Ting Yu-Shan; Tao Chuang-Chen Wei Chien-Ming	Ting Yu-Shan; Tao Chuang-Chen Wei Chien-Ming	Ting Yu-Shan; Tao Chuang-Chen Wei Chien-Ming
NT\$2,000,000 (inclusive) ~ NT\$3,500,000	Tseng Pen-Jung; Wang Zi-Lin ; Lien Hwa Industrial Holdings Corp KIU THAI HSING ENTERPRISE CO., LTD.	Tseng Pen-Jung; Wang Zi-Lin ; Lien Hwa Industrial Holdings Corp KIU THAI HSING ENTERPRISE CO., LTD.	Tseng Pen-Jung; Wang Zi-Lin ; Lien Hwa Industrial Holdings Corp KIU THAI HSING ENTERPRISE CO., LTD.
NT\$3,500,000 (inclusive) ~ NT\$5,000,000			
NT\$5,000,000 (inclusive) ~ NT\$10,000,000			Han Jia-Chen; Han Chia-Yin
NT\$10,000,000 (inclusive) ~ NT\$15,000,000			Han Chia-Yau
NT\$15,000,000 (inclusive) ~ NT\$30,000,000	Fuju Investment	Fuju Investment	Fuju Investment
NT\$30,000,000 (inclusive) ~ NT\$50,000,000			
NT\$50,000,000 (inclusive) ~ NT\$100,000,000			
NTD100,000,000 or above			
Total	12	12	12

Note: As the Company has not paid the directors' remuneration and dividends, the range of remuneration is calculated based on the actual amount paid in 2020.

3. Remuneration paid to General Manager and Vice General Manager(Summarized in accordance with the Range of Remuneration and name disclosed)

December 31, 2021
Unit: NTD Thousand

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D)				Total A. B. C. D as % of net income after tax		Remuneration from Invested Companies or the Parent Company Other than Subsidiaries	
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	Cash amount	Share amount	Cash amount	Share amount		The Company
President	Kun Yen Chuang														
Executive Vice President	Tien Fu Tseng														
Senior Vice President	Chien Kuo Liang														
Senior Vice President	Jim Ho Jan														
Vice President	Tung Chun Lai														
Vice President	Hsueh Min Wu														
Vice President	Chien Chung Liu	56,553	58,308	1,089	1,161	-	-	10,481	-	10,481	-	-	68,123	69,949	None
Vice President	Chin Tung Huang														
Vice President	Hsien Yu Hsia														
Vice President	Fang Hao Han														
Vice President	Ming Chi Loi														
Vice President	Shu Tai Wang														

Any positions correspondent to President and Vice President (e.g. General Manager, CEO or Director et al.) shall be disclosed, irrelevant with job titles.

4. Range of Remuneration of President and Vice Presidents

Range of Remuneration paid to President and Vice President of the Company	Name of President and Vice President	
	The Company	All companies in the consolidated financial statements E
Less than NT\$1,000,000	Ming Chi Loi	Ming Chi Loi
NT\$1,000,000 (inclusive) ~ NT\$2,000,000		
NT\$2,000,000 (inclusive) ~ NT\$3,500,000		
NT\$3,500,000 (inclusive) ~ NT\$5,000,000	Hsueh Min Wu; Chin Tung Huang Hsien Yu Hsia; Shu Tai Wang Fang Hao Han	Hsueh Min Wu; Chin Tung Huang Hsien Yu Hsia; Shu Tai Wang
NT\$5,000,000 (inclusive) ~ NT\$10,000,000	Tien Fu Tseng; Chien Kuo Liang; Jin Ho Jan; Tung Chun Lai; Chien Chung Liu;	Tien Fu Tseng; Chien Kuo Liang; Jin Ho Jan; Tung Chun Lai; Chien Chung Liu; Fang Hao Han
NT\$10,000,000 (inclusive) ~ NT\$15,000,000	Kun Yen Chuang	Kun Yen Chuang
NT\$15,000,000 (inclusive) ~ NT\$30,000,000		
NT\$30,000,000 (inclusive) ~ NT\$50,000,000		
NT\$50,000,000 (inclusive) ~ NT\$100,000,000		
NTD100,000,000 or above		
Total	12	12

Note: Since the company has not yet paid employee bonuses, the remuneration scale is calculated based on the actual amount paid in 2020.

* The remuneration contents disclosed in this table are different from the concept of income specified in the Income Tax Act, thus the purpose of this table is for information disclosure only, rather than taxation.

5. Employee Compensation Paid to Managerial Officers and Their Name

December 31, 2021

Unit: NTD Thousand

	Title	Name	Stock amount	Cash amount	Total	Ratio of Total Amount to Net Income (%)
Managerial Officer	Chairman	Han Chia-Yau	-	4,800	4,800	0.26%
	Vice Chairman	Han Jia-Chen				
	Vice President	Han Chia-Yin				
	President	Kun Yen Chuang	-	10,481	10,481	0.56%
	Executive Vice President	Tien Fu Tseng				
	Senior Vice President	Chien Kuo Liang				
	Senior Vice President	Jin Ho Jan				
	Vice President	Tung Chun Lai				
	Vice President	Hsueh Min Wu				
	Vice President	Chien Chung Liu				
	Vice President	Chin Tung Huang				
	Vice President	Hsien Yu Hsia				
	Vice President	Fang Hao Han				
	Vice President	Ming Chi Loi				
	Vice President	Shu Tai Wang				

6. Compare and explain the analysis of the total remuneration paid to Director. Supervisor. General Manager and Vice General Manager of the company in the most recent two years by the company and all companies in the consolidated statement as a percentage of the net profit after tax. And explain the remuneration policies, standards and combinations, the procedures for setting remuneration and the relevance of business performance

Title	Proportion of total remuneration to net profit after tax			
	2021		2020	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Director	3.79%	3.93%	2.33%	2.40%
President and Vice President	3.64%	3.74%	1.87%	1.90%

7. Remuneration distribution policy for Director, Supervisor and Managerial Officer

Remuneration distribution policy for directors and supervisors

In the Company's Articles of Association, the director and supervisor's remuneration will be deducted from the annual surplus and the tax will be deducted to make up for the loss. After depositing 10% as a statutory surplus reserve, it will be allocated to directors and supervisors whose remuneration is not higher than 2%. It shall be proposed by the board of directors and distributed by the resolution of the shareholders meeting.

Remuneration distribution policy for Managerial Officer

The salary of the Managerial Officer of the company is determined based on individual performance and contribution. Remuneration for employees is not lower than 2%, which is allocated according to grade and performance.

IV. Implementation of Corporate Governance

(I) Operations of Board of Directors

1. A total of six (6) meetings of the Board of Directors were held in 2021. The attendance of directors and supervisors (including independent director) was as follows:

Title	Name	Attendance in Person	Proxy Attendance	Attendance Rate (%)	Remarks
Chairman	Fu Ju Investment Co., Ltd. Representative: Han Chia-Yau	6	0	100%	
Vice Chairman	Fu Ju Investment Co., Ltd. Representative: Han Jia-Chen	4	0	67%	
Director	Fu Ju Investment Co., Ltd. Representative: Han Chia-Yin	6	0	100%	
Director	Tseng Pen-Jung	6	0	100%	
Director	Lien Hwa Industrial Holding Corporation Representative: Miao Feng-Sheng	6	0	100%	
Director	Wang Zi-Lin	6	0	100%	
Director	KIU THAI HSING ENTERPRISE CO., LTD. Representative: Chao Tien-Hsing	6	0	100%	
Independent Director	Tao Chuang-Chen	6	0	100%	
Independent Director	Ting Yu-Shan	6	0	100%	
Independent Director	Wei Chien-Ming	6	0	100%	

Other matters to be recorded:

- I. Should any of the following take place in a board meeting, the date and number of the meeting, the content of proposal, Independent Director's opinions and the Company's response to such opinions should be recorded:

(I) For matters listed in Article 14-3 of the Securities and Exchange Act:

Date of board meeting	Term (xx meeting of xx term)	Proposal description	Resolution	Opinions of all independent directors	The Company's handling of opinions of independent directors
110/3/3	16th Term 9th	Applications to the financial institutions with business relationships for extending or adding duration for the 2021 credit contracts, and the limits for derivatives .	Approved by all attending directors	None	None
110/3/31	16th Term	Proposal of the issuance	Approved by	None	None

	10th	of new shares against capitalized earnings	all attending directors		
110/3/31	16th Term 10th	Signing the statement of internal control system	Approved by all attending directors	None	None
110/3/31	16th Term 10th	Short-term financing turnover of subsidiaries provided	Approved by all attending directors	None	None
110/3/31	16th Term 10th	Amendment to partial provisions of the “Rules of Procedure for Board of Directors Meetings”	Approved by all attending directors	None	None
110/3/31	16th Term 10th	Amendments to some provisions of the “Audit Committee Charter.”	Approved by all attending directors	None	None
110/3/31	16th Term 10th	Amendments to the “Management for Financial Statement Preparation Process”	Approved by all attending directors	None	None
110/5/7	16th Term 11th	Establishment of the corporate governance officer	Approved by all attending directors	None	None
110/8/6	16th Term 13th	Proposal of KPMG's public audit fees in 2021	Approved by all attending directors	None	None
110/8/6	16th Term 13th	Approved "Measures for the Assessment of the Independence and Competency of Certified Public Accountants".	Approved by all attending directors	None	None
110/11/5	16th Term 14th	The Company’s 2022 audit work plan	Approved by all attending directors	None	None
110/11/5	16th Term 14th	Short-term financing turnover of subsidiaries provided	Approved by all attending directors	None	None
110/11/5	16th Term 14th	Increase capital in Great Wall International (Holdings) Limited	Approved by all attending directors	None	None
110/11/5	16th Term 14th	Proposal of the establishment of the “Corporate Governance Best Practice Principles.”	Approved by all attending directors	None	None
110/11/5	16th Term 14th	Proposal to bid for the lands in the Intelligent Industrial Park (Intelligent Robot Park).	Approved by all attending directors	None	None
<p>(II) Other resolutions of the Board, which the Independent Director(s) voiced objection or reservation that are documented or issued through a written statement in addition to the above: None.</p> <p>II. Recusal of any director due to conflict of interest: None.</p> <p>III. The company listed on TWSE/TPEX shall disclose the evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the self (peer) evaluation of the Board of Directors, and please refer to the "Board of Directors Evaluation Status" in the following table”:</p>					

Evaluation cycle	Evaluation duration	Scope of evaluation	Evaluation method	Evaluation Content [Note]
Once a year	January 1, 2021 to December 31, 2021	Performance evaluation of the entire Board, individual director, and the functional committee	Internal self-assessment by the Board of Directors, self-assessment of members of the board, internal self-assessment by the functional committee	Evaluation of performance for the he Board of Directors, evaluation of performance for the individual board members; and valuation of performance for the functional committee

[Note]

(I) Evaluation Content:

1. Five major items for Evaluation of performance for the he Board of Directors (43 evaluation indicators in total):
 - (1) Participation in the operation of the company
 - (2) Improvement of the quality of the board of directors' decision making;
 - (3) Composition and structure of the board of directors;
 - (4) Election and continuing education of the directors
 - (5) Internal control
2. Six major items for evaluation of performance for the individual board members (23 evaluation indicators in total):
 - (1) Alignment of the goals and missions of the company
 - (2) Awareness of the duties of a director
 - (3) Participation in the operation of the company
 - (4) Management of internal relationship and communication
 - (5) The director's professionalism and continuing education
 - (6) Internal control
3. Five major items for evaluation of performance for the functional committees (24 evaluation indicators in total):
 - (1) Participation in the operation of the company
 - (2) Awareness of the duties of the functional committee
 - (3) Improvement of quality of decisions made by the functional committee
 - (4) Makeup of the functional committee and election of its members
 - (5) Internal control

(II) Evaluation results:

The three evaluations include performance evaluation of the board, board member performance self-evaluation, and functional committee performance evaluation. All measurement indicators meet the standards, and the evaluation results exceed the standards. The results of director performance evaluation shall be submitted to the board of directors on March 25, 2022.

- IV. Evaluation of the objectives and implementation of strengthening the functions of the board of directors in the current and recent years: The company has fully re-elected directors and supervisors at the shareholders meeting on June 24, 2016, and established an Audit Committee, adding three independent directors to strengthen the company's corporate governance and board functions. According to the announcement issued by the competent authority, for the requirement that "listed companies shall conduct self-or peer evaluation by the board of directors every year starting from 2020, and complete the declaration of performance evaluation results before the end of the first quarter of the following year." On November 8, 2019, the third meeting of the sixteenth board of directors passed a resolution to "determine the company's "Method of Performance Evaluation of Board of Directors", which is implemented on January 1, 2020. 」

2. Independent directors' attendance in the board of directors' operation

A total of six (6) meetings of the Board of Directors were held in 2021, and the independent directors' attendance is as following:

The attendance of independent directors in 2021						
◎ Attendance in Person; ☆: Proxy Attendance; *: Not attending						
2021	March 3	March 31	May 7	June 24	August 6	November 5
Tao Chuang-Chen	◎	◎	◎	◎	◎	◎
Ting Yu-Shan	◎	◎	◎	◎	◎	◎
Wei Chien-Ming	◎	◎	◎	◎	◎	◎

Other matters to be recorded:

At least one independent director shall attend in person any meeting of the Board. With respect to a matter prescribed in the following that must be approved by resolution at a Board meeting, all independent directors shall attend the meeting in person or appoint another independent director to attend the meeting as a proxy. Any objection or qualified opinion made by an independent director shall be set forth in the minutes of the Board meeting; if an independent director is unable to attend the Board meeting in person to express his objections or reservations, he shall, unless he has valid reasons, give a written opinion in advance and set it out in the minutes of the Board meeting:

- I. Business Plan
- II. Annual financial reports and semi-annual financial reports With the exception of semi-annual financial reports, which, under relevant laws and regulations, need not be audited and attested by CPAs.
- III. Establish or amend the internal control system in accordance with Article 14- of the Securities and Exchange Act, and evaluate the effectiveness of the internal control system.
- IV. In accordance with the provisions of Article 36-1 of the Securities and Exchange Act, stipulate or amend the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- V. Matters bearing on the personal interest of a director or supervisor.
- VI. Major assets or derivatives trading.
- VII. Major loaning of funds, and provision of endorsements/guarantees.
- VIII. Raising, issuing or private placement of equity securities.
- IX. Appointment, discharge or compensation of a certified public accountant (CPA).
- X. Appointment or discharge of financial, accounting or internal audit supervisors.
- XI. Donations to a related party or major donations to a non-related party. Provided that a donation for charity or disaster relief for a material natural disaster may be submitted to the following Board of Directors meeting for ratification.
- XII. Other matters that shall be decided by the Shareholders' Meetings or submitted to the Board of Directors or major matters specified by the competent authority in accordance with the law or the articles of association.

(II) Operations of the Audit Committee:

1. Power and annual key tasks of the Audit Committee:

- (1) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

- (2) Assessment of the effectiveness of the internal control system.
- (3) In accordance with the provisions of Article 36-1 of the Securities and Exchange Act, stipulate or amend the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
- (4) Matters in which a director is an interested party.
- (5) Asset transactions or derivatives trading of a material nature.
- (6) Loans of funds, endorsements, or provision of guarantees of a material nature.
- (7) The offering, issuance, or private placement of equity-type securities.
- (8) The hiring or dismissal of a certified public accountant, or their compensation.
- (9) The appointment or discharge of a financial, accounting, or internal audit officer.
- (10) Annual and semi-annual financial reports.
- (11) Other material matters as may be required by this Corporation or by the competent authority.

2. The Audit Committee held 4 meetings during 2021; the attendance of independent directors is summarized as follows:

Title	Name	Attendance in Person	Proxy Attendance	Attendance Rate (%)	Remarks
Independent Director	Tao Chuang-Chen	4	0	100%	
Independent Director	Ting Yu-Shan	4	0	100%	
Independent Director	Wei Chien-Ming	4	0	100%	

Other matters to be recorded:

- I. Where the operation of the Audit Committee meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, independent directors' dissent, qualified opinion, or material recommendations, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions:
 - (I) Matters referred to in Article 14-5 of the Securities and Exchange Act: Submit to the board of directors after approval by the Audit Committee.

Meeting date of the Audit Committee	Term (xx meeting of xx term)	Proposal description	Resolution	Description of members' dissent, qualified opinion, or material recommendations	Company's handling of the Audit Committee's opinions:
110/3/31	2nd Term 8th	Approved parent-only and consolidated 2020 financial reports prepared by the Company, and audited and certified by CPAs.	Approved as it was proposed by all attending members without dissent	None	None
110/3/31	2nd Term 8th	Proposal of the issuance of new shares against	Approved as it was proposed by	None	None

		capitalized earnings	all attending members without dissent		
110/3/31	2nd Term 8th	Signing the statement of internal control system	Approved as it was proposed by all attending members without dissent	None	None
110/3/31	2nd Term 8th	Short-term financing turnover of subsidiaries provided	Approved as it was proposed by all attending members without dissent	None	None
110/3/31	2nd Term 8th	Amendment to partial provisions of the "Rules of Procedure for Board of Directors Meetings"	Approved as it was proposed by all attending members without dissent	None	None
110/3/31	2nd Term 8th	Amendments to some provisions of the "Audit Committee Charter."	Approved as it was proposed by all attending members without dissent	None	None
110/3/31	2nd Term 8th	Amendments to the "Management for Financial Statement Preparation Process"	Approved as it was proposed by all attending members without dissent	None	None
110/8/6	2nd Term 10th	The Company's consolidated financial statements for the second quarter of 2021	Approved as it was proposed by all attending members without dissent	None	None
110/8/6	2nd Term 10th	Proposal of KPMG's public audit fees in 2021	Approved as it was proposed by all attending members without dissent	None	None
110/11/5	2nd Term 11th	Short-term financing turnover of subsidiaries provided	Approved as it was proposed by all attending	None	None

			members without dissent		
110/11/5	2nd Term 11th	Increase capital in Great Wall International (Holdings) Limited	Approved as it was proposed by all attending members without dissent	None	None
110/11/5	2nd Term 11th	Proposal to bid for the lands in the Intelligent Industrial Park (Intelligent Robot Park).	Approved as it was proposed by all attending members without dissent	None	None

(II) Aside from said circumstances, resolution(s) not passed by the Audit Committee but receiving the consent of two-thirds of the whole directors: None.

II. Recusal of any independent director due to conflict of interest: None.

III. Communication between independent directors and internal auditing officers as well as external auditors (such as items discussed, means of communication and results on the Company's finance and business, etc.):

1. At least the audit reports and tracking reports shall be submitted to each independent director for reviewing more than one per month, and the monthly audit results, improvement of the audit deficiencies and the financial and business status of the Company shall also be reported, and the independent directors review and comment the audit reports.
2. There are direct access between the independent directors and the CPAs for communications.

(III) Implementation of corporate governance and the deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
I. Has the Company established the Corporate Governance Best Practice Principles pursuant to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and disclosed such?	V	Company's board of directors approved the "Corporate Governance Best Practice Principles" on November 5, 2021, to promote the operation of the corporate governance, and disclosed such on MOPS and the official website.	No significant deviation.
II. Shareholding structure & shareholders' rights (I) Does the Company establish internal operating procedures or policies to handle shareholder suggestions, doubts disputes and lawsuits and implemented such procedures or policies?	V	(I) Neither the Company nor the affiliates have formulated "Internal Operating Procedures" for dealing with shareholders' suggestions, doubts, disputes and litigation related matters, but there are spokesmen and acting spokesmen to deal with shareholders' suggestions or disputes, and the related enterprises are also dealt with by the Company. (II) Through interaction with major shareholders, the Company can keep track of the list of major shareholders and ultimate controllers of major shareholders, as well as the increase or decrease of equity or mortgage changes of shareholders holding shares and shareholders serving as directors and supervisors, which should be input into the "Market Observation Post System" for public disclosure in accordance with the regulations, and the information of the affiliates should also be mastered by the Company. (III) The Company and affiliates operate independently, and the Company's internal control system includes the supervision and management of subsidiaries. (IV) In order to prevent the Company or its insiders	(I) No significant deviation. (II) No significant deviation. (III) No significant deviation. (IV) No significant deviation.
(II) Does the Company possess a list of major shareholders and list of ultimate owners of these major shareholders?	V		
(III) Does the company establish and enforce risk control and firewall systems with its affiliate companies?	V		
(IV) Does the Company adopted internal rules	V		

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
prohibiting company insiders from trading securities using information not disclosed to the market?		<p>from mistaking or intentionally violating the relevant provisions of internal transactions due to their ignorance of the laws and regulations, resulting in the company or its insiders' lawsuits and damaging their reputation, the Company has formulated the "operation procedures for preventing the management of internal transactions" to prevent the internal transactions, so as to protect the investors and safeguard the company's rights and interests.</p>	
<p>III. Composition and responsibilities of the Board of Directors</p> <p>(I) Has the board of directors formulated the diversity policy, concrete management target, and implements such?</p> <p>(II) In addition to the Remuneration Committee and Audit Committee, does the Company voluntarily establish other functional committees?</p>	<p>V</p> <p>V</p>	<p>(I) The members of the board of directors of the Company have met the requirements, and according to the actual needs of the Company, this requirement will be added to the requirement for the election of directors in the future. (Please refer to Note 1)</p> <p>(II) In addition to the Remuneration Committee and the Audit Committee, the Company has also set up a "Company Wide Occupational Safety and Health Committee" to meet the needs of both parties for communication and supervision, so as to promote the health and safety of the workplace environment. The Occupational Safety and Health Committee holds regular meetings to discuss issues related to safety and health or health management, convey the Company's safety and health policies, and continuously track the completion of resolutions, so as to promote relevant systems; Other functional committees will be set up according to the actual needs of the Company.</p>	<p>(I) No significant deviation.</p> <p>(II) No significant deviation.</p>

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
(III) Does the Company establish standards to measure the performance of the Board, and does the Company implement such annually? Does it report the results of the performance evaluation to the BOD and use them as a reference for each Director's remuneration and nomination of term renewal?	V		(III) On November 8, 2019, the board of directors of the Company formulated the "Rules Governing the Performance Evaluation of the Board of Directors" and disclosed it on the company website. The board of directors and individual directors are subject to self or peer evaluation on a regular basis every year. The results of directors' performance evaluation in 2021 will be submitted to the board of directors on March 25, 2022. Every three years, an external professional independent organization or an external team of experts and scholars shall conduct the evaluation and disclose the results of the performance evaluation in the annual report. The Company should consider the company's situation and needs to develop the measurement items of board performance evaluation, which should at least include the following five aspects: I. Participation in the operation of the company II. Improvement of the quality of the board of directors' decision making; III. Composition and structure of the board of directors; IV. Election and continuing education of the directors V. Internal control The performance evaluation items of directors (self or peer) should include at least the following six aspects: I. Alignment of the goals and missions of the
	V		(III) No significant deviation.

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
	Summary		
(IV) Does the Company regularly assess on the independence of CPAs?		<p>company</p> <p>II. Awareness of the duties of a director</p> <p>III. Participation in the operation of the company</p> <p>IV. Management of internal relationship and communication</p> <p>V. The director's professionalism and continuing education</p> <p>VI. Internal control</p> <p>The indicators of board performance evaluation shall be determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the Company, subject to regular reviews and constructive comments of the Remuneration Committee. Scoring criteria may be modified and adjusted based on the Company's needs. The weighted scoring method may be adopted based on the aspects of evaluation.</p> <p>(IV) The CPA firm and CPA appointed by the Company have no conflicts of interest with the Company and strictly maintain their independence.</p> <p>On August 8, 2019, the board of directors of the company formulated the "measures for the evaluation of the independence and competency of CPAs", and the board of directors regularly discusses the appointment of audit and certification accountants for the assessment of their independence and competency every year. On August 12, 2021, the board of directors passed the evaluation of the independence and competency of certified public accountants, and</p>	(IV) No significant deviation.

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons thereof
	Yes	No	
			<p>the implementation is as follows: according to Article 47 of the accounting law and No. 10 Bulletin of the code of professional ethics for accountants, both the certified public accountants and the company meet the requirements of independence, are qualified to be the financial certified public accountants of the company, and have obtained the declaration of independence and the evaluation form of the independence and competency of accountants, and the accounting independence and competency assessment form is posted on the company's website.</p>
<p>IV. Does the company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)?</p>	V		<p>The company was approved by the board of directors on May 7, 2021, and Hsien Yu Hsia was appointed as the director of corporate governance.</p> <p>The corporate governance affairs include the following items:</p> <ol style="list-style-type: none"> 1.Handle matters related to the meeting of the board of directors and shareholders' meeting according to the law. 2.Preparation of minutes of board of directors and shareholders' meetings. 3.Assist directors in their appointment and continuing education. 4.Provide information required by directors to conduct business. 5.Assist directors in complying with laws and regulations. 6.The corporate governance supervisor completed 6 hours of training in 2021. For the complete course information, please refer to P87.
			No significant deviation.

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
V. Does the company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	V	The Company has set up a spokesman as a channel for communication with stakeholders, and announced the information to the public information observatory in accordance with regulations; At the same time, it is also published on the website for investors to inquire, and its related enterprises are also represented by our company.	No significant deviation.
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V	The Company has commissioned the Shareholder Service Agent Department of CTBC Bank to hold shareholders' meetings and other relevant affairs.	No significant deviation.
VII. Information disclosure			
(I) Does the Company establish a corporate website to disclose information regarding the company's financial, business, and corporate governance status?	V	(I) The company has set up an investor service website and disclosed financial business and corporate governance information in accordance with regulations. Website-- http://www.dachan.com . The related information of the affiliates may be obtained from the consolidated financial statements.	(I) No significant deviation.
(II) Does the Company establish any other information disclosure channels (e.g. maintaining a website in English, designating people to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference, etc.)?	V	(II) The Company has designated personnel responsible for information collection and disclosure, and its affiliates are also represented by the Company.	(II) No significant deviation.
(III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year? Does it announce and declare the first, second and third quarter financial reports and operating conditions of each month as	V	(III) Currently, the Company reports the financial statements and monthly operating status pursuant to the dates stipulated in the "List of Matters Required to Be Handled by Issuers of Listed Securities." The Company has not yet to announce and report the annual financial statements within two months upon the end of a	(III) No significant deviation.

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons thereof
	Yes	No	
<p>soon as possible before the prescribed period?</p> <p>VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Directors and Supervisors)?</p>	V	<p>fiscal year, nor made announcement earlier than the deadlines.</p> <p>(1) Employee rights and interests: the Company and affiliates have established employee welfare matters (such as various subsidiaries, group insurance, office nursing room, employee welfare building - gym, rhythm classroom, bathing facilities, etc.), and the company's love club will also give certain support to employee care in a timely manner, and also calculate performance bonus and formulate distribution method to distribute employee bonus.</p> <p>(2) Employee care: the Company and affiliates regularly hold labor unions to strengthen the harmony between the two sides, and clearly regulate the labor relations and working conditions between employees, and protect the rights and interests of employees.</p> <p>(3) Investor relationship: the Company publishes important information at the public information observatory in accordance with the law to protect the rights and interests of investors, and has a spokesperson to give appropriate explanation for the investment consultation.</p> <p>(4) Supplier relationship: keep close interaction with suppliers at any time, so that the Company and related enterprises can get a balance between purchasing cost and supplier profit.</p> <p>(5) Rights of stakeholders: in order to protect the interests of stakeholders, the Company and related enterprises have established various good and smooth communication channels, and respect</p>	No significant deviation.

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
	Summary		
			<p>and safeguard their legitimate rights and interests.</p> <p>(6) Continuing education for directors and supervisors: professional and continuing education for directors has been included in the Company's "Performance Evaluation Method for the Board of Directors." For further education in 2021, please refer to the attached table (8) below for other important information that can enhance the understanding of the operation of Corporate Governance: (2) Managerial officers participate in further education and training related to the governance of the Company or its affiliates.</p> <p>(7) Implementation of risk management policies and standards: The Company has established various internal regulations to conduct various types of internal regulations, and implemented various risk management and assessment.</p> <p>(8) Implementation of customer policy: listen to the inner voice of customers, understand the real meaning of "Customer First," and then embody such in real product and service advantages.</p> <p>(9) The liability insurances that the Company have purchased for the Directors and Supervisors: the Company and affiliates have purchased liability insurance for directors, supervisors and managers, so as to reduce and disperse the serious damage to the company and shareholders caused by illegal acts of directors and supervisors.</p> <p>(10) Other corporate governance matters will be gradually implemented based on the situation of the Company and affiliates as well as the requirements of laws and regulations.</p>

Evaluation item	Operation		The deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved.	V	See the attached table - Corporate Governance Evaluation in 2021.	No significant deviation.
No.	Question		Improvement description
2.1	Has the company adopted corporate governance best practice principles and have they been passed by the board?		The Company's board of directors approved the "Corporate Governance Best Practice Principles" on November 15, 2021, to promote the operation of the corporate governance, and disclosed such on MOPS
2.24	Has the company established a cyber security risk management framework, adopted cyber security policies and concrete management programs, and invested in resources for cyber security management? Did it furthermore disclose these on the company's website or in its annual report?		The Company has built the "Information Security Risk Management Framework" on the Company's website, to promote information security management matters and promote information security awareness.
2.28	Has the company adopted an approval method for the recruitment, evaluation, and remuneration of its internal auditors, whether by submission to the board for approval, or by submission by the chief internal auditor to the chairman of the board for approval, and disclosed the method on the company's website?		On October 5, 2021, the Company formulated the "Procedures for Appointment, Discharge, Appraisal, and Remuneration of Internal Auditor." The appointment, discharge, appraisal and remuneration of internal auditors, shall be signed and reported by the audit officer to the chairman for approval. The appraisals shall be carried out at least once a year and disclosed on the Company's website.
4.15	Did the company disclose on its website or in its annual report its ethical corporate management policy passed by its board of directors, expressly prescribing its specific ethical management practices and its programs to prevent unethical conduct, and specify the status of implementation?		The Company has established the Procedures for Ethical Management and Guidelines for Conduct; the assessment results for deviations of its implementation of ethical corporate management from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons are disclosed in the official website.

Note 1: individual directors' implementation of the policy of diversity of board members

Core item of diversity	Basic formation				Seniority of independent director			Professional ability						
	Gender	Concurrently serving as the Company's employee	Aged 60 years old or under	Aged 60 years old or above	3 years of under	3-9 years old	More than 9 years old	Make judgments about operations.	Accounting and financial analysis	Business management	Crisis management	Knowledge of the industry	An international market perspective	Leadership and decision-making
Han Chia-Yau	Male	V	V	V				V	V	V	V	V	V	V
Han Jia-Chen	Male	V	V	V				V	V	V	V	V	V	V
Han Chia-Yin	Male	V	V	V				V	V	V	V	V	V	V
Tseng Pen-Jung	Male		V	V				V		V	V	V	V	V
Miao Feng-Sheng	Male		V	V				V	V	V	V	V	V	V
Wang Zi-Lin	Male		V	V				V	V	V	V	V	V	V
Chao Tien-Hsing	Male		V	V				V	V	V	V	V	V	V
Tao Chuang-Chen	Male		V	V	V			V	V	V	V	V	V	V
Ting Yu-Shan	Male		V	V	V			V	V	V	V	V	V	V
Wei Chien-Ming	Male		V	V	V			V	V	V	V	V	V	V

<Table - Corporate Governance Evaluation in 2021, Great Wall Enterprise Co., Ltd.>

Question Number	Indicator	Points	Top priority items to be improved and measures
1.2	Did the company disclose in the minutes the numbers of votes cast "For" and "Against" as well as the number of "Abstentions" on each motion and, on the same day the AGM was held, disclose them on the designated Internet information reporting website?	1	
1.3	Did more than half of the directors (including at least one independent director) and the audit committee convener (or at least one supervisor) attend the AGM in person, and did the company disclose in the minutes the names of those who attended?	1	
1.4	Did the chairman of the board attend the AGM in person?	1	
1.5	Is it true that there were no extraordinary motions passed in the AGM, and there were no changes to the agenda or motions within	1	

Question Number	Indicator	Points	Top priority items to be improved and measures
	the 7 days prior to the day of the AGM?		
1.6	Did the company hold the AGM before the end of May?	0	
1.7	Did the company disclose the shareholders meeting agenda handbook and supplemental meeting materials on the designated Internet information reporting website 30 days prior to the day of the AGM?	1	
1.8	Did the company provide its annual report 16 days prior to the day of the AGM?	1	
1.9	Did the company simultaneously provide the Chinese and English versions of the meeting notice 30 days prior to the day of the AGM?	1	
1.10	Did the company disclose the English versions of the meeting agenda handbook and supplemental meeting materials 30 days before the day of the AGM?	1	
1.11	Did the company provide the English annual report 7 days before the day of the AGM?	1 point and 1 more point added to the total point	
1.12	Is it true that the company did not do the following: distribute remuneration to the directors/supervisors without distributing any dividend to the shareholders?	1	
1.13	If the company distributed cash dividends during the year being evaluated, were all such distributions completed within 30 days after the ex-dividend date?	1	
1.14	Did the company disclose the implementation status of the AGM resolutions of the preceding fiscal year in the annual report?	1	
1.15	Did the company adopt bylaws prohibiting insiders, including directors and employees, from using information not available in the market for personal gain, and were those bylaws and the status of their implementation disclosed on the company's website?	1	
1.16	In the year being evaluated, was the average share pledge ratio	1	

Question Number	Indicator	Points	Top priority items to be improved and measures
	among directors, supervisors, and substantial shareholders equivalent to or less than 50%?		
1.17	Is it true that the company did not have any government agencies or any single TWSE/TPEX public company and its subsidiaries accounting for one-third or more of the board?	1	
2.1	Has the company adopted corporate governance best practice principles and have they been passed by the board?	1	
2.2	Did the company adopt a board diversity policy and disclose the specific management objectives as well as the status of implementation of the diversity policy on the company's website and in the annual report?	0	The board members of the Company have met the requirements, and this element will be added to the requirements for director election in the future when required.
2.3	Is it true that the company's chairman and its general manager or other equivalent officer (chief executive officer) are neither the same person nor spouses or first-degree relatives?	1	
2.4	Is it true that the company's chairman and its general manager or other equivalent officer (chief executive officer) are neither the same person nor spouses or first-degree relatives?	0	The company will gradually implement it in the future.
2.5	Is it true that the number of the directors on the company's board of directors who are employees of the company or of its parent, subsidiary, or sister company is less than or equal to one-third of the total number of directors?	1	
2.6	Did the company's board members include at least one female director?	0	
2.7	Did the company's independent directors reach one-half or more of all of the directors?	0	The Company has established three independent directors
2.8	Were the continuous terms of service of at least two independent directors not more than three terms each?	1	
2.9	Has the company adopted succession planning for board members and key executives, and disclosed the operational status of such planning on its website and in its annual report?	0	The company will gradually implement it in the future.
2.10	Did the company disclose the key tasks and status of operations of the Audit Committee for that fiscal year?	0	The company will gradually implement it in the future.
2.13	Did the members of the Remuneration Committee each attend at least two Committee meetings a year, and disclose information such as regarding their periodical reviews of the policies, systems, standards, and structure for the performance assessment and	1	

Question Number	Indicator	Points	Top priority items to be improved and measures
	remuneration of the directors, supervisors, and managerial officers?		
2.14	Did the company have any functional committees other than statutorily required committees, and did such functional committees have not less than three members, with at least half of the members being independent directors, and with one or more members possessing the particular professional competences required by the respective committees, and did the company disclose the organization, functions, and operations of such committees?	0	
2.15	Did the company disclose on its website how independent directors communicate on their own with the chief internal auditor and the external auditors (e.g. the manner of communication, the matters discussed, and the results of such communication regarding the company's financial reports and its financial and operating status)?	1	
2.16	Is it true that the chairman of the board, general manager (chief executive officer), or management in charge of finance or accounting affairs was not employed within the past 1 year by the current external auditors or an affiliate thereof?	1	
2.17	Did the board regularly (at least once a year) review the independence of the external auditors and fully and accurately disclose the assessment procedures in the annual report?	1	
2.19	In the year being evaluated, did the average rate of actual attendance of all directors at board meetings reach 85% or more?	1	
2.20	Were at least two independent directors personally in attendance at each board meeting of the company, and was this furthermore disclosed in the annual report?	1	
2.21	Has the company appointed a corporate governance officer and disclosed on the Company's website and in its annual report the scope of the corporate governance officer's authority and the status of the corporate governance officer's continuing education?	0	It shall be implemented in the future according to laws.
2.22	Has the company adopted risk management policies and procedures that have been passed by the board, and disclosed the scope of risk management, the corresponding organizational structure in place, and the status of risk management operations, and did it report to the board of directors on these at least once a	0	The Company has formulated relevant internal rules for various risk management and evaluation, and implements accordingly.

Question Number	Indicator	Points	Top priority items to be improved and measures
2.23	<p>Have the rules adopted by the company for assessing the performance of the board of directors been passed by the board, with the express requirement that an external assessment be carried out at least once every three years, and has it furthermore carried out the assessment within the time limit under its rules, and disclosed the implementation status and assessment results on its website or in its annual report?</p> <p>Has the company established a cyber security risk management framework, adopted cyber security policies and concrete management programs, and invested in resources for cyber security management? Did it furthermore disclose these on the company's website or in its annual report?</p>	1 point and 1 more point added to the total point	
2.24	<p>Did all of the company's independent directors complete the number of hours of continuing education required by the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies?</p>	1 point	
2.27	<p>Has the company adopted an intellectual property management plan linked to the company's operational objectives, and disclosed the status of its implementation on the company's website or in its annual report, and did it report on the plan to the board of directors at least once a year?</p>	0	The company will gradually implement it in the future.
2.28	<p>Has the company adopted an approval method for the recruitment, evaluation, and remuneration of its internal auditors, whether by submission to the board for approval, or by submission by the chief internal auditor to the chairman of the board for approval, and disclosed the method on the company's website?</p>	1	
2.29	<p>Is it true that no sanctions were imposed by the competent authority nor were any material deficiencies found by the TWSE or TPEX in connection with the operation of the control activities of the company's internal control system last year, and thus the company was not required to send its internal auditors to attend</p>	1	

Question Number	Indicator	Points	Top priority items to be improved and measures
	training courses held by a body designated by the competent authority?		
2.30	Did at least one of the company's internal auditors possess a certificate of qualification as a Certified Internal Auditor, Certified Information Systems Auditor, or Certified Public Accountant?	1	
3.1	Did the company comply with the Procedures for Verification and Disclosure of Material Information of TWSE/TPEX Listed Companies and thus avoid incurring any monetary penalty?	1	
3.2	Did the company disclose material information in English and Chinese at the same time?	0	Since September 2011, the company has simultaneously released major news in English.
3.3	Did the company comply with the Rules Governing Information Reporting by TWSE and TPEX Listed Companies, and thus avoid incurring any monetary penalty?	1	
3.4	Did the company file its annual financial reports within 2 months from the end of the fiscal year?	0	It shall be implemented in the future according to laws.
3.5	Was the annual financial report in English filed to the MOPPS by 7 days before the AGM?	1 point and 1 more point added to the total point	
3.6	Did the company disclose the interim financial reports in English within 2 months after the deadline for reporting of the Chinese version?	0	It will be planned according to the actual needs in the future.
3.7	Is it true that the company did not restate its financial reports for the year evaluated?	1	
3.8	Did the company voluntarily disclose its financial forecast quarterly, without having any corrections ordered by the competent authority or having any demerits imposed by the TWSE or TPEX?	0	The company will gradually implement it in the future.
3.9	Did the company disclose the trends and developments of the industry in which the company operates from macroeconomic perspectives in its annual report?	1	
3.10	Were the company's financial reports approved by the board of directors or reported to the board of directors by 7 days before the filing deadlines, and were the financial reports published within 1	0	The company will gradually implement it in the future.

Question Number	Indicator	Points	Top priority items to be improved and measures
	day after such approval or reporting?		
3.11	Did the company disclose future R&D plans and estimated expenditures in its annual report?	0	The company will gradually implement it in the future.
3.12	Did the company disclose a specific and clear dividend policy in the A annual report?	0	The company will gradually implement it in the future.
3.13	Did the company voluntarily disclose the individual remuneration details of each director and supervisor in its annual report?	0	The remuneration has been disclosed in the annual report according to the scale.
3.14	Did the company disclose the connection between director and managerial officer performance assessment and remuneration in its annual report?	0	The company will gradually implement it in the future.
3.15	Did the company disclose in the annual report the amount and nature of any non-audit fees paid to the external auditor and its affiliates in addition to audit fees?	1	
3.16	Did the company disclose on its website the list of substantial shareholders, including the names, number of shares held, and shareholding percentages, of all shareholders holding 5% or more of the shares and, if that list has less than ten shareholders, disclose that information for all of the top ten shareholders in terms of shareholding percentage?	1	
3.17	Did the company website disclose information related to the company's finances, business and corporate governance?	1	
3.18	Did the company provide an English website for investors to read, and did the website include information related to the company's finances, business, and corporate governance?	1	
3.19	Did the company make information relating to its general meeting of shareholders available on its website, including, at least, the most recent annual report to shareholders, the meeting notice, the agenda handbook, and the meeting minutes?	1	
3.20	Did the company attend or voluntarily hold investor conferences at least two times in the year being evaluated, and were the first and last investor conferences in the year held at least 3 months apart?	1	
3.21	Did the company voluntarily disclose in the annual report the individual remuneration details of the general manager (chief executive officer) and assistant general manager(s)?	0	The remuneration has been disclosed in the annual report according to the scale.
4.1	Did the company have a designated unit in charge of promoting corporate social responsibility that, following the principle of	0	The Company has set up the corporate social responsibility committee on April 23, 2015. The ISO, HACCP and other

Question Number	Indicator	Points	Top priority items to be improved and measures
	materiality, conducted risk assessment on environmental, social, or corporate governance issues related to the company's operations, and adopted relevant risk management policies or strategies, and did it disclose the same on the company's website and in its annual report?		relevant quality certification promotion and implementation personnel of each unit are members to assist in promoting corporate social responsibility, and the corporate social responsibility report is issued at the end of each year for implementation, which is disclosed on the Company website.
4.2	Did the company have a designated unit in charge of promoting ethical corporate management, with responsibility for establishing and supervising the implementation of the ethical corporate management policies and prevention programs, and disclose the unit's operations and implementation on the company's website and in its annual report, and did the unit report to the board of directors at least once a year?	0	The Company has established the Procedures for Ethical Management and Guidelines for Conduct; the Human Resources Office is responsible for the establishment and supervision of implementation of the ethical corporate management policy and preventive key points, and regular reports to the board of directors; the assessment results for deviations of its implementation of ethical corporate management from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons are disclosed in the official website.
4.3	Did the company regularly disclose on the company website or in its annual report its concrete plans for promoting corporate social responsibility and the results of the implementation of those plans?	1	
4.4	Did the company, following internationally recognized guidelines, by the end of September, prepare and upload its corporate social responsibility report to the MOPS and to the company website?	1	
4.5	Did the company obtain a third-party verification or assurance for its corporate social responsibility report?	1	
4.6	Did the company, following the International Bill of Human Rights, adopt policies and concrete management plans to protect human rights, and disclose them on the company website and in its annual report?	0	The company will gradually implement it in the future.
4.8	Did the company, following the International Bill of Human Rights, adopt policies and concrete management plans to protect human rights, and disclose them on the company website and in its annual report?	1	
4.9	Did the company disclose its employee welfare measures, retirement plan, and the implementation thereof on its website and in the annual report?	1	
4.10	Did the company disclose on its website and in its annual report the measures it takes to provide its employees with personal	0	The company will gradually implement it in the future.

Question Number	Indicator	Points	Top priority items to be improved and measures
	security and a safe working environment and the implementation thereof?		
4.11	Did the company disclose the annual emissions of greenhouse gases (GHG), water consumption, and total weight of waste for the past 2 years?	0	In the Corporate Social Responsibility Report, the Company disclosed the annual emissions of carbon dioxide and other greenhouse gases in 2020 and 2019, and formulated relevant measures to reduce the waste generation.
4.12	Did the company set management policies for energy conservation, reduction of carbon/greenhouse gas (GHG) emissions, water use, or other waste/pollutants?	0	
4.13	Was the company ISO 14001 or ISO50001 certified or accredited with similar environmental or energy management system certification?	0	The company will gradually implement it in the future.
4.14	Did the company disclose on its website or in its annual report the identities, issues of concern to, channels of communication with, and means for responding to, stakeholders that it has identified?	1	
4.15	Did the company disclose on its website or in its annual report its ethical corporate management policy passed by its board of directors, expressly prescribing its specific ethical management practices and its programs to prevent unethical conduct, and specify the status of implementation?	1	
4.16	Did the company adopt and disclose in detail on its website a whistle blower system for company insiders and outsiders to report illegal behavior (including corruption) and unethical behavior?	0	The company has formulated the company's rules and regulations such as operation procedures and conduct guidelines for ethical operation, which are disclosed on the company website.
4.17	Did the company disclose on its website or in its corporate social responsibility report the supplier management policies it adopted, and require suppliers to comply with the relevant provisions regarding issues such as environmental protection, occupational safety and health, or labor rights, and specify the status of implementation?	0	The Company has established supplier management procedures, and has disclosed supplier audit procedures and procurement principles in the Corporate Social Responsibility Report .

(IV) Operations of the Remuneration Committee established by the Company

1. On May 31, 2019, the board of directors were fully re-elected, and approved the appointment of the fourth Remuneration Committee members. Mr. Ting Yu-Shan, Mr. Tao Chuang Chen, and Mr. Wei Chien-Ming were appointed as the members of the Remuneration Committee of the fourth term. The information of the members of the Remuneration Committee of the fourth term is as the follows

Identity (Note 1)	Criteria		Professional qualification and experience (Note 2)	Independence (Note 3)	Number of other public companies in which also serving as a Remuneration Committee member	Remarks
	Name					
Independent Director	Ting Yu-Shan		Please refer to II. 2. Information of Directors and Supervisors.		1	Convener
Independent Director	Tao Chuang-Chen				1	
Independent Director	Wei Chien-Ming				1	

December 31, 2021

Note 1: please specify the work experience, professional qualification and experience, as well as independence of each member of the Remuneration Committee.

For identity please indicate if an independent director or other (please note if the member is the convener).

Note 2: Professional qualification and experience: specify the professional qualification and experience of each Remuneration Committee member.

Note 3 Qualified for independence requirement: specify the qualification of the Remuneration Committee members for independence requirement, including but not limited to: him/herself, spouse, or relative within the second degree of kinship serving as a director, supervisor, or employee of the company or any of its affiliates; shareholding (numbers and weight) of the Company's shares by him/herself, spouses, relative within the second degree of kinship, or in other's name; not serving as a director, supervisor, or employee of the companies having certain relationship with the Company (please refer to the provision of subparagraph 5-8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange; amount of compensation received by providing auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate in the past two years.

2. Operation

- a. The Remuneration Committee of the Company was established on November 23, 2011 with three members.
- b. Term of office of the third member: June 24, 2016 to June 23, 2019 -- member Ting Yu-Shan, Wei Chien-Ming and Tao Chuang-Chen
Term of office of the fourth member: May 31, 2019 to May 30, 2022; member Ting Yu-Shan, Wei Chien-Ming and Tao Chuang-Chen
The Remuneration Committee held two meetings (A) in 2021. The qualifications and attendance of the members are as follows:

Title	Name	Actual Attendance (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A) (B / A)	Remarks
Convener	Ting Yu-Shan	2	0	100%	Re-elected on May 31, 2019
Member	Tao Chuang-Chen	2	0	100%	Re-elected on May 31, 2019
Member	Wei Chien-Ming	2	0	100%	Re-elected on May 31, 2019
Other matters to be recorded:					
<p>I. If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.</p> <p>II. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion shall be specified: None.</p>					

3. The meeting date, session, discussion item, decisions, and Remuneration Committee member comments of the Remuneration Committee in the latest year, and the Company's handling to the Remuneration Committee's organization

Remuneration Committee	Content of Motion and Follow-up	Resolution	The Company's treatment of the Remuneration Committee's opinion
5th meeting of the 4th term 2021.08.06	1. The second employee remuneration distribution of the Company in 2020. 2. The director remuneration distribution of the Company in 2020.	Approved by all members	Submitted to the board of directors and approved by all attending directors
6th meeting of the 4th term 2021.11.05	1. Year end bonus of the company in 2021. 2. The 1st employee remuneration distribution of the Company in 2021.	Approved by all members	Submitted to the board of directors and approved by all attending directors

4. Responsibilities:

- (1) Responsible for formulating and regularly reviewing the policies, systems, standards and structures of performance evaluation and compensation for directors, supervisors and managerial officers.
- (2) To regularly assess and determine remuneration to directors, supervisors and managerial officers.

(V) Performance of social responsibility and deviation between the performance and "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons thereof

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
I. Does the company establish an exclusively (or concurrently) dedicated unit to implement corporate social responsibility and have management appointed by the Board of Directors to be in charge of corporate social responsibility and to report the implementation status to the Board of Directors?	V		No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
II. Has the Company formulated relevant risk management policies or strategies, based on the materiality principle, to assess risks pertaining to the environment, social and governance issues pertinent to the Company's operations?	V		<p>operations.</p> <p>4. The board of directors of the Company regularly listens to the reports from the management team; the management team proposes the company strategies, and the board of directors judges the possibility of the success of these strategies, and frequently reviews the progress, supervises and adjusts it in a timely manner.</p> <p>Based on the principle of materiality of sustainable development, the Company conducts risk assessments on key issues, and formulates relevant risk management policies or strategies based on the assessed risks as follows:</p> <ol style="list-style-type: none"> 1. Environmental issues: The Company complies with the relevant governmental regulations on environmental protection, and regularly eliminates adverse production factors through maintenance and improvement of the production environment. The feed plants have formulated the "Environmental and Facility Management Procedures" in particular, to ensure that the production process does not pollute the surrounding communities and environments, while properly dispose the waste water and garbage. 2. Social issues: In terms of food safety and quality, the management review meetings are held regularly every year, to propose the improvement measures for annual goals, internal/external regular audit
			No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
III. Environmental issues (I) Has the Company established an environment management system suitable to the characteristics of the industry it operates in?	V	1. In terms of wastewater treatment, after treatment by sewage treatment facilities, water pollution control measures shall be reported in accordance with environmental protection regulations, and the permit shall be obtained, and the water shall be directly discharged to irrigation ditches according to law. The quality of the wastewater discharged meets the requirements of the competent authorities, has no impact on the ecological environment and has no significant impact on the local water sources. In order to ensure that the quality of the discharged wastewater is stable and meets the discharge standard, equipment has been added to the	No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
(II) Does the company dedicate in promoting resource utilization efficiency, and use renewable materials that have low impact to the environment.	V		No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
		<p>use paper on both sides as much as possible, and setting up paper recycling bins at designated locations; encourage the reuse of envelopes and kraft paper bags; encourage employees to carry environmental chopsticks and reduce the use of disposable lunch boxes. Other recyclable packaging materials are sold to the recycle service providers to maximum the resources utilization.</p> <p>3. The packaging materials used by the Company have been tested many times and cropped to the appropriate size. The number of colors used on the food packaging materials has been adjusted to minimize waste and reduce the impact on the environment.</p> <p>4. The Company purchases solar panels on the roof of the buildings in the farms to provide renewable energy, and contribute to the environment.</p> <p>5. The products produced by the Company are all related to food and feeds. For any packaging material that directs contact with food, no recycled raw materials are used, to avoid cross-contamination.</p>	
(III) Has the Company assessed its potential risks and opportunities now and the future regarding climate change, and adopted related responding?	V		No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
(IV) Has the Company tallied its greenhouse gas emissions, water consumption and waste emissions during the past two years, and formulated policies in energy efficiency, carbon and greenhouse gas emissions reduction, water consumption efficiency or waste management?	V	<p>Company have been relied on the importation from the United States for a long time. In order to prevent the supply from being affected, the purchases are also made from other countries, such as Brazil, Argentina and India.</p> <p>1. The statistics of carbon dioxide, water consumption and waste in 2020 and 2021 of feed plants, pig farms and electric slaughtering plants of the parent company are as follows: (1) Carbon dioxide: Indirect emissions from input water and power, about 27,088 tons in 2020 and 38,977 tons in 2021. (2) Water consumption: about 575,906 tons in 2020 and about 634,597 tons in 2021. (The average water consumption per ton of feed in 2020 and 2021 was 0.07 ton and 0.06 ton, respectively; the average water consumption per 10,000 birds was 156 tons and 126 tons) (3) Waste: about 16,384 tons in 2020 and about 19,021 tons in 2021.</p> <p>2. Although the increased capacities have resulted in the associated greenhouse gas emissions, water consumption and waste have also increased, but the Company and the affiliates are actively committed to waste reduction and resource utilization, and energy efficiency improvement, to solidify the management environment, reduce the impact of production on the environment, in order to make a positive connection between environmental improvement and economic benefits.</p> <p>3. When building a new plant or replacing the</p>	No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
			<p>ventilation system, the Company selects fans with better energy efficiency, which reduces energy consumption by 30-50%; the newly purchased sludge hydro extractors do not adopt the traditional filter cloth type sludge hydro extractors, but the roller type, which saves about 100 tons of cleansing water per day; when building a new farm or replacing lighting, LED lamps or bulbs are used to reduce lighting power consumption, and reduce energy consumption by 30-50%; NT\$8 million was invested in the feed plants to replace natural gas boiler equipment to reduce the volume of greenhouse gas emissions; waste water was recycled to wash chicken cages; and solar panels are purchased to increase renewable energy generation; a subsidiary - Neo Foods Company Limited, is established for research and development of plant-based meat, and restaurants are opened to promote products. It is sought that Taiwanese will move towards a sustainable green trend, reduce greenhouse gas emissions, and overcome severe climate problems.</p>
<p>IV. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	V		<p>No significant deviation.</p> <p>Both the company and its affiliates formulate personnel management rules and working rules in accordance with the Labor Standard Act, and handle labor insurance, national health insurance and pension for employees in accordance with relevant laws and regulations to protect their interests.</p>

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
(II) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	V	<p>The Company has established and implemented reasonable employee benefits, and reflected the business performance or results in employee compensation appropriately. The related measures are as below:</p> <ol style="list-style-type: none"> 1. Leave system: a complete leave system is implemented pursuant to the labor laws and regulations, and incorporated in the "Work Rules" to be announced to the employees for their information. 2. Employee remuneration: the determination of remuneration is also based on the position, functions, and professional seniority of the individual, without considering age, gender, religion, race, or political party. The "Promotion Management Measures" and the "Annual Salary Adjustment Management Measures" are established; through the annual performance appraisal, managers at all levels and employees review the performances and discuss the career development plans, so that the personal salary income, performance and development of each employee, can be positively correlated to the Company's operation. Comprehensive consideration of operation performance, employee performance, basic salary adjustment, consumer price index and peer salary adjustment are taken to evaluate the salary adjustment multitude. The articles of association stipulate that if there is profit in a year, 2% of which should be provided as employee remuneration and no more than 2% as director remuneration. 	No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
	Summary		
			<p>Information on employee remuneration and director remuneration is available on the MOPS.</p> <p>3. Diversity and equality in the workplace: the rewarding conditions of equal pay, equal work and equal promotion opportunities for both genders are realized; the average share of female employees is 11%, while the average share of female executives is 15%.</p> <p>4. Employee benefits: The Company also values the "work-life balance" of the employees. The "Dachan Life Center" has been established at the headquarter in Yongkang, Tainan. There are restaurants, dormitory, gym and rhythm classroom in the Center, as a space for employees to relax after work. An employee welfare committee has been established; the employee welfare funds are provided by BUs and employees, and then applied to provide or subsidize employee meals, group insurance, wedding subsidy, funeral condolence, recreational activities, emergency aiding funds, and bonus of three festivals.</p>

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
(III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V	<p>1. In order to prevent employees from being injured, property losses and occupational disasters, managers at all levels must take responsibility for the health and safety management. All employees are also required to actively participate in health and safety improvement activities, so that the Company may move towards the goal of zero injury, zero disease zero incident.</p> <p>2. The Company establishes the "Occupational Health and Safety Committee" in accordance with the requirements of occupational health and safety regulations; quarterly meetings are scheduled to review occupational health and safety-related matters. Additionally, an annual management review meeting is held, to discuss the annual statistical report on occupational incidents, review the results of internal audits and the improvement of major industrial safety deficiencies, analyze occupational incident cases, monthly promotion of industrial safety matters, and establish, maintain and promote the occupational health and safety management system pursuant to laws.</p> <p>3. The Company regularly conducts occupational safety education and training for new employees and employees in service; experts and scholars are engaged from time to time to instruct the practical experience in health and safety at the Company, so that employees may recognize their personal health and safety responsibilities.</p> <p>4. The Company regularly conducts internal audits</p>	No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
	Summary		
			<p>on occupational health and safety, and conducts random audits for existing plants, as well as the on-site inspections for the construction where major occupational disasters occurred with high-risk. Identify unsafe equipment, environments and unsafe actions and conducts through an effective inspection mechanism, and track such until actual improvements, in order to eliminate potential risk factors.</p> <p>5. In 2021, the Company's Disabling Injury Frequency Rate (FR) was 2.48 in 2021, an improvement comparing to 2020 (3.60). There were zero fatal occupational incident and 13 ordinary occupational incidents with 13 employees involved (accounting for 0.55% of the total number of employees at the end of 2021). Explore the causes of occupational incidents, implement improvement measures, and incorporate standard operating procedures and systems timely, to improve on-site management, reduce potential occupational safety risks, and avoid occupational disasters.</p> <p>6. The Company regularly conducts annual employee health checks every year. In addition to general checks, special checks are provided depending on job functions and places. Health classification management is implemented based on the check results of the check receivers, to implement hazard control, provide personal health instructions; the medical practitioners of labor health services are employed and contracted pursuant laws to conduct follow-up</p>

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
(IV) Does the company provide its employees with effective career development and training sessions?	V		No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
(V) Has the Company observed relevant laws and international standards for products and services regarding the customers' health and safety, clients' privacy, marketing and labeling, and formulated policies and complaints procedures to protect the rights of consumers or customers?	V	<ol style="list-style-type: none"> 1. In November 1990 (soybean salad oil) was verified by the Bureau of Standards, Metrology and Inspection, MOEA - GMP 2. Verified by the Bureau of Standards, Metrology and Inspection, MOEA in September 2002 - ISO 9001:2000 3. Passed the SGS certification in February 2006, and in April 2006, it gave priority to obtain the official SAS certification of Switzerland - ISO 22000:2005 4. Passed TAF laboratory quality certification in June 2010 -- ISO 17025:2005 5. On September 29, 2015, the Company formally applied for the laboratory test of ionic anticoccidial drugs by the Food and Drug Administration of the Ministry of Health and Welfare, and obtained its laboratory certification (TFDA) on February 22, 2016 6. Obtained ISO 22000 and HACCP verification from Intertek in June 2016. 7. Dacheng quality control center passed the inspection of ionic anticoccidial drugs of Ministry of Health and Welfare in November 2018. 8. Dacheng quality control center passed the inspection of beta adrenoreceptors of the Ministry of Health and Welfare in May, 2019. 9. The company maintains good communication with manufacturers and customers, and provides customer complaint handling for R&D, procurement, production, operation and service. For example, the company has a consumer 	No significant deviation.

Promoted item	Implementation Status			The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons thereof
	Yes	No	Summary	
			(0800) free line, which enables both parties to communicate immediately and maintain a good relationship and the Company regards "Consumer Satisfaction" as an important part of the quality policy, and reviews and improves it in the production and marketing meetings from time to time. In addition, consumers can input the production and marketing record safety code label on the company's meat product packaging to website to get the production and marketing traceability information.	
(VI) Does the Company establish the supplier management policies requesting suppliers to comply with relevant laws and regulations related to environmental protection, occupational safety and health or labor rights, and supervised its implementation?	V		<p>1. The purchasing department of the Company has formulated "Feed supplier management procedure" and "Operational Procedures of Contractor Management"</p> <p>(1) Supplier evaluation survey: the suppliers cooperating with our company for the first time should be evaluated by the purchasing unit first, which mainly includes the written and quality inspection of the suppliers. In case of meeting the requirements, the purchasing unit should fill in the "new supplier evaluation questionnaire", which can be listed as qualified suppliers after being signed and entered into the list of qualified suppliers.</p> <p>(2) Regular evaluation of qualified suppliers: the purchasing unit shall arrange the "Supplier Evaluation Date Schedule" to evaluate the quality, price, service, coordination degree and delivery time of the goods or services provided by the qualified suppliers in the</p>	No significant deviation.

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
	Summary		
			<p>previous year after the approval of the supervisor for the important domestic and foreign suppliers in the previous year (no significant quality related), and record them in the "Supplier Performance Evaluation Form."</p> <p>(3) For constructions, the contractors are required additionally to conduct self-assessment in terms of credit, project quality, construction procedures, construction site and industrial safety management, and then the procurement unit invites relevant units for a collective assessment; only the qualified will be listed as a qualified manufacturer. However, if an industrial safety incident occurs during project, the concerned contractor must be re-assessed before providing the next quotation. After the acceptance is completed, the procurement unit will initiate a post-acceptance evaluation; and the procurement unit will evaluate the important domestic and foreign suppliers in the previous year every year, to ensure that suppliers are in compliance with specifications.</p> <p>2. Up to now, there is no environmental and social impact record of the suppliers with Great Wall Enterprise Co., Ltd.</p> <p>3. The contract signed between the Company and its main suppliers states the code of ethics: both parties shall abide by the principle of ethics and good faith, and shall not commit any illegal acts</p>

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the reasons thereof
	Yes	No	
			beyond the normal trading conditions (such as kickbacks, cash gifts, etc.) for any reason. Once the investigation is true, the Company has the right to stop trading with the seller and impose a fine.
V. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?	V		1. The editorial framework of the Company's report is based on the Core of GRI standards of Global Reporting Initiative and the GRI G4 Food Processing Sector Disclosures. 2. KPMG Taiwan executed the limited assurance procedure and issued report pursuant to the Statements of Assurance Standards No. 1 "Assurance Cases not for Historical Financial Information Audit or Review," issued by the Accounting Research and Development Foundation
VI. If the company has established corporate social responsibility best-practice principles based on the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies," please describe the implementation and any deviations from such principles: The head office has established the Corporate Social Responsibility Committee on April 23, 2015, and ISO, HACCP and other relevant quality certification promoters and executors of each unit are members to assist in promoting corporate social responsibility. The seventh report on corporate social responsibility was issued in September 2021, to implement the implementation of social responsibility and there is no significant difference between its operation and the established code.			No significant deviation.
VII. Other important information to facilitate a better understanding of corporate social responsibility practices: (1) Environmental protection:			
			a. Both the Company and its affiliates make environmental capital expenditure budgets to improve wastewater / gas treatment equipment, so as to create a good image of environmental protection, enhance competitive advantage and fulfill the responsibility of ecological protection. b. The company has invested in the development of contract farming, established its own sow farm and conservation farm, and provided piglets to pig

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
farmers for sale. The collocation of the core pig farms is based on high specification and low carbon environment. The three stage sewage treatment facilities are set up, and the water resources are recyclable and the treated wastewater can be recycled into daily water. In addition, the company also pioneered pig toilet, which is trained by professionals to train pigs to drain in pig toilets, collocation with automatic transportation system, separating urine from excrement, so that the excrement does not produce ammonia pollution air, thus creating a modern pig farm with zero pollution, zero discharge and park, which was highly affirmed by IOWA State University, environmental protection department and Pingtung County Environmental Protection Bureau.		Summary	
(2) Friendly community relations:			
<p>a. The head office has a good interaction with the local community development association and provides appropriate support for its activities (such as community development association funding, cultural and educational foundation funding, etc.);</p> <p>b. Dacheng Great Wall cooperates with the social Bureau of Tainan Municipal government to hold small-scale farmers' market through its own channel "Dacheng Shopping with Comfort," and vigorously supports local young farmers and from time to time</p> <p>c. In addition to sponsoring and responding to public interest activities, Dacheng Great Wall also actively cooperated with the government's infrastructure construction and offered assistance. For example, the Dacheng Great Wall Tainan Head Office is located next to Yongkang interchange, National Highway No. 1, which is not safe for pedestrians due to the design flaws of the local traffic line. In view of this, the Company cooperates with the government to provide free land for public use and remove the fence for road improvement works, so as to enhance traffic guidance, safety maintenance and community development.</p>			
(3) Engagemeng in social contributions and public welfare activities:			
<p>a. In 2021, the headquarter donated (gifted) City Development Communication Association of Taipei City; Genesis Social Welfare Foundation; Strait Economic & Cultural Interchange Association; Bawong Community Development Association, Liuying District, Tainan; Academic Development Foundation of NTU; Chinese National Federation of Industries; Association of Chain and Franchise Promotion, Taiwan; Three-Lord Temple Management Committee; Monte Jade Science & Technology Association of Taiwan; Tai Tung Education Development Institute; Poultry Association, Republic of China; and Farmers' Association, Chiayi County. The Company also work with the blood donation center, to dispatch donation vehicle to the headquarter regularly. Employees are encouraged to donate blood.</p> <p>b. The Company and Agriculture Bureau of Tainan City Government jointly organized the "Dacheng Gourmet Time for Happy Gathering - New Year Market." From January 9 to January 10, 2021, more than 100 booths were invited to gather at the Head Office in Yongkang, to promote the philosophy of eating with peace of mind. In addition to the New Year Market, it also integrated public welfare, by inviting blood donation bus, exchange invoices with second-hand goods, and charity sales. The rent of venue for two-day event was donated to Tainan City Abu Happy Family Children Care Association, Tainan City Dyalysis Patient Association, Tainan City Friends of Cerebral Palsy Patient Association, the Tainan City Friends of Epilepsy Patients Association, and Tainan City Caring Light Mental Care Association.</p> <p>c. The Company has not stopped caring for underprivileged groups during the pandemic. In July 2021, the Company responded to the call of Carrefour Foundation and Food Bank Federation, participating the Corporate Alliance for Pandemic Containment Materials, to provide eggs, salads oil, and noodles to underprivileged families suffered most in Wanhua District, Taipei City, the hardest-hit area during the pandemic. The</p>			

Promoted item	Implementation Status		The deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and the reasons thereof
	Yes	No	
		Summary	
<p>"South Deport Happiness Food Bank", established by a local, the ward of Zhongqin Village, Mr. Fang, He-Sheng, was in charge of coordinating the distribution of pandemic containment materials. The Company also participated in the rescue, called by the Great Enjoyment Food Education Association, to provide emergency rescue meal boxes mainly consisting of the frozen instant prepared packs produced by professional HACCP plants, to the disadvantaged, poor, and students with emergencies who need meals. It is expected that more than 2,000 disadvantaged students and families with emergencies are benefitted.</p>			
(4) Consumer rights and interests: the Company and its affiliates actively carry out vertical integration, establish a complete production record, strengthen the quality control ability, and insist on controlling the quality of feed, meat and other products from farm to table, so as to make consumers feel more at ease.			
(5) Safeguard human rights of employees and implement safety and health measures: in order to improve safety and health management and create a safe working environment, the company and its subordinate enterprises continue to implement the occupational safety and health management system (TOSHMS). At the same time, in order to prevent occupational disasters and ensure labor safety and health, according to the provisions of Article 25 of the Occupational Safety and Health Act, the Company has also formulated the code of practice on safety and health.			

(VI) Implementation of ethical corporate management and difference between the implementation and the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies and reasons thereof

Evaluation Item	Operation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the Company establish the ethical corporate management policies approved by the Board of Directors and specify in its rules and external documents the ethical corporate management policies and practices and the commitment of the Board of Directors and senior management to rigorous and thorough implementation of such policies?</p>	V		<p>(I) No significant deviation.</p>
<p>(II) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p>	V		<p>(II) No significant deviation.</p>

Evaluation Item	Operation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
(III) Has the Company provided any solutions to prevent the unethical conducts, stipulate the definite procedures, conduct guidelines, punishment for violation as well as appeals system and put into practice, and review and revise on a regular basis the aforesaid solutions?	V	(III) The Company has prescribed relevant personnel-related internal measures and Procedures for Ethical Management and Guidelines for Conduct, to regulate the prevention of various unethical conducts and the follow-up treatment thereof, while requiring the Company's personnel to pay extra attention to observe such when handling various businesses to avoid violation. The human resources department is responsible for the formulation and supervision of ethical management policies and prevention points, and reports to the board of directors regularly.	(III) No significant deviation.
II. Implementation of ethical corporate management (I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V	(I) The rights and obligations of both parties shall be listed in the contracts in detail, and the terms of ethical conducts shall be clearly stipulated when the Company makes contracts with its customers and suppliers.	(I) No significant deviation.
(II) Does the Company set up a dedicated unit under the Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?	V	(II) The human resources department is responsible for the formulation and supervision of ethical management policies and prevention points, and reports to the board of directors regularly.	(II) No significant deviation.
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V	(III) In the event that the Company and its affiliates have an interest in the board of directors' proposal, which is harmful to the interests of the Company and its affiliates, they may state their opinions and answer	(III) No significant deviation.

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary	
(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	V		<p>questions, and shall not participate in the discussion and voting, and shall recuse from the discussion and voting.</p> <p>(IV) In order to ensure the implementation of ethical corporate management, the Company has established an effective accounting system and internal control system, and auditors have regularly checked the compliance with the system (including the supervision and management of subsidiaries).</p>	(IV) No significant deviation.
(V) Does the company regularly hold internal and external educational trainings on operational integrity?	V		<p>(V) The relevant personnel of the Company shall participate in the education and training of ethical operation organized by the competent authority or external professional institutions in accordance with the regulations; In addition, according to the actual business needs, relevant internal training courses shall be planned every year to improve the legal compliance awareness of colleagues through education and training, so as to reduce the risk of business behavior violating the law.</p>	(V) No significant deviation.

Evaluation Item	Operation			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary	
<p>III. Operation of the whistle-blowing system</p> <p>(I) Has the Company established a specific whistle-blowing and reward system, and set up a channel to facilitate whistle-blowing, and assigned appropriate staffs to deal with the object of whistle-blowing?</p>	V		<p>(I) In order to establish a smooth appeal channel and in accordance with the provisions of Article 32 of the labor inspection law, the Company announced on August 19, 2016 that colleagues should appeal to the following organizations or personnel if they find that they violate the provisions of the listed laws and regulations:</p> <ol style="list-style-type: none"> a. Unit supervisor. b. Human resources department or enterprise labor union. c. Employee opinion box. d. Labor bureaus and labor inspection agencies of all units. e. Complaint channel: Tel for appeal: 0800-253-111 Fax for appeal: 06-2531686 Email for appeal: 995@ms.greatwall.com.tw. 	(I) No significant deviation.
<p>(II) Has the Company formulated standard procedures for investigating of whistleblowers' reports, follow-ups and relevant confidentiality mechanisms after the completion of investigations?</p>	V		<p>(II) The company announced the relevant operation of employees' appeal on August 19, 2016. The Company's employees may submit a written appeal, and the relevant personnel shall also handle the reported cases in strict confidentiality, and set up the methods and procedures of employee opinion box.</p>	(II) No significant deviation.

Evaluation Item	Operation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	
(III) Does the company take measures to protect the whistleblowers from improper treatment as a result of the whistleblowing?	V	(III) The Company shall keep confidential all relevant information complained by employees. In case of violation, the company shall deal with it in accordance with the Company's reward and punishment measures, and the company shall formulate a prevention plan for illegal infringement in the performance of duties.	(III) No significant deviation.
IV. Enhanced disclosure of ethical corporate management information Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?	V	The company has set up the website to disclose the Company's Procedures for Ethical Management and Guidelines for Conduct, and timely disclose the company's information at the MOPS in a timely, open and transparent manner	No significant deviation.
V. If the Company has established its Ethical Corporate Management Best Practice Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe any discrepancy between the Principles and their implementation: The human resources department of the company and its subsidiaries drafted the "Procedures for Ethical Management and Guidelines for Conduct of Dacheng Great Wall enterprises Co., Ltd." on March 31, 2016 which came into effect on August 10, 2016. There is no significant difference between the operation and the established principles.			
VI. Other important information to facilitate better understanding of the Company's ethical corporate management (e.g., review of and amendments to ethical corporate management policies) Integrity is the ethics that enterprises must adhere to, and it is also the principle that individuals can never compromise. When working in the Company and its subsidiaries, we should act in accordance with the law and make everything transparent; In the implementation of business, upstream and downstream handover and cross department cooperation, we must uphold the highest principle of good faith and give full play to the maximum benefits; To be honest with shareholders, suppliers and customers, we must fulfill our promises and communicate with each other honestly in case of difficulties. Enterprises have the civic responsibility to defend social morality. Dacheng Great Wall and its subsidiaries will strive to cultivate every employee to be an honest and trustworthy person, convey the concept and requirements of integrity to other people in the society, avoid moral disputes, improve the social atmosphere, and influence more people from employees, customers, suppliers to shareholders. Ethics Principles -- (1) Individual: adhere to integrity and present the truth. Do best to keep the promise. (2) Team -- team communication, open and honest, give full play to the competitiveness of the team. Team work, sincerity, mutual respect, work together to maximize efficiency.			

Evaluation Item	Operation		Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	
<p>(3) Supplier--take the best interests of the company as the priority, choose the reliable cooperative manufacturer. Establish honest and reliable relationship with suppliers and conduct transparent and fair cooperation and transaction.</p> <p>(4) Customers and society: truly deliver business management, product service and other enterprise information to customers and the public. Maintain social ethics and enhance the reputation of enterprise management.</p>			

(VII) Corporate Governance Codes and related Regulations

In order to establish a system and improve the organization, the Company announced the amendment to the working rules of Great Wall Enterprise Co., Ltd. on September 7, 2016 in accordance with the Labor Standards Act, Act of Gender Equality in Employment and relevant laws and regulations. All employees of the Company shall observe the rules; the rules are applicable to all employees who are employed and paid by the Company and shall apply to the Company uniformly. The regulations related to the corporate governance established by the Company may be inquired on the official website <https://www.dachan.com/investor/rules>; Dachan Homepage/Invest in Dachan/Corporate Governance/Company's Regulations.

The relevant regulations are as follows:

- (1) Articles of Association
- (2) Procedures for Ethical Management and Guidelines for Conduct
- (3) Implementation measures of education and training system of Dacheng Great Wall Company
- (4) Rules and Procedures of the Shareholders' Meeting
- (5) Rules of Procedure of the Board
- (6) Remuneration Committee Charter
- (7) Procedures for Director and Supervisor Elections
- (8) Procedures for Preventing Insider Trading
- (9) Procedures for Applying Stock Trading Suspension and Resumption
- (10) Operational Procedures of Loaning of Funds
- (11) Operational Procedures of Making Endorsement/Guarantee
- (12) Operational Procedures for Acquisitions and Disposals of Assets

- (13) Operational Procedures of Engaging in Derivative Trading
- (14) Accounting professional judgment management procedure
- (15) Sexual harassment prevention measures
- (16) Workplace maternal protection plan
- (17) Procedures for performance evaluation of board of directors
- (18) Audit Committee Charter
- (19) Prevention plan on illegal infringement during execution of duties
- (20) Procedures for Appointment, Discharge, Appraisal, and Remuneration of Internal Auditor.
- (21) Corporate Governance Best Practice Principles

(VIII) Other Information Provides a Better Understanding of the Company's Corporate Governance Status

- (1) Licenses acquired by personnel related to financial information transparency:
 - a. Domestic certifications: Certified Public Accountant - 1 person; Certified International Internal Auditor - 1 person.
 - b. Other certificates: 1 person with CPA license in mainland China.

Title	Name	Course Name	Training Period	Training Hours	Organizer
Chairman	Han Chia-Yau	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Chairman	Han Chia-Yau	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Vice Chairman	Han Jia-Chen	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Vice Chairman	Han Jia-Chen	Protection of trade secret and corporate governance	2021/11/26	3 hours	Taiwan Investor Relations Institute
Director	Han Chia-Yin	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Director	Han Chia-Yin	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Director	Wang Zi-Lin	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Director	Wang Zi-Lin	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association

Director	Miao Feng-Sheng	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Director	Miao Feng-Sheng	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Director	Chao Tien-Hsing	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Director	Chao Tien-Hsing	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Director	Tseng Pen-Jung	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Director	Tseng Pen-Jung	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Independent Director	Ting Yu-Shan	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Independent Director	Ting Yu-Shan	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Independent Director	Tao Chuang-Chen	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Independent Director	Tao Chuang-Chen	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Independent Director	Wei Chien-Ming	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
Independent Director	Wei Chien-Ming	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
President	Kun Yen Chuang	How to create the peak and operate sustainably in the global competitive market	2021/03/03	3 hours	Taiwan Corporate Governance Association
President	Kun Yen Chuang	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Vice President	Chien Chung Liu	Continuing Education Class for Accounting Officer	2021/07/15-16	12 hours	Department Of Accounting, NCKU
Corporate governance	Hsien Yu Hsia	Trend and risk management of digital technologies and AI	2021/11/05	3 hours	Taiwan Corporate Governance Association
Corporate governance	Hsien Yu Hsia	Key information of annual report and responsibility analysis: view of directors and supervisors	2021/11/30	3 hours	Taiwan Corporate Governance Association

(3) Operational Procedures of Internal Material Information: None

(IX) Internal Control System Execution Status

1. Statement of Internal Control System

Great Wall Enterprise Co., Ltd. Statement on Internal Control

Date: Mar. 25, 2022

Based on the results of our self-assessment, we hereby declare that the Internal Control System of the Company in 2021 is as follows:

- I. The company is aware that the establishment, implementation and maintenance of internal control system is the responsibility of the Board of Directors and Managers of the Company, and the Company has already established this system. Its purpose is to provide reasonable assurance for the achievement of the objectives of operation effect and efficiency (including profit, performance and asset security), reliability, timeliness, transparency and compliance with relevant regulations and laws.
- II. The internal control system has its inherent limitations. No matter how perfect the design is, the effective internal control system can only provide reasonable assurance for the achievement of the above three objectives; moreover, the effectiveness of the internal control system may change accordingly due to the change of environment and situation. However, the internal control system of the Company has a self-monitoring mechanism. The Company will take corrective action once the lack is identified.
- III. The company judges whether the design and implementation of the internal control system are effective according to the judgment items of the effectiveness of the internal control system specified in the "Public Release of Guidelines for Establishment of Internal Control System of the Company" (hereinafter referred to as the "Guidelines"). The judgment items of the Internal Control System adopted in the "Treatment Criteria" are the process of management control, the Internal Control System is divided into five elements: 1, Control Environment, 2, Risk Assessment, 3, Control Operation, 4, Information and Communication, and 5, Supervision Operation. Each key component includes several items. Please refer to the Regulations of "Guidelines" for the aforementioned items.
- IV. The company has adopted the above internal control system to judge the project and evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the assessment results in the preceding paragraph, it is considered that the Company's Internal Control System (including the supervision and management of subsidiaries) as of December 31, 2021, including the

understanding of the operation effect and the extent to the achievement of efficiency objectives, the reliability, timeliness and transparency of relationship and compliance with relevant regulations and laws, as well as the design and implementation of relevant internal control system, and it can reasonably ensure the achievement of the above goals.

- VI. This statement will be the major content of the Company's Annual Report and prospectus for the public. Any false, concealed or other illegal things hereof, legal liabilities of Articles 20, 32, 171 and 174 of the Security Exchange Law will be involved.
- VII. This statement was approved by the Board of Directors of the Company on March 25, 2022. Among the 10 directors present, none of them held any objection. They all agreed with the contents of this statement and made this statement hereof.

Great Wall Enterprise Co., Ltd.

Chairman: Chia Yau Han

President: Kun Yen Chuang

2. CPA Audit Report for Internal Control System of the Company: None

(X) Sanctions imposed on the Company or its personnel in accordance with the laws, or disciplinary actions taken by the Company against its personnel for any violation of internal control rules within the current fiscal year and as at the date of the Annual Report, and the results of the penalties may have a significant impact on the rights and interests of shareholders or the price of securities the penalties, main deficiencies and improvements should be listed:
None

(XI) Major Resolutions of Shareholders' Meeting and Board Meetings During the Most Recent Fiscal Year Up to the Date of Publication of the Annual Report

1. Resolutions adopted by the Board of Directors

◎110/03/03

1. Approved to hold the 2021 regular shareholders meeting on June 11, 2021 in accordance with the law.
2. Approved the proposed dates for the Company to handle the 2021 short-term credit contract with the cooperative financial institutions.

◎110/03/31

1. Approved individual financial reports and consolidated financial reports that have been verified by an accountant in 2020.
2. Approved 2020 Earnings Distribution Table, with the cash dividend of NT\$2.7 per share and the stock dividend of NT\$0.3 per share.
3. Approved the Company's surplus capital increase and issuance of new shares.
4. Approved 2020 business report and 2021 business plan.
5. Approved the Company's internal control statement.
6. Approved the turnover quota shall be provided by the company for short-term financing of the following subsidiaries:
Subsidiaries: May Lan Lei Company Limited, City Chain Company Limited, Total Nutrition Technology Company Limited, Huang-Ho Invest. Company Limited, and Oriental Best Foods Company Limited.
7. Approved amendments to some provisions of the "Rules of Procedure for Board of Directors Meetings."
8. Approved amendments to some provisions of the "Audit Committee Charter."
9. Approved some amendments to the "Remuneration Committee Charter."
10. Approved amendments to some operating specifications of "Financial Statement Preparation Process Management."

◎110/05/07

1. Approved the consolidated financial quarterly report for the first quarter of 2021, which has been verified by an accountant.

2. Approved the appointment of Mr. Hsien Yu Hsia, the CIO, to serve as the corporate governance officer.

◎110/06/24

1. Approved to change the date and venue to convene the 2021 Annual General Meeting of Shareholders (time: July 30, 2021)

◎110/08/06

1. Approved the consolidated financial quarterly report for the second quarter of 2021, which has been verified by an accountant.
2. Approved the 2nd distribution of employee's remuneration for 2020, and distribution of director's remuneration for 2020.
3. Approved 2020 cash dividend payment base date (August 29) and payment date (September 24).
4. Approved KPMG's public audit fees in 2021.
5. Approved "Measures for the Assessment of the Independence and Competency of Certified Public Accountants".
6. Approve the new plant for aquaculture feed in Liu Yin.

◎110/11/05

1. Approved the consolidated financial quarterly report for the third quarter of 2021, which has been verified by an accountant.
2. Approved 2022 audit work plan.
3. Approved 2021 year-end bonus and the 1st distribution of employee's remuneration.
4. Approved to provide a short-term financing facility of US\$15 million to the subsidiary Great Wall International (Holdings) Limited
5. Approved the Company's capital increase in the subsidiary Great Wall International (Holdings) Limited for US\$20 million.
6. Approved the establishment of the "Corporate Governance Best Practice Principles."
7. Approved the Company's bidding for the lands in the Intelligent Industrial Park (Intelligent Robot Park).

◎111/03/25

1. Approved 2021 parent-only and consolidated financial reports prepared by the Company, and audited and certified by CPAs.
2. Approved 2021 Earnings Distribution Table
3. Approved the 2021 proposal of cash dividend, for NT\$1.5 per share.
4. Approved the Company's surplus capital increase and issuance of new shares.
5. Approved 2021 business report and 2022 business plan.
6. Approved the proposal to replace the CPAs
7. Approved the Company's internal control statement.
8. Approved the partial amendments to the Company's "Operational Procedures for Acquisition and Disposal of Assets."
9. Summary: Discussion on amendments to the Company's "Derivative Trading

Procedures."

10. Approved to hold the 2022 regular shareholders meeting on June 17, 2022 in accordance with the law.
11. Approved the election of directors (including independent directors).
12. Approved the candidate lists of directors (including independent directors) nominated by the board of directors.
13. Approved to remove restrictions on competing business involvements for newly elected directors (including independent directors) of the Company's 17th board.
14. Approved the Company's applications to the financial institutions with business relationships for extending or adding duration for the 2022 credit contracts, and the limits for derivatives .
15. Approved the turnover quota shall be provided by the company for short-term financing of the following subsidiaries:
16. Subsidiaries: May Lan Lei Company Limited, City Chain Company Limited, Total Nutrition Technology Company Limited, Huang-Ho Invest. Company Limited, Oriental Best Foods Company Limited, Great Wall International (Holdings) Limited, and Neo Foods Company Limited.

2. Resolutions of the shareholders meeting

Review of important resolutions and implementation of the 2021 regular shareholders' meeting:

Time	Important Resolutions of the Shareholders' Meeting	Implementation Status
110.7.30	1. Report items (I) Annual business status in 2020 (II) The Audit Committee reviewed the 2020 annual financial statements report. (III) Remuneration distribution of employees and directors in 2020. (IV) The handling of endorsement and guarantee matters. (V) 2020 cash dividend distribution. (VI) Other reporting items. (VII) Amendment to the "Rules of Procedure for Board of Directors Meetings."	
	2. Ratifications (I) The 2020 annual financial statements. (II) The 2020 annual earning distribution.	The cash dividend of NT\$2.7 per share and the stock dividend of NT\$0.3 per share. The ex-right and ex-dividend base date is August 29, and cash dividend payment date is September 24.
	3. Discussion Discussion on the issuance of new	New share 24,820,173 shares will be

	shares against capitalized earnings	issued as capitalized earnings; the distribution base date is August 29, 2021.
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(XII) In the most recent year and as of the printing date of the annual report, if the directors or supervisors have different opinions on important resolutions approved by the board of directors and have records or written statements, the major content

Time	Cause	Major content	Description of resolution
110/06/24 16th Term 12th board meeting	Changing the date and venue to convene the 2021 Annual General Meeting of Shareholders	Base on the advice of Director, Feng Kang Miao, if the Level 3 alert is not lifted when the AGM is convened, multiple conference rooms in the same location may be used, and have the shareholders on site to attend the meeting by means of video conference.	The Chairman replied to arrange the meeting format depending on the pandemic alert at that time. Approved without objection after the chairman consulted the other directors.

(XIII) In the most recent year and as of the date of publication of the annual report, the resignation and dismissal of relevant persons of the company (including the chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor and R&D supervisor), etc: None.

V. Information on Audit Fees

(I) The Company shall disclose the amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services

1. Information on Audit Fees

Unit: NTD Thousand

Name of CPA	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Remarks
KPMG Taiwan	Tan Tan Chung Mei Fang Chen	January 2021 to December 2021	5,315	1,476	6,791	Check list for payrolls of the non-supervisory full-time employees, change registration for new share issuance of surplus to capital increase, CSR assurance service, taxation certification, consolidated and translation of parent-only financial statements to English, other advanced payment.

2. If the audit fee paid to the accounting firm and the audit fee for the next fiscal year is less than that of the previous year, the amount, proportion and reason of the decrease of the audit fee before and after the fiscal year shall be disclosed: the Company has not changed the accounting firm: the Company did not replace the accounting firm.

3. If the audit fees have decreased by more than 10% compared with the previous year, the amount, proportion and reason for the decrease shall be disclosed:

Unit: NTD Thousand

	2021	2020	Amount decreased	Percentage decreased	Reason
Audit Fees	5,315	6,065	750	12.37%	Regulations Governing Information to be Published in Annual Reports of Public Companies amended the audit fees as the services fee a company pays to CPA regarding the audit, review, check, and review of financial forecast. Taxation certification does not include the audit fees anymore. The audit fees decreased by 10% after excluding taxation certification, and thus the disclosure is made.

VI. Replacement of CPA

(I) Former CPAs

Date of Replacement	N/A		
Reasons and Explanations of Replacement	N/A		
Explanations of termination by Client, or refusal of appointment by CPAs	Involved parties	CPA	Client
	Circumstance		
	Voluntary termination of appointment	N/A	N/A
	Discontinued appointment	N/A	N/A
Opinions and reasons for issuing audit reports other than unqualified opinions in the latest two years	None		
Whether there is any different opinions with the issuers	Yes		Accounting principles or practices
			Disclosure of Financial Statements
			Audit scope or steps
			Others
	None		
	Note: N/A		
Other disclosure (Matters to be disclosed required by Item I-4 to Item I-7 of Clause VI of Article X of the Regulations.)	None		

(II) Successor CPAs

Name of Firm	N/A
Name of CPA	N/A
Appointment date	N/A
Before the appointment, probably issue the opinion consulting matters and results based upon the accounting method or accounting principle and the financial report about the specific transaction.	N/A
Written opinions of the successor CPAs on matters of disagreement of the predecessor CPAs	N/A

(III) Reply of former CPAs on Item I and Item II-3 of Clause 6 of Article 10 of the Regulations: N/A.

VII. The Chairman, General Manager, Manager of the Company or managers of Accounting Firm who in charge of financial or accounting affairs of the Company, who has worked in the accounting firm or affiliates in the past year: no such situation with the Company.

VIII. Changes in equity of directors, supervisors, managers and shareholders holding more than 10% of the shares

Title	Name	2021		As of April 19 for this year	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Fu Ju Investment Co., Ltd. Representative: Han Chia-Yau	2,132,608	-	-	-
Vice Chairman	Fu Ju Investment Co., Ltd. Representative: Han Jia-Chen				
Director	Fu Ju Investment Co., Ltd. Representative: Han Chia-Yin				
Director	Lien Hwa Industrial Holdings Corp	527,400	-	-	-
Director	Chiao Thai Hsing Investment Co., Ltd.	345,210	-	-	-
Director	Tseng Pen-Jung	118,180	-	-	-
Director	Wang Zi-Lin	98,536	-	-	-
Independent Director	Ting Yu-Shan	-	-	-	-
Independent Director	Tao Chuang-Chen	-	-	-	-
Independent Director	Wei Chien-Ming	-	-	-	-
President	Kun Yen Chuang	457	-	-	-
Executive Vice President	Tien Fu Tseng	93	-	-	-
Senior Vice President	Chien Kuo Liang	1,238	-	-	-
Senior Vice President	Jin Ho Jan (Date of Appointment: Aug., 26, 2021)	-	-	-	-
Vice President	Tung Chun Lai	11	-	-	-
Vice President	Hsueh Min Wu	2,846	-	-	-

Title	Name	2021		As of April 19 for this year	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Vice President and Manager of Accounting Department	Chien Chung Liu	-	-	-	-
Vice President	Chin Tung Huang	-	-	-	-
Vice President and Corporate Governance Officer	Hsien Yu Hsia	-	-	-	-
Vice President	Fang Hao Han	-	-	-	-
Vice President	Ming Chi Loi (Date of Termination: Jan., 31, 2021)	-	-	-	-
Vice President	Shu Tai Wang (Date of Appointment: Feb., 1, 2021)	3,090	-	2,000	-

IX. Information Disclosing the Relationship Between any of the Company's Top Ten Shareholders

1. Relationship among the Top Ten Shareholders

April 19, 2022

Unit: Share; %

NAME	CURRENT SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING		HOLDING SHARES IN THE NAME OF OTHERS		AMONG 10 LARGEST SHAREHOLDERS, NAME AND RELATIONSHIP WITH ANYONE WHO IS A RELATED PARTY UNDER NO. 6 OF THE FINANCIAL AND ACCOUNTING STANDARDS OR A RELATIVE WITHIN THE SPOUSE, THE SECOND DEGREE OF KINSHIP.		REMARKS
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name (or name)	Relationship	
Fuju Investment Co., Ltd. Representative: Chia Yau Han	73,219,551 64,222	8.59% 0.01%	-	-	-	-	Jia Chen Han Jia Hwan Han Chia Yin Han	Brother Brother Brother	
Furui Investment Co., Ltd. Representative: Jia Chen Han	37,634,252 -	4.42% -	-	-	-	-	Chia Yau Han Jia Hwan Han Chia Yin Han	Brother Brother Brother	
Dejia Investment Co., Ltd. Representative: Chia Yin Han	33,677,074 -	3.95% -	-	-	-	-	Chia Yau Han Jia Chen Han Jia Hwan Han	Brother Brother Brother	
Ruicheng Management Consulting Co., Ltd. Representative: Jia Hwan Han	26,565,606 -	3.12% -	-	-	-	-	Chia Yau Han Jia Chen Han Chia Yin Han	Brother Brother Brother	
CITY CHAIN FOOD LTD. Representative: Chia Yau Han	26,458,889 64,222	3.10% 0.01%	-	-	-	-	Jia Chen Han Jia Hwan Han Chia Yin Han	Brother Brother Brother	

NAME	CURRENT SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING		HOLDING SHARES IN THE NAME OF OTHERS		AMONG 10 LARGEST SHAREHOLDERS, NAME AND RELATIONSHIP WITH ANYONE WHO IS A RELATED PARTY UNDER NO. 6 OF THE FINANCIAL AND ACCOUNTING STANDARDS OR A RELATIVE WITHIN THE SPOUSE, THE SECOND DEGREE OF KINSHIP.		REMARKS
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Name (or name)	Relationship	
Huang River Investment Co., Ltd. Representative: Chia Yau Han	20,264,416 64,222	2.38% 0.01%	-	-	-	-	Jia Chen Han Jia Hwan Han Chia Yin Han	Brother Brother Brother	
Lien Hwa Industrial Holdings Corp. Representative: Feng Kang Miao	18,107,428 -	2.12% -	-	-	-	-	-	-	
Nan Shan Life Insurance Company, Ltd.	16,480,000	1.93%	-	-	-	-	-	-	
Wan Hai Lines Ltd.	13,103,696	1.54%	-	-	-	-	-	-	
Sanmin Investment Co., Ltd.	12,652,093	1.48%	-	-	-	-	-	-	

2, Shares Trading and Shares Pledge with Related Parties: None

X. Ratio of Combined Shareholding

April 19, 2022

Unit: Share; %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Total Nutrition Technologies CO.,LTD	48,149,500	100%	—	—	48,149,500	100%
Huang River Investment Co., Ltd.	14,500,000	100%	—	—	14,500,000	100%
GREAT WALL ENTERPRISE CO., LTD.	90,490,813	100%	—	—	90,490,813	100%
CITY CHAIN FOOD LTD.	167,823,438	100%	—	—	167,823,438	100%
MAY LAN LEI CO., LTD.	48,000,000	100%	—	—	48,000,000	100%
Anxin Qiaochu Co., Ltd.	5,500,000	100%	—	—	5,500,000	100%
GREAT WALL FEEDTECH CO., LTD.	340,000	100%	—	—	340,000	100%
ORIENTAL BEST FOODS CO., LTD.	80,067	100%	—	—	80,067	100%
KOUCHAN MILL CO., LTD.	33,550,000	55%	—	—	33,550,000	55%
Wonder Vax Company Limited	20,000,000	100%	—	—	20,000,000	100%
Z.Y. Food Company Limited	78,000,000	65%	—	—	78,000,000	65%
Neo Foods Company Limited	5,000,000	100%	—	—	5,000,000	100%

Four. Capital and Shares

I. Capital and Shares

Base date: April 19, 2022

(I) Source of Capital:

Month/ Year	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	AMOUNT NTD (thousand)	Number of Shares	AMOUNT NTD (thousand)	Source of Capital	Capital Increase by Assets Other than Cash	Others
1996/6	10	350,000,000	3,500,000	281,396,200	2,813,962	Capital increase by retained earnings NTD 108,229,320	None	Jun 29, 1996 (1996)Tai Cai Zheng Zi (1) No.40939
1997/7	10	420,000,000	4,200,000	312,349,764	3,123,498	Capital increase by capital surplus NTD 84,418,680 Capital increase by retained earnings NTD 225,116,960	None	Jul 8, 1997 (86)Tai Cai Zheng Zi (1) No.53236
1997/9	10	420,000,000	4,200,000	315,610,790	3,156,108	Convertible bond 32,610,260	None	Sep 8, 1997 (86)Tai Cai Zheng Zi (1) No.69448
1997/9	10	420,000,000	4,200,000	318,041,430	3,180,414	Overseas Convertible bond 24,306,400	None	
1998/1	10	420,000,000	4,200,000	319,802,567	3,198,026	Convertible bond 17,611,370	None	Jan 8, 1998 (87)Tai Cai Zheng Zi (1) No.96967
1998/6	10	530,000,000	5,300,000	359,802,567	3,598,026	Cash 400,000,000	None	Jun 15, 1998 (87)Tai Cai Zheng Zi (1) No.49991
1998/8	10	530,000,000	5,300,000	394,713,481	3,947,135	Capital increase by capital surplus NTD 158,685,973 Capital increase by retained earnings NTD 190,423,167	None	Aug 24, 1998 (1998)Tai Cai Zheng Zi (1) No.59500
1999/7	10	530,000,000	5,300,000	414,449,155	4,144,492	Capital increase by capital surplus NTD 118,414,044 Capital increase by retained earnings NTD 78,942,696	None	Jun 22, 1999 (1999)Tai Cai Zheng Zi (1) No.68621
2000/9	10	530,000,000	5,300,000	433,099,367	4,330,994	Capital increase by capital surplus NTD 186,502,120	None	Sep 8, 2000 (2000)Tai Cai Zheng Zi (1) No.76567
2001/7	10	530,000,000	5,300,000	452,138,838	4,521,388	Capital increase by retained earnings NTD 190,394,710	None	Jun 11, 2001 (2001)Tai Cai Zheng Zi (1) No.144953

Month/ Year	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	AMOUNT NTD (thousand)	Number of Shares	AMOUNT NTD (thousand)	Source of Capital	Capital Increase by Assets Other than Cash	Others
2002/11	10	530,000,000	5,300,000	400,318,235	4,003,182	Change in capital reduction 518,206,030	None	Nov 15, 2002 Jing Shou Shang Zi No. 09101450560
2003/10	10	530,000,000	5,300,000	390,318,235	3,903,182	Change in capital reduction 100,000,000	None	Oct 9, 2003 Jing Shou Shang Zi No. 09201288790
2004/9	10	530,000,000	5,300,000	402,027,782	4,020,278	Capital increase by retained earnings NTD 117,095,470	None	Sep 23, 2004 Jing Shou Shang Zi No. 09301171360
2007/10	10	530,000,000	5,300,000	421,896,621	4,218,966	Capital increase by retained earnings NTD 198,688,390	None	Oct 15, 2007 Jing Shou Shang Zi No. 0960212860
2008/8	10	530,000,000	5,300,000	422,279,101	4,222,791	Corporate bond conversion 3,824,800	None	Aug 11, 2008 Jing Shou Shang Zi No. 09701200200
2008/9	10	530,000,000	5,300,000	443,373,932	4,433,739	Capital increase by retained earnings NTD 210,948,310	None	Sep 10, 2008 Jing Shou Shang Zi No. 09701232580
2008/10	10	530,000,000	5,300,000	448,678,382	4,486,784	Corporate bond conversion 53,044,500	None	Oct 23, 2008 Jing Shou Shang Zi No. 09701271760
2009/8	10	530,000,000	5,300,000	471,112,301	4,711,123	Capital increase by retained earnings NTD 224,339,190	None	Aug 27, 2009 Jing Shou Shang Zi No. 09801196620
2010/8	10	530,000,000	5,300,000	494,667,917	4,946,679	Capital increase by retained earnings NTD 235,556,160	None	Aug 27, 2010 Jing Shou Shang Zi No. 09901194860
2011/9	10	600,000,000	6,000,000	519,401,313	5,194,013	Capital increase by retained earnings NTD 247,333,960	None	Sep 14, 2011 Jing Shou Shang Zi No. 10001210950
2011/12	10	600,000,000	6,000,000	524,749,123	5,247,491	Corporate bond conversion 53,478,100	None	Dec 21, 2008 Jing Shou Shang Zi No. 10001285680
2012/9	10	600,000,000	6,000,000	550,986,579	5,509,866	Capital increase by retained earnings NTD 262,374,560	None	Sep 26, 2012 Jing Shou Shang Zi No. 10101197960

Month/ Year	Issue Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
		Number of Shares	AMOUNT NTD (thousand)	Number of Shares	AMOUNT NTD (thousand)	Source of Capital	Capital Increase by Assets Other than Cash	Others
2013/1	10	600,000,000	6,000,000	566,457,215	5,664,572	Corporate 154,706,360 bond conversion	None	Jan 16, 2013 Jing Shou Shang Zi No. 10201010200
2014/9	10	800,000,000	8,000,000	736,394,380	7,363,944	Capital increase by retained earnings NTD 1,699,371,650	None	Sep 30, 2014 Jing Shou Shang Zi No. 10301198080
2018/9	10	800,000,000	8,000,000	787,941,987	7,879,420	Capital increase by retained earnings NTD 515,476,070	None	Sep 28, 2018 Jing Shou Shang Zi No. 10701121990
2019/9	10	990,000,000	9,900,000	827,339,086	8,273,391	Capital increase by retained earnings NTD 393,970,990	None	Sep 16, 2019 Jing Shou Shang Zi No. 10801127620
2021/9	10	990,000,000	9,900,000	852,159,259	8,521,593	Capital increase by retained earnings NTD 248,201,730	None	Sep 28, 2021 Jing Shou Shang Zi No. 11001165480

Type of Stock	Authorized Capital			Remarks
	Issued Shares (listed)	Un-issued Shares (not listed)	Total	
Registered common stock	852,159,259	137,840,741	990,000,000	

(II) Status of Shareholders

April 19, 2022

Status of Shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions and Natural Persons	Domestic Natural Persons	Treasury stocks	Total
Number of Shareholders	5	25	368	316	106,327	0	107,041
Shareholding	109	53,061,171	331,209,065	96,816,889	371,072,025	0	852,159,259
Percentage (%)	0.00%	6.23%	38.87%	11.36%	43.54%	0.00%	100.00%

Note: The ratio of shares held by investors of mainland China is 0%.

(III) Distribution of Equity

April 19, 2022

Class of Shareholding	Number of Shareholders	Shareholding	Percentage (%)
1~999	43,995	7,610,625	0.89
1,000~5,000	48,732	93,250,414	10.94
5,001~10,000	7,829	53,730,376	6.31
10,001~15,000	2,740	32,058,190	3.76
15,001~20,000	1,192	20,563,518	2.41
20,001~30,000	1,035	24,700,512	2.90
30,001~40,000	468	15,902,890	1.87
40,001~50,000	236	10,586,886	1.24
50,001~100,000	434	29,496,434	3.46
100,001 - 200,000	174	22,907,358	2.69
200,001 - 400,000	85	23,080,165	2.71
400,001 - 600,000	30	14,560,947	1.71
600,001 - 800,000	13	8,819,430	1.03
800,001 - 1,000,000	9	8,124,153	0.95
Over 1,000,001	69	486,767,361	57.13
Total	107,041	852,159,259	100.00

(IV) Major Shareholders: List shareholders with a shareholding ratio of 5% or more. If there are less than ten, the names of the shareholders whose shareholding ratio accounts for the top ten shareholders, the number of shares held and their proportions shall be disclosed.

April 19, 2022

Major Shareholder's Name	Total Shares Owned	Shareholding	Ownership (%)
Fuju Investment Co., Ltd.		73,219,551	8.59
Furui Investment Co., Ltd.		37,634,252	4.42
Dejia Investment Co., Ltd.		33,677,074	3.95
Ruicheng Management Consulting Co., Ltd.		26,565,606	3.12
CITY CHAIN FOOD LTD.		26,458,889	3.10
Huang River Investment Co., Ltd.		20,264,416	2.38
Lien Hwa Industrial Holdings Corp.		18,107,428	2.12
Nan Shan Life Insurance Company, Ltd.		16,480,000	1.93
Wan Hai Lines Ltd.		13,103,696	1.54
Sanmin Investment Co., Ltd.		12,652,093	1.48

(V) Market Price, Net Worth, Earnings and Dividends Per Share for the past two fiscal years

Item	Year				
	2020	2021	Q1/2022		
Market Price Per Share	Highest Market Price	52.20	62.90	55.90	
	Lowest Market Price	31.40	47.50	52.00	
	Average Market Price	43.35	54.78	53.27	
Net Worth Per Share	Before Distribution	25.81	23.59	24.39	
	After Distribution (Note 4)	22.44	21.04	21.80	
Earnings Per Share	Weighted Average Shares (thousands Shares)	781,977	805,436	805,436	
	Earnings Per Share	3.88	2.32	0.69	
Dividends Per Share	Cash Dividends	2.7	1.5	-	
	Stock Dividends	From earnings	0.3	0.5	-
		From capital reserves	-	-	-
	Accumulated Undistributed Dividends	-	-	-	
Returns on Investment	Price/Earnings Ratio(Note 1)	11.17	23.61	-	
	Price/Dividend Ratio (Note 2)	16.06	36.52	-	
	Cash Dividends Yield (Note 2)	6.23	2.74	-	

Note 1: Price/Earnings Ratio = average closing price per share of the year/earnings per share.

Note 2: Price/Dividend Ratio = average closing price per share for the year/cash dividend per share.

Note 3: Cash Dividends Yield=Cash dividends per share/average closing price per share for the year.

Note 4: Calculated by the amount approved by the board of directors.

(VI) Dividends policy and Implementation Status

If there is a surplus in the company's annual final accounts, it should first pay taxes to make up for the accumulated losses over the years, and 10% of the second time will be the statutory surplus reserve, and the special surplus reserve shall be appropriated or converted according to laws or regulations or the competent authority; If there is surplus, the balance shall be added to the accumulated undistributed surplus of the previous year. The board of directors shall draft a distribution proposal. When new shares are issued, it shall be submitted to the shareholders meeting for distribution after a resolution. Pursuant to Paragraph 5 of Article 240 of the Company Act, the Company may authorize the distributable dividends and bonuses or in whole or in part legal reserve and capital reserve as provided in Paragraph 1 of Article 241 of the Company Act may be paid in cash after a resolution has been adopted by the majority of Directors in a Board meeting attended by two-thirds of the total number of Directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. However, the amount and percentage of this earning to be distributed as dividends and the type of dividends to be distributed may be adjusted upon a resolution adopted by the shareholders' meeting based on the actual profit and capital position for a particular year. Shareholder dividends: The cash dividends shall not be less than 10% of the total dividends. However, if the cash dividends per share are less than NT\$0.1, they will not be distributed and will be distributed as stock dividends. If after-tax profit accumulated from the previous year or after-tax profit for the current year is not enough to set aside an amount equal to deductions from shareholders' equity to special reserve, the undistributed earnings at the beginning of the period shall be set aside to special reserve, and deductions shall be made before earnings are distributed.

In 2021, the board of directors decided to pay a cash dividend of NT\$1.5 per share and a stock dividend of NT\$0.5 per share.

(VII) Impacts of Proposed Stock Dividends on the Company's Business Performance and Earnings Per Share:

Item		2021 (estimated)
Paid-in capital at the beginning of the period (NT\$)		8,273,390,860
Distribution of shares and dividends in current fiscal year (Note 1)	Dividends Per Share (NT\$)	1.5
	Capital increase out of surplus allotment per share (stock)	0.5
	Capital increase out of capital reserve allotment per share (stock)	-
Change in business performance	Operating Profit	N/A (Note 2)
	Ratio of increase (decrease) in operating profit compared to the same period last year	
	Net profit after tax	
	Ratio of increase (decrease) in Net profit after tax compared with the same period in previous year	
	Earnings Per Share	
	Ratio of increase (decrease) in earnings per share compared to same period in previous year	
	Average annual return on investment (annual average PE ratio)	
Fictitious earnings per share and P/E ratio	If the surplus to capital increase by retained earnings is realized through cash dividend	Proposed earnings per share
		Proposed annual average return on investment
	If the Capital increase is not transferred to the capital surplus	Proposed earnings per share
		Proposed annual average return on investment
	If the capital reserve is not processed and the capital increase by retained earnings is changed to cash dividends	Proposed earnings per share
		Proposed annual average return on investment

Note 1: The 2021 proposal for distribution of earnings has not yet been resolved by the shareholders' meeting.

Note 2: In accordance with the "Key Points for the Implementation of the Public Offering Company Financial Forecast Information Disclosure System", the company does not need to disclose the 2021 financial forecast information, so there is no 2021 forecast data.

(VIII) Remuneration of Employees, Directors and Supervisors

- (1) The number or scope of the remuneration of employees and the remuneration of directors and supervisors as stated in the Company's Articles of Incorporation:

After the profit that income before tax of the current year has deducted employees' compensation and directors' and supervisors' remuneration offset prior accumulated unappropriated earnings, if there are still the remaining net earnings, the Company should distribute not less than 2% as a compensation for employees and not more than 2% as a remuneration for directors and supervisors. The determination of the distribution rate of employee compensation and the compensation of directors and supervisors, and the payment of employee compensation in stocks or cash shall be approved by more than one half of the Directors present at the Board of Directors' meeting attended by at least two-thirds of all Directors, and shall be reported at the shareholders' meeting. Employee compensation is issued to stocks or cash to employees of affiliated companies who meet certain conditions.

(2) The proposed distribution of employee compensation and other information approved by the board of directors

1. Allotment of cash dividends for employee compensation, stock dividends and the amount of compensation for directors and supervisors

Great Wall Enterprise Co., Ltd.		
Profit Distribution		
2021		
		Unit: NT\$
Beginning balance		2,241,532,442
Plus(minus):		
Determine the re-measurement of the benefit plan and the change in the current period	2,531,077	
Determine the re-measurement of the benefit plan and the change in the current period	1,869,385,064	
Earnings available for distribution		4,113,448,583
Minus (Plus):		
List Statutory Earnings Reserve	187,191,614	
Distribution items:		
Shareholder dividend-stocks (NT\$ 0.5 per share)	426,079,630	
Shareholder dividend-cash (NT\$1.5 per share)	1,278,238,889	
Earnings unallocated at the end of the period		2,221,938,450

Note: (1) Dividend distribution for the current year shall not exceed the amount available for distribution in the current period.

(2) Dividends will be distributed with priority in 2021 after-tax benefits.

(3) The board of directors approves the distribution of NT\$90,000,000 for employees' remuneration and NT\$40,000 for directors' remuneration, both in cash. The aforementioned will be handled in accordance with relevant regulations after the resolution of the shareholders' meeting of this year.

2. The ratio of the proposed distribution of employee stock dividends to the total amount of after-tax net profit and total employee compensation for the current period: None.

3. The estimated earnings per share of the proposed allocation of compensation to employees and the compensation of directors and supervisors

The estimated earnings per share	
Pre-tax	After tax
2.82	2.32

(3) The calculation basis of the estimated employee compensation and the compensation amount of directors and supervisors in the current period, the calculation basis of the number of shares of employee compensation distributed by stocks, and the accounting treatment if the actual distribution amount is different from the estimated amount: The estimated amount of remuneration for the company's employees and directors is estimated on the basis of the percentage set in the articles of association. If there is a difference between the above estimated amount and the actual disbursed amount, it shall be dealt with according to the changes in accounting estimates, and shall be adjusted and recorded in the account during the disbursement year.

(4) The actual distribution of remuneration for employees, directors and supervisors in the previous year:

	Employee compensation	Remuneration of Directors and Supervisors
Proposed distribution approved by the original board of directors	90,000,000	40,000,000
Actual Amount of Distribution-First	29,904,100	40,000,000
Actual Amount of Distribution-Second	60,095,900	-
Difference	-	-

(IX) Buyback Shares of the Company:

December 31, 2021

Term of Buyback	None
Purpose of Buyback	None
Time of Buyback	None
Price Range of Buyback	None

Type and quantity of Shares Buybackd	None
Amount of Shares Buybackd	None
Ratio of quantity Buybackd to scheduled quaty of Buyback(%)	None
Number of Retired and Transferred Shares	None
Cumulative number of shares held in the Company	None
Total treasury stock holdings as a percentage of total shares issued (%)	None

II. Corporate Bonds

Types of corporate bonds	2003 First Guaranteed Corporate Bond	The first unsecured conversion of corporate bonds in Taiwan in 2007
Issuance (handling) date	August 1992	Sep 21, 2007
value	NT\$1,000,000	NT\$100,000
Location of Issuance and Transaction	N/A	Consortium of the Republic of China Counter Sales Center
Issue Price	Issuance of nominal amount	Issuance of nominal amount
Total Amount	NT\$300,000,000	NT\$1,000,000,000
interest rate	1.30%	The coupon rate is 0%, and the yield to maturity is 0.5%
Maturity	5 years; Maturity date: August 12, 2008	5 years; Maturity date: Sep 21, 2012
Guarantee Agency	Hua Nan Commercial Bank, Tainan Branch Domestic Banking Office of the Central Trust Bureau	None
Trustee	Trust Department of Public Bank	ChinaTrust Commercial Bank
Underwriting agency	None	Citic Securities Company Limited
Visa lawyer	Shu-Chen Chen	Not applicable (no physical issue)
Visa accountant	Hsien-Lang Lin; Yu-Shan Ting	Not applicable (no physical issue)
Method of repayment	One-off principal repayment	Except for bondholders that are converted into common stocks of the company in accordance with Article 10 of these Measures for issuance and conversion, or the company has received them early in accordance with Article 18 of these Measures, or the company is bought back and cancelled by the business premises of a securities firm. The company will repay the bonds held by the bondholders in cash at the maturity of the bonds based on 102.53% of the bond face value.
Outstanding Principle	NT\$0	NT\$0
Provision of prepayment and redemption	None	(1) From the day following the issuance of this bond one year to 40 days before its maturity, if the closing price of the company's ordinary shares exceeds the current conversion price by 50% for 30 consecutive business days, the company may recover the outstanding bonds in cash according to the denomination of the bonds;

			(2) From the day following the issuance of the bond one year to the forty day before the maturity date, if the outstanding balance of the bond is less than 10% of the original issuance total, the company may recover the outstanding bond in cash at the bond denomination.
Restrictions Terms		None	None
The name of the credit rating agency, the date of the rating, and the result of the company's debt rating		N/A	None
Attached other rights	The amount of ordinary shares, overseas depositary receipts or other securities that have been converted (exchanged or subscribed) as of the publication date of the annual report	N/A	NT\$265,053,760
Attached other rights	Method of issuance and conversion (exchange or subscription)	N/A	<p>1, From the beginning, until September 11, 2012, except for the legal suspension of the transfer period, bondholders may request the company to convert into the company's ordinary shares in accordance with these Measures at any time.</p> <p>2, Procedure for requesting conversion: The bondholder shall fill out an application form at the original trading brokerage firm, and the trading brokerage firm shall apply to the China Securities Clearing House, and the China Securities Clearing House shall submit the application to the company's stock affairs agency after accepting the application. The effect of conversion will take effect upon delivery, and no application for cancellation is allowed, and the conversion procedures will be completed within five business days after delivery, and the stocks will be directly transferred to the original bondholder's collective security account. When overseas Chinese and foreigners hold this bond and convert it into stocks, the allotment will be handled by the CCB Clearing House in the form of account book transfer.</p> <p>3. The conversion price is reported to be handled in accordance with the anti-dilution adjustment method for conversion of corporate bonds contained in the "Self-discipline Rules for Issuing Companies to Raise and Issuance of Securities by Underwriter Members of the Securities and Commercial Association of the Republic of China".</p> <p>4. Downward reset of Conversion price: The dividend base date for each year between 2009 and 2012 (if no dividends are processed in that year, the base date for the gratuitous allotment shall be the base date. If the free allotment has not been processed, it will be the current</p>

			<p>year) as the price reset base date. Multiply the base price sampled on the reset base day by 103% to adjust the conversion price downward. However, it shall not be lower than 80% of the conversion price (adjustable due to changes in the company's common shares) at the time of issuance, and it is not applicable to those who have made a conversion request before the reset base date (inclusive).</p> <p>5. Upward reset of conversion price: When the simple arithmetic average of the closing price of the company's ordinary shares for 20 consecutive business days is higher than or equal to 135% of the current conversion price, the day following the last day of the 20 consecutive business days shall be used as the base date for the price reset. The conversion price is adjusted upwards by multiplying the base price sampled on the reset base date by the conversion premium rate at the time of pricing. However, it shall not be higher than 110% of the conversion price before the adjustment, and the conversion price shall be adjusted on the effective date of one month from the reset base date. The upward adjustment of the conversion price does not apply to reset the benchmark within six months from the date of issuance, the legally suspended conversion period, and two years after the bond issuance. In addition, the upward reset of the conversion price should be limited to one time, and it is not applicable to those who have made a conversion request before the reset base date (inclusive). In the event of ex-rights or ex-dividends before the reset base date, the aforementioned closing price or benchmark price of the company's ordinary shares shall be first calculated as the ex-rights or ex-dividend prices.</p>
Issuance and conversion, exchange or subscription methods, issuance conditions, possible dilution of equity, and impact on existing shareholders' equity	There is no dilution of equity and can strengthen the financial structure, and should have a positive benefit to shareholders' equity	It expired on September 21, 2012. The cumulative number of converted shares is 26,505,376 shares, accounting for approximately 4.68% of the total outstanding common shares, which has a limited impact on shareholders' equity. The principal and interest and NT\$200,241,090 will be repaid on October 3, 2012.	
Name of the depository institution of the exchange target	N/A	N/A	

Conversion of corporate bond information

Types of corporate bonds (Note 1)		Yes The first (term) domestic guarantee to convert corporate bonds <u>None</u>	
Year		2011	Sep 21, 2012 as of the current year (Note 4)
Converting the market price of corporate bonds (Note 2)	Highest Market Price	NT\$ 127	NT\$ 115.35
	Lowest Market Price	NT\$ 102.05	NT\$ 102.05
	Average Market Price	NT\$ 111.947	NT\$ 106.19
Conversion price		NT \$28.40	NT \$26.01
Issuance (handling) date and conversion price at the time of issuance		96/9/21 Issuance, the conversion price of NT 47.36 at the time of issuance.	
Method of fulfilling the conversion obligation (Note 3)		Issuing new shares to fulfill the obligation of conversion.	

Note 1: The number of fields depends on the actual number of transactions.

Note 2: If there are multiple trading locations for overseas corporate bonds, they will be listed separately according to the trading locations.

Note 3: Delivery of issued shares or issuance of new shares.

Note 4: September 12, 2012 is the date when the bond conversion ceases; the current year is the bond maturity date; the current year is the bond listing date.

III. Preferred Shares: None

IV. Global Depository Receipts (GDRs): None

V. Employee Share Subscription Warrant and New Employee Restricted Stock: None

VI. Status of New Shares Issuance in Connection with Mergers and
Acquisitions: None

VII. The Execution Status of Capital Plan:

(I) Plan content:

Plan name	issue date	Planned completion date	Purpose of Fund Use	Changes in plan	Enter the date of the public information observatory
The first domestic unsecured conversion of corporate bonds	2007/09/21	2012/09/21	1. Repay loans and pay short-term bills, 2. Save interest expenses	Unchanged	2007/08/09

(II) Implementation status:

Quarterly report of fund utilization plan	
2008 Q1 to Q4	
Scheduled expenditures for the quarter	NT\$0 thousand.
Actual amount spent this quarter	NT\$0 thousand.
Cumulative planned expenditure amount	NT\$0 thousand.
Cumulative actual expenditure	NT\$0 thousand.
Reasons for being ahead or behind a improvement plans	The company has already spent all of it in the four quarter of 2007.

Five. Overview of the Business

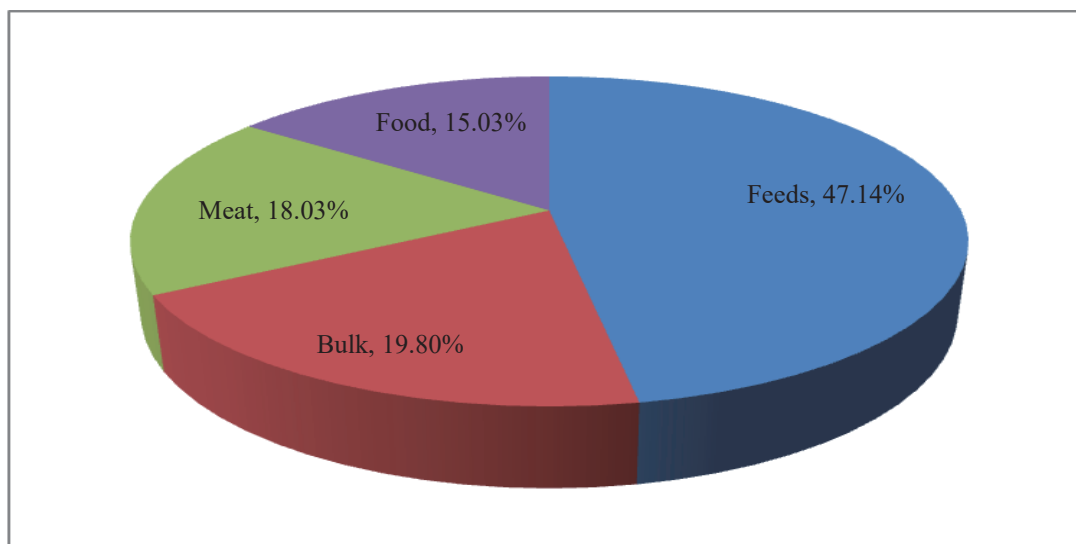
I. Description of the Business

(I) Major Business

(1) Main business

No.	Code	Description of Business
001	C105010	Edible Oil and Fat Manufacturing
002	A102060	Food Dealers
003	C106010	Grain Husking, Manufacture of Grain Mill Products, Starches and Starch Products
004	F102020	Wholesale of Edible Fat and Oil
005	C199010	Noodles, Vermicelli Food Manufacturing
006	C201010	Feed Manufacturing
007	F102170	Wholesale of Foods and Groceries
008	F103010	Wholesale of Animal Feeds
009	F107050	Wholesale of Fertilizer
010	A401010	Livestock Farm Management
011	A401020	Raising of Iivestock and Poultry
012	F203020	Retail Sale of Tobacco and Alcohol
013	F107070	Wholesale of Veterinary Drugs
014	F301020	Supermarkets
015	F107190	Wholesale of Plastic Films and Bags
016	C103050	Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
017	C101010	Slaughter
018	F101040	Wholesale of Livestock and Poultry
019	G801010	Warehousing
020	F401010	International Trade
021	H701010	Housing and Building Development and Rental
022	A401040	Livestock Service
023	C199990	Manufacture of Other Food Products Not Elsewhere Classified
024	C801110	Fertilizer Manufacturing
025	A102041	Recreational Agriculture
026	F501060	Restaurants
027	J901020	Regular Hotel
028	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(2) Major commodity items and their operating proportions in 2021



(II) Industry Overview

(1) Overview of Bulk Materials Business

In 2021, under the persistent shadow of the Covid pandemic, the global container logistics became chaotic throughout the year, and the bulk prices were soaring. At the beginning of the year, a draught in Brazil resulted in slow growth; and during the harvest time, heavy rainfall resulted in delayed harvest. The soybean exports from the United States were benefitted indirectly from the surged volume, leading the price of futures to jump to US\$1,200/BU. When the U.S. soybeans were planted in May, the producer states at the North encountered a historic drought, and the canola oil harvest volume in Canada also fell by 25%; the soybean futures stayed strong. At the end of the year, there was no rainfall the soybean planting period in Brazil and Argentina. The yield thus dropped to 120 million tons from the estimated 140 million tons. Therefore, the soybean futures directly surged to the historical high of US\$1,700/BU. Now that costs fluctuate sharply, with a rigorous attitude toward trend judgment and control of positions, the Bulk Materials Department uses various methods to reduce risks and seek maximum benefits. Main sales products: edible soybean salad oil, soybean meal for feed and raw and auxiliary feedstuffs Since soybeans are mainly imported from the United States and Brazil, the cost of imports is greatly affected by fluctuations in international raw material prices. Salad oil products still account for the largest share in the domestic edible oil market, and soybean meal products have stable demand and profitability in the domestic market as the main source of plant protein in the feed industry.

(2) Feed overview

Pig feeds: At the end of November 2021, the domestic hog population survey reported that the average breeding scale reached 866 pigs, an increase of 1.8% compared to the 851 pigs year-on-year, indicating that the overall pig breeding industry will continue to develop towards a large-scale and intensive breeding business model. The total number of domestic live pig transactions in the pig breeding industry in 2021 decreased by 2.7% from 2020. The annual average market price of live pigs increased from NT\$69.89/kg in 2020 to NT\$76.7/kg in 2021. The Ten-Billion Pig Farming Transformation and Upgrading Program was launched in 2021 for a four-year period. The transformation of pig farming covers the stages of production, slaughtering and sales. The first action is modernization of slaughterhouses and cold chain equipment, with 2021 as the first year of implementation to coach the modernization of pig farms as transformation and upgrading is the key project. Pig farmers have actively applied for the program to transform and upgrade the overall pig farming industry. The government has worked collaboratively with the entire pig farming industry to create a new landscape.

Local and broiler chicken feed: In 2021, due to the large quantity of chicks in the market, and the stable weather, with local people unable to travel overseas at will, the domestic demand increased. As more people cooked at home, the demand stayed high even the live chicken were a lot; therefore, the willingness of farming was elevated in the industry. In the aspect of integrated management and breeding, we will continue to cooperate with high-quality breeder dealers to seek stable sources and channels of chicks. On the one hand, we will adjust the contract structure according to market changes to maintain market share. On the other hand, we will intelligently and systematically raise native chickens, manage the farm with technology, and have a high level of cooperative breeding. Coupled with the steady control of the source and the excellent quality of our own electric slaughter factory, the product quality and cost control are more stringent, our high-quality meat products are moving towards high-priced channels, and the integrated upstream and downstream business model is more complete.

Waterfowl feed: At the beginning of 2021, the yield of ducklings was affected by avian influenza, and the incubation rate of adult ducks was obviously poor. The inspection process of epidemic was cumbersome, affecting the willingness of farming. At the mid-year, due to the COVID-19

Level 3 Alert, the buying in the market was weak, directly impacting the demand for restaurants and catering. Under the premise of pandemic containment as the top priority, the sales were greatly reduced, the buying was relatively sluggish, and the proportion of demand dropped greatly, significantly impacting the raising volume. By the end of the year, the pandemic slowed down and the market demand rebounded; however, the lack of ducklings led to the early marketing of ducks with shorter age. The market was generally in severe shortage of ducks; as the price of raw materials rose, resulting in the continuously rising prices of native ducks, and rose to NT\$52/600 gram by the end of the year, hitting a new high price in nearly a decade. If the shortage of ducks does not improve, it may result in the price surge until the middle of 2022.

Aquatic feeds: In early 2021, the draught resulted in serious water shortage, and some farmers had no water to spread the seedling, so the supply volume decreased. Affected by the COVID-19 pandemic in the middle of the year, restaurants and sea fishing fields suspended the business, resulting in sluggish sales of white shrimp, Thai shrimp and high-priced marine fishes. Due to the cross-strait tensions and the impact of the pandemic, the export of live groupers, fourfinger threadfins, and giant groupers had difficulty to be exported, which has severely hit the sales of high-priced marine fishes, and the farmers are still reluctant to raise. The government continues to promote the green energy policy of symbiosis of fish and power, and some landlords have turned to partner with photovoltaic companies, which crowded out the existing lands for aquaculture fishery.

Ruminant feed: The impacts of the COVID-19 pandemic on international trade influenced the import of raw materials considerably. Dairy farmers have faced the situation of grass shortage and unstable arrival of materials. In 2021, the price of imported grass rose by about 20% throughout the year, and continued to rise at the beginning of 2022. Overall raising quality and cost control will be particularly challenging. On the other hand, the import volume of liquid imported milk has dropped significantly due to the port congestion problem caused by the pandemic; the imported volume dropped to only 57,000 tons in 2021 from nearly 70,000 tons in 2020. However, the issue of the full tariff exemption of imported liquid milk from New Zealand in 2025 also continues to develop. There are various signs that the overall dairy farmers are moving towards the direction of high quality and stable milk production. Faced with the three major challenges of milk quality, milk production, and feeding costs, dairy farmers must devote more

effort to feeding management and pasture management.

Egg breeder feed: currently, the daily demand for eggs in Taiwan is about 120,000 boxes (200 eggs per box). In 2021, the bird flu epidemic among all laying hens was serious, and the number of dead birds in Taiwan exceeded 1.3 million, resulting in a drop in the average daily production of egg box to 110,000 boxes. Therefore, in the backdrop of egg shortage, the price of eggs in the production area by the end of 2021 rose to NT\$34.5 /600 gram, a new high in recent years. Regarding the costs, the COVID-19 pandemic disturbed the order, resulting in port congestion, vessel and container shortage, the prices of corn and soybeans have soared, and thus the cost of feed remained high. In addition, egg farmers generally face the problem of manpower aging. The average working age is over 50 years old, and the relationship between the epidemic situation affects the progress of applying for foreign workers to Taiwan, which makes the breeding environment increasingly difficult.

Egg products: Since January 1, 2022, the “seal printing one by one” policy that ensures that the source of eggs is clear and traceable was imposed. The Council of Agriculture stated that the direction of the "comprehensive egg cleaning and selection policy" will remain unchanged, and the industry will be coached continuously to move toward the direction. In 2021, the rules for applying for chicken farms are becoming more and more stringent. Coupled with issues such as protests from local residents about the establishment of CP in Hualien, it is obvious that in addition to the increasingly difficult acquisition of land, residents also hold a relatively negative attitude towards the cause of chicken farming. We still need to communicate with local residents and pay attention to environmental issues such as odor control and chicken manure treatment. In addition, the issue of animal welfare eggs promoted in Europe in recent years has also affected the Taiwanese industry. In addition to Carrefour's announcement that it will fully use non-cage-fed eggs in 2025, Costco, Quanlian and other companies are also actively promoting animal welfare egg products on the shelves, driving an opportunity for the transformation of the egg industry.

(3) Overview of meat business

The white meat chicken industry takes feed mills or electric slaughter plants as the integrated main body, and cooperates with chicken farmers in contract breeding mode to promote the electric slaughter of broilers and the transportation and sales of carcasses. From top to bottom, the entire system includes the upstream chicken breeders and chicken farmers, the midstream electric slaughter industry, the conditioning industry, and the downstream chicken marketing business units, which modernizes the white meat chicken industry structure. It is the industry with the most effective integrated business model in the meat industry.

In recent years, food safety issues have received increasing attention from the public, and related news events have emerged in endlessly. With the government's increasingly complete and rigorous regulations on food management, in addition to improving consumer protection, it also creates another market profit base and opportunity for domestic food legal operators.

DaChan Nice Chicken is the leading brand of domestic chicken supply, providing fresh, healthy, safe, delicious and high-quality domestic chicken (MIT). During the feeding process of live chickens, automatic feeding and strict management in a constant temperature environment are provided, so that the chickens can grow up healthily in a comfortable and non-toxic environment. The diet has been developed by a professional team, and through the TAF certification laboratory (DaChan Quality Inspection Center), leading the industry in introducing precision instruments such as LC/MS/MS to ensure the safety of raw materials and nutritious diets. In addition to strict quality control from the source, the electric slaughter is also checked by the veterinarian stationed by the government unit and CAS and ISO 22000 quality verification. With open and transparent traceability information and layer-by-layer control, DaChan strives to make you feel at ease throughout the entire process.

(4) Overview of food business

Due to the sudden changes in the domestic pandemic in 2021, many consumers had to work from home, even school and leisure life are temporarily turned indoors, dining in was also temporarily suspended. The alert and lockdown considerably increased the demand for cooking at home as a new scenario of consumer dining. Consumers have begun to actively look for a variety of frozen foods that can be easily stored and prepared. This emerging type of food also provides food manufacturers with opportunities

to innovate; how to satisfy customers when they eat and cook at home, has become a new challenge for the food industry.

Driven by the above conditions, in recent years, many major restaurants and hotel have also tried to launch a lot of reheating-based instant small-packaged products and take-out lunchboxes as a response, and collaboration with the convenient chain store channels like 7-Eleven and Family Mart, for more diversified and convenient food and beverage options to consumers. In addition, the change in chain channels is to actively cooperate with delivery platforms, so that consumers can shop the life necessities without going out.

(III) Overview of technology and research development

Dachan Group has continuously developed deeper in the vertical integration field of agricultural, livestock and food products, while making efforts to expand horizontally into related fields such as: feeds, fats, meats, seafoods, eggs, processed foods, biotech, plant-based meat, pet foods, and vaccines. This expanding diversity means that R&D efforts have to be adjusted at the group level to accommodate the Company's future opportunities and market demand, and that more manpower and resources will have to be committed into developing technologies and products that are relevant to the sustainability of the Company's growth. Sustainability and environmental protection is an issue that modern businesses have to take note of, and besides improving product features, it is also necessary to direct research and development efforts toward the needs of consumers, the environment, and the society as a whole, and contribute to the sustainability of the Earth's environment by addressing waste reduction, carbon reduction, energy conservation, and environmental protection issues.

To ensure ongoing advancement of production technology, the Company not only invests resources and manpower persistently into research and development, but has also made plans to create a biotech R&D center for food and animal nutrition and expand experimental facilities for: vaccine-producing eggs, poultry, pork, and seafood. Meanwhile, collaborations are being made with local and foreign research institutions such as: National Taiwan University, National Cheng Kung University, National Chung Hsing University, National Pingtung University, National Taiwan Ocean University, Tainan Livestock Research Institute, Tamsui Animal Health Research Institute, and Schothorst Feed Research to acquire critical technologies and develop application capacity.

(1) Important research and development projects in the coming year:

1. Animal nutrition research and development-continuously develop the best products and systems for different materials:
 - ① Develop high-quality artificial milk and suckling pig feed.
 - ② Cooperate with the contract department to expand the number of contracts and develop the most efficient contracted pig breeding system and feed.
 - ③ In conjunction with the improvement of breeding performance of breeding pigs, develop a high-efficiency system for the use of special feeds for breeding animals.
 - ④ Develop high-efficiency layer feed products and feeding systems.
 - ⑤ High-performance feed products with antibiotic-free and waste reduction.
2. Functional raw materials and product development: by integrating the advantages of Total Nutrition Technologies, the functional raw materials and products are developed, especially in animal healthcare and environmental maintenance, such as N100, 100A, functional probiotics, high-moisture lactic acid bacteria, high-efficiency subtilis, and yeast cell walls, immunomodulators, organic acids, functional peptides and other products. To respond the breeding trend of less antibiotics and drugs in the market, the development of application product substitution for replacing or reducing antibiotics is enhanced in the year, such as biotech acid and proprietary probiotic.
3. Establish a safe and reliable biological security defense system:
 - ① Establish a biosafety planning and audit department, planning, supervising and implementing biosafety implementation work to reduce disease risks.
 - ② Implement antibody and pathogen monitoring technology, such as: PCR, Eliza's detection tools for pathological detection and analysis, understand the farm's disease pollution status, formulate an effective epidemic prevention plan and prevent the risk of disease.
 - ③ Diseases tend to happen due to changing environment and deficiencies in the breeding management tasks. The bio-security department will intervene to establish the key monitoring at the environmental conditions and breeding management, for better implementation of disease prevention.

4. Environmental protection and minimal antibiotic product development:
After long-term R&D, DaChan feed has no antibiotics in layer feed, pig late stage, and broiler late stage, achieving the goal of zero drug residues. We have also successively introduced environmentally friendly feeds for pigs, laying hens, and low N.P.NH₃ pollution. In the future, we will continue to improve on the goals of safety and environmental protection.
5. The continuously rapid development of the pet food market in the recent years, especially in the backdrop of the pandemic, international sea freight situation, and surging development, has driven the accelerating development in the domestic pet food industry. The Company has decided to invest more resources to the R&D of the pet feed products and market development, while planning to build the brand new pet food production plant, to produce the dry and wet food, snacks, and healthcare product, to develop the product with unique edges and enter the pet market swiftly by utilizing the Group's integrated advantages.
6. Wonder Vax Company Limited will launch more poultry and living stock vaccine products in this year, while expanding the ferment equipment scale to respond the market demand, and the mass production is also expected in this year. The self-use and domestic market demands will be satisfied in larger scale, and the Southeast Asia is planned for the future development.

(2) Meat technology

1. Quality management system for meat products:
 - A. The three meat factories and one processing factory are all CAS excellent food factories and factories with ISO 9001, ISO22000 quality assurance system and food safety management system certification.
 - B. Liuying Meat Factory's laboratory was certified by TAF in 2005, which is the first electric slaughter factory laboratory in Taiwan that has passed TAF certification. The meat processing factory laboratory also obtained TAF certification in 2007. In 2014, the two laboratories passed the merger to apply for TAF certification.
 - C. Since 2007, we have been leading the industry in establishing a product traceability system, with transparent information from feed to electronic slaughter.
 - D. We have cultivated many control quality engineers (CQE) and control quality technicians (CQT).

- E. In order to ensure a food safety policy without drug residues, a blank feed was introduced in 2010 with good results.
2. Future direction of quality control:
Continue to strengthen the education and training of professional certification of quality control personnel. Through the TAF certification laboratory, the use of precision instruments LC/MS/MS to ensure product quality and safety.

(3) Research and development of biotechnology

1. Development of fermented and hydrolyzed protein products
By coping with the design of the new automated plants and facing fierce market competition, in 2021, the Company added multiple enzyme hydrolysis technology to the existing core solid-state fermentation technology process, to prepare for the production of fermented and hydrolyzed protein products in the future. Other than the organic acids and other functional metabolites synthesized by fermentation of lactic acid bacteria, the new product has plant-based antigens that minimizes enzyme hydrolysis, avoiding from causing intestinal allergies and indigestion. The fermented and hydrolyzed protein is easy to digest and utilize, and the exposure of oil-based bitter amino acid is reduced for less bitterness and more tasty. The new fermented protein plant is expected to be completed, as well as the trial production in the fourth quarter of 2022. It is planned to start mass production and sales in early 2023. The new plant aims at high efficiency, high automation and high stability, to enhance the market competitiveness of its products, and also provides a new generation of fermentation raw materials for the agricultural and livestock farming industry using feeds, increasing the profits of farmers and fishermen.
2. Establishment of a new bacillus powder plant and product development of Lactic acid bacteria products for livestock:
Coping with the trend adopted by the Council of Agriculture in breeding antibiotics-free and antibiotics-reduced economic animals year by year, Total Nutrition Technology Co., Ltd. was expected to invest in the establishment of a new bacillus probiotic production plant in 2021, to introduce advanced technologies from Japan, and develop specific feeds with additive of bacillus probiotic for agriculture, poultry, livestock, and aquatic animals. In addition to bacillus probiotic products, Total Nutrition has long been engaged in the development of lactic acid bacteria

products. It is expected to produce and sell products for livestock and poultry in 2022 in the dosage forms of bags, to be direct added to feeds or drinking water. Other than providing the Group's own and contracted farms for use, it also plans to sell the products the external market, a an early positioning before the demand for economic animals is reduced and substitution of antibiotics for economic animals.

3. Organic acid acidifier feed additive products:

In light of the sharp price fluctuations in of raw materials since the outbreak of Covid-19 pandemic, With the high cost, the success or failure of economic animal breeding is often determined by the breeding performance. The R&D Department of Total Nutrition developed and launched new organic compound acid products in 2021, providing another option for the group and external customers. Different from the commercialized acidifiers sold by Total Nutrition, the new product combines inorganic acids and organic acids, plus acids in embedded dosage forms, to achieve the protection of the entire intestines of animals. Proved by tests, the product may improve the feed conversion rate and animals' resistance to diseases.

4. Development of pet food:

The popularity to own pets has driven the rapid development of dry and wet pet food (meals and snacks) and healthcare products market. Total Nutrition entered the pet food market in 2021, by taking advantage of the raw material advantages of the Group's meat by-products, it develops dry cat and dog food, canned food, jerky and functional healthcare products. In the future, it will also obtain other meat by-products through the collaboration with peers, to plan development of special (healthy) foods for dogs and cats of various ages or physiological needs, and expand to meals or snacks such as tooth-cleaning bones (cookies), pate for cats, and duck meat products.

(4) Estimated expenditure of R&D plan

According to will be the above R&D plan, the estimated R&D expenditure in 2022 is about NT\$100 million.

(IV) Long-term and Short-term Business Development Plans

(1) Feed business:

● Long term:

1. With the large changes in the market of raw materials and livestock

products, and the impact of epidemics, the operating risks of farmers have increased, and the company is committed to more diversified vertical integration. In addition to continuously entering the vertically integrated supply chain of the egg market, the product range also starts from quality, price, and professional services to strengthen corporate competitiveness, and continues to commit to the contractual vertical integration and alliance of livestock, poultry, and aquatic supply chains. The company promotes the progress of the overall industry and increases the demand for animal feed in Taiwan's economy.

2. Through the establishment and expansion of our own breeding farms, we continue to strive to improve the quality and supply of contracted pigs. Moreover, through the sale of parent-generation breeding pigs and the development of the DaChan AI center, we will assist customers in consistent farms or sow farms to improve the reproductive efficiency of sows and promote raising performance. DaChan and the animal laboratory have been breeding the black honey pigs from scratch. It took a lot of time and effort to breed the black honey pigs. It takes more than 240 days to breed, and the meat is delicate and soft, like the sweetness of honey, so it is called black honey pig. It can be called the "Kobe beef of the pork world", and continues to build the characteristics of pork and DaChan's brand value and advantages.
3. With the attention of domestic and foreign markets to drug residues, epidemics and other incidents and the continuous outbreak of food safety problems in the country, consumers' requirements for safety, peace of mind, and healthy meat products are increasing day by day. Even considering the feed, the demand for blank feed that the company can supply is even greater. We will continue to build on the company's existing capabilities and combine farmers and upstream and downstream players to provide safe, secure, and healthy meat products with production and sales history, so as to truly achieve "full care and eat with ease."
4. Integrating the existing production capacity of various factories, improving the processing technology, and combining the company's biotechnology products, in addition to promoting the health of poultry and livestock, improving the efficiency of livestock production, and reducing the impact of the livestock industry on the environment, and doing its part for environmental protection.

- Short term:

1. **Pig feed:** launch a consultant marketing team, combined with the company's R&D department, with puffing technology, to provide functional and characteristic products to improve the overall feeding efficiency and reduce the cost of meat production. As environmental inspections have become more stringent, the use of environmentally friendly feed and probiotics has been promoted. In terms of technical services, we provide back fat management and pregnancy testing services.

Pig breeding, nutrition and feeding management are the first priority for raising pigs. Starting from selection and precise nutrition can increase the lean meat rate and raise strong and strong Taiwanese pigs. Through breeding and breed improvement, we select pig breeds with high lean meat and low fat, such as Danish pigs with a relatively high lean meat rate. Improve from breeding varieties. Rely on the design of protein, amino acid and energy in the nutritional formula to adjust the pig's body shape and increase the lean meat rate.

Comprehensive fatty acids. In terms of feeding and management, the feeding and intake are managed to adjust the nutritional intake of pigs, so as to modify the body shape and increase the lean meat rate. Provide technical support, equipment subsidy improvement suggestions and assist in planning, and make overall improvements in animal nutrition. We improve the palatability and feed efficiency of feed, and we have introduced high-quality fiber formula to increase the number of pigs on the market each year, which can essentially improve the feeding efficiency of pig farmers.

In response to market demand, we introduced functional pig feeds that improve the quality, color and body shape of pigs. The use of compound animal protein and compound oil can supplement the protein composition of pigs for muscle growth. In this way, it is beneficial to improve the body shape and meat quality of the pig, make the fat elastic, and prevent the soft fat from being loose and the skin red and shiny. In turn, it produces high economic value Taiwanese pigs with high lean meat rate, good carcass quality, and increased waist area.

2. **Egg breeder feed:** As the breeding population is aging, the cost of feed is rising, and the breeders are gradually becoming larger. Replacing manpower with equipment, better feed efficiency, and

product stability are several important factors for breeders to maintain competitiveness and increase profits. In addition to providing blank material line production, more stable biotechnology and high-quality product formulations, the company also provides customers with effective and diversified product packages in response to changes in the external environment and differences in breeding environments, maintaining the competitiveness of customers in breeding, and producing high-quality eggs. The Company has also invested in Taiwan's largest egg flagship factory in Erlin, Changhua, with a planned production capacity of 380,000 eggs per hour. At that time, we can provide customers with more services, create the value of eggs together with customers, and move towards the future of the egg breeder industry.

3. **Waterfowl feeds:** Since waterfowl are mostly controlled by distributors and electric slaughterhouses, slaughter performance and by-products are very important. Feeding efficiency, meat quality performance and feather fitness have always been the issues that customers care most about. The company continuously pursues the improvement of production technology, continuously strengthens the quality of pellets, combines biotechnology and professional research and development to assist customers in improving breeding efficiency, and continues to deepen the service of end-breeding customers, which has been recognized by customers. The Company continues to strengthen the accuracy of stage feeding, and provides the most suitable products for each stage to breeders, so that while the birds have sufficient nutrition, it also achieves the effect of controlling the cost of feed. The overall breeding environment continues to face challenges under various factors such as diseases and climate, and the government promotes various upgrade plans for biosafety. The company actively assists customers in upgrading equipment and improving poultry farms. We stand on the same front with our customers and take it as our responsibility to improve the overall breeding environment and create high-quality waterfowl economic ecology.
4. **Aquatic feeds:** In 2018, the Company intensively cultivated milkfish feed, and at the same time strengthened the marine fish feed market, with the factory's professional technology, the tonnage has repeatedly reached new highs. Although the market conditions were poor due to

the impact of COVID-19 in 2020 and 2021, considering the limited fishing resources and the increasing proportion of aquaculture supply sources, the Company will also plan to expand aquatic production capacity, extend the business in North Taiwan, and build new plant for the aqua feeds, expecting the capacity near as much as twice of the existing capacity.

5. **Broiler and native chicken feed:** Under a complete contract approach and a mature vertical integration model, coupled with stable and excellent feed performance, we conduct comprehensive quality control of chicken feed to eliminate any drug residue problems. In the continuous improvement of the business model, it will further expand the market share.
6. **Ruminant feed:** DaChan Ruminant is committed to the full-stage nutritional care of cattle. It conducts comprehensive feed design for the growth, lactation and reproduction of ruminants, and integrates formulas, R&D and technology. Through business development and professional team testing services, pregnancy inspections, diet formula inspections, feeding management recommendations, etc., we properly solve the problem of dairy farming and continue to introduce various functional products to meet the needs of ruminants at all stages and conditions, and to improve the accuracy of breeding. In the era when breeding techniques and technologies continuous advance, the ruminant team also pays constant attention to the customer's ranch management status. The team faces issues and cooperation directions such as equipment upgrades and technology upgrades together with customers, and is willing to provide industry new knowledge to co-exist with the dairy industry.
7. **Eggs:** Continue to develop towards the direction of self-supporting 50% of sales, 60% of sales box eggs, and 50% growth of contract volume as the direction of egg development. In 2020, it will cooperate with Showa Industry of Japan, and start construction of the Changhua Zhaocheng Egg Washing Plant in 2021. It aims to be completed at the end of 2022, with an hourly capacity of 380,000 eggs, making it the largest egg processing plant in Taiwan.

(2) Meat business

1. In the white meat chicken section, under a complete contract approach and a mature vertical integration model, with stable and excellent feed

performance, comprehensive quality monitoring is carried out to eliminate any drug residue problems. In the continuously improving business model, expand market share through the following methods:

- A. Actively advocate the "DaChan Nice Chicken": By counseling contract farmers to improve their feeding level and using blank feed to ensure that the chicken 100% meets the guarantee of national standards.
 - B. Vigorously promote the brand, "DaChan Nice Chicken," which emphasizes the concepts of fresh slaughter, health, and MIT.
 - C. Strengthen the brand packaging concept, and start to promote vacuum packaging products in 2013 to ensure that the products are fresh and hygienic.
 - D. Expand high-quality feed, improve professional services, ensure the health of chickens, and reduce the cost of feeding live chickens.
 - E. Promote deep-processed products and primary conditioning products to increase the added value of products.
2. Implement a one-stop strategy for non-ferrous chickens. Starting from breeder chickens, we have gradually moved from simply buying and selling chickens, cooperating with breeder dealers to the establishment of our own local breeder farms to ensure the quality of the source. The food safety has always been the most fundamental belief of the Company, and the inspection of drug residues before slaughter is also controlled most rigorously in the competitive market, only to provide customers with products with more peace of mind In the era of channel-oriented and food safety, we have integrated front-end breeding through channel development and combined with the brand advantages of local chicken products to expand the scale of contract farming. In addition, we have segregated the exclusive channels of electric slaughter to respond to the promising meat market in the future.

(3) Food business

1. Long term

In addition to the existing pre-fried and pre-roasted products, the Machohou Processing Plant in Chiayi will also continue to develop a variety of product categories, such as sports protein supplements, pot stocks, and sous-vide products, to meet the needs of different customers and market trends. The Company will continue to build the brand, other than solidifying the existing clientele, new image and youth elements will

be injected to attract the younger generations of consumers.

2. Short term

The consumption patterns have changed due to the pandemic; thus the Company will continue to cultivate major e-commerce platforms, to provide consumers with one-stop shopping for all kinds of prepared foods, such as the hot-selling Golden Crispy Chicken Thigh Steak, favored by the team-buying groups, and processed chicken product, including the tender chicken breasts, cauliflower rice, chicken dumplings popular among light food and fitness communities. In addition, the Machohou processing plant in Chiayi has started trial production in Q4 2021, and the full production is expected in Q3 2022. Other than stably producing the delicious processed products meeting the needs of existing customers, the plant will apply novel production equipment to launch exclusive brand products in the market, widening the gaps with the existing market.

II. Analysis of Market and Production and Marketing Situation

(I) Market Analysis

The company's grease, feeds, fresh meat products and their deep-processed products are almost mainly sold domestically, and the sales areas are all over the province. Market overview of each main product:

(1) Grease products

Soybean oil is sold equally in the northern and central-southern regions. The northern part has high demand because it is a densely populated area, while the central and southern parts have advantages in transportation costs. The product line includes 18-liter and 18-kilogram salad oil for business use, pure frying oil, frying-resistant palm oil, and small package 3-kilogram salad oil for household use. In the whole year of 2021, amid the shadow of the pandemic, the demand for oil products gradually recovered in Taiwan. However, contrary to the domestic demands, international vegetable oil prices have reached several new highs in 2021; the shortage labor and production of palm oil due to the pandemic, poor harvest of Canadian canola oil, and international oil price has continued to rise as the lockdowns were lifted... The palm oil has risen above 20-year high, from US\$1,000 at the beginning of the year to \$1,400 at the end of the year, and the hike has not stopped there. International soybean oil was also brought to highs along with the palm oil. Due to the elevated price of international vegetable oil, the price of domestic salad oil has also risen. Although the government has called on

companies to freeze prices in order to stabilize prices, the rising costs have become more than bearable for companies absorb.

In terms of soybean flour, at the end of 2020, due to the chaos of container logistics, soybeans were out of stock in Taiwan, and the price of soybean flour surged. In the middle of 2021, the U.S. containers soybeans shifted to Brazilian bulk soybeans, but these shipment were consolidated and delivered in large quantities, so the oil and flour plants had to sell with high discounts, resulting in the serious losses suffered by the entire oil and flour industry in Q3. The profit was only stabilized until the U.S. containers began choppy. In the next few years, the risk factor of containerized soybean logistics in winter stays high. How to ensure the supply of soybeans to retained the extraction volume will be the key of profit.

(2) Feed products

The Company's feed sales volume in 2021 was 1.31 million tons, maintaining the No. 1 leading brand in Taiwan's feed industry. The company continues to make progress in R&D innovation, biotechnology technology, and improve the processing technology and quality of feed. We are committed to the animal restaurant at the forefront of the food supply chain (from farm to table) to provide safe and secure products and services. From raw materials to production, from production to sales and service, a group of professional and outstanding management teams have been integrated to provide all-round and most professional breeding and animal protection services for the majority of breeders. Faced with the impact of the epidemic situation and market trends of different animals, we will give full play to the team's strength to assist relevant links in the supply chain to meet the government's requirements for epidemic control and to be in a market leadership position at all time.

(3) Native chicken products

Managing the chicken farms with technological breeding, other the monitoring the growth status of chickens, it is also able to understand the growth environment of chickens with better details; therefore, the Company is also committed to providing a friendly animal breeding environment, collaborating with large sales channels, to become the leading supplier of animal welfare feed products in the native chicken industry.

In addition to the development of the meat market, with the awareness of food safety, efforts should be made to provide consumers

with safe fresh meat. The product production and sales resume system has been strengthened, as well as an open and transparent traceability platform, so that consumers can directly use the traceability source code on the outer packaging of the product to understand the origin and flow of local chickens, and obtain the most assured food enjoyment. We are committed to letting consumers understand our products and brand culture and become the most trustworthy brand in consumers' hearts.

(4) Egg products

According to a survey of agricultural statistics in the fourth quarter of 2021 by the Agricultural Committee of the Executive Yuan, there are 2,072 chicken houses in Taiwan, which are breeding approximately 43.82 million birds and produce approximately 120,000 boxes of eggs (approximately 24 million) per day. Moreover, the industrial breeding locations are concentrated in the four counties and cities of Changhua, Chiayi, Yunlin, and Tainan, accounting for approximately 82% of Taiwan's production.

- Favorable factors for future development:
 1. Professional service team: The company continues to devote itself to the improvement of feed nutrition technology and animal husbandry technology. We have professional research and development personnel for various feeds, which have excellent professional capabilities in feed nutrition formula, feeding management and assisting in the control of livestock status; and professional veterinarians in various feeding counties to provide timely veterinary services. In addition, we continue to cooperate with academic units to introduce professional new knowledge, and have the ability to provide comprehensive solutions to customers' breeding problems, and create a win-win situation.
 2. Purchasing advantages: The company's annual feed sales scale is more than one million tons, and it has a strong advantage in the purchase of raw feed and auxiliary materials, which enables the company to effectively reduce production costs.
 3. Advantages in quality control: As food safety is widely valued, in addition to ISO22000 certification for the company's feed factory, DaChan Quality Inspection Center has also obtained TAF national laboratory certification. We have also invested funds to obtain LC/MS/MS, and make the most stringent controls on feed quality and safety. It not only contributes to product performance, but also controls the quality and safety of end animal products.

4. Consumers' demand for healthy and safe food has increased: the overall environmental situation, bird flu and pig epidemics are inevitable, news of drug residues is still heard, DaChan continues to promote traceable safe and hygienic meat products. We have been working hard for the "full care and eat with ease" of the food supply chain, and we have achieved some results, that is, to meet and satisfy the needs of government units and the general public for healthy and safe meat. In addition to operating high-quality native chicken products and the Luye native chicken brand, the concept of food safety is now also applied to eggs, working hard for everyone's healthy life.
5. Improved feed production technology: In order to ensure stable feed quality and performance improvement, we will continue to invest in advanced production equipment to have a comparative advantage in feed physical properties and feed performance. Leading the industry, we launched the first independent production line of blank materials in Taiwan. From raw materials, production to finished product transportation and distribution, we provide customers with customized products without drug residues to meet customer quality requirements, win customers' trust, and enhance relative competitive advantages.
6. As the only feed company in Taiwan with a professional experimental ranch: We can more accurately control the feed efficiency and meat production costs of poultry and livestock, creating a relative competitive advantage for DaChan itself and its farmers.
7. With a complete pig farm system, we can provide farmers with healthy and efficient sows and piglets to help farmers improve feeding efficiency, reduce costs, and let farmers love to use DaChan related products.
8. Pork can be exported after foot-and-mouth disease is removed, but the preservation period is a major focus. Taiwan is closer to neighboring countries than Europe and the United States, so the product can be sold for a longer period of time. If we can match the highly flexible customized demand, we can obtain the required product specifications from Taiwan in the shortest period of time, which will be a major advantage of Taiwan's pork export.
9. For egg products, the comprehensive cleaning and selection policies currently implemented by the government tend to protect the consumers better. The Company is equipped with a sound cold chain logistics system, automatic temperature detection equipment and automatic temperature control equipment. It realizes real-time monitoring of the

temperature changes of food from the production end, the transportation storage end and the sales end to ensure the freshness of the eggs.

10. In terms of feed customer service, DaChan CALL CENTER takes "customer satisfaction" as the starting point and strives to meet the needs of DaChan customers and create potential customer needs. Except for passively providing mobile phone, LINE, E-MAIL, FAX order services, it also provides proactive all-round services, including active care, product information feedback, and real-time processing of customer complaints. In addition to on-time delivery, we also provide requirements that exceed customer expectations.

- Unfavorable for future development:

1. As domestic feed ingredients mainly rely on imports and are affected by the increasingly changing global economic environment, foreign exchange, and futures market changes that are not easily controlled, the future animal industry is bound to face greater challenges.
2. Domestic animal products are greatly affected by changes in the volume and price of imported meat, and prices are sometimes at the edge of cost or under cost. If the low-price market becomes the norm, the farmers' willingness to breed will be reduced, which indirectly affects the customer's demand for feed.
3. Various poultry and livestock epidemics, drug residues, and clenbuterol are still potential risks in the livestock product market. Government policies, epidemic prevention and monitoring effectiveness will cause uncertainty in industrial operations. In particular, the avian influenza outbreak in winter has greatly reduced Taiwan's current nutrient levels, which will directly affect the company's short-term feed development.
4. After being removed from the foot-and-mouth disease list, if it can be successfully exported, it is certainly good news for the domestic pig industry. However, the export of pork still faces issues that need to be overcome whether the overall industrial chain meets relevant international standards such as HACCP and swine fever.

- Response measures:

1. Product structure adjustment to diversify feed business risks: Poultry feed currently accounts for the highest proportion. In the pig feed market, complete feed still has great potential for development. In the future, the company will continue to increase the sales and sales proportions of pig feed, egg breeder feed and aquatic feed, increase the supply of blank feed,

diversify and manage various operating risks, and increase company profits.

2. Combining the Company's biotechnology products to assist customers through the boom cycle of animal products: The company continues to devote itself to the research of biotechnology and processing technology. With the introduction of professional breeding knowledge, the Company effectively improves the production efficiency and feed efficiency of breeders, so as to improve the international competitiveness of domestic animal products, and then create a win-win situation for customers and the Company.
3. The Company will promote vertical integration and alliances in the industry, expand to more vertical integration areas of projects, and consolidate and strengthen the company's advantages and position in the entire supply chain. We will also make the entire industrial supply chain healthier, create a virtuous circle of companies and industries, and make progress and upgrades.
4. The establishment of the Zhaocheng egg processing plant will be the most advanced egg plant in the world and synchronized with the latest technology in Japan. Zhaocheng Egg Processing Plant will establish a management system with the highest food safety standards and introduce Taiwan's first automatic egg storage system. In this way, the whole process of cleaning, selection and grading and egg processing can be automated, reducing human pollution, and managing the source through big data analysis.
5. In terms of customer service, under the trend of big data, smart, mobile, and cloud, CALL CENTER will provide:
 - (1) Diversified service channels: We provide a variety of media services such as voice, text, video, files, etc., such as web chat, Facebook, WeChat, and web video, so that customers have a more comprehensive experience.
 - (2) Big data collection and feedback: By collecting data in the active and passive service process, we provide marketing unit analysis, marketing activity tracking, competitive intelligence collection, or exploration of potential customer needs.
 - (3) Internet of Things: Through the flow monitoring system, in addition to predicting customer inventory, we can achieve customer satisfaction with delivery; moreover, through the vehicle's satellite cloud, we can timely feedback to customers in addition to grasping

the customer's delivery track.

(5) Fresh meat products

1. The Company has made extensive vertical integrations from the chicken farm, hatchery, contract farmers, feed suppliers, electrocution slaughterhouse, processing factories all the way to the distribution channels, and markets its own poultry products under the brand - "DaChan Nice Chicken." In doing so, the Company is able to exercise total control in such a way that reduces production cost and ensures the quality, no drug residual, and consistency of chicken supply. Currently, the electric slaughter plant (excluding outsourced slaughter) has a production capacity of 160,000 birds per day, which plays an important role in the broiler industry.
2. The main products of the meat department are electric slaughtered fresh white meat chicken, including whole chicken, light chicken, stick legs, chicken chops... and other chicken cuts. It is mainly for domestic sales, mainly supplying well-known domestic fast food restaurants (McDonald's, KFC, 21st Century... etc.), large fresh supermarkets (Costco, Carrefour, Imai, RT-Mart, Wellcome... etc.), chicken chop chain vendors and general distributors. According to the statistics of the Electric Power Association, in 2021, the company's electric power volume ranked first, with a market share of approximately 21.4%. The two electric slaughter plants in Taoyuan and Tainan or their products have been certified by the Taiwan Association for Good Agricultural Products Development (CAS) and the ISO 22000 food safety management system, and further improve product quality. Even more leading in the industry, the company continues to promote the white meat chicken traceability system, and the product quality and hygiene meet the national standards to ensure that consumers enjoy safe and hygienic fresh chicken.
3. The electric slaughter plant of the meat department cooperates with the processing plant to produce various high-quality related products, including: chicken floss, chicken nuggets... etc., which are well received by consumers.
4. Faced with the impact of the increase in imported chicken meat year by year, the electric slaughter line will be updated to improve production efficiency, effectively reduce production costs, and improve the competitiveness of the company's products. We will also promote the listing of "Our store uses 100% domestically produced chicken" to improve consumers' rights to know the country of origin of the chicken. On the other hand, it accelerates the development and application of imported chicken meat, and provides consumers with high-quality and cheap chicken processing products.

(6) Deep processed chicken products

The Company's deep-processed chicken products are divided into normal temperature, refrigerated and frozen products, and are distributed to major convenience stores, fast food catering channels, breakfast and catering chains, mass supermarkets and various normal temperature, refrigerated, and frozen distribution channels throughout

Taiwan. Moreover, the company also provides schools, group meal factories and convenience store fresh food factories as the main suppliers of main dishes of the main course with the specifications of high-quality deep-processed products in large packages. In recent years, we have strengthened the channel deployment in group buying and delivery platforms. It is expected that sales performance will gradually grow with the performance of channel customers. We look forward to maintaining good relationships with customers, communicating with each other and growing to create a win-win situation!

- Advantages and disadvantages for future development:

After the pandemic and food safety incidents, consumers value nutrition and health much more. Machohou Food Plant uses the most modern production equipment to develop more diversified quality products, and ensures the quality of each product is safe and sound.

- Response measures:

Under the existing capacity, DaChan will continue to improve product design and processing levels to differentiate it from competing products in the market. In 2021, Chiayi Machohou's new food processing plant will be completed and starting operation, which is expected to solve the above-mentioned capacity dilemma for the Company. We look forward to combining the Company's cross-strait professional experience in R&D, production and distribution to master the strategic layout of the "farm-to-table" industry, and strengthen cooperation with various channels to create a new brand pattern for DaChan!

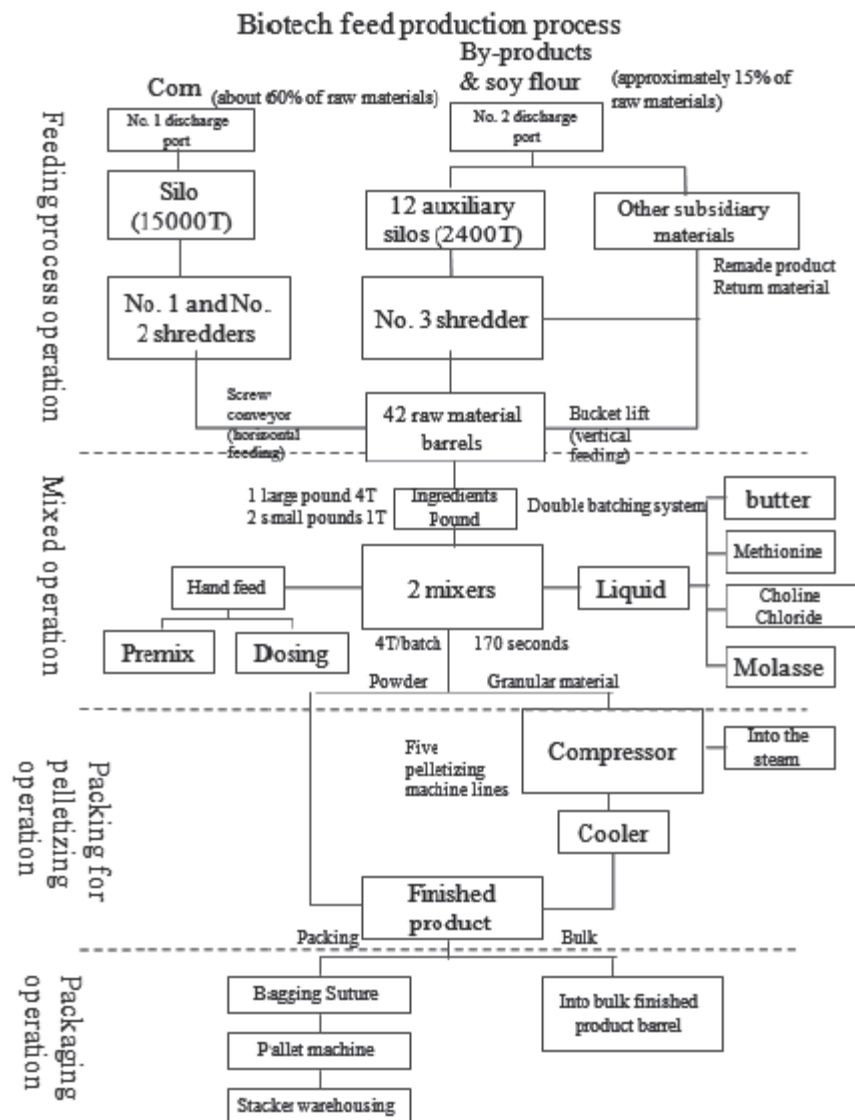
(II) Usage and Manufacture Processing of Main Products

(1) Important usage of key products

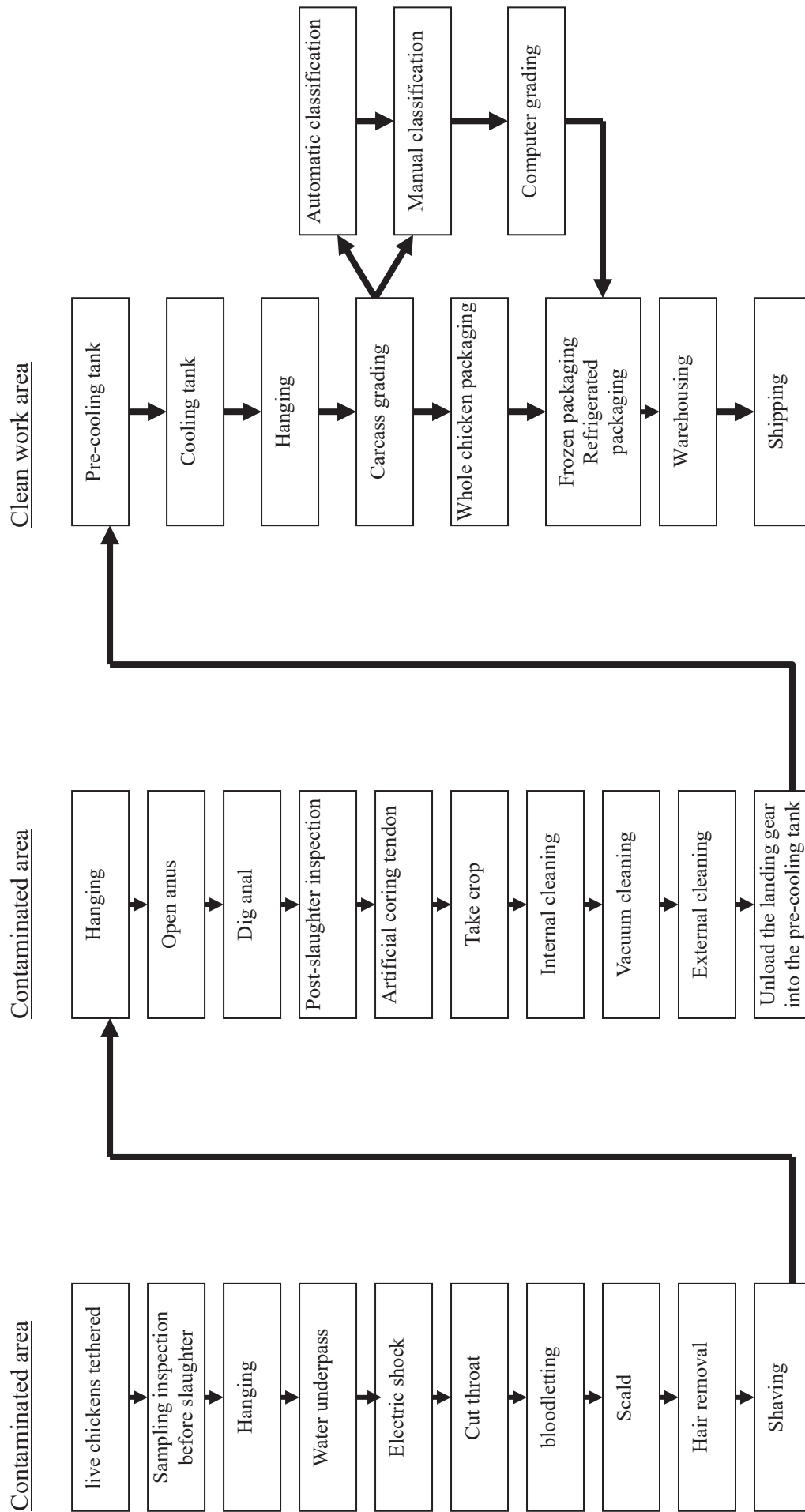
1. Feed: for feeding chickens, ducks, geese, pigs, cattle, sheep, fish, eels, etc.
2. Oil: Soy flour is the main raw material for manufacturing feed, while salad oil is currently the most important edible oil in Taiwan.
3. Meat products: fresh chicken and processed products, mainly for fast food catering, lunch and fresh supermarkets.
4. Consumer food: chicken floss, noodles (flour), and chicken nuggets, for daily consumption.

(2) Manufacture processing of key products

1. Feed production process



2. Electric slaughter production process



(III) Supply situation for the major raw materials

Major Raw Materials	Supplier	Market	Purchasing Strat
Corn	HONG KONG NATURAL RESOURCES TRADING	Subsidiary of Xiamen C&D Inc. Xiamen C&D Inc. is among World Top 500, ranked 148 in 2021.	Reduce costs through inter-industry joint procurement
Soy	ADM ASIA-P	The world's fifth largest grain export transaction company	Reduce costs through inter-industry joint procurement
Live chicken	Dacheng Contractor Guarantee Responsibility Broiler Transportation Cooperative in Northern Taiwan Province	The company has its own live chickens contract, supplying 100% raw materials; northern Taiwan has entered into a cooperative operation contract with the company	The company provides an estimated amount according to the production capacity required to facilitate the supplier's feeding schedule.

(IV) List of customers who accounted for more than 10% of total purchases (sales) in the last two years

1. Major suppliers

- No major supplier accounted for more than 10% of the total purchases in the last two years.

2. Major customers

- No major customer accounted for more than 10% of the total purchases in the last two years.

(V) Production Quantity and Value in the Last Two Years

Production Volume/Vale	Year	2020			2021		
		Production Capacity (mt)	Production Volume (mt)	Production Value (NT\$ Thousand)	Production Capacity (mt)	Production Volume (mt)	Production Value (NT\$ Thousand)
Main Products (or department)							
Feed		5,852,049	4,172,702	50,324,703	7,141,320	4,267,293	63,894,882
Bulk supplies		853,904	864,450	10,160,853	600,000	556,607	9,528,526
Meat		419,809	446,559	26,362,515	423,231	465,173	28,292,732
Food		123,115	90,269	8,907,334	125,920	106,661	10,209,468
Total		7,248,877	5,573,981	95,755,405	8,290,471	5,395,734	111,925,608

(VI) Sales Quantity and Value in the Past Two Years

Sales Volume/ Value Main Products (or department)	Year	2020		2021	
		Volume (mt)	Value (NT\$ Thousand)	Volume (mt)	Value (NT\$ Thousand)
Feed		3,096,181	38,103,939	2,989,126	45,740,161
Bulk supplies		761,185	9,253,041	1,431,771	19,209,672
Meat		277,050	17,989,965	242,814	17,494,966
Consumer food		120,665	12,966,872	142,700	14,585,128
Total		4,255,081	78,313,817	4,806,411	97,029,927

III. Data of employees in the most recent two years and as of the publication date of the annual report

Year		2020	2021	Current year to April 19, 2022
Number of employees	Clerk	737	761	787
	Laborer	1,773	1,817	1,845
	Total	2,510	2,578	2,632
Average age		40.11	40.16	40.09
Average Service Year		7.69	7.6	7.54
Academic Distribution Percentage	PhD	0.60%	0.58%	0.58%
	Master	13.48%	13.80%	14.13%
	Bachelor	44.87%	45.32%	46.00%
	Senior high school	26.47%	26.34%	26.05%
	Junior high school and under	14.57%	13.96%	13.24%

IV. Environmental Protection Expenditure

(I) Damage from Polluting Environment in the Recent Years

Pollution (type and severity)	2021			As of April 19, 2022
	Air pollution	Water pollution	Air pollution (Note)	Water pollution
Regulatory Agency	Environmental Protection Bureau, Tainan City Government	Environmental Protection Bureau, Tainan City Government	Environmental Protection Bureau, Tainan City Government	Environmental Protection Bureau, Tainan City Government
Disposition No.	Huan-Kong-Gu-Cai-Zhi No.110080281	Huan-Shui-Shui-Cai-Zhi No. 110060121	Huan-Kong-Gu-Cai-Zhi No.110120357	Huan-Shui-Shui-Cai-Zhi No. 111010019
Time of violation	August 24, 2021	April 26, 2021	September 23, 2021	December 10, 2021
Location of violation	Yongkang District, Tainan No. 3, Niaosong 2nd Street	Yongkang District, Tainan Building A, No.87 Huangong Road,	Yongkang District, Tainan No. 3, Niaosong 2nd Street	Yongkang District, Tainan No.87 Huangong Road,
Reasons for disposition and legal basis	Violations of Paragraph 1, Article 20 of the Air Pollution Control Act, and Article 2 of Air Pollution Emission Standards of Stationary Pollution Sources	Violations of Article 46 of the Water Pollution Control Act	Violations of Paragraph 1, Article 20 of the Air Pollution Control Act, and Article 2 of Air Pollution Emission Standards of Stationary Pollution Sources	Violations of Paragraph 1, Article 20 of the Water Pollution Control Act
Amount of fine	NT\$150,000	NT\$68,000	NT\$2.4 million	NT\$30,000

(II) Responsive Action

- On August 24, 2021, a violation of Paragraph 1, Article 20 of the Air Pollution Control Act, and Article 2 of Air Pollution Emission Standards of Stationary Pollution Sources

Improvement measures: enhanced the control and management over the emitted gas, and attended the environment seminar for two hours per the disposition.

- On April 26, 2021, a violation of Article 46 of the Water Pollution Control Act.

Improvement measures: The personnel accountable for environmental protection shall strictly monitor the daily tap water consumption and waste water treatment volume, observes whether the waste water and effluent water exceeds the approved volume; with attendance in environmental training for four hours.

- On September 23, 2021, a violation of Paragraph 1, Article 20 of the Air Pollution Control Act, and Article 2 of Air Pollution Emission Standards of Stationary Pollution Sources

Improvement measures: the ozonizers were bought to improve the odor, and attended the environment seminar for four hours per the disposition.

Note: The case was filed by the company. The Tainan Municipal Government has now revoked a separate sanction.

V. Labor Relations

(I) Current important labor-management agreements and implementation

Since the establishment of the company in 1960, labor relations have been harmonious and good. This is due to the fact that the company has always attached importance to the working environment, welfare measures, communication channels, management system and various rights and interests of the workers, which has made the workers have a sense of consensus and centripetal force for the company. In order to have a good communication channel between the employer and the employee, and the employee's opinions can be fully valued by the employer and seek a good solution, the company has established various related organizations in accordance with the law. The brief descriptions are as follows:

- Measures for employee welfare

The employee welfare committee of the company organizes the following welfare measures:

1. Welfare products and bonuses for Chinese New Year and festivals
 2. Cultural and recreational activities
 3. Employee life insurance, accident insurance and hospitalization medical insurance for employees themselves and their immediate family members
 4. Subsidies for employees' emergency, weddings and funerals, childbirth, and injuries
 5. Educational scholarships and stipends for employees' children
 6. Other welfare matters
- (2) Training and refresher system

The company provides employees with an open and diverse learning environment. Colleagues can continuously challenge their own growth limits through internal/external training, OJT, KM online knowledge management systems), and the guidance of supervisors/peers; meanwhile, through new recruits/professional functions/supervisors/general education courses/self-inspired training system, employees can get the greatest satisfaction. On the other hand, through grade/level planning, job rotation, project assignments and overseas assignments, the careers and careers of colleagues can be combined with each other, so that they can enjoy the joy of growth and create a bright future.

The company has formulated the "Staff Education and Training Management Standards" and planned relevant training courses in accordance with functional and professional requirements to enhance employees' knowledge, enhance their overall quality, and improve operating performance.

The actual results of relevant education and training in 2021 are as follows:

Item	Number of classes	Total attendees	Total hours	Total expenses
Orientation for new recruits	129	438	2,198	93,240
Professional training	403	5,293	11,130	608,724
General Education	3	146	696	180,051
Total	535	5,877	14,024	882,015

- (3) Retirement system
- a. The company established the "Labor Retirement Reserve Supervisory Committee" in accordance with the Labor Standards Act, and contributes monthly retirement reserves to a special bank account in Taiwan. In addition, since April 2003, the "Employee Retirement Fund Management Committee" has been established, and the retirement fund is allocated monthly and deposited into the cooperative treasury. The retirement system for employees is completely handled in accordance with the provisions of the Labor Standards Act.
 - b. Since July 1, 2005, it has been handled in accordance with the "Labor Pension Act." For the employee who chooses the new system, the company pays 6% monthly to the Labor Insurance Bureau. At the same time, if the employee is willing to make a contribution by himself/herself, the company will pay it from the salary. For the remaining colleagues who choose the old system, in accordance with the provisions of the Labor Standards Law, the company will transfer the transfer to the special bank account of Taiwan according to the transfer rate of the actuary.
 - c. Pensions before July 1, 2005 are calculated in the old system (regardless of whether the new system or the old system is currently selected). When employees retire, the old system's seniority can be counted together, but the

retirement amount is calculated and disbursed under the old system and the new system.

(4) Other important agreements

The company has a good labor-management relationship, and there has never been a major agreement.

(II) Losses due to labor disputes in the last two years:

Year	County / City	Disposition Date	Disposition No.	Provision violated	Description of violation	Description of disposition
110	Taoyuan City	2021/11/09	2021 Fu-Lao-Jian-Zhi No.11002285038	Paragraph 2, Article 32 of the Labor Standard Act	Overtime exceeding the regulatory limit	Fined NT\$150,000
110	Tainan City	2021/02/17	Nan-Shi-Lao-An-Jian-Zhi No. 1100180243	Paragraph 2, Article 32 of the Labor Standard Act	Overtime exceeding the regulatory limit	Fined NT\$300,000
109	Taoyuan City	2020/02/20	2020 Fu-Lao-Jian-Zhi No.1090039707	Paragraph 2, Article 32 of the Labor Standard Act	Overtime exceeding the regulatory limit	Fined NT\$300,000

VI. Cyber Security Management

(I) Current information security management and implementation

- The department accountable for information security is responsible for planning, implementing and promoting information security management affairs, and promoting information security awareness.
- The Audit Office of the Company is the audit unit for information security supervision. If any deficiency is found in the audit, the audit unit will immediately request the audited unit to propose relevant improvement plans, and report such to the board of directors; the improvement results are regularly tracked to reduce internal information security risks.
- The organizational operation pattern adopts the Plan-Do-Check-Act (PDCA) cycle management, to ensure the achievement of the reliability target with continuous improvements.

(1) Information Security Policy

- a. Maintain the sustainable operation of each information system.
- b. Prevent hackers and various viruses from invading and destroying.
- c. Prevent intentional improper and illegal use by people.
- d. Prevent leakage of confidential and sensitive information.
- e. Avoid man-made errors and incidents.
- f. Maintain security of physical environment.

(2) Concrete information security management programs

- a. Security management for computer devices
- b. Network security management.
- c. Virus protection and management.
- d. System access control.
- e. Ensure the sustainable operation of the system.
- f. Information security promotion, education and training.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: None.

VII. Major Agreements

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Cooperative operation	Taiwan North Taiwan Broiler Transportation and Marketing Cooperative	2016.01~2025.12	Agent sales of fresh meat	None
Leasing contract	(Lessee) MAY LAN LEI CO., LTD.	2017.03~2027.02	Meat processing plant Plant and equipment	None
Leasing contract	(Lessee) Total Nutrition Technologies Co., Ltd.	2019.01~2021.12	Office	None
		2020.01~2021.12	Biotechnology plant	
Leasing contract	(Lessee) Z.Y. Food Company Limited	2018.06~2038.05	Plant in Fuxing, Yizhu, and Guantian	None

Six. Overview of the Financial Status

I. Condensed Balance Sheets and Statements of Comprehensive Income for the Past 5 fiscal Years, Name of the Certified Public Accountant and the Auditor's Opinion

(I) Condensed balance sheets and statements of comprehensive income

Condensed balance sheets

Unit: NTD Thousand

Item	Year	Financial Information For The Past 5 Years					Current year to March 31, 2022 (Note 1)
		2021 (Note 1.2)	2020 (Note 1)	2019 (Note 1)	2018 (Note 1)	2017 (Note 1)	
Current assets		26,595,764	23,517,338	21,286,860	21,032,958	21,046,907	28,416,049
Property Plant and Equipment		20,290,137	19,119,064	17,357,465	14,484,714	13,430,457	20,740,609
Intangible assets		158,024	160,023	162,079	164,248	139,908	160,386
Other Assets		9,688,205	8,896,611	8,494,333	6,844,361	6,130,580	10,010,924
Total Assets		56,732,130	51,693,036	47,300,737	42,526,281	40,747,852	59,327,968
Current liabilities	Before distribution	26,578,229	21,147,353	20,172,456	16,769,933	16,006,605	29,307,645
	After distribution	27,856,468	23,381,169	21,992,602	17,951,846	17,479,394	29,307,645
Non-current liabilities		2,414,292	2,658,931	2,803,762	3,533,715	3,018,310	2,392,554
Total Liabilities	Before distribution	28,992,521	23,806,284	22,976,218	20,303,648	19,024,915	31,700,199
	After distribution	30,270,760	26,040,100	24,796,364	21,485,561	20,497,704	31,700,199
Equity attributable to owners of the parent		20,101,753	20,181,078	18,227,130	16,472,287	16,003,328	19,646,233
Share capital		8,521,593	8,273,391	8,273,391	7,879,420	7,363,944	8,521,593
Capital reserve		3,294,766	3,179,626	3,011,373	2,595,445	2,550,673	3,294,766
Retained earnings	Before distribution	6,952,880	7,562,982	6,259,370	5,541,079	5,520,677	6,227,923
	After distribution	5,674,641	5,329,166	4,439,224	3,965,195	3,532,413	6,227,923
Other equity		1,551,646	1,384,211	902,128	762,542	874,233	1,821,083
Treasury shares		(219,132)	(219,132)	(219,132)	(306,199)	(306,199)	(219,132)
Non-controlling equity		7,637,856	7,705,674	6,097,389	5,750,346	5,719,609	7,981,536
Total equity	Before distribution	27,739,609	27,886,752	24,324,519	22,222,633	21,722,937	27,627,769
	After distribution	26,461,370	25,652,937	22,504,373	20,646,749	19,734,673	27,627,769

Note 1: The financial data for 2017-2021 were all audited by the CPA; the financial data on March 31, 2022 has been audited by the CPA.

Note 2: The 2021 surplus distribution proposal was approved by the board of directors.

Condensed Statement of Comprehensive Income

Unit: NT\$ Thousand

Item \ Year	Financial Information For The Past 5 Years					Current year to March 31, 2022 (Note 2)
	2021 (Note 1)	2020 (Note 1)	2019 (Note 1)	2018 (Note 1)	2017 (Note 1)	
Operating revenues	101,437,842	81,650,892	77,769,986	72,442,933	75,931,014	25,571,801
Gross Profit	10,736,550	12,262,229	11,731,254	10,088,095	10,232,733	22,992,408
Operating Income	2,345,392	4,211,948	3,721,214	2,272,621	3,013,147	2,579,393
Non-operating income and expense	541,326	771,540	131,355	758,572	326,675	187,271
Net profit before tax	2,886,718	4,983,488	3,852,569	3,031,193	3,339,822	830,573
Income (Loss) for continued operations	2,262,023	4,072,346	2,974,027	2,413,606	2,652,612	632,123
Loss from discontinued operations	-	-	-	-	-	-
Net profit of the period	2,262,023	4,072,346	2,974,027	2,413,606	2,652,612	632,123
Other comprehensive income (loss) (net, after tax)	83,658	629,592	(91,653)	(176,967)	(209,083)	526,038
Total comprehensive Income of the period	2,345,681	4,701,938	2,882,374	2,236,639	2,443,529	1,158,161
Net income attributable to owners of the parent	1,869,385	3,122,071	2,283,601	2,009,883	2,238,817	553,282
Net income attributable to non-controlling equity	392,638	950,275	690,426	403,723	413,795	78,841
Comprehensive income attributable to owners of the parent	2,039,351	3,605,841	2,426,202	1,983,157	2,260,880	822,719
Comprehensive income attributable to non-controlling equity	306,330	1,096,097	456,172	253,482	182,649	335,442
After-tax EPS (Note 2)	2.32	3.88	2.93	2.62	3.06	0.69

Note 1: The financial data for 2017-2021 were all audited by the CPA; the financial data on March 31, 2022 has been audited by the CPA.

Note 2: Earnings Per Share is calculated based on retrospective adjustment of the weighted average number of shares outstanding in the current year.

(II) Condensed balance sheets and statements of comprehensive income -
Individual financial information

Condensed balance sheets - Individual

Unit: NTD Thousand

Item	Year	Financial Information For The Past 5 Years				
		2021 (Note 1.2)	2020 (Note 1)	2019 (Note 1)	2018 (Note 1)	2017 (Note 1)
Current assets		7,701,213	7,072,346	6,378,039	6,161,068	6,013,266
Property Plant and Equipment		8,208,556	7,415,968	7,350,717	5,402,826	4,620,692
Intangible assets		-	-	-	-	-
Other Assets		16,580,318	15,427,527	13,180,520	10,983,731	10,785,863
Total Assets		32,490,087	29,915,841	26,909,276	22,547,625	21,419,821
Current liabilities	Before distribution	12,006,488	9,297,381	8,222,653	5,842,962	5,186,085
	After distribution	13,284,727	11,531,197	10,042,799	7,024,875	6,658,874
Non-current liabilities		381,846	437,382	459,493	232,376	230,408
Total Liabilities	Before distribution	12,388,334	9,734,763	8,682,146	6,075,338	5,416,493
	After distribution	13,666,573	11,968,579	10,502,292	7,257,251	6,889,282
Share capital		8,521,593	8,273,391	8,273,391	7,879,420	7,363,944
Capital reserve		3,294,766	3,179,626	3,011,373	2,595,445	2,550,673
Retained earnings	Before distribution	6,952,880	7,562,982	6,259,370	5,541,079	5,520,677
	After distribution	5,674,641	5,329,166	4,439,224	3,965,195	3,532,413
Other equity		1,551,646	1,384,211	902,128	762,542	874,233
Treasury shares		(219,132)	(219,132)	(219,132)	(306,199)	(306,199)
Total equity	Before distribution	20,101,753	20,181,078	18,227,130	16,472,287	16,003,328
	After distribution	18,823,514	17,947,262	16,406,984	14,896,403	14,015,064

Note 1: The financial data for 2017-2021 were all audited by the CPA

Note 2: The 2021 surplus distribution proposal was approved by the board of directors.

Condensed Statement of Comprehensive Income - Individual

Unit: NT\$ Thousand

Year Item	Financial Information For The Past 5 Years				
	2021 (Note 1)	2020 (Note 1)	2019 (Note 1)	2018 (Note 1)	2017 (Note 1)
Operating revenues	31,612,206	27,173,338	27,785,090	26,371,880	25,109,992
Gross Profit	3,859,221	4,051,597	3,793,353	3,265,842	3,553,088
Operating Income	1,694,816	1,950,716	1,749,167	1,441,435	1,799,457
Non-operating income and expenses	575,771	1,622,291	932,575	902,031	849,621
Net profit before tax	2,270,587	3,573,007	2,681,742	2,343,466	2,649,078
Income (Loss) for continued operations	1,869,385	3,122,071	2,283,601	2,009,883	2,238,817
Income (Loss) from discontinued operations	-	-	-	-	-
Net profit of the period	1,869,385	3,122,071	2,283,601	2,009,883	2,238,817
Other comprehensive income (loss)	169,966	483,770	142,601	(26,726)	22,063
Total comprehensive Income of the period	2,039,351	3,605,841	2,426,202	1,983,157	2,260,880

Note 1: The financial data for 2017-2021 were all audited by the CPA

(III) Names of the Independent Auditors and their Opinions

Year Item	2021	2020	2019	2018	2017
Accounting Firm	KPMG Taiwan	KPMG Taiwan	KPMG Taiwan	KPMG Taiwan	KPMG Taiwan
Independent Auditor	Tan Tan Chung Mei Fang Chen	Tan Tan Chung Mei Fang Chen	Tan Tan Chung Mei Fang Chen	Tan Tan Chung Mei Fang Chen	Lee, Feng-Hui Mei Fang Chen
Auditors' Opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion

II. Financial analysis for the last five years

(I) Financial analysis

Analysis items		Year	Financial analysis for the last five years (Note 1)					Current year to March 31, 2022
			2021	2020	2019	2018	2017	
Financial Structure (%)	Debt to asset ratio		50.91	46.05	48.57	47.74	46.70	53.43
	Long term fund to property, plant and equipment		163.85	176.85	175.67	197.58	184.22	161.02
Solvency %	Current ratio (%)		100.07	111.21	105.52	125.42	131.48	96.96
	Quick ratio (%)		57.06	60.20	55.16	67.99	75.70	54.25
	Times interest earned		10.14	17.82	9.45	9.83	12.05	17.21
Operating performance	Receivable turnover rate (times)		14.63	13.23	12.81	11.79	12.50	12.93
	Average collection days		24.95	27.59	28.50	30.94	29.21	28.23
	Average inventory turnover (times)		9.14	7.17	7.09	7.18	8.24	8.69
	Average inventory turnover days		39.94	50.90	51.45	50.83	44.30	34.42
	Property, plant and equipment turnover rate (times)		5.69	4.99	5.46	5.76	6.00	5.52
	Total assets turnover (times)		1.87	1.65	1.73	1.74	1.93	1.76
Profitability	Return on assets (%)		4.59	8.68	7.34	6.41	7.33	1.16
	Return on equity (%)		8.13	15.60	12.78	10.98	12.66	2.28
	Income before tax as a percentage of paid-up capital (%) (Note 6)		33.88	60.23	46.57	38.47	45.35	9.75
	Net profit margin (%)		2.23	4.99	3.82	3.49	3.49	2.47
	After-tax EPS (NTD) (Note 2)		2.32	3.88	2.93	2.62	3.06	0.69
Cash flow leverage	Cash flow ratio (%)		16.11	30.59	27.37	11.37	28.29	(4.54)
	Cash flow adequacy ratio (%)		87.63	97.77	92.98	93.37	120.11	72.94
	Cash flow reinvestment ratio (%)		9.21	19.47	20.61	2.38	15.82	(5.68)
	Operating leverage		4.65	2.94	3.18	4.49	3.43	4.07
	Financial everage		1.14	1.07	1.12	1.16	1.10	1.08

The following are the financial ratios that have increased or decreased by 20% in the last two years:

1. Times interest earned decreased by 43.09%: mainly because the net income before tax decreased.
2. Return on assets ratio decreased by 47.09%: mainly because the net income after tax of the period decreased, and the average total assets increased.
3. Return on equity ratio decreased by 47.86%: mainly because the net income after tax of the period decreased.
4. Income before tax as a percentage of paid-up capital decreased by 43.75%: mainly because the net income before tax of the period decreased, and the paid-in capital increased.
5. Net margin decreased by 55.29%: because the net income of the period decreased.
6. EPS decreased by 40.21%: because the net income of the period decreased.
7. Cash flow ratio decreased by 47.34%: because the cash flow from operating activities decreased.
8. Cash flow reinvestment ratio decreased by 52.71%: mainly because of synergy of the decreased cash flow from operating activities and the decreased operating capital.
9. Operating leverage increased by 58.02%: because the operating income decreased.

Note 1: The financial data for 2017-2021 were all audited by the CPA; the financial data on March 31, 2022 has been audited by the CPA.

Note 2: Earnings Per Share is calculated based on retrospective adjustment of the weighted average number of shares outstanding in the current year.

(II) Five-Year Financial Analysis - Individual

Analysis item	Year	Financial analysis for the last five years (Note 1)				
		2021	2020	2019	2018	2017
Financial Structure %	Debt to asset ratio	38.13	32.54	32.26	26.94	25.29
	Long term fund to property, plant and equipment	266.63	296.45	273.25	333.36	351.33
Solvency %	Current ratio (%)	64.14	76.07	77.57	105.44	115.95
	Quick ratio (%)	41.57	45.56	40.73	61.91	67.14
	Times interest earned	37.05	45.72	33.44	41.59	64.31
Operating performance	Receivable turnover rate (times)	7.43	7.87	8.79	7.96	7.62
	Average collection days	49.13	46.40	41.50	45.83	47.90
	Average inventory turnover (times)	10.67	8.29	8.78	9.37	10.38
	Average inventory turnover days	34.20	44.01	41.55	38.95	35.17
	Property, plant and equipment turnover rate (times)	2.83	2.62	4.69	5.71	5.64
	Total assets turnover (times)	1.01	0.96	1.12	1.20	1.22
Profitability	Return on assets (%)	6.15	11.20	9.49	9.36	11.05
	Return on equity (%)	9.28	16.26	13.16	12.38	14.55
	Profit before tax as a percentage of paid-up capital (%) (Note 6)	26.65	43.19	32.41	29.74	35.97
	Net profit margin (%)	5.91	11.49	8.22	7.62	8.91
	After-tax EPS (NTD) (Note 2)	2.32	3.88	2.93	2.62	3.06
Cash flow	Cash flow ratio (%)	7.54	26.97	22.89	20.60	35.46
	Cash flow adequacy ratio (%)	53.41	71.01	67.88	79.80	101.82
	Cash flow reinvestment ratio (%)	-7.83	133.67	4.47	-1.88	5.30
Leverage	Operating leverage	2.31	2.10	2.19	2.29	2.00
	Financial leverage	1.04	1.04	1.05	1.04	1.02

The following are the financial ratios that have increased or decreased by 20% in the last two years:

1. Inventory turnover increased by 28.69%: mainly because the sales costs increased.
2. Return on assets ratio decreased by 45.15%: mainly because the net income after tax of the period decreased, and the average total assets increased.
3. Return on equity ratio decreased by 42.91%: mainly because the income after tax of the period decreased.
4. Income before tax as a percentage of paid-up capital decreased by 38.30%: mainly because the net income before tax of the period decreased, and the paid-in capital increased.
5. Net margin decreased by 48.53%: because the net income of the period decreased.
6. EPS decreased by 40.21%: because the net income of the period decreased.
7. Net cash flow ratio decreased by 72.02%: because the net cash flow from operating activities decreased, and current liabilities increased.
8. Cash flow adequacy ratio decreased by 24.79%: mainly because of synergy of the decreased net cash flow from operating activities and the decreased operating capital.
9. Net cash flow ratio decreased by 105.86: because the net cash flow from operating activities decreased.

Note 1: The financial data for 2017-2021 were all audited by the CPA

Note 2: Earnings Per Share is calculated based on retrospective adjustment of the weighted average number of shares outstanding in the current year.

(III) The calculation formula of financial ratio is listed as follows:

1. Financial structure
 - (1) Debt Ratio = Total Liabilities / Total Assets
 - (2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment
2. Solvency
 - (1) Current Ratio = Current Assets / Current Liabilities
 - (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

- (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses
3. Operating Performance
- (1) Receivable Turnover Rate of (including accounts receivable and notes receivable arising from business) = Net sales/balance of average accounts receivable in each period (including accounts receivable and notes receivable arising from business).
 - (2) Average Collection Days = 365/ turnover rate of accounts receivable.
 - (3) Inventory turnover rate = cost of goods sold/average inventory value.
 - (4) Payable Turnover Rate (including accounts payable and notes payable arising from business) = Net sales/average balance of accounts receivable in each period (including accounts receivable and notes receivable arising from business).
 - (5) Average inventory turnover days =365/inventory turnover rate.
 - (6) Property, Plant and Equipment Turnover = net sales/average property. Plant and equipment.
 - (7) Total Assets Turnover Ratio = Net Sales/Average Total Assets
4. Profitability
- (1) Return on assets = [Income after tax + Interest expenses x (1 - tax rate)]/Average total assets.
 - (2) Return on Equity = Profit and Loss after Tax / Average Net Equity
 - (3) Net income before tax to paid-in capital= net income before tax/ paid-in capital
 - (4) Net Margin = Net Income / Net Sales
 - (5) Earnings Per Share = (Net Income Attributable to Owners of Parent - Preferred Stock Dividend) /Weighted Average Number of Issued Shares (Note 1)
5. Cash Flow
- (1) Cash flow ratio = Net operating cash flow/Current liability.
 - (2) Cash flow adequacy ratio = Net operating cash flow over the last 5 years/over the last 5 years (capital expense + inventory+ cash dividend)
 - (3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital) (Note 2)
6. Leverage
- (1) Operating leverage = (Net Sales-Variable Cost and expense) / Income from Operations (Note3)
 - (2) Financial leverage = Income from Operations/(Income from Operations-Interest Expenses).

Note 1: For the calculation formula of earnings per share in the preceding paragraph, special attention should be paid to the following items when measuring:

1. Based on the weighted average number of ordinary shares, rather than the number of issued shares at the end of the year.
2. Any trader who has cash capital increase or treasure stock should consider its circulation period and calculate the weighted average number of shares.
3. For those who have transferred surplus to capital increase or capital reserve capital increase, when calculating Earnings Per Share for previous years and half-years, retrospective adjustments should be made based on the capital increase ratio, regardless of the period of the issuance of the capital increase.
4. If the preferred shares are non-convertible cumulative special shares, the dividends for the current year (regardless of whether they are issued or not) should be deducted from the net profit after tax or increase the net loss after tax. If the preferred shares are non-cumulative, in the case of net profit after tax, the dividend of the preferred shares shall be deducted from the net profit after tax; if it is a loss, no adjustment is necessary.

Note 2: Special attention should be paid to the following when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the Cash Flow Statement.

2. Capital expenditure refers to the amount of cash outflow from capital investment each year.
3. The increase in inventory is only included when the ending balance is greater than the beginning balance. If the inventory decreases at the end of the year, it will be calculated as zero.
4. Cash dividends includes common stock and preferred shares dividends.
5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before deduction of accumulated depreciation.

Note 3: The issuer should classify various operating costs and operating expenses as fixed and variable according to their nature. If estimates or subjective judgments are involved, they should pay attention to their reasonableness and maintain consistency.

Note 4: Where Corporation shares have no par value or where the par value per share is not NT\$10, any calculations that involve paid-in capital and its ratio shall be replaced with the equity ratio belonging to the owner of the parent company of the asset balance sheet.

III. Audit Committee's Review Report

Great Wall Enterprise Co., Ltd.

Review Report of Audit Committee

The Board of Directors has prepared the Company's Business Report, Financial Statements and Statement of Earnings Distribution in 2021. The Financial Statements have been checked and completed by KPMG Taiwan and the Audit Report has been issued. The above Business Report, Financial Statements and Statement of Earnings Distribution have been checked by the Audit Committee, and it is found that there is no inconsistency. Therefore, the above Report shall be submitted in accordance with Clause 4 of Article 14 of the Security Exchange Law and Article 219 of the Company Law

Great Wall Enterprise Co., Ltd.
Convener of Audit Committee:
Yu Shan Ting
Date: Mar. 25, 2022

IV. Financial Statements and Review Report of CPA



安侯建業聯合會計師事務所

KPMG

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Independent Auditors' Report

To the Board of Directors of Great Wall Enterprise Co., Ltd.:

Opinion

We have audited the financial statements of Great Wall Enterprise Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

Regarding the significant accounting policies for revenue recognition, please refer to Note 4(n) and Note 6(v) “Revenue from contracts with customers” from the financial statements.

Description of key audit matter:

Due to the industry characteristics of the Company and following the rules set by competent authorities to announce operating income monthly, revenue recognition timing risk is increased.

How the matter was addressed in our audit:

Our principal audit procedures include:

- Understanding whether the accounting policies and methods for revenue recognition of the audited company are appropriate



- Testing the Company's controls and transaction cycle from order to payment regarding revenue recognition
- Performing substantive procedure of revenue, and sampling payments or certified documents for sale transactions
- Selecting the appropriate sample size from the detail in the ending balance of the trade receivable and sending external confirmations to debtors
- Assessing whether revenues are recognized in the appropriate timing

2. Assessing impairment of investments accounted for using equity method

Please refer to Note 4(m) Impairment of Non-financial Assets in the financial report for the accounting policy for assessing impairment of investments accounted for using equity method. For accounting assumptions, judgements and estimation uncertainty regarding assessing impairment of investments accounted for using equity method, please refer to Note 5 in the financial statement. For investments accounted for using the equity method, please refer to Note 6(h).

Description of key audit matter:

Constituent entities of subsidiaries using the equity method have continuously incurred net losses in recent years, hence the management believes that there are signs of impairment in related assets. The management adopts the value-in-use method to estimate the future discounted cash flow to evaluate the recoverable amount of the identifiable cash-generating unit to which the relevant assets belong, and considers whether to reverse or increase the previous year's set amount. The preparation of future discounted cash flow data involves significant management judgments, especially when estimating the gross profit margin and revenue growth rate and determining its appropriate discount rate. Therefore, factors such as the gross profit margin, revenue growth rate and discount rate are inherently uncertain and involve possible management bias.

How the matter was addressed in our audit:

Our principal audit procedures include:

- Assessing the significant cash-generating units recognized by the management of the Company as showing signs of impairment
- Comparing the main financial information used for its future discounted cash flows with relevant information in the financial budget approved by the management authority, including operating income, operating costs and operating expenses; and then comparing the financial budget prepared in the previous year with the current year's performance in order to evaluate the accuracy of its forecasts while discussing with the management the reasons for the significant differences, and whether it has been taken into consideration in this year's budget
- Comparing the key assumptions used in estimating future discounted cash flows including the estimated long-term income growth rate and profit margin of each cash-generating unit with comparable companies in the industry and external market data, and appointing internal evaluation experts to evaluate whether the discount rate used for future cash flows falls within the range adopted by the industry
- Performing sensitivity analysis on key assumptions (including income growth rate and discount rate) adopted for future discounted cash flows to evaluate the impact each cash-generating unit has on the net present value; and evaluating the impact of changes in key assumptions on the conclusions obtained and whether there is management bias.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tan-Tan Chung and Mei-Fang Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 2022

Notes to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying 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' report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
GREAT WALL ENTERPRISE CO., LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020		21XX	Liabilities and Equity		December 31, 2020		
	Amount	%	Amount	%		Current liabilities:	Amount	%		
Assets										
1100 Cash and cash equivalents (Notes 4 and 6(a))	\$ 245,307	1	290,515	1			\$ 6,852,626	22	4,638,406	15
1110 Current financial assets at fair value through profit or loss (Note 6(b))	6,912	-	20,454	-	2100	Short-term borrowings (Note 6(m))	2,500,000	8	1,700,000	6
1150 Notes receivable, net (Notes 4, 6(d) and 7)	1,209,731	4	861,623	3	2110	Short-term notes and bills payable (Note 6(m))	25,046	-	23,199	-
1170 Trade receivable, net (Notes 4, 6(d) and 7)	2,889,866	9	2,441,080	8	2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	282,902	1	30,369	-
1210 Other receivables due from related parties (Note 7)	495,537	2	612,228	2	2150	Notes payable (Note 7)	886,334	3	1,483,545	5
130x Inventories (Notes 4 and 6(e))	1,548,198	5	1,698,474	6	2170	Trade payable (Note 7)	842,649	3	778,066	3
1400 Current biological assets (Notes 4 and 6(f))	1,018,984	3	934,797	3	2200	Other payables (Note 7)	215,334	1	258,475	1
1410 Prepayments (Note 6(g))	143,114	-	110,565	-	2230	Current income tax liabilities	46,948	-	46,575	-
1476 Other current financial assets	29,624	-	23,865	-	2280	Current lease liabilities (Note 6(o))	354,649	1	338,746	1
1479 Other current assets, others	113,940	-	78,745	-	2399	Other current liabilities, others (Note 7)	12,006,488	39	9,297,381	31
	<u>7,701,213</u>	<u>24</u>	<u>7,072,346</u>	<u>23</u>						
1517 Non-current financial assets at fair value through other comprehensive income (Notes 4 and 6(e))	2,523,759	8	2,277,088	8	25XX	Non-Current liabilities:				
1550 Investments accounted for using equity method (Notes 4 and 6(h))	12,624,946	39	11,898,268	40	2570	Deferred income tax liabilities (Note 6(r))	53,314	-	69,203	-
1600 Property, plant and equipment (Notes 4 and 6(i))	8,208,556	25	7,415,968	25	2580	Non-current lease liabilities (Note 6(o))	124,550	-	170,194	1
1755 Right-of-use assets (Notes 4 and 6(j))	168,096	1	213,834	1	2645	Guarantee deposits received	81,787	-	75,790	-
1760 Investment property, net (Notes 4 and 6(k))	376,150	1	385,466	1	2670	Other non-current liabilities, others	122,195	-	122,195	-
1830 Non-current biological assets (Notes 4 and 6(f))	296,720	1	187,167	1	2XXX	Total liabilities	381,846	-	437,382	1
1840 Deferred income tax assets (Notes 4 and 6(r))	56,344	-	53,379	-		Equity attributable to owners of parent: (Notes 4 and 6(s))	12,388,334	39	9,734,763	32
1975 Net defined benefit asset, non-current (Notes 4 and 6(q))	108,490	-	105,259	-	3110	Ordinary share	8,521,593	26	8,273,391	28
1990 Other non-current assets, others (Notes 6(l) and 8)	425,813	1	307,066	1	3200	Capital surplus	3,294,766	10	3,179,626	11
	<u>24,788,874</u>	<u>76</u>	<u>22,843,495</u>	<u>77</u>	3300	Retained earnings (Note 6(s))	6,952,880	21	7,562,982	25
					3400	Other equity interest	1,551,646	5	1,384,211	5
					3500	Treasury shares	(219,132)	(1)	(219,132)	(1)
					3XXX	Total equity	20,101,753	61	20,181,078	68
Total assets	<u>\$ 32,490,087</u>	<u>100</u>	<u>29,915,841</u>	<u>100</u>	2-3XX	Total liabilities and equity	\$ 32,490,087	100	29,915,841	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
GREAT WALL ENTERPRISE CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 4, 6(v), and 7)	\$ 31,612,206	100	27,173,338	100
5000	Operating costs (Notes 4, 6(e), and 7)	<u>27,752,985</u>	88	<u>23,121,741</u>	85
5900	Gross profit from operations	<u>3,859,221</u>	12	<u>4,051,597</u>	15
6000	Operating expenses:				
6100	Selling expenses	1,601,862	5	1,507,123	6
6200	Administrative expenses	435,761	1	478,122	2
6300	Research and development expenses	101,342	-	91,346	-
6450	Expected credit impairment loss (Note 6(d))	<u>25,440</u>	-	<u>24,290</u>	-
	Total operating expenses	<u>2,164,405</u>	6	<u>2,100,881</u>	8
6900	Net operating income	<u>1,694,816</u>	6	<u>1,950,716</u>	7
7000	Non-operating income and expenses: (Notes 6(w) and 7)				
7100	Interest income	2,942	-	9,076	-
7020	Other gains and losses, net	512,000	2	419,117	2
7050	Finance costs	(61,289)	-	(78,141)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>122,118</u>	-	<u>1,272,239</u>	5
	Total non-operating income and expenses	<u>575,771</u>	2	<u>1,622,291</u>	7
7900	Profit from continuing operations before tax	2,270,587	8	3,573,007	14
7950	Less: Income tax expenses (Notes 4 and 6(r))	<u>401,202</u>	1	<u>450,936</u>	2
8200	Profit	<u>1,869,385</u>	7	<u>3,122,071</u>	12
8300	Other comprehensive income (loss):				
8310	Items that may not be subsequently reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	3,164	-	2,160	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	285,999	1	384,312	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>633</u>	-	<u>473</u>	-
	Items that may not be subsequently reclassified to profit or loss	<u>288,530</u>	1	<u>385,999</u>	1
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(118,564)	-	97,771	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Items that may be subsequently reclassified to profit or loss	<u>(118,564)</u>	-	<u>97,771</u>	-
8300	Other comprehensive income	<u>169,966</u>	1	<u>483,770</u>	1
8500	Total comprehensive income	<u>\$ 2,039,351</u>	<u>8</u>	<u>\$ 3,605,841</u>	<u>13</u>
	Basic earnings per share (Notes 4 and 6(u))				
9750	Basic earnings per share (NT dollars)	<u>\$ 2.32</u>		<u>3.88</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 2.32</u>		<u>3.87</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)
GREAT WALL ENTERPRISE CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Share capital				Retained earnings				Other equity interest				Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total other equity interest			
Balance on January 1, 2020	8,273,391	3,011,373	2,254,643	42,994	3,961,733	6,259,370	(899,515)	1,801,643	(219,132)	902,128	18,227,130		
Profit for the year ended December 31, 2020	-	-	-	-	3,122,071	3,122,071	-	-	-	-	3,122,071		
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	1,687	1,687	97,771	384,312	-	482,083	483,770		
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	3,123,758	3,123,758	97,771	384,312	-	482,083	3,605,841		
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	229,418	-	(229,418)	-	-	-	-	-	-		
Cash dividends of ordinary share	-	-	-	-	(1,820,146)	(1,820,146)	-	-	-	-	(1,820,146)		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	37,539	-	-	-	-	-	-	-	-	37,539		
Changes in ownership interests in subsidiaries	-	30,917	-	-	-	-	-	-	-	-	30,917		
Adjustment of capital surplus for company's cash dividends received by subsidiaries	-	99,797	-	-	-	-	-	-	-	-	99,797		
Balance on December 31, 2020	8,273,391	3,179,626	2,484,061	42,994	5,035,927	7,562,982	(801,744)	2,185,955	(219,132)	1,384,211	20,181,078		
Profit for the year ended December 31, 2021	-	-	-	-	1,869,385	1,869,385	-	-	-	-	1,869,385		
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	2,531	2,531	(118,564)	285,999	-	167,435	169,966		
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,871,916	1,871,916	(118,564)	285,999	-	167,435	2,039,351		
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	312,376	-	(312,376)	-	-	-	-	-	-		
Cash dividends of ordinary share	-	-	-	-	(2,233,816)	(2,233,816)	-	-	-	-	(2,233,816)		
Stock dividends of ordinary share	248,202	-	-	-	(248,202)	(248,202)	-	-	-	-	-		
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(7,339)	-	-	-	-	-	-	-	-	(7,339)		
Adjustment of capital surplus for company's cash dividends received by subsidiaries	-	122,479	-	-	-	-	-	-	-	-	122,479		
Balance on December 31, 2021	8,521,593	3,294,766	2,796,437	42,994	4,113,449	6,952,880	(920,308)	2,471,954	(219,132)	1,551,646	20,101,753		

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)
GREAT WALL ENTERPRISE CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Profit before tax	\$ 2,270,587	3,573,007
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	526,016	460,928
Amortization expense	17,898	16,709
Expected credit impairment loss	25,440	24,290
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	15,389	(66,660)
Interest expense	61,289	78,141
Interest income	(2,942)	(9,076)
Dividend income	(96,004)	(81,077)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(122,118)	(1,272,239)
Gain on disposal of property, plant and equipment	(3,942)	(27,535)
Change in fair value of biological assets	(2,502)	(1,757)
Total adjustments to reconcile profit (loss)	<u>418,524</u>	<u>(878,276)</u>
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(348,108)	9,057
Increase in trade receivable	(474,226)	(548,310)
Decrease in inventories	150,276	441,511
Increase in biological assets	(191,238)	(117,468)
Increase in prepayments	(32,549)	(23,654)
Increase in other current assets	(35,194)	(25,518)
(Increase) decrease in other financial assets	(5,759)	26,444
Increase in deferred debits	(67)	(2,254)
Increase (decrease) in notes payable	252,533	(344,814)
(Decrease) increase in trade payable	(597,211)	789,065
Increase in other payable	49,442	93,588
Decrease in other current liabilities	(44,099)	(9,195)
Total changes in operating assets and liabilities	<u>(1,276,200)</u>	<u>288,452</u>
Total adjustments	<u>(857,676)</u>	<u>(589,824)</u>
Cash inflow generated from operations	1,412,911	2,983,183
Interest received	2,942	9,076
Interest paid	(46,148)	(80,290)
Income taxes paid	(463,830)	(404,630)
Net cash flows from operating activities	<u>905,875</u>	<u>2,507,339</u>
Cash flows used in investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	2,190
Acquisition of investments accounted for using equity method	(626,618)	(1,115,518)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	506
Proceeds from capital reduction of investments accounted for using equity method	-	65,000
Acquisition of property, plant and equipment	(1,271,476)	(1,121,361)
Proceeds from disposal of property, plant and equipment	11,542	761,349
Decrease (increase) in other receivables due from related parties	116,691	(406,128)
(Increase) decrease in other non-current assets	(136,645)	225,233
Dividends received	153,967	422,449
Net cash flows used in investing activities	<u>(1,752,539)</u>	<u>(1,166,280)</u>
Cash flows from (used in) financing activities:		
Increase in short-term loans	2,214,220	522,240
Increase (decrease) in short-term notes and bills payable	800,000	(100,000)
Increase in guarantee deposits received	5,997	6,748
Payment of lease liabilities	(44,945)	(44,406)
Increase in other non-current liabilities	60,000	134,000
Cash dividends paid	(2,233,816)	(1,820,146)
Net cash flows from (used in) financing activities	<u>801,456</u>	<u>(1,301,564)</u>
Net (decrease) increase in cash and cash equivalents	<u>(45,208)</u>	<u>39,495</u>
Cash and cash equivalents at beginning of period	<u>290,515</u>	<u>251,020</u>
Cash and cash equivalents at end of period	<u>\$ 245,307</u>	<u>290,515</u>

See accompanying notes to financial statements.

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

GREAT WALL ENTERPRISE CO., LTD. (the “Company”) was incorporated on December 28, 1960 as a company limited by shares under the Company Act of the Republic of China (R.O.C). The address of the Company's registered office is No. 3, Niao-Song 2nd Street, Yongkang District, Tainan City. The main business activities of the Company are as follows:

- (a) Procurement, transportation, sale, oil production, and oil processing of vegetable oil seeds, dried shredded coconut, and rice bran.
- (b) Procurement, transportation, marketing, manufacturing, processing, wholesale and retail of vegetable oil and its by-products, miscellaneous grains, fertilizers, feeds, bran, soybean cakes, soybean flour and slurry powder.
- (c) Processing, procurement, transportation, marketing, wholesale, and retail related to oil, flour, corn flour, fertilizer, feed, miscellaneous grains, grains, bran, noodles, instant noodles, instant rice flour, biscuits, bread, canned food, dairy products, ice products, juices, beverages, and other related foods.
- (d) Seedling procurement and sales.
- (e) Livestock and its related processed food manufacturing and sales.
- (f) Import, export, and sale of alcohol.
- (g) Procurement, transportation, and sale of wheat.
- (h) Sale of animal-used medicine and western medicine.
- (i) Supermarket operations.
- (j) Processing, manufacturing, sewing, and sourcing of various packaging supplies (including metal, alloy, plastic, paper, cloth, wooden cans, barrels, boxes, bags, etc.).
- (k) Frozen prepared food and frozen and refrigerated food processing, manufacturing and trading.
- (l) Electrical slaughtering of poultry and meat processing, manufacturing, and trading.
- (m) Warehousing for the businesses previously listed.
- (n) Imports and exports for the businesses previously listed.
- (o) Commissioning constructing companies to build national residential and commercial buildings for sale and for rent.
- (p) Livestock farming.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

- (q) Other food manufacturing not elsewhere classified. (Liquid egg, egg powder, premium egg, braised egg, iron egg, tea egg, salted fish, brocade, egg roll sheet, steamed egg, poached egg, egg tofu, meat substitute made from egg).
- (r) Fertilizer manufacturing.
- (s) Recreation agriculture.
- (t) Restaurants.
- (u) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

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

These financial statements were authorized for issue by the Board of Directors on March 25, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from April 1, 2021:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

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GREAT WALL ENTERPRISE CO., LTD.

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- 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”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) Biological assets are measured at fair value less costs to sell;
- 4) The defined benefit liabilities (assets) are measured at fair value of the pension fund assets less the present value of the defined benefit obligation, limited as explained in note 4(o).

(ii) Functional and presentation currency

The functional currency of each entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items, assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences arising on retranslation are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) An investment in equity securities designated as at fair value through other comprehensive income;
- 2) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the reporting currency at the exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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GREAT WALL ENTERPRISE CO., LTD.
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(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current. An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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GREAT WALL ENTERPRISE CO., LTD.

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(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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Notes to the Financial Statements

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

- 5) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features ; and
- terms that limit the Company's claim to cash flows from specified assets(e.g. non-recourse features)

- 6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date ; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
 - a breach of contract such as a default or being more than 90 days past due;
 - the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
 - it is probable that the borrower will enter bankruptcy or other financial reorganization;
- or

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Notes to the Financial Statements

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When the consolidated company signs a transaction to transfer financial assets, if it retains all or almost all risks and rewards of ownership of the transferred assets, they will continue to be recognized on the balance sheet.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

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4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

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The cost of inventories transferred from biological assets is its fair value less costs to sell at the date of harvest.

(h) Biological assets

Biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period. Costs to sell are the incremental costs directly attributable to the disposal of the assets, excluding finance costs and income taxes. Gains and losses arising on initial recognized of biological assets at fair value less costs to sell and from changes in fair value less costs to sell of biological assets are recognized in profit or loss for the period in which they arise.

(i) Investments in subsidiaries

When preparing the financial report, the Company adopts the equity method to evaluate investee companies with control. Under the equity method, the current profit and loss and other comprehensive profit and loss of the financial report are prepared on the basis of the consolidated financial report. The profit and loss and other comprehensive profit and loss in the financial report attributable to the parent company is the same as in the consolidated financial statement. The same applies to the equity attributable to the parent company.

Changes in equity of the subsidiary by the Company that do not result in a loss of control shall be treated as equity transactions with the owner.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(ii) Reclassification to investment properties

When a property for self-use becomes an investment property, said property should be reclassified as an investment property based on the book value at the time of change.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iv) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	2 - 60 years
Plant and equipment	2 - 60 years
Transportation equipment	3 - 10 years
Other equipment	2 - 25 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Leases

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

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Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or
- 4) there is a change of its assessment on whether it will exercise a extension or termination option; or
- 5) there is any lease modification

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of other equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rental income'.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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(n) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below:

1) Sale of goods – Feed and meat products

The Company manufactures and sells feed and meat products to customers. The Company recognizes revenue when the control of the product is transferred. The transfer of control of the product means that the product has been delivered to the customer, and the customer can fully determine the sales channel and price of the product without any unfulfilled performance obligations that will affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, when the customer has accepted the product in accordance with the sales contract, when its risk of obsolescence and loss have been transferred to the customer, when the acceptance clause has expired, or when the combined company has objective evidence that all acceptance conditions have been met.

The Company often provides volume discounts to customers on the basis of cumulative sales within twelve months. The Company recognizes revenue on the basis of the contract price minus the net amount of the estimated quantity discount. The amount of the quantity discount is estimated based on the expected value using past experiences, and only in the range where a significant change will not occur at a high degree. The average credit period for feed and meat sales is 30 to 60 days, which is consistent with industry practices and thus does not include financing elements.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) IT Consulting services/Advisory and Management

The Company provides business IT management services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the actual labor hours spent relative to the total expected labor hours.

3) Financial components

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

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

Current income tax includes the estimated income tax payable or tax refund receivable calculated through the taxable profit (loss) of the year, plus any adjustments made to the tax payable in previous years. After reflecting the uncertainty (if any) related to income tax, the amount is the best estimate of the expected payment or receivable based on the statutory tax rate on the reporting date or on the tax rate of the substantively enacted legislation.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
 - (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (q) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(r) Operating segments

The Company has disclosed operating segment information in the consolidated financial reports, so no segment information will be disclosed in the individual financial reports.

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

The preparation of the financial statements in conformity with the Regulations 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.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements will be assessed through the impairment of investments accounted for using equity method. In the process of assessing asset impairment, the Company must rely on subjective judgments and use asset usage patterns and industry characteristics to determine the independent cash flow, discount rate, the assets' useful-life-years, and the potential future gains and losses for a specific asset group. Any changes in estimates due to changes in economic conditions or company strategies may cause significant impairments or reversals of recognized impairment losses in the future.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	\$ 6,481	5,000
Revolving funds	343	343
Check deposits	154,530	194,389
Demand deposits	73,914	85,863
Foreign currency deposits	<u>10,039</u>	<u>4,920</u>
Cash and cash equivalents	<u><u>\$ 245,307</u></u>	<u><u>290,515</u></u>

The Company held deposits that mature within one year for short term cash purposes. Such deposits are held to meet short term cash commitments rather than for investment or other purposes. The time deposits with maturities within one year are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Please refer to note 6(x) for the interest rate risk and the sensitivity analysis of financial assets and liabilities of the Company.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

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

	December 31, 2021	December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Corn structured swaps	\$ 2,573	11,969
Forward exchange contracts	3,900	8,046
Non-derivative financial assets		
Stocks listed on domestic markets	439	439
Total	\$ 6,912	20,454
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging		
Option contracts	\$ -	(1,010)
Forward exchange contracts	(25,046)	(22,189)
Total	\$ (25,046)	(23,199)

(i) Derivative financial instruments not designated as hedging instruments

The Company uses derivative financial instruments to hedge certain foreign exchange and interest rate risks the Company is exposed to arising from its operating, financing, and investing activities. As of December 31, 2021 and 2020, the following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

December 31, 2021						
	Carrying amount	Amount (in thousands)	Currency	Maturity date		
Forward exchange purchased	3,900	USD 94,000	USD to NTD	2022.1.3-2022.3.28		
Forward exchange purchased	(25,046)	USD 245,000	USD to NTD	2022.1.3-2022.3.29		
December 31, 2020						
	Carrying amount	Amount (in thousands)	Currency	Maturity date		
Forward exchange purchased	8,046	USD 93,500	USD to NTD	2021.1.7-2021.2.5		
Forward exchange purchased	(22,189)	USD 99,000	USD to NTD	2021.1.4-2021.2.4		

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(ii) Structured products and options trading

<u>Item</u>	<u>Type</u>	<u>Outstanding position</u>		<u>Contract amount or option premiums received (paid)</u>	<u>Fair value</u>
		<u>Buy/Sell</u>	<u>Amount</u>		
December 31, 2021					
Structured swap	Corn	Sell	380	\$ -	2,573
December 31, 2021					
<u>Item</u>	<u>Type</u>	<u>Buy/Sell</u>	<u>Amount</u>	<u>Contract amount or option premiums received (paid)</u>	<u>Fair value</u>
Structured swap	Corn	Buy	800	\$ -	11,969
Option contract	Corn	Sell	500	(497)	(1,010)
	Total			\$ (497)	10,959

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Equity investments at fair value through other comprehensive income:		
Listed common shares: Domestic- TTET UNION CORPORATION	\$ 2,443,588	2,196,917
Unlisted common shares: Domestic	80,171	80,171
Total	<u>\$ 2,523,759</u>	<u>2,277,088</u>

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

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

For more information on the dividends received due to equity investments at fair value through other comprehensive income held on the years then ended December 31, 2021 and 2020, please refer to Note 6(w).

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity to these investments as of December 31, 2021 and 2020.

(ii) For credit risk and market risk, please refer to Note 6(x).

(iii) The aforementioned financial assets had not been pledged as collateral for its long-term borrowings.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

Sensitivity analysis- equity price risks:

If the price of equity securities changes on the reporting date (the two-period analysis adopts the same basis and assumes that other changing factors remain unchanged), the impact on the comprehensive profit and loss items is as follows:

<u>Prices of securities at the reporting date</u>	For the years ended December 31,			
	2021		2020	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	<u>\$ 25,238</u>	<u>-</u>	<u>22,770</u>	<u>-</u>
Decreasing 1%	<u>\$ (25,238)</u>	<u>-</u>	<u>(22,770)</u>	<u>-</u>

(d) Notes and trade receivables

	December 31, 2021	December 31, 2020
Notes receivable—measured as amortized cost	\$ 1,209,731	861,623
Trade receivables—measured as amortized cost	2,998,590	2,534,784
Less: Loss allowance	(108,724)	(93,704)
	<u>\$ 4,099,597</u>	<u>3,302,703</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 3,958,129	2.49%	98,621
1 to 30 days past due	231,788	2.16%	5,007
31 to 60 days past due	9,945	6.78%	674
61 to 90 days past due	2,480	21.61%	536
91 to 180 days past due	1,553	31.92%	496
181 to 365 days past due	2,959	65%	1,923
More than 365 days past due	1,467	100%	1,467
	<u>\$ 4,208,321</u>		<u>108,724</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

	December 31, 2020		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 3,086,009	2.26%	69,596
1 to 30 days past due	278,401	2.33%	6,486
31 to 60 days past due	9,015	12.89%	1,162
61 to 90 days past due	4,150	28.5%	1,183
91 to 180 days past due	4,434	32.77%	1,453
181 to 365 days past due	940	38.97%	366
More than 365 days past due	13,458	100%	13,458
	\$ 3,396,407		93,704

The movement in the allowance for notes and trade receivables were as follows:

	For the years ended December 31,	
	2021	2020
Balance at January 1	\$ 93,704	67,812
Impairment losses recognized	25,440	24,290
Amounts written off	(11,724)	(1,559)
Amounts recoverable	1,304	3,161
Balance at December 31	\$ 108,724	93,704

As of December 31, 2021 and 2020, trade receivables had not been pledged as collateral.

(e) Inventory

	December 31, 2021	December 31, 2020
Raw materials and consumables	\$ 656,242	448,858
Materials in transit	294,374	938,578
Work in progress	3,180	3,075
Finished goods	290,283	264,834
Agricultural products	304,119	43,129
Total	\$ 1,548,198	1,698,474
Inventory listed at fair value less costs to sell	\$ 304,119	43,129

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

The details of the cost of sales were as follows:

	For the years ended December 31,	
	2021	2020
Inventory that has been sold	\$ 27,852,295	23,201,759
Revenue from sale of scraps	(99,310)	(80,018)
	\$ 27,752,985	23,121,741

As of December 31, 2021 and 2020, the Company did not provide any inventories as collateral for its loans.

(f) Biological assets

(i) Details of biological assets :

	December 31, 2021	December 31, 2020
<u>Biological assets: Current</u>		
Consumable biological assets: Poultry	\$ 215,623	295,302
Consumable biological assets: Livestock	683,782	589,225
Bearer biological assets: Poultry	82,576	86,707
Bearer biological assets: Accumulated depreciation	(30,637)	(38,194)
Bearer biological assets: Livestock	80,685	-
Bearer biological assets: Accumulated depreciation	(15,547)	-
Changes in the fair value of productive biological assets less costs to sell	2,502	1,757
Biological assets: Current	\$ 1,018,984	934,797
<u>Biological assets: Non-current</u>		
Bearer biological assets: Poultry	\$ 95,338	22,137
Bearer biological assets: Accumulated depreciation	(34,341)	(9,714)
Bearer biological assets: Livestock	299,930	261,214
Bearer biological assets: Accumulated depreciation	(64,207)	(86,470)
Biological assets: Non-current	\$ 296,720	187,167

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(ii) Changes in biological assets:

	<u>Poultry</u>	<u>Livestock</u>	<u>Total</u>
Balance at January 1, 2021	\$ 357,995	763,969	1,121,964
Increase due to purchases	1,913,351	84,300	1,997,651
Decrease due to sales	(2,088,010)	(2,280,990)	(4,369,000)
Net increase due to reproduction (death)	145,223	2,417,364	2,562,587
Changes in fair value less costs to sell	2,502	-	2,502
Balance at December 31, 2021	<u>\$ 331,061</u>	<u>984,643</u>	<u>1,315,704</u>
Current	\$ 270,064	748,920	1,018,984
Non-current	<u>60,997</u>	<u>235,723</u>	<u>296,720</u>
	<u>\$ 331,061</u>	<u>984,643</u>	<u>1,315,704</u>
	<u>Poultry</u>	<u>Livestock</u>	<u>Total</u>
Balance at January 1, 2020	\$ 294,286	708,453	1,002,739
Increase due to purchases	1,714,322	62,892	1,777,214
Decrease due to sales	(1,928,162)	(2,057,072)	(3,985,234)
Net increase due to reproduction (death)	275,792	2,049,696	2,325,488
Changes in fair value less costs to sell	<u>1,757</u>	<u>-</u>	<u>1,757</u>
Balance at December 31, 2020	<u>\$ 357,995</u>	<u>763,969</u>	<u>1,121,964</u>
Current	\$ 345,572	589,225	934,797
Non-current	<u>12,423</u>	<u>174,744</u>	<u>187,167</u>
	<u>\$ 357,995</u>	<u>763,969</u>	<u>1,121,964</u>

(iii) As of December 31, 2021 and 2020, the number of poultry owned amounted to:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Underage broiler	6,975,653	6,719,596
Underage breeder poultry	216,577	164,712
Breeder poultry	<u>224,744</u>	<u>223,925</u>
	<u>7,416,974</u>	<u>7,108,233</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

- (iv) As of December 31, 2021 and 2020, the number of livestock owned amounted to:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Underage swine	113,633	97,141
Underage breeder swine	17,074	14,673
Breeder swine	<u>23,466</u>	<u>16,788</u>
	<u>154,173</u>	<u>128,602</u>

The Company slaughtered and sold approximately 74,484,384 and 71,290,737 units of biological assets in 2021 and 2020, respectively.

- (v) Fair value

The fair value of biological assets is based on the most recent market transaction price. However, if there are major changes in economic conditions between the transaction date and the reporting date, the market price of similar assets will be adjusted to reflect the difference. The fair value of livestock to be sold is based on the market price of livestock of similar age, breed and genes. When the market-determined price or value of a biological asset cannot be obtained at the time of initial recognition, and the alternative estimate for determining the fair value is unreliable, the biological asset should be measured at its cost minus all accumulated depreciation and all accumulated impairment losses. The book value of biological assets not measured by fair value is a reasonable approximation of fair value.

The Company is exposed to the following risks related to raising poultry and livestock:

- (i) Regulations and environmental risks

The Company has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that systems in place are adequate to manage those risks.

- (ii) Supply and demand risks

The Company is exposed to risks arising from fluctuations in the price and sales volume of poultry and livestock. When possible, the Company manages this risk by aligning its raising volume with market supply and demand. Management performs regular industry trend analyzes to ensure that the Company's pricing structure is in line with the market and to ensure that projected slaughtering volumes are consistent with the expected demand.

- (iii) Climate and other risks

The Company's poultry and livestock raising is exposed to the risk of damage from climate change, diseases, and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks, including raising animals in a closed environment and conducting regular health checks and disease investigation of poultry and livestock. The Company also insures itself against natural disasters such as floods and hurricanes.

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GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

As of December 31, 2021 and 2020, biological assets have not been pledged as collateral for long-term borrowings.

(g) Prepayments

The details of prepayments are as follows :

	December 31, 2021	December 31, 2020
Prepayments to suppliers	\$ 44,919	85,609
Prepayments to breeders	53,570	16,766
Other	44,625	8,190
	\$ 143,114	110,565

(h) Investments using the equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2021	December 31, 2020
Subsidiary	\$ 12,624,946	11,898,268

Please refer to the consolidated financial statements for the year ended December 31, 2021. For information on impairment losses of subsidiaries, please refer to Note 6(l) and Note 6(m) in the consolidated financial statements.

(i) Property, plant and equipment

The movements of the cost, depreciation, and impairment of the property, plant and equipment of the Company were as follows:

	Land	Buildings and Construction	Machinery and Equipment	Transportation equipment	Other facilities	Construction in progress	Accumulated impairment	Total
Cost or deemed cost :								
Balance at January 1, 2021	\$ 3,698,100	3,202,597	2,567,074	205,988	1,914,103	590,165	-	12,178,027
Other additions	328,551	48,004	-	33,337	43,079	818,505	-	1,271,476
Transfers	-	355,777	298,585	12,933	265,677	(932,972)	-	-
Disposal	-	-	(517)	(24,828)	(18,282)	(901)	-	(44,528)
Balance at December 31, 2021	\$ 4,026,651	3,606,378	2,865,142	227,430	2,204,577	474,797	-	13,404,975
Balance at January 1, 2020	\$ 3,475,066	2,771,757	3,015,858	196,202	1,945,310	729,335	-	12,133,528
Other additions	287,920	-	-	39,332	10,168	783,939	-	1,121,359
Transfer from investment properties	55,675	73,294	-	-	-	-	-	128,969
Transfers	25,280	545,326	82,862	5,385	224,877	(883,730)	-	-
Disposal	(145,841)	(187,780)	(531,646)	(34,931)	(266,252)	(39,379)	-	(1,205,829)
Balance at December 31, 2020	\$ 3,698,100	3,202,597	2,567,074	205,988	1,914,103	590,165	-	12,178,027
Depreciation and impairment loss :								
Balance at January 1, 2021	\$ -	1,327,230	2,020,292	124,378	1,288,659	-	1,500	4,762,059
Depreciation for the year	-	108,756	127,194	27,651	207,687	-	-	471,288
Disposal	-	-	(517)	(18,134)	(18,277)	-	-	(36,928)
Balance at December 31, 2021	\$ -	1,435,986	2,146,969	133,895	1,478,069	-	1,500	5,196,419

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

	Land	Buildings and Construction	Machinery and Equipment	Transportation equipment	Other facilities	Construction in progress	Accumulated impairment	Total
Balance at January 1, 2020	\$ -	1,232,674	2,146,785	123,518	1,278,334	-	1,500	4,782,811
Depreciation for the year	-	103,452	116,771	25,615	160,352	-	-	406,190
Transfer from investment properties	-	45,074	-	-	-	-	-	45,074
Disposal	-	(53,970)	(243,264)	(24,755)	(150,027)	-	-	(472,016)
Balance at December 31, 2020	<u>\$ -</u>	<u>1,327,230</u>	<u>2,020,292</u>	<u>124,378</u>	<u>1,288,659</u>	<u>-</u>	<u>1,500</u>	<u>4,762,059</u>
Carrying amount :								
Balance at December 31, 2021	<u>\$ 4,026,651</u>	<u>2,170,392</u>	<u>718,173</u>	<u>93,535</u>	<u>726,508</u>	<u>474,797</u>	<u>(1,500)</u>	<u>8,208,556</u>
Balance at January 1, 2020	<u>\$ 3,475,066</u>	<u>1,539,083</u>	<u>869,073</u>	<u>72,684</u>	<u>666,976</u>	<u>729,335</u>	<u>(1,500)</u>	<u>7,350,717</u>
Balance at December 31, 2020	<u>\$ 3,698,100</u>	<u>1,875,367</u>	<u>546,782</u>	<u>81,610</u>	<u>625,444</u>	<u>590,165</u>	<u>(1,500)</u>	<u>7,415,968</u>

- (i) In 2008, the Company acquired nine lots of land (0439-0000, etc.) for \$35,708 thousand in Xinpi Township Section, Xinpi Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (ii) In October 2009, the Company acquired three lots of land (212, etc.) for \$16,011 thousand in Shirong Section, Yanpu Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (iii) In October 2008, the Company acquired twenty-one lots of land (105-34, etc.) for \$45,971 thousand in Wuluo Section, Ligang Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (iv) The Company acquired 5 lots of land (0889, etc.) for \$23,179 thousand in Pizaitou Section, Guanmiao Township, Tainan County in April 2010. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company. In July 2014, land lot 0889 and 0893 worth \$22,823 thousand have been transferred to the Company.
- (v) The Company acquired land lots (0440-0006) for \$3,247 thousand in Xinbei Township Section, Xinpi Township, Pingtung County in March 2011. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (vi) The Company acquired one lot of land (715-2) for \$1,114 thousand in Xinli Section, Xinpi Township, Pingtung County in 2013. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

- (vii) The Company acquired one land lot (440-7) for \$3,617 thousand in Shitan Section, Xinpi Township, Pingtung County in September 2015. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (viii) The Company acquired land lots (936, 936-1) in Linluo Township, Pingtung County for \$9,841 thousand in January 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (ix) The Company acquired one land lot (4303) in the Caohu Section and Fangbei Section of Fangyuan Township, Changhua County for \$85,862 thousand in December 2018. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (x) The Company acquired three land lots (2066) in the Houying section of Xigang District, Tainan City for \$33,082 thousand on March 24th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (xi) The Company acquired three land lots (3125) in the Datunliao section of Xiaying District, Tainan City for \$9,250 thousand on April 9th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (xii) The Company acquired sixteen land lots (2835) in the Guoyihou section of Liuying District, Tainan City for \$61,152 thousand on May 13th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (xiii) The Company acquired one land lot (0618-0001) in the Xinnan section of Zhuangwei Township, Yilan County for \$6,738 thousand on May 26th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (xiv) The Company acquired two land lots (562) in the Erjhen section of Guantian District, Tainan City for \$67,236 thousand on August 2nd, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(xv) The Company acquired three land lots (779) in the Fangzilin section of Dake District, Tainan City for \$10,255 thousand on August 3rd, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.

(xvi) The Company acquired three land lots (0318) in the Fangbei section of Fangyuan Township, Changhua County for \$12,003 thousand on October 19th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.

(xvii) Guarantees

As of December 31, 2021 and 2020, the property, plant and equipment of the Company had not been pledged as collateral for short-term borrowings.

(xviii) The Company did not capitalize any interests incurred due to the construction of plant and equipment in the years 2021 and 2020.

(xix) For gain (loss) on disposal, please refer to Note 6(w).

(j) Right-of-use assets

The movements of the cost, depreciation for the land, buildings and construction, transportation equipment, machinery and equipment that were leased by the Company were as follows:

	<u>Buildings and construction</u>	<u>Machinery and equipment</u>	<u>Other</u>	<u>Total</u>
Cost :				
Balance at January 1, 2021	\$ 176,586	16,705	111,570	304,861
Disposal/Write-off	<u>(1,262)</u>	<u>-</u>	<u>-</u>	<u>(1,262)</u>
Balance at December 31, 2021	<u>\$ 175,324</u>	<u>16,705</u>	<u>111,570</u>	<u>303,599</u>
Balance at January 1, 2020	\$ 176,288	16,705	111,570	304,563
Addition	<u>298</u>	<u>-</u>	<u>-</u>	<u>298</u>
Balance at December 31, 2020	<u>\$ 176,586</u>	<u>16,705</u>	<u>111,570</u>	<u>304,861</u>
Accumulated depreciation and impairment losses :				
Balance at January 1, 2021	\$ 59,151	-	31,876	91,027
Depreciation for the year	<u>29,474</u>	<u>-</u>	<u>15,938</u>	<u>45,412</u>
Disposal/Write-off	<u>(936)</u>	<u>-</u>	<u>-</u>	<u>(936)</u>
Balance at December 31, 2021	<u>\$ 87,689</u>	<u>-</u>	<u>47,814</u>	<u>135,503</u>
Balance at January 1, 2020	\$ 29,545	-	15,938	45,483
Depreciation for the year	<u>29,606</u>	<u>-</u>	<u>15,938</u>	<u>45,544</u>
Balance at December 31, 2020	<u>\$ 59,151</u>	<u>-</u>	<u>31,876</u>	<u>91,027</u>
Carrying amount :				
Balance at December 31, 2021	<u>\$ 87,635</u>	<u>16,705</u>	<u>63,756</u>	<u>168,096</u>
Balance at January 1, 2020	<u>\$ 146,743</u>	<u>16,705</u>	<u>95,632</u>	<u>259,080</u>
Balance at December 31, 2020	<u>\$ 117,435</u>	<u>16,705</u>	<u>79,694</u>	<u>213,834</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(k) Investment property

For all investment property leases, the rental income is fixed under the contracts.

The details of investment properties are as follows:

	Owned property			Total
	Land and improvements	Buildings and construction	Accumulated impairment	
Cost: :				
Balance at December 31, 2021 (Same as balance at January 1, 2021)	\$ <u>275,368</u>	<u>373,368</u>	-	<u>648,736</u>
Balance at January 1, 2020	\$ 331,043	446,662	-	777,705
Reclassification to property, plant and equipment	<u>(55,675)</u>	<u>(73,294)</u>	-	<u>(128,969)</u>
Balance at December 31, 2020	\$ <u>275,368</u>	<u>373,368</u>	-	<u>648,736</u>
Accumulated depreciation and impairment losses:				
Balance at January 1, 2021	\$ -	227,270	36,000	263,270
Depreciation	<u>-</u>	<u>9,316</u>	-	<u>9,316</u>
Balance at December 31, 2021	\$ <u>-</u>	<u>236,586</u>	<u>36,000</u>	<u>272,586</u>
Balance at January 1, 2020	\$ -	263,151	36,000	299,151
Depreciation	<u>-</u>	<u>9,193</u>	-	<u>9,193</u>
Reclassification to property, plant and equipment	<u>-</u>	<u>(45,074)</u>	-	<u>(45,074)</u>
Balance at December 31, 2020	\$ <u>-</u>	<u>227,270</u>	<u>36,000</u>	<u>263,270</u>
Carrying amount:				
Balance at December 31, 2021	\$ <u>275,368</u>	<u>136,782</u>	<u>(36,000)</u>	<u>376,150</u>
Balance at December 31, 2020	\$ <u>275,368</u>	<u>146,098</u>	<u>(36,000)</u>	<u>385,466</u>
Fair value:				
Balance at December 31, 2021				\$ <u>557,047</u>
Balance at December 31, 2020				\$ <u>541,117</u>

The fair value of investment properties was based on a valuation by management. Fair value was measured using the market approach to compare the market value of the properties with similar condition in neighboring areas.

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 2 to 9 years. Subsequent renewals are negotiated with the lessee, and no contingent rent are charged. For relevant information, please refer to Note 6(p).

The Company acquired the Hedong section of Dongshan District, Tainan City (previously land lots #0328-0001 in the Jibeishuan Section, Dongshan Township, Tainan County) for \$313 thousand in 2007. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.

As of December 31, 2021 and 2020, investment properties have not been pledged as collateral.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(l) Other non current assets - other

	December 31, 2021	December 31, 2020
Prepayments for construction and facilities	\$ 253,213	214,896
Intangible assets	600	600
Guarantee deposits paid	79,914	55,371
Unamortized expenses	3,419	6,199
Prepaid processing fee	88,667	-
	<u>\$ 425,813</u>	<u>277,066</u>

(m) Short-term borrowings

	December 31, 2021	December 31, 2020
Letters of credit	\$ 5,065,626	3,579,406
Unsecured bank loans	1,787,000	1,059,000
Total	<u>\$ 6,852,626</u>	<u>4,638,406</u>
Unused short-term credit lines	<u>\$ 4,535,204</u>	<u>6,061,939</u>
Range of interest rates	<u>0.55%~0.888%</u>	<u>0.476%~1%</u>

(i) Issuance and repayment of loans

	Total
Balance at January 1, 2021	\$ 4,638,406
New loans (Due date: from April 2021 to December 2022)	45,232,694
Loans repaid	(43,018,474)
Balance at December 31, 2021	<u>\$ 6,852,626</u>
Balance at January 1, 2020	\$ 4,116,166
New loans (Due date: from January 2020 to June 2021)	49,856,942
Loans repaid	(49,334,702)
Balance at December 31, 2020	<u>\$ 4,638,406</u>

(ii) Collateral for bank loans

The Company issues covered promissory notes as collateral for short-term borrowings. Please refer to Note 9.

(n) Short-term notes and bills payable

As of December 31, 2021 and 2020, the guarantee and acceptance agencies for commercial short-term notes are Ta Ching Bills Finance Corporation, China Bills Finance Corporation, Dah Chung Bills Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Taiwan Finance Co., and Mega Bills Finance Corporation. The maturity dates are from 2022.01.03~2022.01.28 and from 2021.01.04~2021.02.02, respectively. Their respective face values are \$2,500,000 thousand and \$1,700,000 thousand.

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GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

	December 31, 2021	December 31, 2020
Commercial paper payable	\$ 2,500,000	1,700,000

(i) Issuance and repayment

	Total
Balance at January 1, 2021	\$ 1,700,000
New loans (Due date: from February 2021 to January 2022)	19,550,000
Loans repaid	(18,750,000)
Balance at December 31, 2021	\$ 2,500,000
Unused short-term credit lines	\$ 100,000
Range of interest rates	0.828%-0.848%

	Total
Balance at January 1, 2020	\$ 1,800,000
New loans (Due date: from January 2020 to February 2021)	20,000,000
Loans repaid	(20,100,000)
Balance at December 31, 2020	\$ 1,700,000
Unused short-term credit lines	\$ 700,000
Range of interest rates	0.831%-0.898%

(ii) Collateral for borrowings

The Company issues covered promissory notes as collateral for short-term borrowings. Please refer to Note 9.

(o) Lease liabilities

The carrying amounts of lease liabilities are as follows:

	December 31, 2021	December 31, 2020
Current	\$ 46,948	46,575
Non-current	\$ 124,550	170,194

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

The amounts recognized in profit or loss was as follows:

	For the years ended December 31, 2021	2020
Interest on lease liabilities	\$ 2,690	3,363
Expenses relating to short-term leases	\$ 12,868	14,515
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 11,483	8,692

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

The amounts recognized in the statement of cash flows for the Company was as follows :

	2021	2020
Total cash outflow for leases	\$ 71,986	70,976

(p) Operating lease

(i) Leases as lessor

The Company leases out its investment property. The Company has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to Note 6(k) for information about the operating leases of investment property.

A maturity analysis of lease payments showing the undiscounted lease payments to be received on December 31, 2021 is as follows:

	December 31, 2021	December 31, 2020
Less than one year	\$ 25,682	25,392
Between one and five years	45,786	58,853
Over five years	5,812	7,906
Total undiscounted lease payments	\$ 77,280	92,151

(q) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2021	December 31, 2020
Present value of the defined benefit obligations	\$ 55,836	62,850
Fair value of planned assets	(164,326)	(168,109)
Net defined benefit liabilities (assets)	\$ (108,490)	(105,259)

The Company's employee benefit liabilities (assets) were as follows:

	December 31, 2021	December 31, 2020
Total employee benefit assets	\$ (108,490)	(105,259)

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company approved the establishment of the "Employee Pension Management Committee" in accordance with Rule No. 0920015946 issued by the Xinhua Office of the National Taxation Bureau of the Southern Area to transfer retirement funds to the special employee retirement reserve account of the Cooperative Bank Commercial Bank.

The Company's Bank of Taiwan and Taiwan Cooperative Bank labor pension reserve account balance amounted to \$164,326 thousand and \$168,109 thousand as of December 31, 2021 and 2020, respectively. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2021 and 2020, the movement in present value of the defined benefit obligations for the Company were as follows:

	For the years ended December 31,	
	2021	2020
Defined benefit obligations at January 1	\$ 62,850	68,628
Current service costs and interest cost (income)	1,671	1,522
Remeasurements loss (gain):		
– Actuarial loss (gain) arising from experience adjustments	456	(470)
– Actuarial (gain) loss arising from financial assumptions	(1,833)	1,954
Benefits paid	<u>(7,308)</u>	<u>(8,784)</u>
Defined benefit obligations at December 31	<u>\$ 55,836</u>	<u>62,850</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

3) Movements of defined benefit plan assets

For the years ended December 31, 2021 and 2020, the movements in the present value of the defined benefit plan assets for the Company were as follows:

	For the years ended December 31,	
	2021	2020
Defined benefit obligations at January 1	\$ 168,109	169,270
Interest income	507	1,189
Remeasurements loss (gain):		
– Return on plan assets excluding interest income	1,787	3,847
Contributions paid by the employer	1,231	2,587
Benefits paid	<u>(7,308)</u>	<u>(8,784)</u>
Defined benefit obligations at December 31	<u>\$ 164,326</u>	<u>168,109</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	For the years ended December 31,	
	2021	2020
Current service costs	\$ 1,482	1,055
Net interest of net liabilities for defined benefit obligations	<u>(318)</u>	<u>(722)</u>
Total (Administration expenses)	<u>\$ 1,164</u>	<u>333</u>

	For the years ended December 31,	
	2021	2020
Administration expenses	<u>\$ 1,164</u>	<u>333</u>

5) Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2021 and 2020, was as follows:

	For the years ended December 31,	
	2021	2020
Accumulated amount at January 1	\$ 172	2,535
Recognized during the period	<u>(3,164)</u>	<u>(2,363)</u>
Accumulated amount at December 31	<u>\$ (2,992)</u>	<u>172</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.70%	0.30%
Future salary increase rate	2.00%	2.00%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$1,200 thousand.

The weighted average lifetime of the defined benefits plans ranges from 7.5 years.

7) Sensitivity analysis

Based on the actuarial assumptions, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations (assets)	
	Increased	Decreased
December 31, 2021		
Discount rate (0.25% change)	\$ 1,132	(1,090)
Future salary increasing rate (0.25% change)	(976)	944
December 31, 2020		
Discount rate (0.25% change)	\$ 1,235	(1,281)
Future salary increasing rate (0.25% change)	(1,099)	1,066

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions amounted to \$62,955 thousand and \$60,560 thousand for the years ended December 31, 2021 and 2020, respectively.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(r) Income taxes

(i) The components of income tax in the years 2021 and 2020 were as follows:

	For the years ended December 31,	
	2021	2020
Current tax expense		
Current period	\$ 433,358	437,354
Adjustment for prior periods	(12,669)	5,247
	<u>420,689</u>	<u>442,601</u>
Deferred tax expense		
Origination and reversal of temporary difference	(19,487)	8,335
	<u>(19,487)</u>	<u>8,335</u>
Income tax expense from continuing operations	<u>\$ 401,202</u>	<u>450,936</u>

The amount of income tax recognized in other comprehensive income for 2021 and 2020 was as follows:

	For the years ended December 31,	
	2021	2020
Items that will not be reclassified subsequently to profit or loss :		
Remeasurement from defined benefit plans	<u>\$ 633</u>	<u>473</u>

Reconciliation of income tax and profit before tax for 2021 and 2020 is as follows:

	For the years ended December 31,	
	2021	2020
Profit excluding income tax	<u>\$ 2,270,587</u>	<u>3,573,007</u>
Income tax using the Company's domestic tax rate	454,117	714,601
Tax-exempt income	(19,209)	(16,215)
Other permanent differences	(21,037)	(252,697)
Change in provision in prior periods	(12,669)	5,247
Total	<u>\$ 401,202</u>	<u>450,936</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2021 and 2020. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2021	December 31, 2020
Aggregate amount of temporary differences related to investments in subsidiaries	\$ 4,898,344	4,925,691
Unrecognized deferred tax liabilities	\$ 979,669	985,138

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2021 and 2020 were as follows:

Deferred Tax Liabilities:

	Provision for the Land Value Increment Tax	Defined benefit plans	Unrealized exchange gains and losses	Fair value gains	Other	Total
January 1, 2021	\$ 20,754	21,135	15,966	11,348	-	69,203
Recognized in profit or loss debit (credit)	-	13	(12,873)	(3,628)	-	(16,488)
Recognized in other comprehensive profit or loss debit (credit)	-	-	-	-	599	599
December 31, 2021	\$ 20,754	21,148	3,093	7,720	599	53,314
January 1, 2020	\$ 20,754	20,635	-	11,898	-	53,287
Recognized in profit or loss debit (credit)	-	500	15,966	(550)	-	15,916
December 31, 2020	\$ 20,754	21,135	15,966	11,348	-	69,203

Deferred Tax Assets:

	Excessive amount of bad debt expense	Impairment loss of financial assets	Impairment loss of fixed assets	Other	Total
January 1, 2021	\$ 20,481	12,112	7,500	13,286	53,379
Recognized in profit or loss (debit) credit	3,130	-	-	(131)	2,999
Debit other comprehensive profit and loss	-	-	-	(34)	(34)
December 31, 2021	\$ 23,611	12,112	7,500	13,121	56,344
January 1, 2020	\$ 19,392	7,264	7,500	12,115	46,271
Recognized in profit or loss (debit) credit	1,089	4,848	-	1,644	7,581
Debit other comprehensive profit and loss	-	-	-	(473)	(473)
December 31, 2020	\$ 20,481	12,112	7,500	13,286	53,379

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(iii) As of December 31, 2021, the Company's tax returns for the years through 2019 were assessed by the National Tax Administration.

(s) Capital and other equity

As of December 31, 2021 and 2020, the number of authorized ordinary shares were both \$9,900,000 shares with par value of 10 per share while the total value of authorized ordinary shares amounted to 990,000 thousand. As of those dates, 852,159 thousand and 827,339 thousand ordinary shares were issued, respectively.

Reconciliation of shares outstanding for 2021 and 2020 was as follows:

(expressed in thousands)

	Ordinary shares	
	2021	2020
Balance at January 1, 2021	\$ 827,339	827,339
Capital increase through undistributed earnings	24,820	-
Balance at December 31, 2021	\$ 852,159	827,339

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on July 30, 2021 to transfer undistributed earnings of \$248,202 thousand into capital increase. The Company has received approval from the Financial Supervisory Commission for this capital increase, with August 29, 2021 as the date of capital increase. The relevant statutory registration procedures have since been completed.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2021 and 2020, were as follows:

	December 31, 2021	December 31, 2020
Share capital	\$ 2,252	2,252
Treasury share transactions	1,781,587	1,659,108
Gain or disposal differences arising from subsidiary's share price and its carrying value	837,630	844,969
Change in equity of associates and joint ventures under the equity method	66,918	66,918
Additional paid-in capital arising from bond conversion	587,144	587,144
Other	19,235	19,235
	\$ 3,294,766	3,179,626

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's memorandum stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors. If the earnings are to be distributed through the issuance of new shares, an approval during the shareholders' meeting is required. The Company authorizes the Board of Directors to distribute the dividends and bonuses or legal reserves and capital surpluses, entirely or partially, as cash dividends. Any decisions should be reported in a meeting of shareholders. The percentage of retained earnings and cash dividends distributed depends on the profit and financial situation of the year, subject to adjustments made in the shareholders' meeting.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

When the Company first adopted the IFRSs as approved by the FSC, by application of the exemption under IFRSs No. 1, any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders equity were reclassified under "Investment property" on the conversion date. The fair value on the conversion date is used as the recognized cost, and the amount of retained earnings increased to \$328,719 thousand. In accordance with Rule No. 1010012865 issued by the FSC on April 6, 2012, for the amount that the company elects to transfer to retained earnings, the company shall set aside an equal amount of special reserve, provided that when, on the date of the adoption of the IFRSs, the increase in retained earnings due to the first-time adoption of the IFRSs is insufficient to set aside the amount specified above, the company may set aside only the amount of the increase in retained earnings resulting from the adoption of the IFRSs. Following this, the company stated an increase of \$42,994 thousand in special reserves. When the company subsequently uses, disposes of, or reclassifies the relevant assets, it may reverse to distributable earnings a proportional amount of the special reserve originally set aside. As of December 31, 2021 and 2020, special reserves both amounted to \$42,994 thousand.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

In accordance with Rule No. 1010012865 as stated above, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amounts of cash dividends on the appropriations of earnings for 2020 and 2019 had been approved during the board meeting on March 30, 2021 and March 27, 2020, respectively. Furthermore, the amounts of share dividends on the appropriations of earnings for 2020 had been approved in the shareholders' meeting on July 30, 2021.

	2020		2019	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders :				
Cash	\$ 2.70	2,233,815	2.20	1,820,146
Stock	0.30	248,202	-	-
		2,482,017		1,820,146

The amount of cash dividends on the appropriations of earnings for 2021, and the amount of shares dividends of appropriations of earnings for 2021, had been approved and proposed, respectively during the board meeting on March 25, 2022, as follows:

	For the years ended December 31, 2021	
	Amount per share	Total Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 1.50	1,278,239
Stock	0.50	426,080
		1,704,319

More information on earnings distribution is available on the Market Observation Post System website.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(iv) Treasury shares

Company shares held by subsidiaries

In 2021 and 2020, subsidiaries of the company did not acquire any company shares. The number of shares held by subsidiaries and their respective market price are as follows:

<u>Name of subsidiary</u>	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Market price</u>	<u>Shares owned (thousands)</u>	<u>Market price</u>	<u>Shares owned (thousands)</u>
Huang-Ho Invest. Co., Ltd.	\$ 1,082,120	20,264	999,449	19,674
City Chain Food Ltd.	1,412,905	26,459	1,304,963	25,688
Total	<u>\$ 2,495,025</u>	<u>46,723</u>	<u>2,304,412</u>	<u>45,362</u>

In March 2019, when stating subsidiary interests, retained earnings arising from the sale of the company's shares by the subsidiary was treated as treasury stocks and then classified as "capital surplus-treasury stock transaction". The amount totaled to \$363,674 thousand.

As of December 31, 2021 and 2020, the total value of company shares held by subsidiaries both amounted to \$219,132 thousand, respectively.

(v) Other equity interest

	<u>Exchange differences on translation of foreign financial statements</u>	<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>	<u>Total</u>
Balance at January 1, 2021	\$ (801,744)	2,185,955	1,384,211
Exchange differences on subsidiaries accounted for using equity method	(118,564)	-	(118,564)
Unrealized gains (losses) from subsidiaries' financial assets measured at fair value through other comprehensive income	-	246,671	246,671
Unrealized gain (losses) from financial assets measured at fair value through other comprehensive income, subsidiaries for using equity method		39,328	39,328
Balance at December 31, 2021	<u>\$ (920,308)</u>	<u>2,471,954</u>	<u>1,551,646</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2020	\$ (899,515)	1,801,643	902,128
Exchange differences on subsidiaries accounted for using equity method	97,771	-	97,771
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	331,465	331,465
Unrealized gains (losses) from subsidiaries' financial assets measured at fair value through other comprehensive income, subsidiaries for using equity method		52,847	52,847
Balance at December 31, 2020	<u>\$ (801,744)</u>	<u>2,185,955</u>	<u>1,384,211</u>

(t) Employee compensation and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee compensation and less than 2% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration both amounting to \$90,000 thousand, and directors' remuneration both amounting to \$40,000 thousand, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors of each period, multiplied by the percentage of remuneration to employees, directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. If the Board of Directors choose to distribute shares as employee compensation, calculations shall be done one day prior the date of their meeting.

The amounts, as stated in the financial statements, are identical to those of the actual distributions for 2021 and 2020. Related information would be available on the Market Observation Post System website.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(u) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2021 and 2020 was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding. Calculations are as follows:

1) Profit attributable to ordinary shareholders of the Company

	For the years ended December 31,	
	2021	2020
Profit attributable to ordinary shareholders of the Company	\$ 1,869,385	3,122,071

2) Weighted average number of ordinary shares

	For the years ended December 31,	
	2021	2020
Issued ordinary shares at January 1	\$ 827,339	827,339
Effect of the Company's shares held by subsidiaries recognized as treasury shares	(46,723)	(46,723)
Effect of share dividends	24,820	24,820
Weighted average number of ordinary shares at December 31	\$ 805,436	805,436

3) Basic earnings per share

	For the years ended December 31,	
	2021	2020
Basic earnings per share	\$ 2.32	3.88

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2021 and 2020 was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares. Calculations are as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31,	
	2021	2020
Profit attributable to ordinary shareholders of the Company (diluted)	\$ 1,869,385	3,122,071

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

2) Weighted average number of ordinary shares (diluted)

	For the years ended December 31,	
	2021	2020
Weighted average number of ordinary shares (basic)	\$ 805,436	805,436
Effect of employee share bonus	1,956	1,772
Weighted average number of ordinary shares (diluted) at December 31	\$ 807,392	807,208

(v) Revenue from contracts with customers

(i) Details of revenue

	For the year ended December 31, 2021			
	Agriculture and Grains	Meat	Processed Foods	Total
Primary geographical markets:				
Taiwan	\$ 17,839,081	12,957,859	815,266	31,612,206
Major product line:				
Feed	\$ 15,719,783	1,994,734	-	17,714,517
Other	2,119,298	10,963,125	815,266	13,897,689
Total	\$ 17,839,081	12,957,859	815,266	31,612,206

	For the year ended December 31, 2020			
	Agriculture and Grains	Meat	Processed Foods	Total
Primary geographical markets:				
Taiwan	\$ 15,693,651	11,249,363	230,324	27,173,338
Major product line:				
Feed	\$ 13,526,716	1,644,615	-	15,171,331
Other	2,166,935	9,604,748	230,324	12,002,007
Total	\$ 15,693,651	11,249,363	230,324	27,173,338

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(ii) Contract balances

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>January 1, 2020</u>
Notes receivable	\$ 1,209,731	861,623	870,680
Trade receivables	2,998,590	2,534,784	1,984,872
Less: allowance for impairment	<u>(108,724)</u>	<u>(93,704)</u>	<u>(67,812)</u>
Total	<u>\$ 4,099,597</u>	<u>3,302,703</u>	<u>2,787,740</u>
Contract liabilities-unearned revenue	<u>\$ 38,308</u>	<u>88,036</u>	<u>105,518</u>

For details on trade receivables and allowance for impairment, please refer to Note 6(d).

Contract liabilities are recognized as other current liabilities, others.

The amount of revenue recognized for the years ended December 31, 2021 and 2020 that was included in the contract liability balance at the beginning of the period were \$88,036 thousand and \$105,518 thousand, respectively.

(w) Net other income (expenses)

(i) Interest income

The details of interest income were as follows:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Interest income from loans and receivables	\$ 2,874	8,929
Interest income from bank deposits	<u>68</u>	<u>147</u>
	<u>\$ 2,942</u>	<u>9,076</u>

(ii) Other gains and losses

The details of other gains and losses were as follows:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Foreign exchange gains	\$ 166,963	252,442
Gains on financial assets (liabilities) at fair value through profit or (loss)	284,166	(64,220)
Dividends income	96,004	81,077
Rent income	35,078	38,531
Gains on disposals of property, plant and equipment	3,942	27,535
Other	<u>(74,153)</u>	<u>83,752</u>
	<u>\$ 512,000</u>	<u>419,117</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(iii) Finance costs

The details of finance costs were as follows:

	For the years ended December 31,	
	2021	2020
Interest expense: Borrowings	\$ 58,599	74,778
Interest expense: lease liabilities	2,690	3,363
Total	\$ 61,289	78,141

(x) Financial instruments

(i) Types of financial instruments

1) Financial assets

	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 245,307	290,515
Financial assets measured at fair value through profit and loss	6,912	20,454
Notes receivables	1,209,731	861,623
Trade receivables	2,889,866	2,441,080
Other receivable due from related parties	495,537	612,228
Other current financial assets	29,624	23,865
Non-current financial assets measured at fair value through profit and loss	2,523,759	2,277,088
Other non-current assets, other	79,914	55,371
Total	\$ 7,480,650	6,582,224

2) Financial liabilities

	December 31, 2021	December 31, 2020
Short-term borrowings	\$ 6,852,626	4,638,406
Short-term notes and bills payable	2,500,000	1,700,000
Financial liabilities measured at fair value through profit and loss	25,046	23,199
Notes payable	282,902	30,369
Trade payable	886,334	1,483,545
Other payables	842,649	778,066
Other current liabilities, others	288,211	234,714
Guarantee deposits received	81,787	75,790
Lease liabilities	171,498	216,769
Total	\$ 11,931,053	9,180,858

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(ii) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk. As of December 31, 2021 and 2020, the Company's maximum exposure to credit risk amounted to \$4,956,452 thousand and \$4,304,697 thousand, respectively.

2) Concentration of credit risk

The Company has a broad customer base so there is no significant concentration of transactions with a single customer and the sales area is spread out. Therefore, there is no concentration of credit risk. In order to reduce credit risk, the Company also regularly and continuously evaluates the financial position of customers and requires customers to provide collateral when necessary.

(iii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2021							
Short-term borrowings	\$ 6,852,626	6,864,806	6,671,302	193,504	-	-	-
Short-term notes and bills payable	2,500,000	2,500,000	2,500,000	-	-	-	-
Financial liabilities measured at fair value through other comprehensive income: current	25,046	25,046	25,046	-	-	-	-
Notes and trade payable	1,169,236	1,169,236	1,169,236	-	-	-	-
Other payables	264,122	264,122	264,122	-	-	-	-
Other current liabilities, others	288,211	288,211	288,211	-	-	-	-
Guarantee deposits received	81,787	81,787	29,044	1,493	21,581	29,026	643
Lease liabilities	171,498	190,262	24,595	24,625	48,821	86,883	5,338
	\$ 11,352,526	11,383,470	10,971,556	219,622	70,402	115,909	5,981
December 31, 2020							
Short-term borrowings	\$ 4,638,406	4,649,515	4,649,515	-	-	-	-
Short-term notes and bills payable	1,700,000	1,700,000	1,700,000	-	-	-	-
Financial liabilities measured at fair value through other comprehensive income: current	23,199	23,199	23,199	-	-	-	-
Notes and trade payable	1,513,914	1,513,914	1,513,883	31	-	-	-
Other payables	229,132	229,132	229,132	-	-	-	-
Other current liabilities, others	234,714	234,714	234,714	-	-	-	-
Guarantee deposits received	75,790	75,790	29,604	1,308	15,647	28,588	643
Lease liabilities	216,769	222,871	24,753	24,753	49,122	118,905	5,338
	\$ 8,631,924	8,649,135	8,404,800	26,092	64,769	147,493	5,981

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(iv) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk were as follows:

	December 31, 2021			December 31, 2020		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial assets</u>						
<u>Investments accounted for using the equity method</u>						
USD	\$ 272,067	27.850	7,577,070	247,465	28.480	7,047,801
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	182,853	27.700	5,065,626	124,565	28.540	3,554,831

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings; and trade and other payables that are denominated in foreign currency. On December 31, 2021 and 2020, a strengthening (weakening) of 1% of the NTD against the USD and the CNY, ceteris paribus, would have increased (decreased) the net profit before tax by \$50,656 thousand and \$35,548 thousand, respectively. The analysis is performed on the same basis for both years.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For relevant information on foreign exchange gain (loss) (including realized and unrealized portions) in the years 2021 and 2020, please refer to Note 6(w).

(v) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1 basis points, ceteris paribus, the Company's net income would have increased / decreased by \$7,370 thousand and \$2,590 thousand in 2021 and 2020, respectively. This is mainly due to the Company's borrowing at variable rates and investment in variable-rate bills.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets and liabilities measured at fair value through profit and loss:					
Financial assets mandatorily measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Corn structured swaps	\$ 2,573	-	2,573	-	2,573
Forward exchange contracts	3,900	-	3,900	-	3,900
Non-derivative financial instruments					
Stocks in domestic listed companies	439	439	-	-	439
Total	<u>\$ 6,912</u>	<u>439</u>	<u>6,473</u>	<u>-</u>	<u>6,912</u>
Financial liability held for trading					
Non-derivative financial liabilities					
Forward exchange contracts	<u>\$ (25,046)</u>		<u>(25,046)</u>		<u>(25,046)</u>
Financial assets measured at fair value through other comprehensive profit and loss					
Stocks in domestic listed companies: TTET UNION CORPORATION	\$ 2,443,588	2,443,588	-	-	2,443,588
Stocks in domestic unlisted companies	80,171	-	-	80,171	80,171
Total	<u>\$ 2,523,759</u>	<u>2,443,588</u>	<u>-</u>	<u>80,171</u>	<u>2,523,759</u>

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

	December 31, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets mandatorily measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Corn structured swaps	\$ 11,969	-	11,969	-	11,969
Forward exchange contracts	8,046	-	8,046	-	8,046
Derivative instruments not used for hedging					
Non-derivative financial instruments	<u>439</u>	<u>439</u>	<u>-</u>	<u>-</u>	<u>439</u>
Total	<u>20,454</u>	<u>439</u>	<u>20,015</u>	<u>-</u>	<u>20,454</u>
Financial assets measured at fair value through other comprehensive income					
Stocks in domestic listed companies	\$ 2,196,917	2,196,917	-	-	2,196,917
Stocks in domestic unlisted companies	80,171	-	-	80,171	80,171
Total	<u>\$ 2,277,088</u>	<u>2,196,917</u>	<u>-</u>	<u>80,171</u>	<u>2,277,088</u>
Financial liabilities measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	\$ (1,010)	-	(1,010)	-	(1,010)
Total	<u>(22,189)</u>	<u>-</u>	<u>(22,189)</u>	<u>-</u>	<u>(22,189)</u>
Total	<u>\$ (23,199)</u>	<u>-</u>	<u>(23,199)</u>	<u>-</u>	<u>(23,199)</u>

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GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

2) Valuation techniques for financial instruments measured at fair value

a) Financial instruments

If a financial instrument has a public quotation in an active market, said public quotation shall be the fair value. The market price announced by the major exchange is decided following the basis for the fair value of listed equity instruments.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. If the conditions above are not met, the market is deemed inactive. Generally speaking, wide bid-ask spreads, significant increases in bid-ask spreads, or very little trading volume are indicators of inactive markets.

If the financial instruments held by the Company have an active market, their fair values are listed as follows according to their categories and attributes:

- For listed companies, financial assets and liabilities traded in an active market have their fair values determined by market price.

If the financial instruments held by the Company do not have an active market, their fair values are listed as follows according to their categories and attributes:

- Equity instruments without a quoted price: Fair value is estimated using comparable company valuation multiples. The main assumption is based on the surplus multiplier derived from the market price from comparable listed companies. This estimate has been adjusted for the discount effect by its lack of market liquidity.

b) The fair value of derivative financial products is the amount that the Company is expecting to obtain or to pay if it terminates the contract on the reporting date as agreed. It typically includes the unrealized gains and losses of unsettled contracts in the current period. Most of the derivative financial products of the Company have quotations from financial institutions for reference.

c) Non-financial instruments

For information on the evaluation of biological assets, please refer to Note 6(f). For information on the evaluation of investment properties, please refer to Note 6(k).

3) Transfers between Level 1 and Level 2

There were no significant transfers between Level 1 and Level 2 in both 2021 and 2020.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
December 31, 2021 (Same as balance at January 1, 2021)	<u><u>\$ 80,171</u></u>
January 1, 2020	\$ 80,677
Capital reduction	<u>(506)</u>
December 31, 2020	<u><u>\$ 80,171</u></u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's Level 3 financial instruments mainly include financial assets: equity instruments measured at fair value through other comprehensive profit and loss.

The Company's Level 3 financial instruments measured at fair value possess multiple significant unobservable inputs. The significant unobservable input values of equity instrument investments without an active market are independent of each other, thus, there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income - equity investments without an active market	Comparable to listed companies	<ul style="list-style-type: none"> · Discount due to lack of market liquidity (30% for both 2021.12.31 and 2020.12.31) · P/E multiplier (9.14-32.71 and 18.39-26.49 for 2021.12.31 and 2020.12.31, respectively) 	<ul style="list-style-type: none"> · The higher the discount due to the lack of market liquidity, the lower the fair value · The higher the P/E multiplier and control premium, the higher the fair value

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's fair value measurement of financial instruments is reasonable, but using different evaluation models or evaluation parameters may lead to different evaluation results. Should the evaluation parameters change, the impact on the current profit and loss or other comprehensive income or loss for financial instruments classified as Level 3 is as follows:

			Increasing or decreasing	Other comprehensive income Favourable	Unfavourable
December 31, 2021	<u>Input</u>				
Financial assets at fair value through profit or loss					
Equity instrument investment without an active market	P/E ratio	5%		4,645	(4,645)
December 31, 2020					
Financial assets at fair value through other comprehensive income					
Equity instrument investment without an active market	P/E ratio	5%		4,793	(4,793)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (vii) Offsetting financial assets and financial liabilities

The Company performs transactions not applicable to the International Financial Reporting Standards Sections 42 NO. 32, but the Company has an exercisable master netting arrangement or similar agreement in place with its counterparties, and both parties reach a consensus regarding net settlement. The aforesaid exercisable master netting arrangement or similar agreement can be settled at the total amount. In the event of default involving one of the parties, the other party can have the transaction net settled. Relevant information is presented as follows:

December 31, 2021						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ 3,900	-	3,900	3,900	-	-
Corn structured swaps	2,573	-	2,573	-	-	2,573
Total	<u>\$ 6,473</u>	<u>-</u>	<u>6,473</u>	<u>3,900</u>	<u>-</u>	<u>2,573</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

December 31, 2021						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ (25,046)	-	(25,046)	(3,900)	-	(21,149)

December 31, 2020						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ 8,046	-	8,046	8,046	-	-
Corn structured swaps	11,969	-	11,969	-	-	11,969
Total	\$ 20,015	-	20,015	8,046	-	11,969

December 31, 2020						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ (22,189)	-	(22,189)	(8,046)	-	(14,143)
Option contracts	(1,010)	-	(1,010)	-	-	(1,010)
Total	\$ (23,199)	-	(23,199)	(8,046)	-	(15,153)

Note: Master netting arrangements and non-cash financial collaterals are included.

(y) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

The Company's main credit risk lies in financial products of cash, equity securities, and accounts receivable. Cash is kept in different financial institutions. Equity securities held are funds issued by listed companies with excellent credit ratings. The Company controls the credit risks exposed to each financial institution and believes that the Company's cash and equity securities held will not have a significant concentration of credit risk.

1) Trade and other receivables

The Company's main potential credit risk comes from financial products in accounts receivable and other receivables. In order to reduce credit risk, the company continuously evaluates the financial position of customers, regularly assesses the possibility of recovering accounts receivable, and makes allowances for doubtful debts. The total loss of doubtful debts is within the management's expectations.

The credit risk exposure of the Company is mainly affected by the individual conditions of each customer. However, management also considers statistical data of the customer base, including the default risk of the customer's industry and country, as these factors may affect credit risk.

The Company's Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

The Company's main transaction customers are not new customers, and no impairment loss has been recognized for these customers. When monitoring the credit risk of customers, they are grouped according to their credit characteristics, including whether they are individuals or legal entities, whether they are distributors, retailers or end customers, their respective location, industry, age, expiry date, and previous existing financial difficulties. Customers rated as high risk will be monitored by the credit department.

The Company has set up allowances of doubtful debt to reflect estimates of the losses incurred in accounts receivable and other receivables and investments. The main components of the provision account include specific loss components related to individual major risk insurance, and the combined loss components established for similar asset groups that have occurred but have not been identified. The combined loss provision account is determined based on historical payment statistics of similar financial assets.

2) Investments

The Company places orders of equity securities and trades futures through the centralized market. It is expected that the counterparty will not default, so there is no significant credit transaction risk.

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

For more information on the Company's policy to provide financial guarantees as of December 31, 2021 and 2020, please refer to Note 13(a).

(iv) Liquidity risk

The Company's capital and working capital are sufficient to meet all contractual obligations, so there is no liquidity risk caused by the inability to raise funds to fulfill contractual obligations. The changes in the fair value of the investment of the Company included in the profit and loss of financial assets have an active market, so it is expected that the financial assets can be quickly sold in the market at a price close to the fair value. The open positions of futures held by the Company can be liquidated in the market at a reasonable price, hence the liquidity risk is very low. The exchange rate of the forward foreign exchange contracts held by the Company has been determined, and there is no significant cash flow risk.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2021 and 2020, the Company's unused credit line were amounted to \$4,635,204 thousand and \$6,761,939 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

In addition to the financial assets measured by cost, equity securities held by the Company also have financial assets whose fair value changes are included in the profit and loss and financial assets available for sale. Therefore, such assets are measured by fair value. Subsequently, the Company will be exposed to the risk of price volatility in the equity securities market.

The Company's forward foreign exchange contracts are of a hedging nature, and the profits and losses arising from changes in interest rates or exchange rates will roughly offset the profits and losses of the hedged project, so the market price risk is not significant.

The Company engaged in futures and option trading contracts, and had set a stop loss point based on risk during operation. As the loss incurred can be controlled within the expected range, the market price risk is not significant to the company as a whole and can be reasonably expected.

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the NTD, US Dollar (USD), and Chinese Yuan (CNY). The currencies used in these transactions are the NTD, USD, and CNY.

At any point in time, the Company hedges its estimated foreign currency exposure with respect to its forecast sales and purchases over the following six months. The Company also uses forward exchange contracts with a maturity of less than one year from the reporting date to hedge its currency risk.

For companies that use NTD as their functional currency, all USD loans borrowed will be hedged using forward contracts with the same maturity date as the loan repayment date.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

Loan interest is priced in the currency of its principal. Typically, the currency of the loan is the same as the currency of the cash flow generated by the operation of the Company, mainly denominated in NTD, but sometimes in USD or CNY. In this case, economic hedging is provided without the need to sign derivatives, so hedging accounting is not adopted.

Regarding other monetary assets and liabilities denominated in foreign currencies, the Company buys or sells foreign currencies at real-time exchange rates to ensure that the net exposure risk remains at an acceptable level when short-term imbalances occur.

2) Interest rate risk

On December 31, 2021 and 2020, the short-term and long-term borrowings of the Company consisted of debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term and long-term borrowings to change accordingly. For detailed interest rate analyses with respect to fluctuations in future cash flows, please refer to Note 6(x).

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company's exposure to equity price risk is mainly due to the equity financial instruments within the food industry on Taiwan's local stock exchange. In addition to meeting the expected consumption and sales demand, the Company has not signed any commodity contracts; these commodity contracts are not delivered on a net basis.

(z) Capital management

The Board of Directors' policy is to maintain a sound capital base to preserve the confidence of investors, creditors, and the market in order to support the development of future operations. Capital includes share capital, capital reserves, retained earnings, non-controlling interests and net liabilities of the Company. The Board of Directors controls the debt-to-capital ratio and at the same time controls the level of ordinary stock dividends.

The Company's debt-to-equity ratios at the end of the reporting period as of December 31, 2021 and 2020, are as follows:

	December 31, 2021	December 31, 2020
Total liabilities	\$ 12,388,334	9,734,763
Less: Cash and cash equivalents	<u>(245,307)</u>	<u>(290,515)</u>
Net debt	\$ 12,143,027	9,444,248
Total equity	\$ 20,101,753	20,181,078
Debt-to-equity ratio	<u>37.66 %</u>	<u>31.88 %</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

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

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2021 and 2020, were as follows:

- (i) For right-of-use assets under leases, please refer to Note 6(j).
- (ii) Reconciliation of liabilities arising from financing activities were as follows:

	2021.1.1	Cash flow	Non-cash changes			December 31, 2021
			Rent	Changes in exchange rates	Acquisitions	
Short-term borrowings	\$ 4,638,406	2,214,220	-	-	-	6,852,626
Short-term notes and bills payable	1,700,000	800,000	-	-	-	2,500,000
Guarantee deposits received	75,790	5,997	-	-	-	81,787
Lease liabilities	216,769	(44,945)	(326)	-	-	171,498
Other current liabilities, others	195,000	60,000	-	-	-	255,000
Total liabilities from financing activities	<u>\$ 6,825,965</u>	<u>3,035,272</u>	<u>(326)</u>	<u>-</u>	<u>-</u>	<u>9,860,911</u>

	2020.1.1	Cash flow	Non-cash changes			December 31, 2020
			Rent	Changes in exchange rates	Acquisitions	
Short-term borrowings	\$ 4,116,166	522,240	-	-	-	4,638,406
Short-term notes and bills payable	1,800,000	(100,000)	-	-	-	1,700,000
Guarantee deposits received	69,042	6,748	-	-	-	75,790
Lease liabilities	260,877	(44,406)	298	-	-	216,769
Other current liabilities, others	61,000	134,000	-	-	-	195,000
Total liabilities from financing activities	<u>\$ 6,307,085</u>	<u>518,582</u>	<u>298</u>	<u>-</u>	<u>-</u>	<u>6,825,965</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are related parties that have made transactions with the Company during the periods covered in the financial statements.

Name of related party	Relationship with the Company
Total Nutrition Tech. Co., Ltd.	Subsidiaries
Mei Lan Lei Co., Ltd.	Subsidiaries
Huang-Ho Invest. Co., Ltd.	Subsidiaries
Great Wall Feed Tech (Holdings) Ltd.	Subsidiaries
Oriental Best Foods Co., Ltd.	Subsidiaries
Saboten Co., Ltd.	Subsidiaries
KouChan Mill Co., Ltd.	Subsidiaries
City Chain Food Co., Ltd.	Subsidiaries

(Continued)

GREAT WALL ENTERPRISE CO., LTD.**Notes to the Financial Statements**

<u>Name of related party</u>	<u>Relationship with the Company</u>
Honolulu Chain Food & Beverage Co., Ltd.	Subsidiaries
Xiang Cheng Co., Ltd.	Subsidiaries
An Hsin Chiao Chu Co., Ltd.	Subsidiaries
Wonder Biotek Co., Ltd.	Subsidiaries
Zhong Yi Food Co., Ltd.	Subsidiaries
Route 66 Fast Food Ltd.	Subsidiaries
Saboten (China) Limited	Subsidiaries
Beijing Universal Chain Food Co., Ltd.	Subsidiaries
Yung Huo (China) Co., Ltd.	Subsidiaries
Tianjin Fast Food Co.,Ltd	Subsidiaries
Tai Ji Food Co., Ltd.	Subsidiaries
Nanjing Tengcheng Enterprise Management Co., Ltd	Subsidiaries
Shanghai Universal Chain Food Co., Ltd.	Subsidiaries
Saboten (Beijing) Limited	Subsidiaries
Shanghai Xunshi Foods Co., Ltd.	Subsidiaries
Beijing Duhsiaoyueh Restaurant Co.,Ltd	Subsidiaries
Shanghai Duhsiaoyueh Restaurant Co.,Ltd	Subsidiaries
Great Wall Yung Huo Food (Beijing) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies Corporation	Subsidiaries
Waverley Star Ltd.	Subsidiaries
Great Wall Food (HK) Co., Ltd.	Subsidiaries
DaChan Showa Foods (Tianjin) Co., Ltd.	Subsidiaries
Seafood Internation Co., Ltd.	Subsidiaries
Tianjin Food Investment Co. Ltd.	Subsidiaries
Global Food Corporation	Subsidiaries
Clydebridge Ltd.	Subsidiaries
GreatWall Food Investment Co., Ltd.	Subsidiaries
Golden Harvest Inc.	Subsidiaries
Fresh Aqua Corporation	Subsidiaries
Great Wall FeedTech (Holdings) Ltd.	Subsidiaries
Asia Nutrition Technologies Investment Corporation	Subsidiaries

(Continued)

GREAT WALL ENTERPRISE CO., LTD.**Notes to the Financial Statements**

<u>Name of related party</u>	<u>Relationship with the Company</u>
Dachan Food (Asia) Limited	Subsidiaries
Great Wall Northeast Asia Corporation	Subsidiaries
Impreza Investment Ltd.	Subsidiaries
Great Wall Agritech (Liaoning) Co., Ltd. (Incorporated in BVI)	Subsidiaries
Dongbei Agri. Corp.	Subsidiaries
Hwabei Agri. Corp.	Subsidiaries
Great Wall Kuang Ming Investment Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Subsidiaries
Marksville Corp.	Subsidiaries
China S&F Farm Holdings Co., Ltd.	Subsidiaries
Great Wall Dalian Investment Co., Ltd.	Subsidiaries
Miyasun Great Wall (BVI) Co., Ltd.	Subsidiaries
Miyasan-Great Wall Foods (Dalian) Co., Ltd.	Subsidiaries
Great Wall Food (Dalian) Co., Ltd.	Subsidiaries
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Subsidiaries
Great Wall Agritech (Liaoning) Co., Ltd.	Subsidiaries
Great Wall Agri (Hei Long Jiang) Co., Ltd.	Subsidiaries
Great Wall Agri (Henan) Co., Ltd.	Subsidiaries
Great Wall Agrotech Huludao Co., Ltd.	Subsidiaries
Great Wall Agri (Yingkou) Co., Ltd.	Subsidiaries
Great Wall Agri (Tieling) Co., Ltd.	Subsidiaries
DongBei Agri (Changchun) Co., Ltd.	Subsidiaries
Dachan Livestock Development Co, Ltd.	Subsidiaries
DaChan (Hunan) Feed Technologies Co., Ltd.	Subsidiaries
Dachan Food (Hebei) Co., Ltd.	Subsidiaries
Dachan Food (Panjin) Co., Ltd.	Subsidiaries
Dachan Wanda (HK) Ltd.	Subsidiaries
Union Manufacturing Ltd.	Subsidiaries
Dongbei (Beijing) Consultant Co., Ltd.	Subsidiaries

(Continued)

GREAT WALL ENTERPRISE CO., LTD.**Notes to the Financial Statements**

<u>Name of related party</u>	<u>Relationship with the Company</u>
Dachan Wanda (Tianjin) Co., Ltd.	Subsidiaries
Yanzhou Dachan Food Co., Ltd.	Subsidiaries
Great Wall Gourmet (Shanghai) Co., Ltd.	Subsidiaries
Taixu & Dachan Foods Holdings Co., Ltd.	Subsidiaries
Zhenglanqi Dachan Eco-Ranch Co., Ltd.	Subsidiaries
Dachan Agricultural Technologies (Sichuan) Co., Ltd.	Subsidiaries
Bengbu Dachan Food Co., Ltd.	Subsidiaries
Tianjin Dachan Prospect Research and Development Co., Ltd.	Subsidiaries
Taixu & Dachan Foods (HK) Co., Ltd.	Subsidiaries
Taixu & Dachan Foods (Dalian) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (HN) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (VN) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (LN) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (MV) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (Feed) Co., Ltd.	Subsidiaries
Dachan (Asia Pacific) Limited.	Subsidiaries
Dachan (VN) Company Limited	Subsidiaries
Dachan Aquaculture Limited.	Subsidiaries
PT. MUSTIKA MINANUSA AURORA.	Subsidiaries
PT. MISAJA MITRA	Subsidiaries
Dachan Aqua(Tarakan) Ltd.	Subsidiaries
PT. DACHAN MUSTIKS AURORA	Subsidiaries
Great Wall Food (Tianjin) Co., Ltd.	Subsidiaries
TNT Biotechnology Co., Ltd.	Subsidiaries
TNT Biotechnology (Tianjin) Co., Ltd.	Subsidiaries
Great Wall Milling Co., Ltd.	Subsidiaries
Great Wall FeedTech (Tianjin) Co., Ltd.	Subsidiaries
Grea Wall FeedTech (Ningxia) Co., Ltd.	Subsidiaries
Myint Dachan Company Limited	Subsidiaries
FoodChina Company	Subsidiaries (Note)
FoodChina Company	Associates (Note)

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

<u>Name of related party</u>	<u>Relationship with the Company</u>
Neo Foods Co., Ltd.	Subsidiaries
Fresh Aqua Limited	Subsidiaries
Global Seafood Limited	Subsidiaries
Pacific Harvest Limited	Subsidiaries
Seafood International Limited	Subsidiaries
Global Seafood Limited	Subsidiaries
Pacific Harvest Limited	Subsidiaries
Universal Food Limited	Subsidiaries
Great Wall Grains International Limited	Subsidiaries
Beijing Sisters Kitchen Food and Beverage Management Co.	Key management personnel
Kou Feng Industrial Co., Ltd.	Other related party
TTET Union Corporation	Other related party
Master Channels Corporation	Other related party
San Inn Abattoir Corporation	Associates

Note: Recognized as a subsidiary since the third financial quarter of 2020.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Company to related parties were as follows:

	For the years ended December 31,	
	2021	2020
Subsidiary	\$ 4,580,296	4,425,654
Associate	38,771	4,433
Other related parties	68,808	5,975
	\$ 4,687,875	4,436,062

The abovementioned sales price and terms of trade are not significantly different from that of regular sales with other customers.

The sales price of Mei Lan Lei Co., Ltd. is adjusted according to the market price and the Company's policies. The credit period is 2 months.

Trade receivable from related parties were uncollateralized, and no expected credit loss were required after the assessment by the management.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(ii) Purchases

The amounts of significant purchases by the Company from related parties were as follows:

	For the years ended December 31,	
	2021	2020
Mei Lan Lei Co., Ltd.	\$ 4,113,884	3,780,189
Subsidiary	2,103,783	1,194,238
Associate	378	-
Other related parties	<u>158,631</u>	<u>267,430</u>
	<u>\$ 6,376,676</u>	<u>5,241,857</u>

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors except for Total Nutrition Tech Co., Ltd. and Mei Lan Lei Co., Ltd.. For Total Nutrition Tech Co., Ltd., the price was cost plus \$3,000 per metric ton; for Mei Lan Lei Co., Ltd., the price was set following the market price and then adjusted in accordance with company policies.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Notes receivables	Associate	\$ 2,313	-
Trade receivables	Zhong Yi Food Co., Ltd.	596,259	415,517
Trade receivables	Subsidiary	36,373	16,410
Trade receivables	FoodChina Company	332,363	320,770
Trade receivables	Other related parties	13,308	1,488
Trade receivables	Associate	2,659	-
Other financial assets	Subsidiary	<u>2,049</u>	<u>2,785</u>
		<u>\$ 985,324</u>	<u>756,970</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(iv) Payables to Related Parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes payable	Mei Lan Lei Co., Ltd.	\$ 282,590	24,418
Notes payable	Subsidiary	43	5,584
Trade payable	Mei Lan Lei Co., Ltd.	169,397	204,028
Trade payable	Subsidiary	133,908	86,791
Trade payable	Associate	1,694	-
Other payable	Subsidiary	2,046	5,008
Trade payable	Other related parties	<u>172</u>	<u>5,417</u>
		<u>\$ 589,850</u>	<u>331,246</u>

(v) Property transaction

1) Purchases of property, plant and equipment

On October 8, 2021, the Company purchased land located at the Koulian Section of Yangmei District from a related party. The land was 587.12 square feet and the transaction price was \$15,399 thousand. As of December 31, 2021, ownership of the land has been transferred and all payments have been settled.

2) Disposals of property, plant and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

	<u>For the years ended December 31,</u>			
	<u>2021</u>		<u>2020</u>	
<u>Type of related party</u>	<u>Disposal price</u>	<u>Gain (loss) from disposal</u>	<u>Disposal price</u>	<u>Gain (loss) from disposal</u>
Zhong Yi Food Co., Ltd.	<u>\$ -</u>	<u>-</u>	<u>820,420</u>	<u>-</u>

In 2020, the Company sold land and buildings located in Chiayi to a related party, Zhong-Yi Food Co., Ltd.. The total disposal price was \$820,420 thousand, which comprised of land totaling \$149,176 thousand, buildings totaling \$144,118 thousand, equipment totaling \$447,787 thousand, and construction in progress totaling \$79,339 thousand. Pricing of the above land and buildings was based on the valuation report from the CCIS Real Estate Joint Appraisers Firm, with the carrying amount as the trading price. Ownership of the land has been transferred. As of May 25, 2020, the payments have been settled.

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GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(vi) Loans to Related Parties

The loans to related parties were as follows:

	December 31, 2021	December 31, 2020
Mei Lan Lei Co., Ltd.	\$ 161,397	576,228
Oriental Best Foods Co., Ltd.	56,000	36,000
Great Wall International (Holdings) Ltd.	278,140	-
	\$ 495,537	612,228

The interest charged to the Company is 1.2%. The loans to related parties are unsecured. As of December 31, 2021 and 2020, interest expense was \$2,873 thousand and \$8,929 thousand, respectively.

(vii) Borrowings from Related Parties

The borrowings from related parties were as follows:

	December 31, 2021	December 31, 2020
Total Nutrition Tech. Co., Ltd. Subsidiary	\$ 240,000 15,000	180,000 15,000
	\$ 255,000	195,000

The interest charged to the Group is 1.2%. The interest-bearing borrowings provided from related parties are unsecured. As of December 31, 2021 and 2020, interest expense was \$2,513 thousand and \$931 thousand, respectively.

(viii) Leases

<u>Lessee</u>	<u>Lease period</u>	<u>Item</u>	<u>Terms of payment</u>	<u>Rental income</u>	
				<u>2021</u>	<u>2020</u>
Subsidiary	2013.01-2026.04	Land, factory, office, dormitory, and warehouse	Monthly	\$ 23,479	27,030
Subsidiary	Cancellable lease	Dormitory	Monthly	257	296
				\$ 23,736	27,326

The Company leased land, property, machinery, and surrounding facilities in Liuying from its subsidiary, Mei Lan Lei, Co., Ltd.. The lease period lasts from March 1, 2018 till December 31, 2021. When IFRS 16 was first applied to this lease on January 1, 2019, right-of-use assets of 166,186 thousand and lease liabilities of 166,186 thousand was recognized, respectively. For the years ended December 31, 2021 and 2020, 1,498 thousand and 1,907 thousand of interest expense was recognized, respectively. As of December 31, 2021 and 2020, lease liabilities amounted to 84,961 thousand and 112,443 thousand, respectively.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

In December 2019, the Company signed a 10-year lease for the machinery of the Ma Chouhou meat processing plant with a contract value of 18,000 thousand. When IFRS 16 was first applied to this lease on December 1, 2019, right-of-use assets of 16,705 thousand and lease liabilities of 16,705 thousand were recognized, respectively. For the year ended December 31, 2021 and 2020, there were no interest expense recognized. As of December 31, 2021 and 2020, lease liabilities both amounted to 16,705 thousand.

(ix) Management services

Management services for the years ended December 31, 2021 and 2020 comprised:

	For the years ended December 31,	
	2021	2020
Subsidiaries	\$ 10,062	10,316

(x) Processing fee

Processing fees in 2021 and 2020 are as follows:

	For the years ended December 31,	
	2021	2020
Subsidiaries	\$ 47,937	38,614

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31,	
	2021	2020
Short term employee benefits	\$ 122,315	126,723
Post-employment benefits	1,305	1,150
	\$ 123,620	127,873

In 2021 and 2020, the Company recognized costs of \$5,533 thousand and \$8,580 thousand for 3 and 5 cars for the use of key management personnel, respectively.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2021	December 31, 2020
Other current assets, others	Natural gas, fertilizers, lease premium, etc.	\$ 4,144	2,916

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(9) Commitments and contingencies:

(a) The Company's unrecognized contractual commitments are as follows:

	December 31, 2021	December 31, 2020
Acquisition of property, plant and equipment (unpaid)	<u>\$ 1,307,906</u>	<u>888,292</u>

(b) The Company's outstanding standby letter of credit are as follows:

	December 31, 2021	December 31, 2020
Outstanding standby letter of credit	<u>USD 80,378</u>	<u>22,003</u>
	<u>EUR -</u>	<u>1,776</u>

(c) The Company's issuance of promissory notes in order to provide guarantees for loans are as follows:

	December 31, 2021	December 31, 2020
Outstanding promissory notes	<u>\$ 13,758,400</u>	<u>11,911,200</u>

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

		For the year ended December 31					
		2021			2020		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
By item	By function						
	Employee benefits						
	Salary	950,507	831,924	1,782,431	781,676	877,663	1,659,339
	Labor and health insurance	94,687	72,138	166,825	73,342	73,972	147,314
	Pension	30,521	33,598	64,119	26,460	34,433	60,893
	Remuneration of directors	-	42,700	42,700	-	53,950	53,950
	Others	65,465	40,678	106,143	56,311	45,028	101,339
	Depreciation	455,790	70,226	526,016	394,115	66,813	460,928
	Depletion	-	-	-	-	-	-
	Amortization	17,898	-	17,898	16,709	-	16,709

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

A summary of the number of employees and employee benefit expenses is as follows:

	For the years ended December 31,	
	2021	2020
Number of employees	<u>2,569</u>	<u>2,462</u>
Board of directors	<u>7</u>	<u>7</u>
Average employee benefit expense	<u>\$ 827</u>	<u>802</u>
Average employee wage expense	<u>\$ 696</u>	<u>676</u>
Average employee wage adjustment rate	<u>2.96 %</u>	<u>0.90 %</u>
Supervisors' remuneration	<u>\$ -</u>	<u>-</u>

The Company's emolument policy (including the Board of Directors, managers, and employees) are as follows:

Great Wall Enterprise Co., Ltd.'s emolument policy is committed to provide employees with salaries and benefits above the industry average. Employees' remuneration includes a monthly salary, and quarterly performance bonuses. The bonus based on the company's annual profitability, taking the Company's operation results into consideration, will be used to determine the total amount of performance bonuses and emolument. The Company's memorandum stipulates that employee bonuses cannot be less than 2% of the Company's annual profits. The amount and method of distribution of managers and employees' remuneration depends on their position, contribution, and performance, which will then be approved by the Board of Directors through the remuneration committee.

Board members' remuneration depends on their position, contribution, and business performance of the Company while accounting for future risks. The Company's memorandum stipulates that remuneration for Board of Directors cannot exceed 2% of the Company's annual profits, and shall be approved by the Board of Directors through the remuneration committee as stipulated in the remuneration policies.

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the 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 Company:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Great Wall Enterprise Co., Ltd.	City Chain Food Ltd.	Other receivables related parties	Yes	100,000	100,000	-	1.2%	2	-	Business financing	-	None	-	4,020,351	8,040,701
0	"	Mei Lan Lei Co., Ltd.	"	Yes	1,600,000	1,600,000	161,397	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Total Nutrition Tech. Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Huang-Ho Invest. Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Oriental Best Foods Co., Ltd.	"	Yes	100,000	100,000	56,000	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Great Wall International (Holdings) Ltd.	"	Yes	417,150	415,350	276,900	0%	2	-	"	-	"	-	4,020,351	8,040,701
1	Great Wall International (Holdings) Ltd.	Great Wall Milling Co., Ltd.	"	Yes	8,559	7,199	7,199	0%	2	-	"	-	"	-	3,034,667	3,034,667
1	"	GREAT WALL INTERNATIONAL LIMITED	"	Yes	279,660	276,900	-	0%	2	-	"	-	"	-	3,034,667	3,034,667
1	"	Tianjin Food Investment Co., Ltd.	"	Yes	314,805	276,346	276,346	2%	2	-	"	-	"	-	3,034,667	3,034,667
2	Dachan Food (Asia) Limited	Dachan Food (Asia) Limited	"	Yes	1,328,197	1,301,430	1,301,430	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Miyasun-Great Wall Foods (Dalian) Co., Ltd.	"	Yes	99,859	96,915	96,915	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Great Wall Agri (Yingkou) Co., Ltd.	"	Yes	456,496	443,040	443,040	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Dachan Food (Hebei) Co., Ltd.	"	Yes	251,073	243,672	243,672	0%	2	-	"	-	"	-	3,327,053	3,327,053
3	Route 66 Fast Food Ltd.	Beijing Universal Chain Food Co., Ltd.	"	Yes	55,502	54,501	54,501	0%	2	-	"	-	"	-	382,712	382,712
3	"	Tai Ji Food Co., Ltd.	"	Yes	41,969	40,843	40,843	0%	2	-	"	-	"	-	382,712	382,712
3	"	Tianjin Food Invest Co., Ltd.	"		27,414	16,122	16,122	0%		-	"	-	"	-	382,712	382,712
4	City Chain Food Ltd.	Tai Ji Food Co., Ltd.	"	Yes	31,384	30,459	30,459	0%	2	-	"	-	"	-	765,675	765,675
4	"	Tianjin Food Invest Co., Ltd.	"	Yes	135,744	133,766	133,766	0%	2	-	"	-	"	-	765,675	765,675
4	"	Route 66 Fast Food Ltd.	"	Yes	82,252	80,118	80,118	0%	2	-	"	-	"	-	765,675	765,675

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
4	City Chain Food Ltd.	Ma Cheng Co., Ltd.	Other receivables related parties	Yes	5,000	5,000	5,000	1.2%	2	-	Business financing	-	None	-	765,675	765,675
4	"	Great Wall Enterprise Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	765,675	765,675
5	Dachan Aquaculture Limited (DAL)	PT. Misaja Mitra (MM)	"	Yes	51,313	49,801	49,801	0%	2	-	"	-	"	-	225,494	225,494
5	Mei Lan Lei Co., Ltd.	PT. Mustika Minanusa Aurora (MMA)	"	Yes	14,266	13,845	13,845	0%	2	-	"	-	"	-	225,494	225,494
6	Greatwall Northeast Asia Corporation (NAC)	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	627,682	609,180	609,180	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	218,491	217,860	217,860	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Liaoning Great Wall Agri-Industrial Co., Ltd.	"	Yes	349,586	348,576	348,576	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Bengbu Dachan Food Co., Ltd.	"	Yes	305,888	305,004	305,004	0%	2	-	"	-	"	-	3,478,044	3,478,044
7	Total Nutrition Tech. Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	240,000	240,000	240,000	1.2%	2	-	"	-	"	-	309,161	309,161
7	"	Oriental Best Foods Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	309,161	309,161
8	Great Wall Feed Tech (Holdings) Ltd. (GWFT(BVJ))	Great Wall FeedTech (Tianjin) Co., Ltd.	"	Yes	28,531	-	-	0%	2	-	"	-	"	-	167,675	167,675
9	Taixu & Dachan Foods Co., Ltd.	Taixu & Dachan Foods (Bengbu) Co., Ltd.	"	Yes	78,864	34,858	34,858	0%	2	-	"	-	"	-	180,396	180,396
10	Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	100,000	100,000	-	1.2%	2	-	"	-	"	-	721,841	721,841
10	"	Wonder Biotek Co., Ltd.	"	Yes	20,000	20,000	3,500	1.2%	2	-	"	-	"	-	721,841	721,841
11	Neo Foods Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	15,000	15,000	15,000	1.2%	2	-	"	-	"	-	13,378	13,378
12	TNT Biotechnology Co., Ltd.	Great Wall International (Holdings) Ltd.	"	Yes	24,251	23,537	23,537	0%	2	-	"	-	"	-	129,103	129,103
13	Wonder Biotek Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	25,000	-	-	1.2%	2	-	"	-	"	-	23,910	23,910
14	TNT Biotechnology (Tianjin) Co., Ltd.	Beijing Universal Chain Food Co., Ltd.	"	Yes	5,280	-	-	0%	2	-	"	-	"	-	309,161	309,161
11	GREAT WALL GRAINS INTERNATIONAL LIMITED (GWGI)	Great Wall International (Holdings) Ltd.	"	Yes	236,289	47,073	47,073	0%	2	-	"	-	"	-	52,922	52,922

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

Note 1: The purposes of fund financing for the borrower are classified as follows:

1. For those with business dealings: 1.
2. For those with short-term financing: 2.

Note 2: The total amount of loans to other parties must not exceed 40% of the Company's net worth, while loans to individual entities must not exceed 20% of the Company's net worth.

Note 3: The above-mentioned loans and transactions to related parties have been written off.

Note 4: For the subsidiaries, the total amount of loans to other parties and to individual entities must not exceed 40% of its net worth.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsements/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	Great Wall International (Holdings) Ltd.	Great Wall Milling Co., Ltd.	2	7,586,667	342,372	332,280	249,653	-	4.38 %	15,173,334	Y		
1	"	Seafood International Inc.	2	7,586,667	285,310	276,900	13,568	-	3.65 %	15,173,334	Y		
1	"	Great Wall Grains International, Ltd.	2	7,586,667	1,401,665	1,384,500	-	-	18.25 %	15,173,334	Y		
1	"	Dachan Liangyou Food (Shanghai) Co., Ltd.	2	7,586,667	309,513	305,004	156,859	-	4.02 %	15,173,334			Y
3	Asia Nutrition Technologies (VN) Co., Ltd.	ANT FEED CO., LTD.	6	370,751	85,593	-	-	-	- %	741,502			
4	Liaoning Great Wall Agri-Industrial Co., Ltd.	1. Dachan Food (Hebei) Co., Ltd. 2. Dachan Wanda (Tianjin) Co., Ltd.	4	1,316,048	30,951	30,500	5,141	-	2.32 %	2,632,096			Y
5	Great Wall Agri (Hei Long Jiang) Co., Ltd.	Liaoning Great Wall Agri-Industrial Co., Ltd.	4	233,559	14,061	-	-	-	- %	467,118			Y
6	Dachan Food (Asia) Limited	Bengbu Dachan Food Co., Ltd.	4	4,158,816	1,966,421	1,960,740	-	-	47.15 %	8,317,632	Y		Y

Note 1: Guarantees and endorsements for other parties are classified into six types of relationships as follows:

1. For those with business dealings.
2. For subsidiaries with over 50% of common shares.
3. When the parent company and its subsidiaries own more than 50% of common shares of the invested company.
4. When the parent company owns more than 50% of common shares of the company either directly or indirectly through its subsidiaries.
5. For those in the same industry who are contractually obligated to endorse each other due to projects.
6. For companies that are endorsed and guaranteed by each investor based on their shareholding ratio due to joint ventures.
7. For companies in the same industry engaged in pre-sale house sales contracts who are contractually obligated to provide guarantees and endorsements in accordance with the Consumer Protection Act.

Note 2: The total amount of guarantees and endorsements for other parties must not exceed the Company's total net worth, while guarantees and endorsements for individual entities must not exceed 50% of the Company's net worth.

Note 3: For subsidiaries, the total amount of guarantees and endorsements for other parties must not exceed double its total net worth and must not be higher than the Company's total net worth. Guarantees and endorsements for individual entities must not exceed the subsidiary's total net worth, and must not be higher than 50% of the Company's total net worth.

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Great Wall Enterprise Co., Ltd.	Ordinary shares: Lien Hwa Industrial Holdings Corp.	Board of Directors	Financial assets measured at fair value through profit or loss: current	36,974	439	-	439	
	Ordinary shares: TTET Union Co.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	15,416,960	2,443,588	9.64	2,443,588	
	Ordinary shares: China Trade and Development Co.	-	"	20,004	199	0.03	199	
	Ordinary shares: Da Chiang International Co., Ltd.	Board of Directors	"	7,889,655	56,615	3.94	56,615	
	Ordinary shares: ZHONG ZHENG CO.,LTD.	-	"	461,760	4,618	2.59	4,618	
	Ordinary shares: Yo-Ho Beach Resort Co., Ltd.	-	"	1,848,000	16,800	1.81	16,800	
	Ordinary shares: Deyong Biological Technology Co., Ltd.	Board of Directors	"	117,997	459	3.70	459	
	Ordinary shares: Yahsen Frozen Foods Co., Ltd.	-	"	40,425	-	0.08	-	
	Ordinary shares: Hsin Tung Yang Co. Ltd.	-	"	137,000	1,480	0.16	1,480	
Huang-Ho Invest. Co., Ltd.	Great Wall Enterprise Co., Ltd.	Company	Treasury shares	20,264,416	121,687	2.38	1,082,120	
	Ordinary shares: Da Chiang International Co., Ltd.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	1,724,138	12,500	0.86	12,500	
Huang-Ho Invest. Co., Ltd.	Ordinary shares: TTET Union Co.	Board of Directors	"	2,457,997	389,593	1.54	389,593	
City Chain Food Ltd.	Great Wall Enterprise Co., Ltd.	Company	Treasury shares	26,458,889	128,909	3.10	1,412,905	
Oriental Best Foods Co., Ltd.	Cashbox Partyworld Co., Ltd.	-	Financial assets measured at fair value through other comprehensive profit or loss: non-current	26,010	1,055	0.02	1,055	
Route 66 Fast Food Ltd.	Beijing Hengfengtai Catering Management Co., Ltd.	-	"	-	6,643	9.09	6,643	
Great Wall Food (Hong Kong) Co., Ltd.	Dynasty Club	-	"	-	337	-	337	

Note 1: The assumptions made of the market price is as follows:

- For those with an open market price, it refers to the average closing price as of the date on the balance sheet. However, for open end funds, the market price refers to its net asset value as of the date on the balance sheet.
- For those without an open market price, net asset value per share is used.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
Great Wall Enterprise Co., Ltd.	Non-listed stock	Investment using the equity method	Great Wall International (Holdings) Ltd.	Subsidiary	70,490,813	6,963,941	20,000,000	613,129	-	-	-	-	90,490,813	7,577,070
Great Wall International (Holdings) Ltd.	Non-listed stock	Investment using the equity method	Great Wall Northeast Asia Corporation (NAC)	Subsidiary	-	-	4,989,854	1,468,127	-	-	-	-	4,989,854	1,468,127
Great Wall Northeast Asia Corporation (NAC)	Non-listed stock	Investment using the equity method	Great Wall International (Holdings) Ltd.	Subsidiary	4,989,854	1,444,628	-	-	4,989,854	1,612,160	1,444,628	167,532	-	-

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Great Wall Enterprise Co., Ltd.	Land	2021.11.5	680,600	Not complete	Chiayi County Government	Not applicable	Not applicable	Not applicable	Not applicable	Auction	To advance its food-processing abilities		

Note: Information not found as the previous transaction transpired too long ago.

- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Subsidiary	Purchase	4,113,884	16 %	2 months	-	-	(451,987)	(33)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Associate / Subsidiary	Sale	1,283,252	4 %	Same as regular customers	-	-	332,363	8 %	
Great Wall Enterprise Co., Ltd.	TTET Union Corporation	Other related party	Purchase	158,631	1 %	Same as regular customers	-	-	(9)	- %	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Subsidiary	Purchase	341,163	1 %	Same as regular customers	-	-	(34,053)	(3)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Associate / Subsidiary	Purchase	1,036,825	4 %	Same as regular customers	-	-	(92,059)	(7)%	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Subsidiary	Sale	1,893,867	6 %	2 months	-	-	-	- %	
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Subsidiary	Sale	1,141,948	4 %	270 days	-	-	596,259	21 %	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Subsidiary	Sale	183,734	1 %	Same as regular customers	-	-	27,447	1 %	
Mei Lan Lei Co., Ltd.	TTET Union Corporation	Other related party	Purchase (Outsourced)	281,360	- %	Same as regular customers	-	-	-	- %	
Great Wall Enterprise Co., Ltd.	Great Wall Grains International, Ltd.	Subsidiary	Purchase	687,095	- %	Same as regular customers	-	-	-	- %	

Note: Transactions between the parent company and its subsidiaries have been written off.

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Great Wall Enterprise Co., Ltd.	FoodChina Company	Subsidiary	332,363 (Note)	3.93 %	-	-	332,263	-
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Subsidiary	596,259 (Note)	15.59 %	-	-	22,341	-
Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	Subsidiary	451,987 (Note)	8.72 %	-	-	(451,987)	-

Note 1: Refers to trade receivables and notes receivables.

Note 2: Transactions between the parent company and its subsidiaries have been written off.

- (ix) Trading in derivative instruments:Please refer to notes 6(b)

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GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

(x) Business relationships and significant intercompany transactions:

For business relationships and significant intercompany transactions between the parent company and its subsidiaries (written off in the consolidated financial statements), please refer to "Business relationships and significant intercompany transactions" in the consolidated financial statements for the year ended December 31, 2021.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

(In USD/HKD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Taiwan	Feed	314,006	314,006	48,149,500	100.00 %	768,311	67,594	67,594	
	Huang-Ho Invest. Co., Ltd.	"	Investments	314,395	249,395	14,500,000	100.00 %	408,377	12,922	12,922	
	Great Wall International (Holdings) Ltd.	Hong Kong	Holdings	2,678,728	2,122,110	90,490,813	100.00 %	7,577,070	81,914	81,914	
	City Chain Food Ltd.	Taiwan	Fast Food Restaurants	856,496	856,496	167,823,438	100.00 %	487,575	(23,989)	(23,989)	
	Mei Lan Lei Co., Ltd.	"	Production, sale, and research of feed	120,010	120,010	48,000,000	100.00 %	1,809,231	52,563	52,563	
	KouChan Mill Co., Ltd.	"	Flour production and sales	373,799	373,799	33,550,000	55.00 %	491,326	53,268	29,297	
	Oriental Best Foods Co., Ltd.	"	Food processing and sale	161,405	141,405	80,067	100.00 %	214,702	13,997	12,773	
	An Hsin Chiao Chu Co., Ltd.	"	Sale of fresh meat	55,000	55,000	5,500,000	100.00 %	6,043	(4,429)	(4,429)	
	Neo Foods Co., Ltd.	"	Food manufacturing and sale	50,000	50,000	5,000,000	100.00 %	33,444	(15,259)	(15,259)	
	Great Wall FeedTech Enterprise Co., Ltd.	"	Production, sale, and research of feed	37,274	37,274	340,000	100.00 %	5,507	(340)	(340)	
	Wonder Biotek Co., Ltd.	"	Medicine production and sales	200,000	150,000	20,000,000	100.00 %	59,776	(41,170)	(41,170)	
	Zhong Yi Food Co., Ltd.	"	Egg production and sale	780,000	780,000	78,000,000	65.00 %	692,534	(83,598)	(54,339)	
	San Inn Abattoir Co.	"	Abattoir	66,469	66,469	1,116,000	40.00 %	71,051	11,454	4,582	
City Chain Food Ltd.	Nisshi Chain Co., Ltd.	"	Bakery	68,459	68,459	4,364,652	67.29 %	9,209	(1,458)	(981)	
	Saboten Co., Ltd.	"	Japanese restaurants	39,000	39,000	2,000,000	50.00 %	57,248	11,142	5,571	
	Route 66 Fast Food Ltd.	Hong Kong	Investment holdings	USD 31,555,384	USD 29,668,603	28,404,247	100.00 %	191,356	3,553	3,553	
	Saboten (China) Limited	"	Investment holdings	USD 1,250,000	USD 1,250,000	1,550,000	50.00 %	64,461	43,376	21,688	
City Chain Food Ltd.	DaChan Shin Yeh Ltd.	Hong Kong	Chinese and western fast food	USD 700,000	USD 700,000	700,000	40.00 %	17,106	(2,274)	(910)	
	Honolulu Chain Food & Beverage Co., Ltd.	Taiwan	Chinese and western fast food	11,000	11,000	11,000,000	55.00 %	982	(15,109)	(8,310)	
	Xiang Cheng Co., Ltd.	"	Chinese food and dining	5,000	5,000	500,000	50.00 %	3,926	(617)	(309)	
	Ma Cheng Co., Ltd.	"	Western food and dining	18,000	18,000	1,800,000	90.00 %	(631)	(2,951)	(2,656)	
Total Nutrition Tech. Co., Ltd.	TNT Biotechnology Co., Ltd.	Hong Kong	Investment holdings	USD 13,110,000	USD 13,110,000	13,110,000	100.00 %	322,759	6,877	6,877	
Great Wall International (Holdings) Ltd.	Asia Nutrition Technologies Corporation Co., Ltd.	"	Investment holdings	USD 7,391,940	USD 7,391,940	6,690,472	100.00 %	1,297,771	92,360	92,360	
	Greatwall Food Investment (H.K.) Co., Ltd.	"	Investment holdings	USD 62,500,000	USD 62,500,000	54,220,000	100.00 %	(1,532)	(180)	(180)	
	Greatwall Food (H.K.) Co., Ltd.	"	Food wholesale	USD 500,000	USD 500,000	500,000	100.00 %	(15,741)	(2,461)	(2,461)	
	FoodChina Inc.	"	Investment holdings	USD 9,499,532	USD 5,070,000	32,730,000	88.70 %	376,784	69,938	62,035	
	Seafood International Inc.	"	Investment holdings	USD 4,183,974	USD 4,183,974	3,744,000	100.00 %	103,605	(5,738)	(5,738)	
	Tianjin Food Invest Co., Ltd.	"	Investment holdings	USD 9,729,433	USD 9,729,433	9,500,000	78.40 %	828,913	(56,881)	(44,595)	
	Waverley Star Ltd.	"	Investment holdings	USD 29,160,858	USD 29,160,858	29,160,858	100.00 %	3,209,440	246,517	246,517	
	Golden Harvest Inc.	"	Investment holdings	USD -	USD 1	1	100.00 %	-	-	-	
	Great Wall FeedTech (Holdings) Ltd.	"	Investment holdings	USD 10,630,000	USD 10,630,000	8,260,000	100.00 %	419,188	13,678	13,678	
	Clydebridge Ltd.	"	Investment holdings	USD 3,544,000	USD 3,544,000	3,544,000	94.66 %	320,517	107,114	101,394	
	Global Food Corp.	"	Aquaculture trading	USD -	USD 1	-	100.00 %	-	-	-	
	Gallant Dachan Seafood Co., Ltd.	Vietnam	Aquaculture processing and sales	USD 2,500,000	USD 2,500,000	2,500,000	50.00 %	104,528	(5,435)	(2,718)	
	Dachan (Asia-Pacific) Limited	Hong Kong	Investment holdings	USD 11,200,000	USD 11,200,000	11,200,000	75.17 %	131,041	(109,469)	(82,288)	

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
Great Wall International (Holdings) Ltd.	Fresh Aqua Corporation	Hong Kong	Aquaculture trading	USD 1	USD 1	1	100.00 %	-	-	-	
	Fresh Aqua Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	46,993	44,923	44,923	
	Great Wall Grains International Limited	"	Commodity trading	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	132,306	105,991	105,991	
	Global Seafood Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	34,754	34,222	34,222	
	Pacific Harvest Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	6,315	8,048	8,048	
	Seafood International Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	23,694	22,281	22,281	
	Universal Food Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	30,176	27,758	27,758	
	Myint Dachan Company Limited	Myanmar	Production and sale of feed	USD 10,494,097	USD 10,494,097	10,494,097	51.00 %	-	(464,367)	(236,827)	
	ANTIC (VN)	Vietnam	Sale of poultry	USD -	USD 52,355,513	4,988,973	65.51 %	1,304,733	201,140	131,767	
	Marksville	Malaysia	Production and sale of feed	USD -	USD 2,887,240	1	100.00 %	163,394	9,706	9,706	
Waverly Star Ltd.	Dachan Food (Asia) Limited	"	Investment holdings	USD 29,160,858	USD 29,160,858	375,899,946	36.99 %	3,212,900	666,779	246,641	
Asia Nutrition Technologies Corporation	Dachan Food (Asia) Limited	"	Investment holdings	USD 5,759,421	USD 5,759,421	152,924,906	15.05 %	1,037,222	666,779	100,350	
	Dachan Food (Asia) Limited	"	Investment holdings	USD 800,000	USD 800,000	800,000	5.37 %	9,361	(109,469)	(5,878)	
	Food China Inc.	"	Investment holdings	USD 300,000	USD 300,000	400,000	1.08 %	8,304	69,938	-	
	Taiwan International Gene Co., Ltd.	Vietnam	Sale of boars for breeding purposes	USD 900,000	USD 900,000	900,000	30.00 %	24,912	-	-	
Route 66 Fast Food Ltd.	Yung Hao (China) Co., Ltd.	Hong Kong	Investment holdings	USD 3,713,685	USD 3,713,685	3,730,000	79.03 %	(22,993)	(101)	(80)	
	FoodChina Inc.	"	Investment holdings	USD 53,000	USD 53,000	400,000	1.08 %	5,061	69,938	1,218	
TNT Biotechnology Co., Ltd.	TNT Huabang Holdings Limited	"	Investment holdings	USD 1,385,160	USD 1,385,160	1,110,000	100.00 %	32,669	(220)	(220)	

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of CNY/USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Great Wall Food (Tianjin) Co., Ltd.	Production and sale of flour related products	USD 8,278	(2)	53,136	-	-	53,136	(6,511)	78.40%	(5,105)	919,835	-
Miyasun-Great Wall Foods (Dalian) Co., Ltd.	Production and sale of processed chicken products	USD 9,872	(2)	-	-	-	-	12,658	52.04%	6,587	148,768	-
Great Wall Foods (Dalian) Co., Ltd.	Production and sale of chicken and feed	USD 26,600	(2)	315,908	-	-	315,908	54,959	30.70%	16,872	688,781	-
Liaoning Great Wall Agri-Industrial Co., Ltd.	Production and sale of feed	USD 19,201	(2)	229,600	-	-	229,600	142,661	52.04%	74,241	684,871	-
Great Wall Agri (Hei Long Jiang) Co., Ltd.	Production and sale of feed	USD 6,563	(2)	-	-	-	-	3,174	52.04%	1,652	243,088	-
Great Wall Agri (Yingkou) Co., Ltd.	Production and sale of feed	USD 17,886	(2)	57,813	-	-	57,813	5,759	52.04%	2,997	38,869	-
Great Wall Agri (Tieling) Co., Ltd.	Production and sale of chicken and feed	USD 14,151	(2)	84,655	-	-	84,655	(68,332)	52.04%	(32,958)	614,797	-
Dachan Wanda (Tianjin) Co., Ltd.	Production and sale of chicken and feed	USD 579,060	(2)	-	-	-	-	113,248	52.04%	58,934	712,202	-
Dongbei (Beijing) Consultant Co., Ltd.	Management consulting services	USD 500	(2)	-	-	-	-	(2,450)	52.04%	(1,275)	(8,834)	-
Beijing FoodChina Online Information & Technology Ltd.	Feed trading, animal products wholesale, and feed and agricultural products retail	RMB 59,874	(2)	-	-	-	-	1,080	55.03%	594	13,135	-

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Dongbei Agri (Changchun) Co., Ltd.	Production and sale of feed	USD 1,111	(2)	19,483	-	-	19,483	10,956	52.04%	5,702	102,056	-
Great Wall Agri (Henan) Co., Ltd.	Production and sale of feed	USD 1,900	(2)	-	-	-	-	12,813	52.04%	6,668	10,329	-
Great Wall Gourmet(Shanghai) Co., Ltd.	Production and sale of chicken, pork, and frozen processed foods	USD 6,940	(2)	82,000	-	-	82,000	(27,033)	52.04%	(14,068)	70,123	-
DaChan Showa Foods (Tianjin) Co., Ltd.	Production and sale of flour related products	USD 8,950	(2)	26,158	-	-	26,158	33,380	55.00%	18,359	183,281	-
Dachan (Hunan) Feed Technologies Co., Ltd.	Production and sale of feed	USD 2,234	(2)	-	-	-	-	2,761	52.04%	1,437	28,756	-
Dachan Food (Hebei) Co., Ltd.	Production and sale of feed	USD 53,767	(2)	-	-	-	-	30,797	52.04%	16,027	40,479	-
Dachan Food (Panjin) Co., Ltd.	Production and sale of chicken	USD -	(2)	-	-	-	-	(1,480)	52.04%	(770)	-	-
Dachan Liangyou Food (Shanghai) Co., Ltd.	Production and sale of flour related products	RMB 200,000	(2)	-	-	-	-	40,191	43.00%	17,282	273,235	-
Great Wall Agrotech Huludao Co., Ltd.	Production and sale of feed	USD 3,800	(2)	-	-	-	-	128	52.04%	66	50,563	-
Great Wall FeedTech (Tianjin) Co., Ltd.	Production and sale of feed	USD 14,536	(2)	-	-	-	-	22,661	100.00%	22,661	623,027	-
Shanghai Universal Chain Food Co., Ltd.	Italian food and dining, bakery, and restaurant management services	USD 3,100	(2)	101,680	-	-	101,680	(2,864)	100.00%	(2,864)	161,135	-
Great Wall Yung Huo Food (Beijing) Co., Ltd.	Chinese fast food chains	RMB 15,954	(2)	44,647	-	-	44,647	(47)	79.03%	(36)	(14,268)	-
Nanjing Tengcheng Enterprise Management Co., Ltd	Restaurant management	USD 21,006	(2)	37,902	-	-	37,902	7,774	100.00%	7,774	69,500	-
Beijing Universal Chain Food Co., Ltd.	Italian food and dining and bakery	USD 5,580	(2)	115,697	-	-	115,697	9,011	100.00%	9,011	66,187	-
Saboten Catering Operation (Beijing) Co., Ltd.	Japanese food and dining and restaurant management services	USD 2,500	(2)	46,938	-	-	46,938	46,620	50.00%	23,310	64,245	72,018
Shanghai Xunshi Foods Co., Ltd.	Chinese fast food chains	USD 278	(2)	-	-	-	-	-	100.00%	-	(8,085)	-
Beijing Dingfenggang Catering Co., Ltd.	Chinese fast food chains	RMB 3,000	(2)	29,641	-	-	29,641	(1,585)	55.00%	(872)	15,657	-
Beijing Dulsiaoyueh Restaurant Co., Ltd	Chinese fast food chains	RMB 19,000	(2)	51,707	-	-	51,707	(1,373)	70.00%	(961)	2,440	-
Tianjin Fast Food Co., Ltd	Food processing	USD 5,800	(2)	175,676	-	-	175,676	1,196	100.00%	1,196	(38,995)	-
TNT Biotechnology (Tianjin) Co., Ltd.	Feed	USD 11,602	(2)	303,344	-	-	303,344	8,261	100.00%	8,261	286,909	-
Shanghai All-Household Restaurant Management Co., Ltd	Chinese and western fast food chains	RMB 10,000	(2)	-	-	-	-	(5,318)	50.00%	(2,659)	23,392	-
Taixu & DaChan Foods (Dalian) Co., Ltd.	Production and sale of pork	USD 21,595	(2)	-	-	-	-	16,608	20.82%	3,458	60,080	-
Shandong Dachan Biotechnology Co., Ltd.	Production and sale of feed	USD 3,000	(2)	-	-	-	-	21,877	52.04%	11,385	(36,153)	-

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
Notes to the Financial Statements

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Tai Ji Food Co., Ltd.	Processing and sale of food	USD 4,150	(2)	48,993	-	-	48,993	(4,830)	100.00%	(4,830)	(77,881)	-
Advent Prosperity Real Estate Development Co. Ltd.	Real Estate	RMB 435,500	(2)	-	-	-	-	(10,464)	32.64%	(6,886)	1,109,975	-
Dachan Shinyeh Catering Management (Beijing) Co., Ltd.	Chinese and western fast food chains	USD 1,670	(2)	20,792	-	-	20,792	(2,187)	40.00%	(875)	10,110	-
Shanghai Guangcheng Catering Co., Ltd.	Chinese food and dining	RMB 4,884	(2)	-	-	-	-	(1,570)	20.68%	(325)	86,710	-
Hepeer Catering Management (Beijing) Co., Ltd.	Chinese food and dining	RMB 6,000	(2)	-	-	-	-	1,352	20.00%	270	2,869	-
TianJin Hai Rei Food Limited	Food processing	RMB 4,994	(2)	-	-	-	-	2,700	20.82%	558	2,768	-
Rupp & DaChan Foods (Tianjin) Co., Ltd.	Feed research	RMB 35,000	(2)	-	-	-	-	(27,408)	20.82%	(5,668)	48,065	-

(ii) Limitation on investment in Mainland China:

(In USD)

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
(USD 69,123,291) 1,913,333	(USD 240,735,856) 6,663,568	12,061,052

Note 1: Investments are classified into four types as follows:

1. Investment in Mainland China companies by remittance through a third region
2. Establishing a company in a third region then investing in Mainland China companies.
3. Investment in Mainland China via reinvesting in an established company in a third region.
4. Direct investment in a Mainland China company.
5. Other.

Note 2: The relevant figures in the chart above related to foreign currencies have been converted to NTD according to the exchange rate as of the reporting date. For profit or loss recognition, conversion into NTD is made according to the annual and monthly weighted average exchange rate.

Note 3: This figure does not include capital surpluses.

(iii) Significant inter-company transactions with the subsidiaries in Mainland China: None

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Fu-Chu Investment Co., Ltd.		73,219,551	8.59 %

Note: (i) The information of major shareholders includes shareholders who hold more than 5% of the Company's ordinary shares and preferred shares that have been delivered through non-physical registration (including treasury shares) on the last business day at the end of each quarter. There may be differences between the number of shares made through non-physical registration documented in this financial report and the actual figure due to differences in the calculation basis implemented.

(ii) If the shareholder delivers the shares to the trust, the individual account of the trustee who opened the trust account is disclosed. As for the Statement of Changes in Beneficial Ownership filed in accordance with the Securities and Exchange Act by insiders owning 10% or more of the company's outstanding stock, their shareholding includes their own shareholding plus the shares delivered to the trust and with the right to use the trust's property. For information on insiders' Statements of Changes in Beneficial Ownership, please refer to Public Information Observatory.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended 2021 for more information.

V. CPAs audited and certified the Consolidated Financial Statements of parent and subsidiary companies

Representation Letter

The entities that are required to be included in the combined financial statements of Great Wall Enterprise Co., Ltd. as of and for the year ended December 31, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Great Wall Enterprise Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Great Wall Enterprise Co., Ltd.
Chairman: Han Chia-Yau
Date: March 25, 2022



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Independent Auditors' Report

To the Board of Directors of Great Wall Enterprise Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Great Wall Enterprise Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

1. Revenue recognition

Please refer to Note 4(p) and Note 6(aa) “Revenue from contracts with customers” from the financial statements.

Description of key audit matter: Due to the industry characteristics of the Company and following the rules set by competent authorities to announce operating income monthly, revenue recognition timing risk is increased.

How the matter was addressed in our audit:



Our principal audit procedures include:

- Understanding whether the accounting policies implemented by the audited company is appropriate
- Testing the Company's controls and transaction cycle from order to payment regarding revenue recognition
- Performing detailed tests on the verification of sales revenue, and sampling payments or original certificates after the verification period
- Selecting the appropriate sample size in accounts receivable and sending external confirmations
- Appraising whether sales revenues occur during appropriate periods

2. Investment impairment using the equity method

Please refer to Note 4(o) Impairment of Non-financial Assets in the financial report for the accounting policy for investment impairment using the equity method. For the accounting judgments regarding investment impairment assessment using the equity method, please refer to Note 5 in the report. For more information on asset impairment, please refer to Note 6(l) Property, plant, and equipment and Note 6(m) Right-of-use assets.

Description of key audit matter: Constituent entities of subsidiaries using the equity method have continuously incurred net losses in recent years, hence the management believes that there are signs of impairment in related fixed assets. The management adopts the value-in-use method to estimate the future discounted cash flow to evaluate the recoverable amount of the identifiable cash-generating unit to which the relevant fixed assets belong, and considers whether to reverse or increase the previous year's set amount. The preparation of future discounted cash flow data involves significant management judgments, especially when estimating the gross profit margin and revenue growth rate and determining its appropriate discount rate. Therefore, factors such as the gross profit margin, revenue growth rate and discount rate are inherently uncertain and involve possible management deviations.

How the matter was addressed in our audit:

Our principal audit procedures include:

- Assessing the significant cash-generating units recognized by the management of the Company as showing signs of impairment
- Comparing the main financial information used for its future discounted cash flows with relevant information in the financial budget approved by the management authority, including operating income, operating costs and operating expenses; and then comparing the financial budget prepared in the previous year with the current year's performance in order to evaluate the accuracy of its forecasts while discussing with the management the reasons for the significant differences, and whether it has been taken into consideration in this year's budget
- Comparing the key assumptions used in estimating future discounted cash flows including the estimated long-term income growth rate and profit margin of each cash-generating unit with comparable companies in the industry and external market data, and appointing internal evaluation experts to evaluate whether the discount rate used for future cash flows falls within the range adopted by the industry
- Performing sensitivity analysis on key assumptions (including income growth rate and discount rate) adopted for future discounted cash flows to evaluate the impact each cash-generating unit has on the net present value; and evaluating the impact of changes in key assumptions on the conclusions obtained and whether there are deviations from the management authority.



Other Matter

Great Wall Enterprise Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Phoebe Chung and Melody Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 2022

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 audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The auditors' 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' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		<u>2021</u>		<u>2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 4, 6(aa), and 7)	\$101,437,842	100	81,650,892	100
5000	Operating costs (Notes 4, 6(e), and 7)	<u>90,701,292</u>	<u>89</u>	<u>69,388,663</u>	<u>85</u>
5900	Gross profit (loss) from operations	<u>10,736,550</u>	<u>11</u>	<u>12,262,229</u>	<u>15</u>
6000	Operating expenses:				
6100	Selling expenses	5,648,032	7	5,460,747	7
6200	Administrative expenses	2,356,485	2	2,388,505	3
6300	Research and development expenses	138,290	-	169,130	-
6450	Expected credit loss (gain) (Notes 4 and 6(d))	<u>248,351</u>	<u>-</u>	<u>31,899</u>	<u>-</u>
	Total operating expenses	<u>8,391,158</u>	<u>9</u>	<u>8,050,281</u>	<u>10</u>
6900	Net operating income (loss)	<u>2,345,392</u>	<u>2</u>	<u>4,211,948</u>	<u>5</u>
7000	Non-operating income and expenses: (Notes 6(ab) and 7)				
7100	Interest income	86,153	-	16,558	-
7020	Other gains and losses, net	733,610	1	1,018,574	1
7050	Finance costs	(284,623)	-	(279,627)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>6,186</u>	<u>-</u>	<u>16,035</u>	<u>-</u>
	Total non-operating income and expenses	<u>541,326</u>	<u>1</u>	<u>771,540</u>	<u>1</u>
7900	Profit (loss) from continuing operations before tax	2,886,718	3	4,983,488	6
7950	Less: Income tax expenses ((Notes 4 and 6(w))	<u>624,695</u>	<u>1</u>	<u>911,142</u>	<u>1</u>
	Profit (loss)	<u>2,262,023</u>	<u>2</u>	<u>4,072,346</u>	<u>5</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	3,164	-	2,160	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	285,999	-	384,312	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>633</u>	<u>-</u>	<u>473</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>288,530</u>	<u>-</u>	<u>385,999</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(204,872)	-	243,593	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(204,872)</u>	<u>-</u>	<u>243,593</u>	<u>-</u>
8300	Other comprehensive income	<u>83,658</u>	<u>-</u>	<u>629,592</u>	<u>-</u>
	Total comprehensive income	<u>\$ 2,345,681</u>	<u>2</u>	<u>4,701,938</u>	<u>5</u>
	Profit (loss), attributable to:				
	Profit (loss), attributable to owners of parent	\$ 1,869,385	2	3,122,071	4
	Profit (loss), attributable to non-controlling interests	<u>392,638</u>	<u>-</u>	<u>950,275</u>	<u>1</u>
		<u>\$ 2,262,023</u>	<u>2</u>	<u>4,072,346</u>	<u>5</u>
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	\$ 2,039,351	2	3,605,841	4
	Comprehensive income, attributable to non-controlling interests	<u>306,330</u>	<u>-</u>	<u>1,096,097</u>	<u>1</u>
		<u>\$ 2,345,681</u>	<u>2</u>	<u>4,701,938</u>	<u>5</u>
	Basic earnings per share (Note 6(z))				
	Basic earnings per share(Unit: NTD)	\$ <u>2.32</u>		\$ <u>3.88</u>	
	Diluted earnings per share(Unit: NTD)	\$ <u>2.32</u>		\$ <u>3.87</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Total other equity interest									Total equity			
	Share capital	Retained earnings			Unrealized gains (losses) on financial assets measured at fair value			Treasury shares	Total equity attributable to owners of parent		Non-controlling interests		
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity	
Balance at January 1, 2020	8,273,391	3,011,373	2,254,643	42,994	3,961,733	6,259,370	(899,515)	1,801,643	902,128	(219,132)	18,227,130	6,097,389	24,324,519
Profit (loss)	-	-	-	-	3,122,071	3,122,071	-	-	482,083	-	3,122,071	950,275	4,072,346
Other comprehensive income	-	-	-	-	1,687	1,687	97,771	384,312	482,083	-	483,770	145,822	629,592
Total comprehensive income	-	-	-	-	3,123,758	3,123,758	97,771	384,312	482,083	-	3,605,841	1,096,097	4,701,938
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	229,418	-	(229,418)	-	-	-	-	-	(1,820,146)	-	(1,820,146)
Cash dividends of ordinary share	-	-	-	-	(1,820,146)	(1,820,146)	-	-	-	-	(1,820,146)	-	(1,820,146)
Other changes in capital surplus:													
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	37,539	-	-	-	-	-	-	-	-	37,539	(37,539)	-
Changes in ownership interests in subsidiaries	-	30,917	-	-	-	-	-	-	-	-	30,917	549,727	30,917
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	549,727	549,727
Adjustment of capital surplus for company's cash dividends received by subsidiaries	-	99,797	-	-	-	-	-	-	-	-	99,797	-	99,797
Balance at December 31, 2020	8,273,391	3,179,626	2,484,061	42,994	5,035,927	7,562,982	(801,744)	2,185,955	1,384,211	(219,132)	20,181,078	7,705,674	27,886,752
Profit (loss)	-	-	-	-	1,869,385	1,869,385	-	-	167,435	-	1,869,385	392,638	2,262,023
Other comprehensive income	-	-	-	-	2,531	2,531	(118,564)	285,999	167,435	-	169,966	(86,308)	83,658
Total comprehensive income	-	-	-	-	1,871,916	1,871,916	(118,564)	285,999	167,435	-	2,039,351	306,330	2,345,681
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	312,376	-	(312,376)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,233,816)	(2,233,816)	-	-	-	-	(2,233,816)	-	(2,233,816)
Stock dividends of ordinary share	248,202	-	-	-	(248,202)	(248,202)	-	-	-	-	-	-	-
Other changes in capital surplus:													
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(7,339)	-	-	-	-	-	-	-	-	(7,339)	-	(7,339)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(374,148)	(374,148)
Adjustment of capital surplus for company's cash dividends received by subsidiaries	-	122,479	-	-	-	-	-	-	-	-	122,479	-	122,479
Balance at December 31, 2021	8,521,593	3,294,766	2,796,437	42,994	4,113,449	6,952,880	(920,308)	2,471,954	1,551,646	(219,132)	20,101,753	7,637,856	27,739,609

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 2,886,718	4,983,488
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,886,549	1,846,637
Amortization expense	46,465	44,790
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	248,351	31,899
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	17,660	(67,455)
Interest expense	284,623	279,627
Interest income	(86,153)	(16,558)
Dividend income	(111,467)	(96,564)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(6,186)	(16,035)
Loss (gain) on disposal of property, plant and equipment	(55,694)	(27,561)
Loss (gain) on disposal of investments accounted for using equity method	-	4,463
Impairment loss on property, plant and equipment	167,538	36,990
Gain on reversal for allowance for inventory write-down and bad debts	383	17,163
Loss on disposal of inventory	(12,521)	13,356
Changes in fair value of biological assets	(37,485)	18,352
Total adjustments to reconcile profit	2,342,063	2,069,104
Changes in operating assets and liabilities:		
Decrease in financial assets or liabilities at fair value through profit or loss	-	5,164
Increase in notes receivable	(474,926)	(80,181)
(Increase) decrease in accounts receivable	(974,454)	131,780
(Increase) decrease in inventories	(15,545)	20,582
Increase in biological assets	(349,023)	(254,493)
Increase in prepayments	(532,319)	(89,743)
(Increase) decrease in other current assets	(152,979)	461,950
Decrease (increase) in other financial assets	498,606	(173,831)
Increase in notes payable	476,330	15,010
Increase (decrease) in accounts payable	730,284	(93,610)
Increase in other payable	145,070	205,525
(Decrease) increase in other current liabilities	(151,007)	113,710
Increase in net defined benefit liability	329	1,341
Total changes in operating assets and liabilities	(799,634)	263,204
Total adjustments	1,542,429	2,332,308
Cash inflow generated from operations	4,429,147	7,315,796
Interest received	86,153	16,558
Income taxes paid	(233,632)	(863,455)
Net cash flows from operating activities	4,281,668	6,468,899
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(66,469)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	2,190
Increase in prepayments for investments	-	506
Net cash flow from acquisition of subsidiaries	-	65,171
Acquisition of property, plant and equipment	(3,177,620)	(3,419,927)
Proceeds from disposal of property, plant and equipment	175,308	213,642
Decrease in other non-current assets	(415,741)	(14,892)
Dividends received	111,467	94,374
Net cash flows used in investing activities	(3,306,586)	(3,125,405)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows used in financing activities:		
Increase in short-term loans	62,043,332	63,891,608
Decrease in short-term loans	(57,713,575)	(63,159,031)
Increase in short-term notes and bills payable	22,293,000	23,550,985
Decrease in short-term notes and bills payable	(21,365,000)	(23,689,000)
Proceeds from long-term debt	2,088,309	1,437,345
Repayments of long-term debt	(2,971,552)	(1,883,451)
Decrease in guarantee deposits received	7,271	2,570
Payment of lease liabilities	(184,776)	(248,606)
Decrease in other non-current liabilities	(818)	(8,344)
Cash dividends paid	(2,111,337)	(1,720,349)
Acquisition of ownership interests in subsidiaries	-	30,917
Interest paid	(272,755)	(282,764)
Change in non-controlling interests	(374,148)	348,999
Net cash flows from (used in) financing activities	1,437,951	(1,729,121)
Effect of exchange rate changes on cash and cash equivalents	(818,518)	(68,629)
Net increase in cash and cash equivalents	1,594,515	1,545,744
Cash and cash equivalents at beginning of period	4,488,486	2,942,742
Cash and cash equivalents at end of period	\$ 6,083,001	4,488,486

See accompanying notes to consolidated financial statements.

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

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

GREAT WALL ENTERPRISE CO., LTD. (hereinafter referred to as the "Company") was established with the approval of the Ministry of Economic Affairs on December 28, 1960. Its registered address is No. 3, Song 2nd Street, Yongkang District, Tainan City. The consolidated financial reports of the company as of December 31, 2021 include the company and its subsidiaries (hereinafter also referred to as the "Group"). The main business areas of the Group are as follows:

- (a) Procurement, transportation, sale, oil production, and oil processing of vegetable oil seeds and dried coconut rice bran.
- (b) Procurement, transportation, marketing, manufacturing, processing, wholesale and retail of vegetable oil and its by-products, miscellaneous grains, fertilizers, feeds, bran, soybean cakes, soybean flour and pulp powder.
- (c) Processing, procurement, transportation, marketing, wholesale, and retail related to oil, flour, corn flour, fertilizer, feed, miscellaneous grains, grains, bran, noodles, instant noodles, instant rice flour, biscuits, bread, canned food, dairy products, ice products, juices, beverages, and other related foods.
- (d) Seedling procurement and sales.
- (e) Livestock and its related processed food manufacturing and sales.
- (f) Import, export, and sale of alcohol.
- (g) Procurement, transportation, and sale of wheat.
- (h) Sale of animal-used medicine and western medicine.
- (i) Supermarket operations.
- (j) Processing, manufacturing, sewing, and sourcing of various packaging supplies (including metal, alloy, plastic, paper, cloth, wooden cans, barrels, boxes, bags, etc.).
- (k) Frozen prepared food and frozen and refrigerated food processing, manufacturing and trading.
- (l) Electrical slaughtering of poultry and meat processing, manufacturing, and trading.
- (m) Warehousing for the businesses previously listed.
- (n) Imports and exports for the businesses previously listed.
- (o) Commissioning constructing companies to build national residential and commercial buildings for sale and for rent.
- (p) Poultry livestock services.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (q) Miscellaneous food manufacturing. (Liquid egg, egg powder, premium egg, braised egg, iron egg, tea egg, salted fish, brocade, egg skin, steamed egg, egg bag, egg tofu, egg tendon).
- (r) Manufacturing of chemical fertilizers.
- (s) Leisure farms.
- (t) Restaurants.
- (u) In addition to the permitted businesses, the Group may operate in businesses that are not prohibited or restricted by laws and regulations.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 25, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from April 1, 2021:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant 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”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(4) Summary of significant accounting policies:

- (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 (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

- (b) Basis of preparation

- (i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) Biological assets are measured at fair value less costs to sell;
- 4) The defined benefit liabilities (assets) are measured at fair value of the pension fund assets less the present value of the defined benefit obligation, limited as explained in note 4(q).

- (ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

1) List of subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2021	December 31, 2020	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food distribution	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Huang-Ho Invest. Co., Ltd.	Investment	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Great Wall International (Holdings) Ltd.	Foreign investment holding	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	City Chain Food Ltd.	Operation of western restaurants	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	KouChan Mill Co., Ltd.	Flour production and sales	55.00 %	55.00 %	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Processing and sales of feed, concentrated feed, and chicken	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	An Hsin Chiao Chu Co., Ltd.	Sale of fresh meat	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Oriental Best Foods Co., Ltd.	Operation of western restaurants and food distribution	100.00 %	90.00 %	

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2021	December 31, 2020	
Great Wall Enterprise Co., Ltd.	Great Wall FeedTech Enterprise Co., Ltd.	Feed production, sales, and research	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Sale of egg products	65.00 %	65.00 %	
Great Wall Enterprise Co., Ltd.	Wonder Biotek Co., Ltd.	Production and research of animal medicine	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Neo Foods Co., Ltd.	Food production and sales	100.00 %	100.00 %	
City Chain Food Ltd.	Route 66 Fast Food Ltd.	Investment Holding	100.00 %	100.00 %	
City Chain Food Ltd.	Nissshi Chain Co., Ltd.	Bakeries	67.29 %	67.29 %	
City Chain Food Ltd.	Saboten Co., Ltd.	Operation of Japanese restaurants	50.00 %	50.00 %	
City Chain Food Ltd.	Saboten (China) Limited	Operation of Japanese restaurants	50.00 %	50.00 %	
City Chain Food Ltd.	Honolulu Chain Food & Beverage Co., Ltd.	Western and Chinese fast-food chain restaurants	55.00 %	55.00 %	
City Chain Food Ltd.	Xiang Cheng Co., Ltd.	Operation of Chinese restaurants	50.00 %	50.00 %	
City Chain Food Ltd.	Ma Cheng Co., Ltd.	Operation of western restaurants	90.00 %	90.00 %	
Route 66 Fast Food Ltd.	Beijing Universal Chain Food Co., Ltd.	Western and Chinese food and dining	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	Yung Huo (China) Co., Ltd	Investment Holding	79.03 %	79.03 %	
Route 66 Fast Food Ltd.	Tianjin Fast Food Limited	Operation of western restaurants and sale of food products	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	ORIENT BEST GLOBAL FOODS Co., Ltd.	Investment Holding	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	Tai Ji Food Co., Ltd.	Operation of western restaurants and sale of food products	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	Shanghai Universal Chain Food Co., Ltd.	Processing, production, and sale of poultry, coffee, and fast-food products	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	Beijing Dingfenggang Catering Co.,Ltd.	Western and Chinese fast-food chain restaurants	55.00 %	55.00 %	
Route 66 Fast Food Ltd.	Full Loyal Int' Ltd	Investment holding	100.00 %	100.00 %	
Full Loyal Int' Ltd and Shanghai Universal Chain Food Co., Ltd.	Saboten (Nanjing) Limited	Mall operation	100.00 %	100.00 %	
Shanghai Universal Chain Food Co., Ltd.	Shanghai All-Household Restaurant Management Co., Ltd.	Chinese and western fast food chains	50.00 %	- %	
Saboten (China) Limited	Saboten (Beijing) Limited	Operation of Japanese restaurants	50.00 %	50.00 %	
Beijing Universal Chain Food Co., Ltd.	Shanghai Xunshi Foods Co., Ltd.	Western and Chinese dining services and management	100.00 %	100.00 %	
Route 66 Fast Food Ltd. and Beijing Universal Chain Food Co., Ltd.	Beijing Duhsiaoyueh Restaurant Co.,Ltd	Operation of Chinese restaurants and sale of food products	70.00 %	70.00 %	
Beijing Duhsiaoyueh Restaurant Co.,Ltd	Shanghai Duhsiaoyueh Restaurant Co.,Ltd.	Operation of Chinese restaurants and sale of food products	70.00 %	70.00 %	
Yung Huo (China) Co., Ltd	Great Wall Yung Huo Food (Beijing) Co., Ltd.	Processing, production, and sale of western and Chinese fast-food products, pastries, and juices	79.03 %	79.03 %	
Great Wall International (Holdings) Ltd.	Asia Nutrition Technologies Corporation	Investment Holding	100.00 %	100.00 %	

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2021	December 31, 2020	
Great Wall International (Holdings) Ltd.	Waverley Star Ltd.	Investment Holding	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Great Wall Food (HK) Co., Ltd.	Sale of flour and chicken related products	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	DaChan Showa Foods (Tianjin) Co., Ltd.	Production and sale of flour related products	55.00 %	55.00 %	
Great Wall International (Holdings) Ltd.	Seafood Internation Co., Ltd.	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Tianjin Food Investment Co. Ltd.	Investment Holding	78.40 %	78.40 %	
Great Wall International (Holdings) Ltd.	Global Food Corporation	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Clydebridge Ltd.	Investment Holding	94.66 %	94.66 %	
Great Wall International (Holdings) Ltd.	GreatWall Food Investment Co., Ltd.	Investment Holding	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Golden Harvest Inc.	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Fresh Aqua Corporation	Investment Holding	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Great Wall FeedTech (Holdings) Ltd.	Investment Holding	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Myint Dachan Co., Ltd	Feed production and sales, breeding stock imports and exports, and food distribution	51.00 %	51.00 %	
Great Wall International (Holdings) Ltd.	Great Wall Grains International Limited	Commodities trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Fresh Aqua Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Global Seafood Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Pacific Harvest Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Seafood International Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Universal Food Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd., Route 66 Fast Food Ltd., and Great Wall Kuang-Ming Investment(BVI) Co., Ltd.	Foodchina Inc.	Commodities trading	90.34 %	55.30 %	(Note)
Great Wall International (Holdings) Ltd. and Great Wall Northeast Asia Corporation	Asia Nutrition Technologies (VN) Investment Co., Ltd.	Investment Holding	65.10 %	34.09 %	
Great Wall International (Holdings) Ltd. and Great Wall Northeast Asia Corporation	Marksville Corp.	Investment Holding	100.00 %	52.04 %	
Asia Nutrition Technologies Corporation	Asia Nutrition Technologies Investment Corporation	Investment Holding	100.00 %	100.00 %	

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2021	December 31, 2020	
Asia Nutrition Technologies Corporation and Waverly Star Ltd.	Dachan Food (Asia) Limited	Investment Holding	52.04 %	52.04 %	
Dachan Food (Asia) Limited	Great Wall Northeast Asia Corporation	Investment Holding	52.04 %	52.04 %	
Great Wall Northeast Asia Corporation	Impreza Investment Ltd.	Investment Holding	52.04 %	52.04 %	
Great Wall Northeast Asia Corporation	Great Wall Agritech (Liaoning) Co., Ltd. (Incorporated in BVI)	Investment Holding	52.04 %	52.04 %	
Great Wall Northeast Asia Corporation	Dongbei Agri. Corp.	Investment Holding	52.04 %	52.04 %	
Great Wall Northeast Asia Corporation	Hwabei Agri. Corp.	Feed and chicken production and sales	52.04 %	52.04 %	
Great Wall Northeast Asia Corporation	Great Wall Kuang-Ming Investment Co., Ltd.		52.04 %	52.04 %	
Great Wall Northeast Asia Corporation	China S&F Farm Holdings Co., Ltd.	Feed and chicken production and sales	52.04 %	52.04 %	
Impreza Investment Ltd.	Great Wall Dalian Investment Co., Ltd.	Investment Holding	30.70 %	30.70 %	
Great Wall Kuang-Ming Investment Co., Ltd.	Miyasun Great Wall (BVI) Co., Ltd.	Investment Holding	52.04 %	52.04 %	
Miyasun Great Wall (BVI) Co., Ltd.	Miyasun-Great Wall Foods (Dalian) Co., Ltd.	Feed and chicken production and sales	52.04 %	52.04 %	
Great Wall Dalian Investment Co., Ltd.	Great Wall Food (Dalian) Co., Ltd.	Feed and chicken production and sales	30.70 %	30.70 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in BVI)	Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Investment Holding	52.04 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Great Wall Agri (Hei Long Jiang) Co., Ltd.	Feed and chicken production and sales	52.04 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Liaoning Great Wall Agri-Industrial Co., Ltd.	Feed production and sales	52.04 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Great Wall Agri (Henan) Co., Ltd.	Feed production and sales	52.04 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Great Wall Agrotech Huludao Co., Ltd.	Feed production and sales	52.04 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Shandong Dachan Biotechnology Co., Ltd.	Feed production and sales	52.04 %	52.04 %	
Dongbei Agri Corp.	Great Wall Agri (Yingkou) Co., Ltd.	Feed and chicken production and sales	52.04 %	52.04 %	
Dongbei Agri Corp.	Great Wall Agri (Tieling) Co., Ltd.	Feed and chicken production and sales	52.04 %	52.04 %	
Dongbei Agri Corp.	DongBei Agri (Changchun) Co., Ltd.	Feed and chicken production and sales	52.04 %	52.04 %	
Dongbei Agri Corp.	Dachan Livestock Development Co, Ltd.	Feed production and sales	20.82 %	20.82 %	
Dongbei Agri Corp.	DaChan (Hunan) Feed Technologies Co., Ltd.	Feed production and sales	52.04 %	52.04 %	
Dongbei Agri Corp.	Dachan Food (Hebei) Co., Ltd.	Feed production and sales	52.04 %	52.04 %	
Dongbei Agri Corp.	Dachan Food (Panjin) Co., Ltd.	Chicken production and sales	52.04 %	52.04 %	

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Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2021	December 31, 2020	
Hwabei Agri Corp.	Dachan Wanda (HK) Ltd.	Investment Holding	52.04 %	52.04 %	
Hwabei Agri Corp.	Union Manufacturing Ltd.	Investment Holding	52.04 %	52.04 %	
Hwabei Agri Corp.	Dongbei (Beijing) Consultant Co., Ltd.	Operations management services	52.04 %	52.04 %	
Dachan Wanda (HK) Ltd.	Dachan Wanda (Tianjin) Co., Ltd.	Feed and chicken production and sales	52.04 %	52.04 %	
China S&F Farm Holdings Co., Ltd.	Yanzhou Dachan Food Co., Ltd.	Production and sale of feed, livestock and poultry farming	52.04 %	52.04 %	
Union Manufacturing Ltd.	Great Wall Gourmet (Shanghai) Co., Ltd.	Sale of chicken, pork, and prepared foods	52.04 %	52.04 %	
Great Wall Kuang-Ming Investment Co., Ltd.	Taixu & Dachan Foods Holdings Co., Ltd.	Investment Holding	32.03 %	32.03 %	
Donbei (Beijing) Consultant Co., Ltd.	Zhenglanqi Dachan Eco-Ranch Co., Ltd.	Food services, animal breeding and sales	52.04 %	52.04 %	
Liaoning Great Wall Agri-Industrial Co., Ltd.	Dachan Agricultural Technologies (Sichuan) Co., Ltd.	Feed production and sales; livestock farming research and consulting services	52.04 %	52.04 %	
Dachan Wanda (Tianjin) Co., Ltd.	Bengbu Dachan Food Co., Ltd.	Feed production and sales, poultry and livestock farming and sales, and meat and meat products processing and sales	52.04 %	52.04 %	
Dachan Wanda (Tianjin) Co., Ltd.	Tianjin Chao Cheng Food Trade Co., Ltd.	Pig farming and sales	28.62 %	28.62 %	
Dachan Wanda (Tianjin) Co., Ltd.	Tianjin Dachan Prospect Research and Development Co., Ltd.	Research	52.04 %	52.04 %	
Tianjin Dachan Prospect Research and Development Co., Ltd.	Tian Jin Super Pig Ast Co., Ltd.	Meat and processed food sales	52.04 %	52.04 %	
Taixu & Dachan Foods (HK) Co., Ltd.	Taixu & Dachan Foods (HK) Co., Ltd.	Investment Holding	20.82 %	20.82 %	
Taixu & Dachan Foods (HK) Co., Ltd.	Taixu & Dachan Foods (Dalian) Co., Ltd.	Wholesale of pork related prepared foods	20.82 %	20.82 %	
Taixu & Dachan Foods (HK) Co., Ltd.	Taixu & Dachan Foods (Bengbu) Co., Ltd.	Wholesale of pork related prepared foods	20.82 %	20.82 %	
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Asia Nutrition Technologies (HN) Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	65.51 %	34.09 %	
Asia Nutrition Technologies (VN) Co., Ltd.	Asia Nutrition Technologies (VN) Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	65.51 %	34.09 %	
Asia Nutrition Technologies (VN) Co., Ltd.	Asia Nutrition Technologies (LA) Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	65.51 %	34.09 %	
Asia Nutrition Technologies (VN) Co., Ltd.	Asia Nutrition Technologies (MV) Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	65.51 %	34.09 %	
Asia Nutrition Technologies (VN) Co., Ltd.	ANT Feed Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	52.40 %	34.09 %	
Asia Nutrition Technologies (VN) Investment Co., Ltd. and Great Wall International (Holdings) Ltd.	Dachan (Asia-Pacific) Limited.	Investing Holding	80.54 %	77.00 %	
Dachan (Asia-Pacific) Limited.	Dachan (VN) Company Limited	Feed production and sales	80.54 %	77.00 %	

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Notes to the Consolidated Financial Statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2021	December 31, 2020	
Clydebridge Ltd.	Dachan Aquaculture Limited.	Investing Holding	56.80 %	56.80 %	
Dachan Aquaculture Limited.	PT. MUSTIKA MINANUSA AURORA.	Seafood processing	56.80 %	56.80 %	
Dachan Aquaculture Limited.	Dachan Aqua(Tarakan) Ltd.	Investing Holding	56.80 %	56.80 %	
Dachan Aquaculture Limited.	PT. MISAJA MITRA	Processing of seafood	56.80 %	56.80 %	
Dachan Aqua (Tarakan) Ltd. and PT. MUSTIKA MINANUSA AURORA.	PT. DACHAN MUSTIK AURORA	Processing of seafood	56.80 %	56.80 %	
Marksville Corp.	Great Wall Nutrition Technologies SDN. BHD.	Feed sales and production	100.00 %	52.04 %	
Tianjin Food Investment Co., Ltd.	Great Wall Food (Tianjin) Co., Ltd.	Flour production and sales	78.40 %	78.40 %	
Total Nutrition Tech. Co., Ltd.	TNT Biotechnology Co., Ltd.	Investment Holding	100.00 %	100.00 %	
TNT Biotechnology Co., Ltd.	TNT Biotechnology (Tianjin) Co., Ltd.	Feed production and sales	100.00 %	100.00 %	
TNT Biotechnology Co., Ltd.	TNT Huabang Holdings Limited	Investment Holding	100.00 %	100.00 %	
Dachan Food (HK) Co., Ltd.	Great Wall Milling Co., Ltd.	Sale of flour related products	100.00 %	100.00 %	
GreatWall Food Investment Co., Ltd	Trans Dynamic Corporation	Investment Holding	100.00 %	100.00 %	
Great Wall FeedTech Enterprise Co., Ltd.	Great Wall FeedTech (Tianjin) Co., Ltd.	Feed production and sales	100.00 %	100.00 %	
Great Wall FeedTech Enterprise Co., Ltd.	Great Wall FeedTec (Ningxia) Co. Ltd.	Feed production and sales	100.00 %	100.00 %	
Food China Inc.	FoodChina Global Co. Ltd.	Commodities trading	90.34 %	55.03 %	(Note)
Food China Inc.	Beijing FoodChina Global Information & Technology Ltd.	Commodities trading	90.34 %	55.03 %	(Note)

Note: Food China Inc., FoodChina Global Co. Ltd., and Beijing FoodChina Global Information & Technology Ltd. were associates at June 30, 2020, and thus were not included in the consolidated financial statements.

When preparing the consolidated financial statements, the company's investments in its subsidiaries represented as shareholder equity have been written off, and significant transactions during the period have been eliminated.

2) Changes in subsidiaries included in the consolidated financial statements:

In the first quarter of 2021, Shanghai All-Household Restaurant Management Co., Ltd. was established, wherein the Group has a shareholding of 50% with control. Therefore, it is listed in the consolidated financial statements.

In the third and fourth quarter of 2021, the Group obtained 10% of non-controlling interest of Oriental Best Foods Co., Ltd., resulting in its shareholdings to increase to 100%.

In the third quarter of 2021, the Group did not proportionately subscribe for new shares of ANT Food Co., Ltd. according to its prior shareholding ratio, resulting in its shareholdings to decrease to 27.27%.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

In the third quarter of 2021, the Group acquired 35.31% of non-controlling interest of its subsidiaries, Food China Inc., FoodChina Global Co. Ltd., and Beijing FoodChina Global Information & Technology Ltd., resulting its shareholdings to increase to 90.34%.

In the fourth quarter of 2021, the Group underwent restructuring. Great Wall Northeast Asia Corporation, which the Group indirectly held 52.04% shares, began to directly hold 65.1% of its subsidiaries, Asia Nutrition Technologies (VN) Investment Co., Ltd., Asia Nutrition Technologies (HN) Co., Ltd., Asia Nutrition Technologies (VN) Co., Ltd., Asia Nutrition Technologies (LA) Co., Ltd., and Asia Nutrition Technologies (MV) Co., Ltd. In addition, all shares of ANT Feed Co., Ltd., wherein the Group held 52.4% shares, alongside with Marksville Corp. and Great Wall Nutrition Technologies SDN.BHD, whose shares were fully owned by the Group, were transferred to Great Wall International (Holdings) Co., Ltd., wherein the Group held its entire shares.

Due to the organizational restructuring, the Group's shareholdings in its subsidiaries, Dachan (Asia Pacific) Limited and Dachan (VN) Company Limited, increased to 80.54%

In the first quarter of 2020, the Group obtained 30% of non-controlling interest of KouChan Mill Co., Ltd., resulting its shareholdings to increase to 85%. In the second quarter of 2020, the Group did not proportionately subscribe for new shares of KouChan Mill Co., Ltd. according to its prior shareholding ratio, resulting in its shareholdings to decrease to 55%.

In the first quarter of 2020, Neo Foods Co., Ltd. was established, wherein the Group has a shareholding of 100%.

In the first quarter of 2020, Green Pac (Fujian) Biological Technology Co., Ltd. was liquidated.

In the second quarter of 2020, Great Wall Grains International Limited was established, wherein the Group has a shareholding of 100%.

In the second quarter of 2020, the company did not proportionately subscribe for new shares of Zhong Yi Food Co., Ltd. according to its prior shareholding ratio, resulting in its shareholdings to decrease to 65%.

In the second and third quarter of 2020, the company did not proportionately subscribe for new shares of Danchen (Asia Pacific) Limited and Dachan (VN) Company Limited according to its prior shareholding ratio, resulting in its shareholdings to decrease to 77%.

In the third quarter of 2020, the subsidiary Huabang (Tianjin) Biotechnology Co., Ltd. was liquidated.

In the third quarter of 2020, the company disposed of all shares of Shandong Luhuan Biotechnology Co. Ltd and lost control.

In the third quarter of 2020, subsidiaries Fresh Aqua Limited, Global Seafood Limited, Pacific Harvest Limited, Seafood International Limited, and Universal Food Limited were established, wherein the Group has a shareholding of 100%.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

In the third quarter of 2020, the company acquired more shares of Food China Inc., FoodChina Global Co. Ltd., and Beijing FoodChina Global Information & Technology Ltd., resulting in its shareholdings to increase to 55.03%. Therefore, the company gained control, and was thus included in the consolidated financial statements.

In the fourth quarter of 2020, the company disposed of all shares of its subsidiary Univeral Food Corp. and lost control.

In the fourth quarter of 2020, the company disposed of all shares of its subsidiary Qingdao Dachan Technologies Feed Co., Ltd. and lost control.

In the fourth quarter of 2020, Green Pac Bio Co., Ltd. was liquidated.

3) Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items, assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences arising on retranslation are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) (Available for sale) equity investment in equity securities designated as at fair value through other comprehensive income;
- 2) A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the reporting currency at the exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income and presented in the foreign currency translation reserve in equity.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non current.

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

- 5) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features ; and
- terms that limit the Group's claim to cash flows from specified assets(e.g. non-recourse features)

- 6) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date ; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- it is probable that the borrower will enter bankruptcy or other financial reorganization;
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 365 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

7) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When the Group signs a transaction to transfer financial assets, if it retains all or almost all risks and rewards of ownership of the transferred assets, they will continue to be recognized on the balance sheet.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

Interests and losses or benefits related to financial liabilities are recognized as profit and loss, and reported as financial costs under non-operating income and expenses.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Financial liabilities are reclassified into equity at the time of conversion, and the conversion does not generate profit or loss.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense.

The cost of inventories transferred from biological assets is its fair value less costs to sell at the date of harvest.

(i) Biological assets

Biological assets are measured at fair value less costs to sell on initial recognition and at the end of each reporting period. Costs to sell are the incremental costs directly attributable to the disposal of the assets, excluding finance costs and income taxes. Gains and losses arising on initial recognized of biological assets at fair value less costs to sell and from changes in fair value less costs to sell of biological assets are recognized in profit or loss for the period in which they arise.

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method without remeasuring the retained interest.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Reclassification to investment properties

When a property for self-use becomes an investment property, said property should be reclassified as an investment property based on the book value at the time of change.

(iii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iv) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	2 - 60 years
Plant and equipment	2 - 60 years
Transportation equipment	3 - 10 years
Other equipment	2 - 25 years
Leasehold improvement	According to leasehold period
Leased assets	According to leasehold period

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Leases

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- 1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- 2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 3) the customer has the right to direct the use of the asset throughout the period of use only if either:
 - the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
 - the relevant decisions about how and for what purpose the asset is used are predetermined and:
 - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
 - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(ii) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or
- 4) there is a change of its assessment on whether it will exercise a extension or termination option; or
- 5) there is any lease modification

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets of other equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'rental income'.

(n) Intangible assets

(i) Goodwill

1) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is included in intangible assets. Please refer to Note 4(s) for the recognition of goodwill.

2) Subsequent evaluations

Goodwill is measured at cost, less accumulated impairment losses. For investments using the equity method, the book value of goodwill is included in the book value of the investment, and the impairment losses of such investments are not allocated to goodwill or any assets, but are part of the book value of the investment using the equity method.

(o) Impairment of non financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below:

1) Sale of goods – Feed and meat products

The Group manufactures feed and meat products and sells them to customers. The Group recognizes revenue when the control of the product is transferred. The transfer of control of the product means that the product has been delivered to the customer, and the customer can fully determine the sales channel and price of the product without any unfulfilled performance obligations that will affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific location, when the customer has accepted the product in accordance with the sales contract, when its risk of obsolescence and loss have been transferred to the customer, when the acceptance clause has expired, or when the combined company has objective evidence that all acceptance conditions have been met.

The Group often provides volume discounts to customers on the basis of cumulative sales within twelve months. The Group recognizes revenue on the basis of the contract price minus the net amount of the estimated quantity discount. The amount of the quantity discount is estimated based on the expected value using past experiences, and only in the range where a significant change will not occur at a high degree. The average credit period for feed and meat sales is 30 to 60 days, which is consistent with industry practices and thus does not include financing elements.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

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2) IT Consulting services/Advisory and Management

The Group provides business IT management services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. The proportion of services provided is determined based on the actual labor hours spent relative to the total expected labor hours.

3) Financial components

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

(q) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(s) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non controlling interests in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's identifiable net assets, if the non controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(t) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The Group's potentially dilutive ordinary shares include employee remuneration.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(v) Government subsidies

A government subsidy is recognized when it is reasonably certain that the company will comply with the conditions attached to the government subsidy and will receive the subsidy. The receipt of the subsidy by the enterprise itself is not sufficient to provide conclusive evidence that the completed goods will fulfill the conditions attached to the subsidy.

Government subsidies should be recognized in profit and loss on a systematic basis during the period when the related costs that they intend to compensate are recognized as expenses by the company.

When a government subsidy is receivable, if it is used as compensation for the expenses or losses that have already occurred or for the purpose of providing immediate financial support to the company without future related costs, it shall be recognized in the profit and loss during the period when it can be received.

Asset-related subsidies (including non-monetary subsidies measured at fair value) should be classified as deferred income or as a deduction to obtain the asset's carrying amount, which is expressed in the statement of financial position.

When government subsidies need to be returned, they should be dealt with according to changes in accounting estimates. The return of subsidies related to income shall first be offset against the unamortized deferred credits recognized in connection with the subsidies. When the refund exceeds the scope of any such deferred credit, or when there is no deferred credit, the refund shall be immediately recognized in profit and loss. The return of subsidies related to assets should be recognized by increasing the asset's carrying amount or reducing the balance of deferred income. Assuming that there is no subsidy, the accumulated additional depreciation that should have been recognized in profit and loss so far should be recognized in profit and loss immediately.

(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 the IFRSs endorsed 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.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Impairment of property, plant and equipment, and intangible assets

In the process of evaluating the potential impairment of tangible and intangible assets other than goodwill, the Group is required to make subjective judgments in determining the independent cash flows, discount rate, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	\$ 31,070	47,020
Revolving funds	344	344
Check deposits	754,621	778,720
Demand deposits	4,756,830	3,356,878
Foreign currency deposits	120,297	58,185
Bank financial products	70,375	70,099
Time/certificate deposits	<u>349,464</u>	<u>177,240</u>
Cash and cash equivalents	<u>\$ 6,083,001</u>	<u>4,488,486</u>

Please refer to note 6(ac) for the interest rate risk and the sensitivity analysis of financial assets and liabilities of the Group.

The details of financial products as of December 31, 2021 and 2020 are as follows:

- (i) On December 2, 2021, the Group entered into an agreement with a bank for a floating rate principal protected note at an amount of \$8,683 thousand, with an expected yield of 3.10% (linked to the three month SHIBOR interest rate), and maturing on January 4, 2022.
- (ii) On October 27, 2021, the Group entered into an agreement with a bank for a floating rate principal protected note at an amount of \$61,692 thousand, with an expected yield of 3.38% (linked to the three month LIBOR (USD) interest rate), and maturing on January 27, 2021.
- (iii) On December 9, 2020, the Group entered into an agreement with a bank for a floating rate principal protected note at an amount of \$70,099 thousand, with an expected yield of 2.75% (linked to the three month LIBOR interest rate), and maturing on January 11, 2021.

The Company undertook one year time deposits for its short-term financing, with the intention to fulfill its short-term cash promises instead of using them for investments or other purposes. The above time deposits can be readily transformed into a fixed amount of cash and the risk of their value being volatile is relatively low.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	December 31, 2021	December 31, 2020
Derivative financial assets: current:		
Derivative instruments not used for hedging		
Forward exchange contracts	\$ 4,693	9,472
Corn structured products	2,573	11,969
Non-derivative financial assets: current:		
Listed company stocks	439	439
Total	\$ 7,705	21,880
	December 31, 2021	December 31, 2020
Derivative financial liabilities:		
Non-hedge derivatives		
Forward exchange contracts	\$ 27,315	22,820
Option contracts	-	1,010
Total	\$ 27,315	23,830

(i) Forward exchange contracts:

	December 31, 2021			
	Carrying amount	Amount (in thousands)	Currency	Maturity date
Forward exchange purchased	-	USD 7,000	USD to NTD	2022.01.24-2022.05.24
Forward exchange purchased	(27,315)	USD 266,517	USD to NTD	2022.01.03-2022.05.23
Forward exchange sold	4,693	USD 94,901	USD to NTD	2022.01.03-2022.04.29
	December 31, 2020			
	Carrying amount	Amount (in thousands)	Currency	Maturity date
Forward exchange purchased	9,472	USD 97,510	CNY to NTD	2021.01.07-2021.03.17
Forward exchange purchased	(22,820)	USD 102,010	USD to NTD	2021.01.04-2022.05.03

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Futures and options trading

<u>Item</u>	<u>Type</u>	<u>Open Interest</u>		<u>Contract amount or option premium paid</u>	<u>Fair value</u>
		<u>Buy/Sell</u>	<u>Amount</u>		
December 31, 2021					
Structured product	Corn	Buy	380	\$ -	<u>2,573</u>

<u>Item</u>	<u>Type</u>	<u>Open Interest</u>		<u>Contract amount or option premium paid</u>	<u>Fair value</u>
		<u>Buy/Sell</u>	<u>Amount</u>		
December 31, 2020					
Structured product	Corn	Buy	800	\$ -	11,969
Option contract	Corn	Buy	500	(497)	(1,010)
	Total			<u>\$ (497)</u>	<u>10,959</u>

<u>Item</u>	<u>Type</u>	<u>Open Interest</u>		<u>Contract amount or option premium paid</u>	<u>Fair value</u>
		<u>Buy/Sell</u>	<u>Amount</u>		
December 31, 2020					
Futures	Soybean meal	Buy	700	\$ -	<u>214</u>

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Equity investments at fair value through other comprehensive income:		
Domestic listed common shares: TTET Union Co.	\$ 2,833,181	2,547,181
Domestic unlisted common shares	100,369	100,561
Other	<u>337</u>	<u>349</u>
Total	<u>\$ 2,933,887</u>	<u>2,648,091</u>

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

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

For information on dividends received from the aforementioned equity investments measured at fair value through other comprehensive income as of December 31, 2021 and 2020, please refer to Note 6(ab).

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group has not disposed of any strategic investments in 2021 and 2020. No accumulated profits and losses were transferred as well.

- (ii) For credit risk and market risk, please refer to Note 6(ac).
- (iii) The aforementioned financial assets had not been pledged as collateral for its long-term borrowings.

Sensitivity analysis- equity price risks:

If the price of equity securities changes on the reporting date (the two-period analysis adopts the same basis and assumes that other changing factors remain unchanged), the impact on the comprehensive profit and loss items is as follows:

Prices of securities at the reporting date	For the years ended December 31,			
	2021		2020	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ <u>29,339</u>	<u>-</u>	<u>26,481</u>	<u>-</u>
Decreasing 1%	\$ <u>(29,339)</u>	<u>-</u>	<u>(26,481)</u>	<u>-</u>

- (d) Notes and trade receivables

	December 31, 2021	December 31, 2020
Notes receivable from operating activities	\$ 1,582,488	1,107,562
Trade receivables—measured as amortized cost	6,396,583	5,539,715
Less: Loss allowance	<u>(444,500)</u>	<u>(313,735)</u>
	<u>\$ 7,534,571</u>	<u>6,333,542</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provisions were determined as follows:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 6,461,166	0~3%	126,968
1 to 30 days past due	959,964	0~10%	7,958
31 to 36 days past due	76,940	0~15%	1,859
61 to 90 days past due	49,977	0~50%	3,166
91 to 180 days past due	24,877	0~100%	2,908
181 to 365 days past due	29,949	0~100%	18,980
More than 365 days past due	376,198	0~100%	282,661
	\$ 7,979,071		444,500

	December 31, 2020		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 5,220,693	0~3%	101,448
1 to 30 days past due	664,785	0~10%	5,282
31 to 36 days past due	105,564	0~15%	1,832
61 to 90 days past due	41,139	0~50%	6,780
91 to 180 days past due	199,644	0~100%	4,924
181 to 365 days past due	136,825	0~100%	14,483
More than 365 days past due	278,627	0~100%	178,986
	\$ 6,647,277		313,735

The changes in loss allowance provisions were as follows:

	For the years ended December 31,	
	2021	2020
Balance at January 1	\$ 313,735	342,292
Impairment losses recognized	248,351	31,899
Amounts written off	(84,883)	(64,268)
Foreign exchange gains/(losses)	(34,007)	651
Amounts recoverable	1,304	3,161
Balance at December 31	\$ 444,500	313,735

As of December 31, 2021 and 2020, accounts receivable had not been pledged as collateral.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Inventory

	December 31, 2021	December 31, 2020
Raw materials and consumables	\$ 4,896,858	4,537,771
Materials in transit	768,072	1,249,695
Work in progress	38,423	158,958
Finished goods	2,139,832	2,110,645
Farm products	<u>332,830</u>	<u>91,263</u>
Total	<u>\$ 8,176,015</u>	<u>8,148,332</u>
Inventory listed at fair value less costs to sell	<u>\$ 332,830</u>	<u>91,263</u>

The details of the cost of sales were as follows:

	For the years ended December 31,	
	2021	2020
Inventory that has been sold	\$ 90,809,658	69,463,542
Write-down of inventories (Reversal of write-downs)	(383)	17,163
Loss on disposal of inventory	12,521	13,356
Revenue from sale of scraps	<u>(120,504)</u>	<u>(105,398)</u>
	<u>\$ 90,701,292</u>	<u>69,388,663</u>

As of December 31, 2021 and 2020, the Group did not provide any inventories as collateral for its loans.

(f) Biological assets

(i) The details of biological assets are as follows :

	December 31, 2021	December 31, 2020
<u>Biological assets: Current</u>		
Consumable biological assets: Poultry	\$ 769,473	1,055,686
Consumable biological assets: Livestock	841,160	589,225
Productive biological assets: Poultry	155,831	112,311
Productive biological assets: Accumulated depreciation	(30,637)	(38,194)
Productive biological assets: Livestock	80,685	-
Productive biological assets: Accumulated depreciation	(15,547)	-
Changes in the fair value of productive biological assets less costs to sell	2,502	1,757
Biological assets: Current	<u>\$ 1,803,467</u>	<u>1,720,785</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	December 31, 2021	December 31, 2020
<u>Biological assets: Non-current</u>		
Productive biological assets: Poultry	\$ 2,002,562	134,821
Productive biological assets: Accumulated depreciation	(1,724,391)	(46,399)
Productive biological assets: Livestock	1,109,619	261,214
Productive biological assets: Accumulated depreciation	<u>(773,550)</u>	<u>(86,470)</u>
Biological assets: Non-current	<u>\$ 614,240</u>	<u>263,166</u>

(ii) Changes in biological assets:

	Poultry	Livestock	Total
Balance at January 1, 2021	\$ 1,219,982	763,969	1,983,951
Increase due to purchases	10,140,870	417,654	10,558,524
Decrease due to sales	(11,469,286)	(2,464,113)	(13,933,399)
Net increase due to reproduction (death)	1,252,148	2,524,857	3,777,005
Changes in fair value less costs to sell	37,485	-	37,485
Effect of movements in exchange rates	<u>(5,859)</u>	<u>-</u>	<u>(5,859)</u>
Balance at December 31, 2021	<u>\$ 1,175,340</u>	<u>1,242,367</u>	<u>2,417,707</u>
Current	\$ 897,169	906,298	1,803,467
Non-current	<u>278,171</u>	<u>336,069</u>	<u>614,240</u>
	<u>\$ 1,175,340</u>	<u>1,242,367</u>	<u>2,417,707</u>
	Poultry	Livestock	Total
Balance at January 1, 2020	\$ 1,022,894	708,453	1,731,347
Increase due to purchases	1,783,090	62,892	1,845,982
Decrease due to sales	(1,879,413)	(2,057,072)	(3,936,485)
Net increase due to reproduction (death)	295,300	2,049,696	2,344,996
Changes in fair value less costs to sell	(18,352)	-	(18,352)
Effect of movements in exchange rates	<u>16,463</u>	<u>-</u>	<u>16,463</u>
Balance at December 31, 2020	<u>\$ 1,219,982</u>	<u>763,969</u>	<u>1,983,951</u>
Current	\$ 1,131,560	589,225	1,720,785
Non-current	<u>88,422</u>	<u>174,744</u>	<u>263,166</u>
	<u>\$ 1,219,982</u>	<u>763,969</u>	<u>1,983,951</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) As of December 31, 2021 and 2020, the number of poultry owned amounted to:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Underage broiler	9,892,121	8,336,072
Underage breeder poultry	304,925	240,286
Breeder poultry	992,613	955,599
Breeder ducks	138,889	-
Adult ducks	<u>41,532</u>	<u>-</u>
	<u>11,370,080</u>	<u>9,531,957</u>

(iv) As of December 31, 2021 and 2020, the number of livestock owned amounted to:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Underage swine	137,407	97,141
Underage breeder swine	17,074	14,673
Breeder swine	32,331	16,788
Adult swine	<u>20,592</u>	<u>-</u>
	<u>207,404</u>	<u>128,602</u>

The Group slaughtered and sold approximately \$156,333,206 and \$135,576,436 units of biological assets in 2021 and 2020, respectively.

(v) Fair value

The fair value of biological assets is based on the most recent market transaction price. However, if there are major changes in economic conditions between the transaction date and the reporting date, the market price of similar assets will be adjusted to reflect the difference. The fair value of livestock to be sold is based on the market price of livestock of similar age, breed and gene. When the market-determined price or value of a biological asset cannot be obtained at the time of initial recognition, and the alternative estimate for determining the fair value is unreliable, the biological asset should be measured at its cost minus all accumulated depreciation and all accumulated impairment losses. The book value of biological assets not measured by fair value is a reasonable approximation of fair value.

The Group is exposed to the following risks related to raising poultry and livestock:

(i) Regulations and environmental risks

The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that systems in place are adequate to manage those risks.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Supply and demand risks

The Group is exposed to risks arising from fluctuations in the price and sales volume of poultry and livestock. When possible, the Group manages this risk by aligning its raising volume with market supply and demand. Management performs regular industry trend analyzes to ensure that the Group's pricing structure is in line with the market and to ensure that projected slaughtering volumes are consistent with the expected demand.

(iii) Climate and other risks

The Group's poultry and livestock raising is exposed to the risk of damage from climate change, diseases, and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including raising animals in a closed environment and conducting regular health checks and disease investigation of poultry and livestock. The Group also insures itself against natural disasters such as floods and hurricanes.

As of December 31, 2021 and 2020, biological assets have not been pledged as collateral.

(g) Prepaid expenses

The details of prepaid expenses are as follows :

	December 31, 2021	December 31, 2020
Prepaid purchases	\$ 829,707	696,412
Other	621,001	221,977
	<u>\$ 1,450,708</u>	<u>918,389</u>

(h) Other financial assets- current

The details of other current financial assets are as follows:

	December 31, 2021	December 31, 2020
Other advances receivable: associates	\$ 16,046	41,133
Other advances receivable: other related parties	15,477	66,129
Refundable deposits	49,972	300,754
Other accounts receivable: other	222,146	394,231
	<u>\$ 303,641</u>	<u>802,247</u>

(i) Obtaining non-controlling interest

The Group acquired more equity of KouChan Mill Co., Ltd. from an other related party, Kou Feng Industrial Co., Ltd., for \$76,615 thousand in cash in March 2020, which increased its shareholding from 55% to 85%. In addition, the Group acquired more equity of KouChan Mill Co., Ltd. for \$217,435 thousand in cash in May 2020. However, the Group did not subscribe for new shares according to its prior shareholding ratio, thus decreasing its shareholding from 85% to 55%.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The effects of the changes in shareholdings were as follows:

	December 31, 2020
Carrying amount of non-controlling interest on acquisition	\$ 76,615
Consideration paid to non-controlling interests	(76,615)
	\$ -

The Group acquired more equity of Oriental Best Foods Co., Ltd. in 2021 for \$20,000 thousand in cash, increasing its shareholding from 90% to 100%.

The effects of the changes in shareholdings were as follows:

	December 31, 2021
Carrying amount of non-controlling interest on acquisition	\$ 12,661
Consideration paid to non-controlling interests	(20,000)
Capital surplus differences between consideration and carrying amounts subsidiaries acquired	\$ (7,339)

The Group acquired more equity of Foodchina Inc. in 2021 for \$124,066 thousand in cash, increasing its shareholding from 55.03% to 90.34%.

The effects of the changes in shareholdings were as follows:

	December 31, 2021
Carrying amount of non-controlling interest on acquisition	\$ 124,066
Consideration paid to non-controlling interests	(124,066)
	\$ -

(j) Investments using the equity method

The Group's investments using the equity method at the end of the financial reporting period is as follows:

	December 31, 2021	December 31, 2020
Associates	\$ 1,741,218	1,745,344

(i) Associates

1) Associates which are material to the Group consisted of the followings:

Name of Associate	Relationship with the Group	Main operating country	Shareholding ratio December 31, 2021	December 31, 2020
Advent Prosperity Real Estate Development Co. Ltd	Investment in associates	PRC	32.64 %	32.64 %

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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There is no public quotation in the active market for affiliated companies of the Group, hence its fair value cannot be reliably measured.

The following consolidated financial information of significant associates has been adjusted according to individually prepared IFRS financial statements of these associates:

Advent Prosperity Real Estate Development Co. Ltd :

	December 31, 2021	December 31, 2020
Current assets	\$ 2,016,420	2,046,109
Non-current assets	618,161	643,261
Current liabilities	<u>(112,724)</u>	<u>(138,584)</u>
Net assets	<u>\$ 2,521,857</u>	<u>2,550,786</u>
Net assets attributable to non-controlling interests	<u>\$ -</u>	<u>-</u>
Net assets attributable to the Group	<u>\$ 2,521,857</u>	<u>2,550,786</u>
	For the years ended December 31,	
	2021	2020
Operating revenue	<u>\$ 37,956</u>	<u>32,785</u>
Profit (loss) from continuing operations	(15,302)	(13,484)
Other comprehensive income	<u>(13,627)</u>	<u>39,323</u>
Total comprehensive income	<u>\$ (28,929)</u>	<u>25,839</u>
Comprehensive income (loss) attributable to non-controlling interests	<u>\$ -</u>	<u>-</u>
Comprehensive income attributable to the Group	<u>\$ (28,929)</u>	<u>25,839</u>
	For the years ended December 31,	
	2021	2020
Share of net assets of associates as of January 1, 2021	\$ 1,122,829	1,111,617
Capital increase	-	-
Comprehensive income attributable to the Group	(12,884)	11,242
Dividends received from associates	<u>-</u>	<u>-</u>
Carrying amount	<u>\$ 1,109,945</u>	<u>1,122,859</u>
	December 31,	
	2021	2020
Carrying amount of individually insignificant associates' equity	<u>\$ 631,243</u>	<u>623,643</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	For the years ended December 31,	
	2021	2020
Attributable to the Group:		
Net income	\$ 13,072	23,239
Other comprehensive (loss) income	(5,472)	23,928
Comprehensive income	\$ 7,600	47,167

(k) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests	
		December 31, 2021	December 31, 2020
Dachan Food (Asia) Limited	PRC/Cayman Islands	47.96 %	47.96 %
KouChan Mill Co., Ltd.	Taiwan	45.00 %	45.00 %
Zhong Yi Food Co., Ltd.	Taiwan	35.00 %	35.00 %
Asia Nutrition Technologies (VN) Investment Corporation	Vietnam	34.90 %	34.90 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intercompany transactions were not eliminated in this information.

(i) Dachan Food (Asia) Limited's collective financial information

	December 31, 2021	December 31, 2020
Current assets	\$ 9,331,283	11,497,958
Non-current assets	5,607,177	7,288,658
Current liabilities	(3,727,523)	(6,916,314)
Non-current liabilities	(1,349,832)	(2,053,025)
Net assets	\$ 9,861,105	9,817,277
Non-controlling interests	\$ 5,340,983	5,688,314

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the years ended December 31,	
	2021	2020
Sales revenue	\$ <u>40,620,333</u>	<u>39,770,531</u>
Net income	\$ 666,778	746,676
Other comprehensive income	214,216	547,528
Comprehensive income	\$ <u>880,994</u>	<u>1,294,204</u>
Profit, attributable to non-controlling interests	\$ <u>512,403</u>	<u>788,075</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>254,563</u>	<u>334,848</u>

	For the years ended December 31,	
	2021	2020
Net cash flows from operating activities	\$ 2,042,403	2,092,342
Net cash flows from investing activities	734,868	(441,168)
Net cash flows from financing activities	(2,771,249)	(445,482)
Net increase (loss) in cash and cash equivalents	\$ <u>6,022</u>	<u>1,205,692</u>
Dividends paid to non-controlling interests	\$ <u>(191,832)</u>	<u>(178,329)</u>

(ii) KouChan Mill Co., Ltd.'s collective financial information

	December 31,	December 31,
	2021	2020
Current assets	\$ 36,690	312,742
Non-current assets	719,467	693,756
Current liabilities	(191,353)	(166,098)
Non-current liabilities	(1,724)	(347)
Net assets	\$ <u>563,080</u>	<u>840,053</u>
Ending balance of non-controlling interests	\$ <u>393,694</u>	<u>378,024</u>

	For the years ended December 31,	
	2021	2020
Sales revenue	\$ <u>740,900</u>	<u>806,830</u>
Net income	\$ 53,268	55,002
Other comprehensive income	-	-
Comprehensive income	\$ <u>53,268</u>	<u>55,002</u>
Profit, attributable to non-controlling interests	\$ <u>23,970</u>	<u>24,751</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>23,970</u>	<u>24,751</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	For the years ended December 31,	
	2021	2020
Net cash flows from operating activities	\$ (670)	30,401
Net cash flows from investing activities	(29,189)	(13,990)
Net cash flows from financing activities	19,836	(12,096)
Net increase (loss) in cash and cash equivalents	\$ (10,023)	4,315

(iii) Zhong Yi Food Co., Ltd.'s collective financial information

	December 31,	December 31,
	2021	2020
Current assets	\$ 693,012	483,372
Non-current assets	1,565,628	1,310,786
Current liabilities	(1,187,481)	(639,552)
Non-current liabilities	(5,634)	(9,801)
Net assets	\$ 1,065,525	1,144,805
Ending balance of non-controlling interests	\$ 372,990	402,250

	For the years ended December 31,	
	2021	2020
Sales revenue	\$ 3,326,724	2,695,748
Net income	\$ (83,598)	52,059
Other comprehensive income	-	-
Comprehensive income	\$ (83,598)	52,059
Profit, attributable to non-controlling interests	\$ (29,259)	19,789
Comprehensive income, attributable to non-controlling interests	\$ (29,259)	19,789

	For the years ended December 31,	
	2021	2020
Net cash flows from operating activities	\$ 259,942	216,414
Net cash flows from investing activities	(375,451)	(1,166,782)
Net cash flows from financing activities	147,882	941,387
Net increase (loss) in cash and cash equivalents	\$ 32,373	(8,981)

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Asia Nutrition Technologies (VN) Investment Corporation's collective financial information

	December 31, 2021	December 31, 2020
Current assets	\$ 4,170,025	3,388,543
Non-current assets	1,701,283	1,353,405
Current liabilities	(3,416,726)	(2,605,355)
Non-current liabilities	(444,580)	-
Net assets	<u><u>\$ 2,010,002</u></u>	<u><u>2,136,593</u></u>
Ending balance of non-controlling interests	<u><u>\$ 701,491</u></u>	<u><u>745,671</u></u>
	For the years ended December 31,	
	2021	2020
Sales revenue	<u><u>\$ 16,462,321</u></u>	<u><u>13,250,187</u></u>
Net income	\$ 212,201	597,312
Other comprehensive income	(58,703)	(81,732)
Comprehensive income	<u><u>\$ 153,498</u></u>	<u><u>515,580</u></u>
Profit, attributable to non-controlling interests	<u><u>\$ 74,058</u></u>	<u><u>179,937</u></u>
Comprehensive income, attributable to non-controlling interests	<u><u>\$ 25,846</u></u>	<u><u>179,937</u></u>
	For the years ended December 31,	
	2021	2020
Net cash flows from operating activities	\$ 730,875	778,267
Net cash flows from investing activities	(332,563)	101,740
Net cash flows from financing activities	(276,800)	(438,448)
Net increase (loss) in cash and cash equivalents	<u><u>\$ 121,512</u></u>	<u><u>441,559</u></u>
Dividends paid to non-controlling interests	<u><u>\$ 96,588</u></u>	<u><u>101,900</u></u>

(l) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2021 and 2020, were as follows:

	Land	Buildings and Construction	Machinery and Equipment	Transportati on equipment	Other facilities	Leasehold improvements	Leased assets	Construction in progress	Accumulated depreciation	Total
Cost or deemed cost:										
January 1, 2021	\$ 4,918,993	5,786,361	15,437,742	631,884	3,811,445	785,252	394	2,504,570	-	33,876,641
Acquisitions	-	-	-	-	-	-	-	-	-	-
Additions	329,013	102,349	348,062	60,043	142,958	28,827	-	2,166,368	-	3,177,620
Transfers	-	357,871	665,189	12,933	339,081	14,516	-	(1,389,590)	-	-
Disposal	-	-	(239,625)	(40,383)	(81,325)	(24,311)	-	(32,035)	-	(417,679)
Effect of movements in exchange rates	-	(101,803)	(116,484)	(4,402)	(13,751)	(1,736)	-	(6,894)	-	(245,070)
December 31, 2021	<u><u>\$ 5,248,006</u></u>	<u><u>6,144,778</u></u>	<u><u>16,094,884</u></u>	<u><u>660,075</u></u>	<u><u>4,198,408</u></u>	<u><u>802,548</u></u>	<u><u>394</u></u>	<u><u>3,242,419</u></u>	<u><u>-</u></u>	<u><u>36,391,512</u></u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Land	Buildings and Construction	Machinery and Equipment	Transportati on equipment	Other facilities	Leasehold improvements	Leased assets	Construction in progress	Accumulated depreciation	Total
January 1, 2020	\$ 4,414,933	5,019,423	14,786,854	585,816	3,578,936	741,111	394	1,929,974	-	31,057,441
Acquired in a business combination	-	-	5,992	-	9,795	-	-	-	-	15,787
Other additions	536,965	104,151	471,627	57,493	126,340	40,092	-	2,083,259	-	3,419,927
Reclassification to other fixed assets	-	-	6,890	211	(7,101)	-	-	-	-	-
Transfers	26,540	713,711	377,233	44,946	312,708	28,009	-	(1,503,147)	-	-
Disposal	(59,445)	(21,211)	(321,019)	(49,163)	(224,030)	(28,916)	-	(1,075)	-	(704,859)
Effect of movements in exchange rates	-	(29,713)	110,165	(7,419)	14,797	4,956	-	(4,441)	-	88,345
December 31, 2020	<u>\$ 4,918,993</u>	<u>5,786,361</u>	<u>15,437,742</u>	<u>631,884</u>	<u>3,811,445</u>	<u>785,252</u>	<u>394</u>	<u>2,504,570</u>	<u>-</u>	<u>33,876,641</u>
Depreciation and impairment losses:										
January 1, 2021	\$ -	2,116,812	8,813,306	356,620	2,534,191	527,683	211	-	408,754	14,757,577
Depreciation for the year	-	219,908	838,648	81,495	391,841	66,003	57	-	-	1,597,952
Impairment loss (reversal)	-	-	-	-	-	-	-	-	126,211	126,211
Disposal	-	-	(167,986)	(31,336)	(75,645)	(23,098)	-	-	-	(298,065)
Effect of movements in exchange rates	-	(9,655)	(52,689)	(2,860)	(8,183)	(1,174)	-	-	(7,739)	(82,300)
December 31, 2021	<u>\$ -</u>	<u>2,327,065</u>	<u>9,431,279</u>	<u>403,919</u>	<u>2,842,204</u>	<u>569,414</u>	<u>268</u>	<u>-</u>	<u>527,226</u>	<u>16,101,375</u>
January 1, 2020	\$ -	1,936,808	8,191,865	322,018	2,399,547	460,160	145	-	389,433	13,699,976
Acquired in a business combination	-	-	5,963	-	7,781	-	-	-	-	13,744
Depreciation for the year	-	207,586	793,320	76,506	329,307	81,128	66	-	-	1,487,913
Impairment loss (reversal)	-	-	-	-	-	-	-	-	29,492	29,492
Reclassification to other fixed assets	-	-	1,073	211	(13,239)	-	-	-	-	(11,955)
Disposal	-	(18,139)	(248,615)	(37,728)	(197,397)	(16,899)	-	-	-	(518,778)
Effect of movements in exchange rates	-	(9,443)	69,700	(4,387)	8,192	3,294	-	-	(10,171)	57,185
December 31, 2020	<u>\$ -</u>	<u>2,116,812</u>	<u>8,813,306</u>	<u>356,620</u>	<u>2,534,191</u>	<u>527,683</u>	<u>211</u>	<u>-</u>	<u>408,754</u>	<u>14,757,577</u>
Carrying amount:										
December 31, 2021	<u>\$ 5,248,006</u>	<u>3,817,713</u>	<u>6,663,605</u>	<u>256,156</u>	<u>1,356,204</u>	<u>233,134</u>	<u>126</u>	<u>3,242,419</u>	<u>(527,226)</u>	<u>20,290,137</u>
January 1, 2020	<u>\$ 4,414,933</u>	<u>3,082,615</u>	<u>6,594,989</u>	<u>263,798</u>	<u>1,179,389</u>	<u>280,951</u>	<u>249</u>	<u>1,929,974</u>	<u>(389,433)</u>	<u>17,357,465</u>
December 31, 2020	<u>\$ 4,918,993</u>	<u>3,669,549</u>	<u>6,624,436</u>	<u>275,264</u>	<u>1,277,254</u>	<u>257,569</u>	<u>183</u>	<u>2,504,570</u>	<u>(408,754)</u>	<u>19,119,064</u>

(i) Reversal of impairment loss

Some business groups performed poorly during the years 2021 and 2020. The Group conducted impairment tests and recognized impairment losses of \$126,211 thousand and \$29,492 thousand, respectively. As of December 31, 2021 and 2020, the Group's accumulative impairment losses for the business entity were \$527,226 thousand and \$408,754 thousand, respectively.

(ii) In 2008, the Group acquired nine lots of land (0439-0000, etc.) for \$35,708 thousand in Xinpi Township Section, Xinpi Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.

(iii) In October 2009, the Group acquired three lots of land (212, etc.) for \$16,011 thousand in Shirong Section, Yanpu Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iv) In October 2008, the Group acquired twenty-one lots of land (105-34, etc.) for \$45,971 thousand in Wuluo Section, Ligang Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (v) In April 2010, the Group acquired five lots of land (0889, etc.) for \$23,179 thousand in Pizitou Section, Guanmiao Township, Tainan County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group. As of July 2014, two lots of land (0889, 0893) totaling \$22,823 thousand has been transferred under the Group, which applied as an agriculture and livestock foundation.
- (vi) The Group acquired land lots (0440-0006) for \$3,247 thousand in Xinbei Township Section, Xinpi Township, Pingtung County in March 2011. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (vii) The Group acquired one lot of land (715-2) for \$1,114 thousand in Xinli Section, Xinpi Township, Pingtung County in 2013. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (viii) The Group acquired five lots of land (27-0, 27-1, 28-0, 29-0, 128-0) for \$7,734 thousand in Zhujia Xiaosuan, Zhujiajiao Section, Zhujiao Township, Liujiao Township, Chiayi County in June 2014. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (ix) The Group acquired one land lot (406) for \$1,480 thousand in Xinzhuang Xiaoduan, Yizhu Township, Chiayi County and 18 land lots (195, etc.) for \$27,482 thousand in Duanpiqian Xiaoduan, Pizitou in February 2015. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (x) The Group acquired one land lot (440-7) for \$3,617 thousand in Shitan Section, Xinpi Township, Pingtung County.
- (xi) The Group acquired land lots (936, 936-1) in Linluo Township, Pingtung County for 9,841 thousand in January 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (xii) The Group acquired one lot of land (221) in the front section of Piqian Xiaoduan, Pizitou Duanbi, Yizhu Township, Chiayi County for \$9,559 thousand in April 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xiii) The Group acquired land lots (126-1, 127) in Zhujia Xiaoduan, Zhujiajiao Section, Zhujiao Section, Liujiao Township, Chiayi County for \$3,236 thousand in July 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xiv) The Group acquired land lots (50, 51-2, 126) in Zhujia Xiaoduan, Zhujiajiao Section, Liujiao Township, Chiayi County for \$4,680 thousand in November 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xv) The Group acquired land lots (195, 195-6, 199, 199-4) in the front section of Pizitou Duanpi, Yizhu Township, Chiayi County for \$2,255 thousand in October 2017. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xvi) The Group acquired one land lot (635) in the front section of Pizitou Duanbi, Yizhu Township, Chiayi County for \$3,014 thousand in the fourth financial quarter of 2017. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xvii) The Group acquired one land lot (4303) in the Caohu Section and Fangbei Section of Fangyuan Township, Changhua County for \$85,862 thousand in December 2018. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xviii) The Group acquired one land lot (195) in the front section of Duanpi, Pizitou, Chiayi County for \$688 thousand on January 3, 2019. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained to pledge the land to the Group.
- (xix) The Group acquired three land lots (127, 128, 129) in the front section 0127, 0128, and 0129 of Pizitou Duanpi, Yizhu Township, Chiayi County for \$7,828 thousand on April 24, 2019. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained to pledge the land to the Group.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (xx) The Company acquired three land lots (2066) in the Houying section of Xigang District, Tainan City for \$33,082 thousand on March 24th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained.
- (xxi) The Company acquired three land lots (3125) in the Datunliao section of Xiaying District, Tainan City for \$9,250 thousand on April 9th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained.
- (xxii) The Company acquired sixteen land lots (2835) in the Guoyihou section of Liuying District, Tainan City for \$61,152 thousand on May 13th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained to pledge the land to the Group.
- (xxiii) The Company acquired one land lot (0618-0001) in the Xinnan section of Zhuangwei Township, Yilan County for \$6,738 thousand on May 26th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained to pledge the land to the Group.
- (xxiv) The Company acquired two land lots (562) in the Erjhen section of Guantian District, Tainan City for \$67,236 thousand on August 2nd, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained to pledge the land to the Group.
- (xxv) The Company acquired three land lots (779) in the Fangzilin section of Dake District, Tainan City for \$10,255 thousand on August 3rd, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained to pledge the land to the Group..
- (xxvi) The Company acquired three land lots (0318-00000) in the Fangbei section of Fangyuan Township, Changhua County for \$12,003 thousand on October 19th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained to pledge the land to the Group.
- (xxvii) The Group acquired one land lot (465) in the front section of Pizitou Duanpi, Yizhu Township, Chiayi County for \$2,230 thousand on October 15th, 2021. Since it is agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained to pledge the land to the Group.
- (xxviii) The Group did not capitalize any interests incurred due to the construction of plant and equipment in the years 2021 and 2020.
- (xxix) For gain and loss on disposal, please refer to Note 6(ab).
- (xxx) No collateral were pledged for short-term borrowings, long-term borrowings, or loan commitments in the years 2021 and 2020.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Right-of-use assets

Information about leases for which the Group as a lessee is presented below:

	Land	Buildings and construction	Machinery and equipment	Transportation equipment	XXXX	Total
Cost:						
January 1, 2021	\$ 1,374,796	1,295,055	2,499	67,505	-	2,739,855
Addition	175,510	11,289	-	15,625	-	202,424
Disposal/Write-off	-	(56,105)	(2,371)	(21,872)	-	(80,348)
Effects of changes in foreign exchange rates	(26,972)	(13,352)	(79)	(140)	-	(40,543)
December 31, 2021	<u>\$ 1,523,334</u>	<u>1,236,887</u>	<u>49</u>	<u>61,118</u>	<u>-</u>	<u>2,821,388</u>
Effects of retrospective application	\$ 1,375,535	1,044,316	2,399	36,801	-	2,459,051
Addition	24,840	342,293	65	30,375	-	397,573
Disposal/Write-off	(31,975)	(92,905)	-	-	-	(124,880)
Effects of changes in foreign exchange rates	6,396	1,351	35	329	-	8,111
December 31, 2020	<u>\$ 1,374,796</u>	<u>1,295,055</u>	<u>2,499</u>	<u>67,505</u>	<u>-</u>	<u>2,739,855</u>
Accumulated depreciation and impairment losses:						
January 1, 2021	\$ 128,103	411,023	1,512	38,123	7,636	586,397
Depreciation for the year	78,908	137,102	509	20,507	-	237,026
Disposal/Write-off	(2,009)	(7,498)	(610)	(21,711)	-	(31,828)
Impairment loss	-	-	-	-	41,327	41,327
Effects of changes in foreign exchange rates	(2,706)	(1,225)	(46)	(93)	(610)	(4,680)
December 31, 2021	<u>\$ 202,296</u>	<u>539,402</u>	<u>1,365</u>	<u>36,826</u>	<u>48,353</u>	<u>828,242</u>
January 1, 2020	\$ 64,641	219,224	733	14,411	-	299,009
Depreciation	56,041	219,519	794	23,570	-	299,924
Disposal/Write-off	(4,351)	(30,385)	-	-	-	(34,736)
Impairment loss	-	-	-	-	7,498	7,498
Effects of changes in foreign exchange rates	11,772	2,665	(15)	142	138	14,702
December 31, 2020	<u>\$ 128,103</u>	<u>411,023</u>	<u>1,512</u>	<u>38,123</u>	<u>7,636</u>	<u>586,397</u>
Carrying amount:						
December 31, 2021	<u>\$ 1,321,038</u>	<u>697,485</u>	<u>(1,316)</u>	<u>24,292</u>	<u>(48,353)</u>	<u>1,993,146</u>
January 1, 2020	<u>\$ 1,310,894</u>	<u>825,092</u>	<u>1,666</u>	<u>22,390</u>	<u>-</u>	<u>2,160,042</u>
December 31, 2020	<u>\$ 1,246,693</u>	<u>884,032</u>	<u>987</u>	<u>29,382</u>	<u>(7,636)</u>	<u>2,153,458</u>

In 2021 and 2020, some segments did not perform as well, which led to the Group undergoing impairment tests. An impairment loss of 41,327 and 7,498 thousand was recognized, respectively. As of December 31, 2021 and 2020, the Group has recognized an accumulated impairment loss of 48,353 thousand and 7,636 thousand, respectively.

(n) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 3 to 11 years.

For all investment property leases, the rental income is fixed under the contracts.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The details of investment properties are as follows:

	Owned property			Right-of-use assets	Total
	Land and improvements	Buildings and construction	Accumulated depreciation	Buildings and construction	
Cost: :					
January 1, 2021	\$ 113,640	778,250	-	149,700	1,041,590
Effects of changes in foreign exchange rates	-	(3,506)	-	(65)	(3,571)
December 31, 2021	<u>\$ 113,640</u>	<u>774,744</u>	<u>-</u>	<u>149,635</u>	<u>1,038,019</u>
January 1, 2020	\$ 113,640	768,130	-	149,515	1,031,285
Effects of changes in foreign exchange rates	-	10,120	-	185	10,305
December 31, 2020	<u>\$ 113,640</u>	<u>778,250</u>	<u>-</u>	<u>149,700</u>	<u>1,041,590</u>
Accumulated depreciation and impairment losses:					
January 1, 2021	\$ -	214,796	36,000	50,472	301,268
Depreciation	-	21,928	-	22,825	44,753
Effects of changes in foreign exchange rates	-	(817)	-	(35)	(852)
December 31, 2021	<u>\$ -</u>	<u>235,907</u>	<u>36,000</u>	<u>73,262</u>	<u>345,169</u>
January 1, 2020	\$ -	179,413	36,000	25,187	240,600
Depreciation	-	33,622	-	25,178	58,800
Effects of changes in foreign exchange rates	-	1,761	-	107	1,868
December 31, 2020	<u>\$ -</u>	<u>214,796</u>	<u>36,000</u>	<u>50,472</u>	<u>301,268</u>
Carrying amount:					
December 31, 2021	<u>\$ 113,640</u>	<u>538,837</u>	<u>(36,000)</u>	<u>76,373</u>	<u>692,850</u>
December 31, 2020	<u>\$ 113,640</u>	<u>563,454</u>	<u>(36,000)</u>	<u>99,228</u>	<u>740,322</u>
Fair value:					
December 31, 2021				<u>\$ 756,964</u>	
December 31, 2020				<u>\$ 773,931</u>	

The fair value of investment properties (as measured or disclosed in the financial statements) was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. Fair value was measured using the market approach.

Investment properties include several commercial properties leased to others. The leases of investment properties contain an initial non-cancellable lease term of 2 to 9 years. Subsequent lease terms are negotiated with the lessee, and no contingent rent has been collected. For relevant information, please refer to Note 6(u).

The company acquired the Hedong section of Dongshan District, Tainan City (previously land lots #0328-0001 in the Jibeishuan Section, Dongshan Township, Tainan County) for \$313 thousand in 2007. Since they are all agricultural land and cannot be transferred to the Group, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.

As of December 31, 2021 and 2020, investment properties have not been pledged as collateral.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Other non current assets - other

	December 31, 2021	December 31, 2020
Prepayments for building	\$ 446,441	263,169
Tax credit	637,949	593,025
Refundable deposits	189,029	125,500
Unamortized expenses	20,566	17,844
Prepaid pension	108,490	105,259
Other	<u>116,937</u>	<u>45,339</u>
	<u>\$ 1,519,412</u>	<u>1,150,136</u>

(p) Short-term borrowings

	December 31, 2021	December 31, 2020
Letters of credit	\$ 7,703,190	5,067,173
Unsecured bank loans	<u>5,479,934</u>	<u>3,864,233</u>
Total	<u>\$ 13,183,124</u>	<u>8,931,406</u>
Unused short-term credit lines	<u>\$ 8,806,514</u>	<u>10,134,805</u>
Range of interest rates	<u>0.55%~3.85%</u>	<u>0.476%~4.2%</u>

(i) Issuance and repayment of loans

	Total
January 1, 2021	\$ 8,931,406
New loans (Maturity date: April 2021 to September 2022)	62,043,332
Loans repaid	(57,713,575)
Effects of changes in foreign exchange rates	<u>(78,039)</u>
December 31, 2021	<u>\$ 13,183,124</u>
January 1, 2020	\$ 8,203,563
New loans (Maturity date: February 2020 to March 2021)	63,891,608
Acquisitions	183,054
Loans repaid	(63,159,031)
Effects of changes in foreign exchange rates	<u>(187,788)</u>
December 31, 2020	<u>\$ 8,931,406</u>

(ii) Collateral for bank loans

For more information on promissory notes pledged for short-term borrowings, please refer to Note 9.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Short-term notes and bills payable

As of December 31, 2021 and 2020, the guarantee and acceptance agencies for commercial short-term notes are Ta Ching Bills, China Bills, Dah Chung Bills, Taiwan Cooperative Bills, and Mega Bills. The maturity dates are 2022.01.03 - 2022.02.17 and 2021.01.04 - 2021.02.02, respectively. The interest rate ranges from 0.828%~1.800% and 0.831%~1.168%, respectively. The face values are \$2,915,000 thousand and \$1,987,000 thousand, respectively.

	December 31, 2021	December 31, 2020
Commercial paper payable	<u>\$ 2,914,931</u>	<u>1,986,931</u>
Unused short-term credit lines	<u>\$ 219,069</u>	<u>847,069</u>

(i) Issuance and repayment

	Total
Balance at January 1, 2021	\$ 1,986,931
New loans (Maturity date: January 2021 to February 2022)	22,293,000
Loans repaid	<u>(21,365,000)</u>
Balance at December 31, 2021	<u>\$ 2,914,931</u>
Balance at January 1, 2020	\$ 2,124,946
New loans (Maturity date: January 2020 to February 2021)	23,550,985
Loans repaid	<u>(23,689,000)</u>
Balance at December 31, 2020	<u>\$ 1,986,931</u>

(ii) Collateral for borrowings

For more information on the Company's promissory notes and commercial papers, please refer to Note 9.

(r) Long-term borrowings

The details were as follows:

	December 31, 2021	December 31, 2020
Unsecured bank loans	\$ 1,179,048	1,897,964
Government loans	159,506	329,563
Less: current portion	<u>(185,336)</u>	<u>(972,264)</u>
Total	<u>\$ 1,153,218</u>	<u>1,255,263</u>
Unused long-term credit lines	<u>\$ 212,690</u>	<u>928,500</u>
Range of interest rates	<u>0%~7.5%</u>	<u>0%~7.5%</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Issuance and repayment

	Total
Balance at January 1, 2021	\$ 2,227,527
New loans (Maturity date: July 2022 to September 2024)	2,088,309
Loans repaid	(2,971,552)
Effect of changes in foreign exchange rates	(5,730)
Balance at December 31, 2021	<u>\$ 1,338,554</u>
Balance at January 1, 2020	\$ 2,714,872
New loans (Maturity date: November 2021 to September 2022)	1,437,345
Loans repaid	(1,883,451)
Effect of changes in foreign exchange rates	(41,239)
Balance at December 31, 2020	<u>\$ 2,227,527</u>

(ii) Collateral for long-term borrowings

For more information on the Group's promissory notes and commercial papers, please refer to Note 9.

(s) Other payables

The details of other payables are as follows:

	December 31, 2021	December 31, 2020
Wage and employee benefits payable	\$ 1,377,110	1,191,589
Employee compensation payable	90,000	90,000
Board member remuneration payable	40,000	40,000
Dividends payable	12,087	8,753
Dividends	10,509	10,772
Other expenses and accounts payable	834,662	866,721
Total	<u>\$ 2,364,368</u>	<u>2,207,835</u>

(t) Lease liabilities

The details of lease liabilities are as follows:

	December 31, 2021	December 31, 2020
Current	<u>\$ 191,053</u>	<u>221,658</u>
Non-current	<u>\$ 929,787</u>	<u>1,050,393</u>

For the maturity analysis, please refer to Note 6(ac).

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The amounts recognized in profit or loss was as follows:

	For the years ended December 31,	
	2021	2020
Interest on lease liabilities	\$ <u>32,189</u>	<u>29,317</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>235,849</u>	<u>236,955</u>
Income from sub-leasing right-of-use assets	\$ <u>(66,031)</u>	<u>(70,647)</u>
Expenses relating to short-term leases	\$ <u>363,031</u>	<u>255,513</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>21,124</u>	<u>20,203</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	2021	2020
Total cash outflow for leases	\$ <u>770,938</u>	<u>719,947</u>

(u) Operating lease

(i) Leases as lessor

The Group leases out its investment property and some machinery. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to Note 6(n) for information about the operating leases of investment property.

A maturity analysis of lease payments showing the undiscounted lease payments to be received is as follows:

	December 31, 2021	December 31, 2020
Less than one year	\$ 23,592	23,618
Between one and five years	68,936	74,972
Over five years	<u>54,306</u>	<u>71,540</u>
Total undiscounted lease payments	\$ <u>146,834</u>	<u>170,130</u>

Rental income from investment properties both totaled 21,136 thousand.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2021	December 31, 2020
Present value of the defined benefit obligations	\$ 65,693	74,878
Fair value of planned assets	<u>(169,253)</u>	<u>(173,003)</u>
Net defined benefit	<u>\$ (103,560)</u>	<u>(98,125)</u>

The Group's employee benefit liabilities were as follows:

	December 31, 2021	December 31, 2020
Total employee benefit assets	\$ (108,490)	(105,259)
Total employee benefit liabilities	<u>4,930</u>	<u>7,134</u>
Total	<u>\$ (103,560)</u>	<u>(98,125)</u>

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group approved the establishment of the "Employee Pension Management Committee" in accordance with Ruling No. 0920015946 issued by the Xinhua Office of the National Taxation Bureau of the Southern Area to transfer retirement funds to the special employee retirement reserve account of the Cooperative Bank Commercial Bank.

The Group's Bank of Taiwan and Taiwan Cooperative Bank labor pension reserve account balance amounted to \$169,253 thousand and \$173,003 thousand as of December 31, 2021 and 2020. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the Group were as follows:

	For the years ended December 31,	
	2021	2020
Defined benefit obligations at January 1	\$ 74,878	81,932
Current service costs and interest cost (income)	1,706	1,615
Remeasurements loss (gain):		
– Actuarial (gain) loss arising from experience adjustments	(387)	(524)
– Actuarial (gain) loss arising from financial assumptions	(2,176)	2,405
Benefits paid	(8,328)	(10,550)
Defined benefit obligations at December 31	\$ 65,693	74,878

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	For the years ended December 31,	
	2021	2020
Defined benefit obligations at January 1	\$ 173,003	175,094
Interest income	522	1,232
Remeasurements loss (gain):		
– Return on plan assets excluding interest income	1,871	4,027
Contributions paid by the employer	2,185	3,200
Benefits paid	(8,328)	(10,550)
Defined benefit obligations at December 31	\$ 169,253	173,003

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	For the years ended December 31,	
	2021	2020
Current service costs	\$ 1,482	1,055
Net interest of net liabilities for defined benefit obligations	(298)	(672)
Total (Management fee)	\$ 1,184	383

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- 5) Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Group's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2021 and 2020, was as follows:

	For the years ended December 31,	
	2021	2020
Accumulated amount at January 1	\$ (8,704)	(6,558)
Recognized during the period	(4,434)	(2,146)
Accumulated amount at December 31	<u>\$ (13,138)</u>	<u>(8,704)</u>

- 6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.70%	0.30%
Future salary increase rate	1.00%~2.00%	1.00%~2.00%

For the year ended 2021, the expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$2,195 thousand.

The weighted average lifetime of the defined benefits plans ranges from 7.5~8.4 years.

- 7) Sensitivity analysis

The impact on the present value of the defined benefit obligation given some changes in the actuarial assumptions shall be as follows:

	Influences of defined benefit obligations	
	Increased	Decreased
December 31, 2021		
Discount rate (0.25% change)	\$ (1,132)	1,090
Future salary increasing rate (0.25% change)	976	(944)
December 31, 2020		
Discount rate (0.25% change)	\$ (1,235)	1,281
Future salary increasing rate (0.25% change)	1,099	(1,066)

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Influences of defined benefit obligations	
	Increased	Decreased
December 31, 2021		
Discount rate (0.1% change)	\$ (83)	84
Future salary increasing rate (0.1% change)	74	(73)
December 31, 2020		
Discount rate (0.5% change)	\$ (115)	116
Future salary increasing rate (0.5% change)	102	(101)

Possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

Chinese employees must participate in the retirement pension plan run by the relevant Chinese municipal government; that is, in the relevant year, it must be based on the standard wages determined by the relevant Chinese authorities. In the year of 2021 and 2020, the rates ranged from 14%~16% and 14.5%~16% for annual pension contributions. Except for the aforementioned contributions, the Group does not assume other major responsibilities for the retirement benefits of Chinese employees.

According to the Hong Kong Mandatory Provident Fund Schemes Ordinance, the Group also set up a mandatory provident fund scheme ("MPF Scheme") for employees hired under the Hong Kong Employment Ordinance. The MPF plan is a defined contribution retirement plan managed by an independent trustee. According to the MPF scheme, the Group and its employees contribute 6%~5% of the employee's relevant income to the plan, and the monthly relevant income of the contribution amount is limited to HK\$30,000. Contributions to the plan vest immediately.

In 2021 and 2020, contributions to the Employees' Provident Fund for Malaysian employees is 13% of the employee's salary.

The Group also purchases statutory social security and medical insurance for qualified employees in Vietnam. Contribution ratios in 2021 and 2020 were both 20.5%.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The pension costs incurred from the contributions amounted to \$295,492 thousand and \$183,322 thousand for the years ended December 31, 2021 and 2020, respectively.

(w) Income taxes

(i) The components of income tax in the years 2021 and 2020 were as follows:

	For the years ended December 31,	
	2021	2020
Current tax expense		
Current period	\$ 745,391	987,669
Adjustment for prior periods	(40,417)	(10,360)
	<u>704,974</u>	<u>977,309</u>
Deferred tax expense		
Origination and reversal of temporary differences	(24,228)	17,948
Adjustment in tax rate	(1,862)	5,040
Change in unrecognized deductible temporary differences	(54,189)	(89,155)
	<u>(80,279)</u>	<u>(66,167)</u>
Recognition of previously unrecognized tax losses	<u>\$ 624,695</u>	<u>911,142</u>

The amount of income tax recognized in other comprehensive income for 2021 and 2020 was as follows:

	For the years ended December 31,	
	2021	2020
Remeasurement from defined benefit plans	<u>\$ 633</u>	<u>473</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Reconciliation of income tax and profit before tax for 2021 and 2020 is as follows:

	For the years ended December 31,	
	2021	2020
Profit excluding income tax	\$ 2,886,718	4,983,488
Income tax using the Company's domestic tax rate	577,344	996,698
Effect of tax rates in foreign jurisdiction (not applicable for separate financial statements)	(128,438)	(79,846)
Non-deductible expenses	155,223	45,889
Tax-exempt income	(40,014)	(19,466)
Other permanent differences	(128,021)	(136,219)
Recognition of previously unrecognized tax losses	(54,189)	(89,155)
Current-year losses for which no deferred tax asset was recognized	274,879	198,561
Change in unrecognized temporary differences	(1,862)	5,040
Change in provision in prior periods	(40,417)	(10,360)
Undistributed earnings additional tax	10,190	-
Total	\$ 624,695	911,142

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2021 and 2020. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31,	December 31,
	2021	2020
Aggregate amount of temporary differences related to investments in subsidiaries	\$ 5,875,907	5,915,981
Unrecognized deferred tax liabilities	\$ 1,224,060	1,232,711

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31,	December 31,
	2021	2020
Tax effect of deductible temporary differences	\$ 137,104	139,432
The carryforward of unused tax losses	350,045	412,476
	\$ 487,149	551,908

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group follows local tax regulations to offset net losses with taxable income during the first five to ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2021 and 2020 were as follows:

Deferred Tax Liabilities:

	Defined benefit plans	Unrealized exchange gains and losses	Fair value gains	Other	Total
January 1, 2021	\$ 21,135	20,583	11,432	58,573	111,723
Recognized in profit and loss debit (credit)	14	(15,404)	(3,712)	(7,734)	(26,836)
Recognized in other comprehensive profit and loss debit (credit)	-	-	-	599	599
December 31, 2021	<u>\$ 21,149</u>	<u>5,179</u>	<u>7,720</u>	<u>51,438</u>	<u>85,486</u>
January 1, 2020	\$ 20,635	8,875	11,899	29,996	71,405
Recognized in profit and loss debit (credit)	500	11,708	(467)	28,577	40,318
December 31, 2020	<u>\$ 21,135</u>	<u>20,583</u>	<u>11,432</u>	<u>58,573</u>	<u>111,723</u>

Deferred Tax Assets:

	Unrealized exchange gains and losses	Other	Total
January 1, 2021	\$ -	196,094	196,094
Recognized in profit and loss (debit) credit	-	(2,608)	(2,608)
Debit other comprehensive profit and loss	-	(34)	(34)
December 31, 2021	<u>\$ -</u>	<u>193,452</u>	<u>193,452</u>
January 1, 2020	\$ -	174,197	174,197
Recognized in profit and loss (debit) credit	-	22,370	22,370
Debit other comprehensive profit and loss	-	(473)	(473)
December 31, 2020	<u>\$ -</u>	<u>196,094</u>	<u>196,094</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) As of December 31, 2021, the company's income tax for the year 2019 had been examined by the tax authorities. For domestic subsidiaries, the year up till which was assessed by the Taipei National Tax Administration is as follows:

Total Nutrition Tech. Co., Ltd.: 2019.

Huang-Ho Invest. Co., Ltd.: 2019.

City Chain Food Ltd.: 2019.

May Lan Lei Co., Ltd.: 2019.

Zhong Yi Food Co., Ltd : 2019.

Oriental Best Foods Co., Ltd.: 2019.

An Hsin Chiao Chu Co., Ltd.: 2019.

KouChan Mill Co., Ltd.: 2019.

Nisshi Chain Co., Ltd.: 2020.

Saboten Co., Ltd.: 2019.

Honolulu Chain Food & Beverage Co., Ltd.: 2019.

Great Wall Feed Tech (Holdings) Ltd.: 2019.

(x) Capital and other equity

As of December 31, 2021 and 2020, the number of authorized ordinary shares were both \$9,900,000 shares with par value of 10 per share while the total value of authorized ordinary shares amounted to 990,000 thousand. As of those dates, 852,159 thousand and 827,339 thousand ordinary shares were issued, respectively.

Reconciliation of shares outstanding for 2021 and 2020 was as follows:

(expressed in thousands)

	Ordinary shares	
	2021	2020
January 1, 2021	\$ 827,339	827,339
Capitalizing undistributed earnings	24,820	-
December 31, 2021	\$ 852,159	827,339

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on July 30, 2021 to transfer an undistributed surplus of \$248,202 thousand into capital increase. With the approval of the Financial Supervisory Commission, the Board of Directors had agreed on setting August 29, 2021 as the allotment date. The relevant statutory registration procedures have since been completed.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(ii) Capital surplus

The balances of capital surplus as of December 31, 2021 and 2020, were as follows:

	December 31, 2021	December 31, 2020
Share capital	\$ 2,252	2,252
Treasury share transactions	1,781,586	1,659,108
Difference arising from subsidiary's share price and its carrying value	837,631	844,969
Stock options - fair value differences of associates and joint ventures under the equity method	66,918	66,918
Capital surplus - premium from merger	587,144	587,144
Other	<u>19,235</u>	<u>19,235</u>
	<u>\$ 3,294,766</u>	<u>3,179,626</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's memorandum stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors. If the earnings are to be distributed through the issuance of new shares, an approval during the shareholders' meeting is required. The Company authorizes the Board of Directors to distribute the dividends and bonuses or legal reserves and capital surpluses, entirely or partially, as cash dividends. Any decisions should be reported in a meeting of shareholders. The percentage of retained earnings and cash dividends distributed depends on the profit and financial situation of the year, subject to adjustments made in the shareholders' meeting.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Special reserve

When the company first adopted the IFRSs as approved by the FSC, by application of the exemption under IFRSs No. 1, any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders equity were reclassified under “Investment property” on the conversion date. The fair value on the conversion date is used as the recognized cost and the amount of retained earnings increased to \$328,719 thousand. In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, for the amount that the company elects to transfer to retained earnings, the company shall set aside an equal amount of special reserve, provided that when, on the date of the adoption of the IFRSs, the increase in retained earnings due to the first-time adoption of the IFRSs is insufficient to set aside the amount specified above, the company may set aside only the amount of the increase in retained earnings resulting from the adoption of the IFRSs. Following this, the company stated an increase of \$42,994 thousand in special reserves. When the company subsequently uses, disposes of, or reclassifies the relevant assets, it may reverse to distributable earnings a proportional amount of the special reserve originally set aside. As of December 31, 2021 and 2020, special reserves amounted to \$42,994 thousand.

In accordance with Ruling No. 1010012865 as stated above, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders’ equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (and does not qualify for earnings distribution) to account for cumulative changes to other shareholders’ equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders’ equity shall qualify for additional distributions.

3) Earnings distribution

Cash dividends for the year 2020 and 2019 were decided by the resolution adopted at the board meeting held at March 30, 2021 and March 27, 2020, respectively. Stock dividends for the year 2020 were decided by the resolution adopted at the general meeting of shareholders held at July 30, 2021. The relevant dividend distributions to shareholders were as follows:

	<u>2020</u>		<u>2019</u>	
	<u>Amount per share</u>	<u>Total amount</u>	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 2.70	2,233,815	2.20	1,820,146
Stock	0.30	<u>248,202</u>	-	<u>-</u>
		<u>2,482,017</u>		<u>1,820,146</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The amount of cash dividends on the appropriations of earnings for 2021, and the amount of shares dividends of appropriations of earnings for 2021, had been approved and proposed, respectively during the board meeting on March 25, 2022, as follows:

	For the years ended December 31, 2021	
	Amount per share	Total Amount
Dividends distributed to ordinary shareholders:		
Cash	\$ 1.50	1,278,239
Stock	0.50	426,080
		1,704,319

More information on earnings distribution is available on the Market Observation Post System website.

(iv) Treasury shares

Company shares held by subsidiaries

In 2021 and 2020, subsidiaries of the company did not acquire any new company shares. The number of shares held by subsidiaries and their respective market price are as follows:

Name of subsidiary	December 31, 2021		December 31, 2020	
	Market price	Shares owned (thousands)	Market price	Shares owned (thousands)
Huang-Ho Invest. Co., Ltd.	\$ 1,082,120	20,264	999,449	19,674
City Chain Food Ltd.	1,412,905	26,459	1,304,963	25,688
Total	\$ 2,495,025	46,723	2,304,412	45,362

In March 2019, when stating subsidiary interests, retained earnings arising from the sale of the company's shares by the subsidiary was treated as treasury stocks and then classified as "capital surplus-treasury stock transaction". The amount was \$363,674 thousand.

As of December 31, 2021 and 2020, the total value of company shares held by subsidiaries both amounted to \$219,132 thousand.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(v) Other equity interest

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2021	\$ (801,744)	2,185,955	1,384,211
Exchange differences on foreign operations	(108,695)	-	(108,695)
Exchange differences on subsidiaries accounted for using equity method	(9,869)	-	(9,869)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	285,999	285,999
Balance at December 31, 2021	<u>\$ (920,308)</u>	<u>2,471,954</u>	<u>1,551,646</u>

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance at January 1, 2020	\$ (899,515)	1,801,643	902,128
Exchange differences on foreign operations	56,596	-	56,596
Exchange differences on subsidiaries accounted for using equity method	41,175	-	41,175
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	384,312	384,312
Balance at December 31, 2020	<u>\$ (801,744)</u>	<u>2,185,955</u>	<u>1,384,211</u>

(y) Employee compensation and directors' and supervisors' remuneration

In accordance with the memorandum of the Company should contribute no less than 2% of the profit as employee compensation and less than 2% as directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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For the years ended December 31, 2021 and 2020, the Company's estimation for its employee remuneration both amounted to \$90,000 thousand, and directors' and supervisors' remuneration amounted to \$40,000 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. If the actual amounts differ from the estimated amounts, it shall be treated according to the changes in accounting estimates, and the impact of the change shall be recognized as the profit and loss in the next year. If the Board of Directors choose to distribute shares as employee compensation, calculations shall be done one day prior the date of their meeting.

The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2021 and 2020. Related information would be available on the Market Observation Post System website.

(z) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2021 and 2020 was based on the profit attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding. Calculations are as follows:

1) Profit attributable to ordinary shareholders of the Group

	For the years ended December 31,	
	2021	2020
Profit/(loss) attributable to ordinary shareholders of the Group	\$ 1,869,385	3,122,071

2) Weighted average number of ordinary shares

	For the years ended December 31,	
	2021	2020
Issued ordinary shares at January 1	\$ 827,339	827,339
Effect of treasury shares held	(46,723)	(46,723)
Effect of share dividends	24,820	24,820
Weighted average number of ordinary shares at December 31	\$ 805,436	805,436

3) Basic earnings per share

	For the years ended December 31,	
	2021	2020
Basic earnings per share	\$ 2.32	3.88

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(ii) Weighted average number of ordinary shares

The details on the calculation of diluted earnings per share as of December 31, 2021 and 2020 was based on the profit attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares. Calculations are as follows:

1) Profit attributable to ordinary shareholders of the Company (diluted)

	For the years ended December 31,	
	2021	2020
Profit/(loss) attributable to ordinary shareholders of the Company (diluted)	\$ 1,869,385	3,122,071

2) Weighted average number of ordinary shares (diluted)

	For the years ended December 31,	
	2021	2020
Weighted average number of ordinary shares (basic)	\$ 805,436	779,151
Effect of employee share bonus	1,956	1,718
Weighted average number of ordinary shares (diluted) at December 31	\$ 807,392	807,208

3) Diluted earnings per share

	For the years ended December 31,	
	2021	2020
Diluted earnings per share	\$ 2.32	3.87

(aa) Revenue from contracts with customers

		For the year ended December 31, 2021						
		Grains	Meat	Food	Restaurants	Southeast Asia	East Asia	Other
Primary geographical markets:								
Taiwan	\$ 25,095,966	12,557,486	3,368,409	1,099,286	-	-	103,462	42,224,609
China	10,751,904	-	-	889,684	-	23,819,834	-	35,461,422
Vietnam	4,314,507	-	-	-	-	13,234,983	-	17,549,490
Other regions	23,569	-	-	-	2,639,616	3,539,136	-	6,202,321
	\$ 40,185,946	12,557,486	3,368,409	1,988,970	2,639,616	40,593,953	103,462	101,437,842
Major product line:								
Feed	\$ 19,311,437	1,994,735	-	-	-	24,433,989	-	45,740,161
Oil	19,209,672	-	-	-	-	-	-	19,209,672
Meat	-	10,562,751	-	-	-	6,932,215	-	17,494,966
Consumables	-	-	3,368,409	1,988,970	-	9,227,749	-	14,585,128
Other	1,664,837	-	-	-	2,639,616	-	103,462	4,407,915
	\$ 40,185,946	12,557,486	3,368,409	1,988,970	2,639,616	40,593,953	103,462	101,437,842

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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		For the year ended December 31, 2020							
		Grains	Meat	Food	Restaurant	Southeast Asia	East Asia	Other	Total
Primary geographical markets:									
Taiwan	\$	20,761,370	11,953,589	2,967,201	1,331,240	-	-	23,300	37,036,700
China		1,434,776	-	46,410	658,467	2,739,287	21,396,077	-	26,275,017
Vietnam		-	-	-	-	-	14,361,398	-	14,361,398
Other regions		-	-	-	-	-	3,977,777	-	3,977,777
	\$	<u>22,196,146</u>	<u>11,953,589</u>	<u>3,013,611</u>	<u>1,989,707</u>	<u>2,739,287</u>	<u>39,735,252</u>	<u>23,300</u>	<u>81,650,892</u>
Major product line:									
Feed	\$	11,915,179	1,644,615	-	-	453,438	24,090,707	-	38,103,939
Oil		9,253,041	-	-	-	-	-	-	9,253,041
Meat		-	10,308,974	-	-	-	7,680,991	-	17,989,965
Consumables		-	-	3,013,611	1,989,707	-	7,963,554	-	12,966,872
Other		1,027,926	-	-	-	2,285,849	-	23,300	3,337,075
	\$	<u>22,196,146</u>	<u>11,953,589</u>	<u>3,013,611</u>	<u>1,989,707</u>	<u>2,739,287</u>	<u>39,735,252</u>	<u>23,300</u>	<u>81,650,892</u>

(iii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable	\$ 1,582,488	1,107,562	1,027,381
Trade receivables	6,396,583	5,539,715	5,324,972
Less: allowance for impairment	<u>(444,500)</u>	<u>(313,735)</u>	<u>(342,292)</u>
Total	<u>\$ 7,534,571</u>	<u>6,333,542</u>	<u>6,010,061</u>
Contract liabilities-unearned revenue	<u>\$ 204,369</u>	<u>284,410</u>	<u>172,343</u>

For details on trade receivables and allowance for impairment, please refer to Note 6(d).

Contract liabilities are recognized as other current liabilities, others.

The amount of revenue recognized for the years ended December 31, 2021 and 2020 that was included in the contract liability balance at the beginning of the period were \$284,410 thousand and \$172,343 thousand, respectively.

(ab) Net other income (expenses)

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31,	
	2021	2020
Interest income from bank deposits	<u>\$ 86,153</u>	<u>16,558</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(ii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31,	
	2021	2020
Foreign exchange gains (losses)	\$ 339,482	345,523
Gains (Losses) on financial assets (liabilities) at fair value through profit or loss	29,776	(55,928)
Dividend income	111,467	96,564
Rent income	37,201	52,248
Gains (Losses) on disposals of property, plant and equipment	55,694	27,561
Reversal of impairment loss (Impairment loss) on property, plant and equipment	(126,211)	(29,492)
Impairment loss on right-of-use assets	(41,327)	(7,498)
Government subsidies	2,094	75,605
Gain on disposal of subsidy	-	38,489
Other	<u>325,434</u>	<u>475,502</u>
	\$ <u>733,610</u>	<u>1,018,574</u>

(iii) Finance costs

The details of finance costs were as follows:

	For the years ended December 31,	
	2021	2020
Interest expense: Borrowings	\$ 252,434	250,310
Interest expense: Rent liabilities	<u>32,189</u>	<u>29,317</u>
Total	\$ <u>284,623</u>	<u>279,627</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ac) Financial instruments

(i) Types of financial instruments

1) Financial assets

	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 6,083,001	4,488,486
Financial assets measured at fair value through profit and loss	7,705	21,880
Notes receivables	1,582,488	1,107,562
Accounts receivables	5,952,083	5,225,980
Other financial assets: current	303,641	802,247
Financial assets measured at fair value through profit and loss	2,933,887	2,648,091
Other non-current assets	826,978	718,525
Total	\$ 17,689,783	15,012,771

2) Financial liabilities

	December 31, 2021	December 31, 2020
Short term loans	\$ 13,183,124	8,931,406
Short term notes payable	2,914,931	1,986,931
Financial liabilities measured at fair value through profit and loss	27,315	23,830
Notes payable	695,453	219,123
Accounts payable	5,246,498	4,516,214
Other payables	2,364,368	2,207,835
Long-term liabilities payable within one year or one operating cycle	185,336	972,264
Other current liabilities: other	87,393	131,860
Long-term borrowings	1,153,218	1,255,263
Guarantee demand deposits	90,603	83,332
Rent liabilities	1,120,840	1,272,051
Total	\$ 27,069,079	21,600,109

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Credit risk

1) Credit risk exposure

The carrying amount of financial assets and contract assets represents the maximum amount exposed to credit risk. As of December 31, 2021 and 2020, the Group's maximum exposure to credit risk amounted to \$14,755,457 thousand and \$12,364,241 thousand, respectively.

2) Concentration of credit risk

The Group has a broad customer base so there is no significant concentration of transactions with a single customer and the sales area is spread out. Therefore, there was no concentration of credit risk. In order to reduce credit risk, the company also regularly and continuously evaluates the financial position of customers and requires customers to provide collateral when necessary.

(iii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2021							
Short term loans	\$ 13,183,124	13,210,653	13,210,653	-	-	-	-
Short term loans payable	2,914,931	2,915,000	2,915,000	-	-	-	-
Financial liabilities measured at fair value through other comprehensive income: current	27,315	27,315	27,315	-	-	-	-
Note and accounts payable	5,941,951	5,491,951	5,491,951	-	-	-	-
Other payables	857,258	857,258	857,258	-	-	-	-
Long term liabilities payable within one year or one operating cycle	185,336	186,159	-	186,159	-	-	-
Other current liabilities: other	87,393	87,393	87,393	-	-	-	-
Long term borrowings	1,153,218	1,192,341	-	-	-	1,192,341	-
Guarantee demand deposits	90,603	90,604	31,956	2,708	22,495	32,802	643
Rent liabilities	1,120,840	1,301,374	99,762	84,213	143,565	286,205	687,629
	<u>\$ 25,561,969</u>	<u>25,360,048</u>	<u>22,721,288</u>	<u>273,080</u>	<u>166,060</u>	<u>1,511,348</u>	<u>688,272</u>
December 31, 2020							
Short term loans	\$ 8,931,406	8,971,882	8,971,882	-	-	-	-
Short term loans payable	1,986,931	1,987,632	1,987,632	-	-	-	-
Financial liabilities measured at fair value through other comprehensive income: current	23,830	23,830	23,830	-	-	-	-
Note and accounts payable	4,735,337	4,735,337	4,735,337	-	-	-	-
Other payables	886,246	886,246	886,246	-	-	-	-
Long term liabilities payable within one year or one operating cycle	972,264	992,594	-	992,594	-	-	-
Other current liabilities: other	131,860	131,860	131,860	-	-	-	-
Long term borrowings	1,255,263	1,300,542	-	-	-	1,300,542	-
Guarantee demand deposits	83,332	83,332	31,381	2,456	16,492	32,360	643
Rent liabilities	1,272,051	1,569,726	133,327	121,442	191,561	399,376	724,020
	<u>\$ 20,278,520</u>	<u>20,682,981</u>	<u>16,901,495</u>	<u>1,116,492</u>	<u>208,053</u>	<u>1,732,278</u>	<u>724,663</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iv) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2021			December 31, 2020		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$ 401,713	27.815	11,173,500	253,895	29.624	7,521,449
CNY	17,899	4.341	77,708	81,365	4.365	355,141

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on long-term loans and short-term borrowings in foreign currencies. On December 31, 2021 and 2020, a strengthening (weakening) of 1% of the NTD against the USD and the RMB, ceteris paribus, would have increased (decreased) the net profit after tax by \$112,512 thousand and \$78,766 thousand, respectively. The analysis is performed on the same basis for both years.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For relevant information on foreign exchange gain (loss) (including realized and unrealized portions) in the years 2021 and 2020, please refer to Note 6(ab).

(v) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1 basis points, ceteris paribus, the Group's net income would have increased / decreased by \$42,126 thousand and \$42,905 thousand in 2021 and 2020, respectively. This is mainly due to the Group's borrowing at variable rates and investment in variable-rate bills.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets 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, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, disclosure of fair value information is not required:

	December 31, 2021				
	Book value	Fair Value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	\$ 4,693	-	4,693	-	4,693
Corn structured products	2,573	-	2,573	-	2,573
Non-derivative financial assets: current					
Stocks in listed companies	439	439	-	-	439
Subtotal	<u>\$ 7,705</u>	<u>439</u>	<u>7,266</u>	<u>-</u>	<u>7,705</u>
Financial assets measured at fair value through other comprehensive profit and loss					
Stocks in listed companies	\$ 2,833,181	2,833,181	-	-	2,833,181
Stocks in unlisted companies	100,369	-	-	100,369	100,369
Other	337	-	337	-	337
Subtotal	<u>\$ 2,933,887</u>	<u>2,833,181</u>	<u>337</u>	<u>100,369</u>	<u>2,933,887</u>
Financial liabilities measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	<u>\$ (27,315)</u>	<u>-</u>	<u>(27,315)</u>	<u>-</u>	<u>(27,315)</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	December 31, 2020				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	\$ 9,472	-	9,472	-	9,472
Corn structured products	11,969	-	11,969	-	11,969
Non-derivative financial assets: current					
Stocks in listed companies	439	439	-	-	439
Subtotal	<u>\$ 21,880</u>	<u>439</u>	<u>21,441</u>	<u>-</u>	<u>21,880</u>
Financial assets measured at fair value through other comprehensive profit and loss					
Stocks in listed companies	\$ 2,547,181	2,547,181	-	-	2,547,181
Stocks in unlisted companies	100,561	-	-	100,561	100,561
Other	349	-	349	-	349
Subtotal	<u>\$ 2,648,091</u>	<u>2,547,181</u>	<u>349</u>	<u>100,561</u>	<u>2,648,091</u>
Financial liabilities measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	\$ (22,820)	-	(22,820)	-	(22,820)
Option contracts	(1,010)	-	(1,010)	-	(1,010)
Subtotal	<u>\$ (23,830)</u>	<u>-</u>	<u>(23,830)</u>	<u>-</u>	<u>(23,830)</u>

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

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Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment. Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

If the financial instruments held by the Group have an active market, their fair values are listed as follows according to their categories and attributes:

- For listed companies, financial assets and liabilities traded in an active market have their fair values determined by market price.

If the financial instruments held by the Group do not have an active market, their fair values are listed as follows according to their categories and attributes:

- Equity instruments without a quoted price: Fair value is estimated using comparable company valuation multiples. The main assumption is based on the surplus multiplier derived from the market price from comparable listed companies. This estimate has been adjusted for the discount effect by its lack of market liquidity.
- b) The fair value of derivative financial products is the amount that the Group is expecting to obtain or to pay if it terminates the contract on the reporting date as agreed. It typically includes the unrealized gains and losses of unsettled contracts in the current period. Most of the derivative financial products of the Group have quotations from financial institutions for reference.
- c) Non-financial instruments

For information on the evaluation of biological assets, please refer to Note 6(f). For information on the evaluation of investment properties, please refer to Note 6(n).

3) Transfers between Level 1 and Level 2

There were no significant transfers between Level 1 and Level 2 in both 2021 and 2020.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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4) Reconciliation of Level 3 fair values

	Measured at fair value through other comprehensive income
January 1, 2021	\$ 100,561
Effect of changes in foreign exchange rates	<u>(192)</u>
December 31, 2021	<u>\$ 100,369</u>
January 1, 2020	\$ 101,427
Capital reduction	(506)
Effect of changes in foreign exchange rates	<u>(360)</u>
December 31, 2020	<u>\$ 100,561</u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's Level 3 financial instruments measured at fair value mainly include financial assets: equity instruments measured at fair value through other comprehensive profit and loss.

The Company's Level 3 financial instruments measured at fair value possess multiple significant unobservable inputs. The significant unobservable input values of equity instrument investments without an active market are independent of each other, thus, there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial liabilities measured at fair value through profit or loss – equity investment without an active market	Market approach	<ul style="list-style-type: none"> · Discount due to lack of market liquidity (30% for both 2021.12.31 and 2020.12.31) · P/E Multiplier (9.14~34.22 and 18.39~26.49 for 2021.12.31 and 2020.12.31, respectively) 	<ul style="list-style-type: none"> · The higher the discount due to a lack of market liquidity, the lower the fair value · The higher the multiplier and premium for control, the higher the fair value

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	<u>Input</u>	<u>Changes</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2021				
Financial assets at fair value through profit or loss				
Equity investment without an active market	P/E Ratio	5%	6,601	(6,601)
December 31, 2020				
Financial assets at fair value through profit or loss				
Equity investment without an active market	P/E Ratio	5%	6,775	(6,775)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (vii) Offsetting financial assets and financial liabilities

The Group has financial instruments transactions applicable to the International Financial Reporting Standards Sections 42 NO. 32 approved by the FSC which required for offsetting. The following tables present the aforesaid offsetting financial assets and financial liabilities:

December 31, 2021						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	<u>Gross amounts of recognized financial assets (a)</u>	<u>Gross amounts of financial assets offset in the balance sheet (b)</u>	<u>Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)</u>	<u>Amounts not off set in the balance sheet (d)</u>		<u>Net amount (e)=(c)-(d)</u>
				<u>Financial instruments (Note)</u>	<u>Cash collateral received</u>	
Forward exchange contracts	\$ 4,693	-	4,693	4,693	-	-
Corn structured products	2,573	-	2,573	-	-	2,573
Total	\$ 7,266	-	7,266	4,693	-	2,573

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December 31, 2021						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ (27,315)	-	(27,315)	(4,693)	-	(22,622)

December 31, 2020						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ 9,472	-	9,472	8,081	-	1,391
Corn structured products	11,969	-	11,969	-	-	11,969
Total	\$ 21,441	-	21,441	8,081	-	13,360

December 31, 2020						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ (22,820)	-	(22,820)	(8,081)	-	(14,739)
Options	(1,010)	-	(1,010)	-	-	(1,010)
Total	\$ (23,830)	-	(23,830)	(8,081)	-	(15,749)

Note: Master netting arrangements and non cash financial collaterals are included.

(ad) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

The Group's main credit risk lies in financial products of cash, equity securities, and accounts receivable. Cash is kept in different financial institutions. Equity securities held are funds issued by listed companies with excellent credit ratings. The company controls the credit risks exposed to each financial institution and believes that the company's cash and equity securities held will not have a significant concentration of credit risk.

1) Trade and other receivables

The company's main potential credit risk comes from financial products in accounts receivable and other receivables. In order to reduce credit risk, the company continuously evaluates the financial position of customers, regularly assesses the possibility of recovering accounts receivable, and makes allowances for doubtful debts. The total loss of doubtful debts is within the management's expectations.

The credit risk exposure of the Group is mainly affected by the individual conditions of each customer. However, management also considers statistical data of the customer base, including the default risk of the customer's industry and country, as these factors may affect credit risk.

The Group's Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group's main transaction customers are not new customers, and no impairment loss has been recognized for these customers. When monitoring the credit risk of customers, they are grouped according to their credit characteristics, including whether they are individuals or legal entities, whether they are distributors, retailers or end customers, their respective location, industry, age, expiry date, and previous existing financial difficulties. Customers rated as high risk will be monitored by the credit department.

The Group has set up provisions for doubtful debt to reflect estimates of the losses incurred in accounts receivable and other receivables and investments. The main components of the provision account include specific loss components related to individual major risk insurance, and the combined loss components established for similar asset groups that have occurred but have not been identified. The combined loss provision account is determined based on historical payment statistics of similar financial assets.

2) Investments

The Group places orders of equity securities and trades futures through the centralized market. It is expected that the counterparty will not default, so there is no major credit transaction risk.

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

For more information on the Group's policy to provide financial guarantees as of December 31, 2021 and 2020, please refer to Note 13(a).

(iv) Liquidity risk

The Group's capital and working capital are sufficient to meet all contractual obligations, so there is no liquidity risk caused by the inability to raise funds to fulfill contractual obligations. The changes in the fair value of the investment of the Group are included in the profit and loss statement of the financial assets and the financial assets available for sale have an active market, so it is expected that the financial assets can be quickly sold in the market at a price close to the fair value. The open positions of futures held by the Group can be liquidated in the market at a reasonable price, hence the liquidity risk is very low. The exchange rate of the forward foreign exchange contracts held by the Group has been determined, and there is no significant cash flow risk.

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2021 and 2020, the Group's unused credit line amounted to \$9,238,273 thousand and \$11,910,374 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Equity securities held by the Group mainly include financial assets whose fair value changes are included in profit and loss. Therefore, such assets are measured by fair value. Subsequently, the company will be exposed to the risk of price volatility in the equity securities market.

The Group's forward foreign exchange contracts are of a hedging nature, and the profits and losses arising from changes in interest rates or exchange rates will roughly offset the profits and losses of the hedged project, so the market price risk is not significant.

The Group engaged in futures and option trading contracts, and had set a stop loss point based on risk during operation. As the loss incurred can be controlled within the expected range, the market price risk is not significant to the company as a whole and can be reasonably expected.

The fair value of bank financial products invested by the Group will fluctuate according to market interest rates, so the Group will be exposed to the risk of changes in market prices.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD, US Dollar (USD), and Chinese Yuan (RMB). The currencies used in these transactions are the NTD, USD, and RMB.

At any point in time, the Group hedges its estimated foreign currency exposure with respect to its forecast sales and purchases over the following six months. The Group also uses forward exchange contracts with a maturity of less than one year from the reporting date to hedge its currency risk.

For group companies that use NTD as their functional currency, all USD loans borrowed will be hedged using forward contracts with the same maturity date as the loan repayment date.

Loan interest is priced in the currency of its principal. Typically, the currency of the loan is the same as the currency of the cash flow generated by the operation of the Group, mainly denominated in NTD, but sometimes in USD or RMB. In this case, economic hedging is provided without the need to sign derivatives, so hedging accounting is not adopted.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Regarding other monetary assets and liabilities denominated in foreign currencies, the Group buys or sells foreign currencies at real-time exchange rates to ensure that the net exposure risk remains at an acceptable level when short-term imbalances occur.

2) Interest rate risk

On December 31, 2021 and 2020, the short-term and long-term borrowings of the Group consisted of debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term and long-term borrowings to change accordingly. For detailed interest rate analyses with respect to fluctuations in future cash flows, please refer to Note 6(ac).

3) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group's exposure to equity price risk is mainly due to the equity financial instruments within the food industry on Taiwan's local stock exchange. In addition to meeting the expected consumption and sales demand, the Group has not signed any commodity contracts; these commodity contracts are not delivered on a net basis.

(ae) Capital management

The board of directors' policy is to maintain a sound capital base to preserve the confidence of investors, creditors, and the market in order to support the development of future operations. Capital includes share capital, capital reserves, retained earnings, non-controlling interests and net liabilities of the Group. The board of directors controls the debt-to-capital ratio and at the same time controls the level of ordinary stock dividends.

The Group's debt-to-equity ratios at the end of the reporting period as of December 31, 2021 and 2020, are as follows:

	December 31, 2021	December 31, 2020
Total liabilities	\$ 28,992,521	23,806,284
Less: Cash and cash equivalents	<u>(6,083,001)</u>	<u>(4,488,486)</u>
Net debt	<u>\$ 22,909,520</u>	<u>19,317,798</u>
Total equity	<u>\$ 27,739,609</u>	<u>27,886,752</u>
Debt-to-equity ratio	<u>45.23 %</u>	<u>40.92 %</u>

(af) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2021 and 2020, were as follows:

- (i) For information on obtaining right-of-use assets by lease, please refer to Note 6(m) for details.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(ii) Reconciliation of liabilities arising from financing activities were as follows:

	2021.1.1	Cash flow	Non-cash changes		December 31, 2021
			Rent	Changes in exchange rates	
Long-term borrowings	\$ 2,227,527	(883,243)	-	(5,730)	1,338,554
Short-term borrowings	8,931,406	4,329,757	-	(78,038)	13,183,125
Short term notes payable	1,986,931	928,000	-	-	2,914,931
Guarantee demand deposits	83,332	7,271	-	-	90,603
Rent liabilities	1,272,051	(184,776)	33,565	-	1,120,840
Other current liabilities: other	151,086	(818)	-	-	150,268
Total liabilities from financing activities	\$ 14,652,333	4,196,191	33,565	(83,768)	18,798,321

	2020.1.1	Cash flow	Non-cash changes			December 31, 2020
			Rent	Changes in exchange rates	Acquisitions	
Long-term borrowings	\$ 2,714,872	(446,106)	-	(41,239)	-	2,227,527
Short-term borrowings	8,203,563	732,577	-	(187,788)	183,054	8,931,406
Short term notes payable	2,124,946	(138,015)	-	-	-	1,986,931
Guarantee demand deposits	80,762	2,570	-	-	-	83,332
Rent liabilities	1,213,228	(248,606)	307,429	-	-	1,272,051
Other current liabilities: other	159,429	(8,343)	-	-	-	151,086
Total liabilities from financing activities	\$ 14,496,800	(105,923)	307,429	(229,027)	183,054	14,652,333

(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.

<u>Name of related party</u>	<u>Relationship with the Group</u>
FoodChina Inc.	Associate (Note)
Advent Prosperity Real Estate Development Co., Ltd	Associate
Dachan Liangyou Food (Shanghai) Co., Ltd.	Associate
Dachan Liangyou Food (Tianjin) Co., Ltd.	Associate
Tianjin Hai Rei Food Limited	Associate
Gallant / Dachan Seafood Co., Ltd.	Associate
Rupp & Dachan Foods (Tianjin) Co., Ltd.	Associate
San Inn Abattoir Co.	Associate
Marubeni Corporation	Other related party
Marubeni(Dallian) Co., Ltd.	Other related party
Kou Feng Industrial Co., Ltd.	Other related party
TTET Union Corporation	Other related party
Beijing Hengtaifeng Catering Co.,Ltd.	Other related party

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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<u>Name of related party</u>	<u>Relationship with the Group</u>
DaCheng Land Development Ltd.	Other related party
Mengcun Hui Autonomous County Construction Investment Co., Ltd.	Other related party
BGI Genomics Co., Ltd	Other related party
Better Me Food Technology (Beijing) Co.,Ltd.	Other related party (Key management personnel)
Beijing Sisters Kitchen Food and Beverage Management Co.	Other related party (Key management personnel)
Beijing Daxiao Nutrition Food Science and Technology Co., Ltd.	Other related party (Key management personnel)

Note: Recognized as a subsidiary since the third financial quarter of 2020.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Group to related parties were as follows:

	For the years ended December 31,	
	2021	2020
Associates	\$ 58,198	1,387,386
Other related parties	687,065	736,931
	\$ 745,263	2,124,317

The sales prices and trading conditions listed above are not significantly different from general customer sales.

Amounts receivable from related parties were uncollateralized, and no expected credit loss were required after the assessment by the management.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	For the years ended December 31,	
	2021	2020
Associates	\$ 500,339	1,071,182
Other related parties	591,998	834,388
	\$ 1,092,337	1,905,570

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivables	Associates	\$ 5,826	1,004
Accounts receivables	Other related parties	60,767	31,202
Other accounts receivable (other financial assets: current)	Associates	16,045	41,133
Other accounts receivable (other financial assets: current)	Other related parties	15,477	66,129
		<u>\$ 98,115</u>	<u>139,468</u>

(iv) Payables to Related Parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivables	Associates	\$ 34,446	31,828
Accounts receivables	Other related parties	15,457	65,048
Other accounts receivable (other financial assets: current)	Associates	1,882	3,855
Other accounts receivable (other financial assets: current)	Other related parties	13,782	190,630
		<u>\$ 65,567</u>	<u>291,361</u>

(v) Guarantee

The Group provided guarantees for loans for other related parties during the years ended December 31, 2021 and 2020, with a quota of \$305,004 thousand and \$306,022 thousand, respectively.

(vi) Processing fee

Processing fees in 2021 and 2020 are as follows:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Other related parties	<u>\$ 261,664</u>	<u>309,670</u>

The Group commissioned TTET Union Corporation to process soybeans and soybean crude oil in 2021 and 2020. The processing fee of soybeans was 810~1,175 and 809~1,167 per metric ton, respectively. Processing of soybean crude oil was charged 833~929 and 822~968 per metric ton, respectively.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Leases

The Group leased its buildings used for production and its premises to related companies in January 2015, and signed a 15-year lease contract with a 30-year depreciation period based on the book value (the residual value withdrawal ratio is 5%). The calculated depreciation expenses are used as rent, and the annual rent calculation formula for the first five years = book value $(1/5\%)/30$. In the last ten years of the lease, in addition to the depreciation expenses mentioned above, the cost of funds calculated at the beginning of the year based on the book value of the premises and the one-year benchmark loan interest rate of the People's Bank of China is added as the rent. Annual rent calculation for the next ten years = book value $(1 + 5\%)/30 +$ capital cost of the nth year. Moreover, for office buildings leased to related companies, the contracts are signed every year, and the monthly rent is calculated based on the leased area and the actual monthly utility bill. The company revised the contract on July 26, 2016. In order to support the development of related parties and reduce their operating expenses, the lease period of the office building was changed to July 1, 2015 to December 31, 2019. Rent was also reduced to 0. On January 1, 2020, the company revised its contract again in order to support the development of related parties and reduce their operating expenses. The lease period of the office building was revised to January 1, 2020 to December 31, 2020. Rent was also reduced by RMB 4,447 thousand. Rental income for 2021 and 2020 amounted to \$13,777 thousand and \$14,382 thousand (tax included). As of December 31, 2021 and 2020, there were no outstanding payments.

The Group leased its buildings used for production and its premises to other related parties in January 2014 and signed a lease contract. On December 1, 2018, the contract was revised to \$225,000 thousand (tax included) collected on a quarterly basis from January 1, 2019. Rental income for the year ended 2021 and 2020 amounted to 11,877 thousand and 10,026 thousand (tax included), respectively. As of December 31, 2021 and 2020, outstanding payments amounted to 931 thousand and 0 thousand, respectively. For other current financial assets, please refer to Note 7(b)iii.

(viii) Management services

Management services for the years 2021 and 2020 comprised:

	For the years ended December 31,	
	2021	2020
Associate	14,282	15,442
Other related party	\$ 3,302	4,480
	\$ 17,584	19,922

(ix) Property transaction

In the third quarter of 2021, the Group purchased land located at the Guolian Section in Taoyuan District from an other related party, Kou Feng Industrial Co., Ltd.. The land was 587.12 square meters, totaling \$15,399 thousand. As of December 31, 2021, the transfer of land ownership and all payments have been completed.

For information on the stocks of KouChan Mill Co., Ltd. the Group purchased from Kou Feng Industrial Co., Ltd., please refer to Note 6(i).

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

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(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Short term employee benefits	\$ 154,988	154,333
Post-employment benefits	1,574	1,479
	<u>\$ 156,562</u>	<u>155,812</u>

In 2021 and 2020, the Group recognized costs of 5,533 thousand and 8,580 for 3 and 5 cars for the use of key management personnel, respectively.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Certificate of time deposits (Other current assets, others)	Natural gas, fertilizers, lease premium, etc.	<u>\$ 4,144</u>	<u>2,916</u>

(9) Significant Commitments and contingencies:

(a) The Group's unrecognized contractual commitments are as follows:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Acquisition of property, plant and equipment (unpaid)	<u>\$ 4,460,498</u>	<u>3,040,520</u>

(b) The Group's outstanding standby letter of credit are as follows:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Outstanding standby letter of credit (USD)	<u>USD 115,822</u>	<u>39,325</u>
Outstanding standby letter of credit (TWD)	<u>TWD -</u>	<u>5,648</u>
Outstanding standby letter of credit (JPY)	<u>JPY 977,240</u>	<u>231,500</u>
Outstanding standby letter of credit (EUR)	<u>EUR 97</u>	<u>2,046</u>
Outstanding standby letter of credit (GBP)	<u>GBP -</u>	<u>12</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) The Group's issuance of promissory notes in order provide guarantees for loans are as follows:

	December 31,	December 31,
	2021	2020
Outstanding promissory notes	\$ 22,248,271	19,697,860

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

		For the year ended December 31					
		2021			2020		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
By item	By function						
Employee benefits							
Salary		2,729,837	2,715,325	5,445,162	2,149,828	2,538,003	4,687,831
Labor and health insurance		186,756	194,286	381,042	147,717	165,095	312,812
Pension		134,204	162,472	296,676	76,022	107,683	183,705
Others		85,865	85,360	171,225	83,521	88,616	172,137
Depreciation		1,384,726	501,823	1,886,549	1,254,486	592,151	1,846,637
Depletion		-	-	-	-	-	-
Amortization		27,074	19,391	46,465	22,379	22,411	44,790

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GREAT WALL ENTERPRISE 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 Company:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Great Wall Enterprise Co., Ltd.	City Chain Food Ltd.	Other receivables; related parties	Yes	100,000	100,000	-	1.2%	2	-	Business financing	-	None	-	4,020,351	8,040,701
0	"	Mei Lan Lei Co., Ltd.	"	Yes	1,600,000	1,600,000	161,397	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Total Nutrition Tech. Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Huang-Ho Invest. Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Oriental Best Foods Co., Ltd.	"	Yes	100,000	100,000	56,000	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Great Wall International (Holdings) Ltd.	"	Yes	417,150	415,350	276,900	0%	2	-	"	-	"	-	4,020,351	8,040,701
1	Great Wall International (Holdings) Ltd.	Great Wall Milling Co., Ltd.	"	Yes	8,559	7,199	7,199	0%	2	-	"	-	"	-	3,034,667	3,034,667
1	"	GREAT WALL INTERNATIONAL LIMITED	"	Yes	279,660	276,900	-	0%	2	-	"	-	"	-	3,034,667	3,034,667
1	"	Tianjin Food Investment Co., Ltd.	"	Yes	314,805	276,346	276,346	2%	2	-	"	-	"	-	3,034,667	3,034,667
2	Dachan Food (Asia) Limited	Dachan Food (Asia) Limited	"	Yes	1,328,197	1,301,430	1,301,430	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Miyasun-Great Wall Foods (Dalian) Co., Ltd.	"	Yes	99,859	96,915	96,915	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Great Wall Agri (Yingkou) Co., Ltd.	"	Yes	456,496	443,040	443,040	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Dachan Food (Hebei) Co., Ltd.	"	Yes	251,073	243,672	243,672	0%	2	-	"	-	"	-	3,327,053	3,327,053
3	Route 66 Fast Food Ltd.	Beijing Universal Chain Food Co., Ltd.	"	Yes	55,502	54,501	54,501	0%	2	-	"	-	"	-	382,712	382,712
3	"	Tai Ji Food Co., Ltd.	"	Yes	41,969	40,843	40,843	0%	2	-	"	-	"	-	382,712	382,712
3	"	Tianjin Food Invest Co., Ltd.	"		27,414	16,122	16,122	0%		-	"	-	"	-	382,712	382,712
4	City Chain Food Ltd.	Tai Ji Food Co., Ltd.	"	Yes	31,384	30,459	30,459	0%	2	-	"	-	"	-	765,675	765,675
4	"	Tianjin Food Invest Co., Ltd.	"	Yes	135,744	133,766	133,766	0%	2	-	"	-	"	-	765,675	765,675
4	"	Route 66 Fast Food Ltd.	"	Yes	82,252	80,118	80,118	0%	2	-	"	-	"	-	765,675	765,675
4	"	Ma Cheng Co., Ltd.	"	Yes	5,000	5,000	5,000	1.2%	2	-	"	-	"	-	765,675	765,675
4	"	Great Wall Enterprise Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	765,675	765,675
5	Dachan Aquaculture Limited (DAL)	P.T. Misaja Mitra (MM)	"	Yes	51,313	49,801	49,801	0%	2	-	"	-	"	-	225,494	225,494

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
5	Mei Lan Lei Co., Ltd.	PT. Mustika Minanusa Aurora (MMA)	Other receivables related parties	Yes	14,266	13,845	13,845	0%	2	-	Business financing	-	None	-	225,494	225,494
6	Greatwall Northeast Asia Corporation (NAC)	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	627,682	609,180	609,180	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	218,491	217,860	217,860	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Liaoning Great Wall Agri-Industrial Co., Ltd.	"	Yes	349,586	348,576	348,576	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Bengbu Dachan Food Co., Ltd.	"	Yes	305,888	305,004	305,004	0%	2	-	"	-	"	-	3,478,044	3,478,044
7	Total Nutrition Tech Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	240,000	240,000	240,000	1.2%	2	-	"	-	"	-	309,161	309,161
7	"	Oriental Best Foods Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	309,161	309,161
8	Great Wall Feed Tech (Holdings) Ltd. (GWFT(BVI))	Great Wall FeedTech (Tianjin) Co., Ltd.	"	Yes	28,531	-	-	0%	2	-	"	-	"	-	167,675	167,675
9	Taixu & Dachan Foods Co., Ltd.	Taixu & Dachan Foods (Bengbu) Co., Ltd.	"	Yes	78,864	34,858	34,858	0%	2	-	"	-	"	-	180,396	180,396
10	Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	100,000	100,000	-	1.2%	2	-	"	-	"	-	721,841	721,841
10	"	Wonder Biotek Co., Ltd.	"	Yes	20,000	20,000	3,500	1.2%	2	-	"	-	"	-	721,841	721,841
11	Neo Foods Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	15,000	15,000	15,000	1.2%	2	-	"	-	"	-	13,378	13,378
12	TNT Biotechnology Co., Ltd.	Great Wall International (Holdings) Ltd.	"	Yes	24,251	23,537	23,537	0%	2	-	"	-	"	-	129,103	129,103
13	Wonder Biotek Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	25,000	-	-	1.2%	2	-	"	-	"	-	23,910	23,910
14	TNT Biotechnology (Tianjin) Co., Ltd.	Beijing Universal Chain Food Co., Ltd.	"	Yes	5,280	-	-	0%	2	-	"	-	"	-	309,161	309,161
15	GREAT WALL GRAINS INTERNATIONAL LIMITED (GWGI)	Great Wall International (Holdings) Ltd.	"	Yes	236,289	47,073	47,073	0%	2	-	"	-	"	-	52,922	52,922

Note 1: The purposes of fund financing for the borrower are classified as follows:

1. For those with business dealings: 1.
2. For those with short-term financing: 2.

Note 2: The total amount of loans to other parties must not exceed 40% of the Company's net worth, while loans to individual entities must not exceed 20% of the Company's net worth.

Note 3: The above-mentioned loans and transactions to related parties have been written off.

Note 4: For the subsidiaries, the total amount of loans to other parties and to individual entities must not exceed 40% of its net worth.

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	Great Wall International (Holdings) Ltd.	Great Wall Milling Co., Ltd.	5	7,586,667	342,372	332,280	249,653	-	4.38 %	15,173,334	Y		
1	"	Seafood International Inc.	2	7,586,667	285,310	276,900	13,568	-	3.65 %	15,173,334	Y		
1	"	Great Wall Grains International Ltd.	2	7,586,667	1,401,665	1,384,500	-	-	18.25 %	15,173,334	Y		
1	"	Dachan Liangyou Food (Shanghai) Co., Ltd.	2	7,586,667	309,513	305,004	156,859	-	4.02 %	15,173,334			Y
3	Asia Nutrition Technologies (VN) Co., Ltd.	ANT FEED CO., LTD.	6	370,751	85,593	-	-	-	- %	741,502			
4	Liaoning Great Wall Agri-Industrial Co., Ltd.	Dachan Food (Hebei) Co., Ltd.	4	1,316,048	30,951	30,500	5,141	-	2.32 %	2,632,096			Y
5	Great Wall Agri (Hei Long Jiang) Co., Ltd.	Dachan Wanda (Tianjin) Co., Ltd.	4	233,559	14,061	-	-	-	- %	467,118			Y
6	Dachan Food (Asia) Limited	Bengbu Dachan Food Co., Ltd.	4	4,158,816	1,966,421	1,960,740	-	-	47.15 %	8,317,632	Y		Y

Note 1: Guarantees and endorsements for other parties are classified into six types of relationships as follows:

- For those with business dealings.
- For subsidiaries with over 50% of common shares.
- When the parent company and its subsidiaries own more than 50% of common shares of the invested company.
- When the parent company owns more than 50% of common shares of the company either directly or indirectly through its subsidiaries.
- For those in the same industry who are contractually obligated to endorse each other due to projects.
- For companies that are endorsed and guaranteed by each investor based on their shareholding ratio due to joint ventures.
- For companies in the same industry engaged in pre-sale house sales contracts who are contractually obligated to provide guarantees and endorsements in accordance with the Consumer Protection Act.

Note 2: The total amount of guarantees and endorsements for other parties must not exceed the Company's total net worth, while guarantees and endorsements for individual entities must not exceed 50% of the Company's net worth.

Note 3: For subsidiaries, the total amount of guarantees and endorsements for other parties must not exceed double its total net worth and must not be higher than the Company's total net worth. Guarantees and endorsements for individual entities must not exceed the subsidiary's total net worth, and must not be higher than 50% of the Company's total net worth.

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Great Wall Enterprise Co., Ltd.	Ordinary shares: Lien Hwa Industrial Holdings Corp.	Board of Directors	Financial assets measured at fair value through profit or loss: current	36,974	439	-	439	- %	
	Ordinary shares: TTET Union Co.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	15,416,960	2,443,588	9.64	2,443,588	9.64 %	
	Ordinary shares: China Trade and Development Co.	-	"	20,004	199	0.03	199	0.03 %	
	Ordinary shares: Da Chiang International Co., Ltd.	Board of Directors	"	7,889,655	56,615	3.94	56,615	3.94 %	
	Ordinary shares: ZHONG ZHENG CO., LTD.	-	"	461,760	4,618	2.59	4,618	2.59 %	
	Ordinary shares: Yo-Ho Beach Resort Co., Ltd.	-	"	1,848,000	16,800	1.81	16,800	1.81 %	
	Ordinary shares: Deyong Biological Technology Co., Ltd.	Board of Directors	"	117,997	459	3.70	459	3.70 %	

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Great Wall Enterprise Co., Ltd.	Ordinary shares: Yahsen Frozen Foods Co., Ltd.	-	Financial assets measured at fair value through other comprehensive profit or loss: non-current	40,425	-	0.08	-	0.08 %	
	Ordinary shares: Hsin Tung Yang Co. Ltd.	-	"	137,000	1,480	0.16	1,480	0.16 %	
Huang-Ho Invest. Co., Ltd.	Great Wall Enterprise Co., Ltd.	Company	Treasury shares	20,264,416	121,687	2.38	1,082,120	2.38 %	
	Ordinary shares: Da Chiang International Co. Ltd.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	1,724,138	12,500	0.86	12,500	0.80 %	
	Ordinary shares: TTET Union Co.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	2,457,997	389,593	1.54	389,593	0.86 %	
City Chain Food Ltd.	Great Wall Enterprise Co., Ltd.	Company	Treasury shares	26,458,889	128,909	3.10	1,412,905	3.10 %	
Oriental Best Foods Co., Ltd.	Cashbox Partyworld Co., Ltd.	-	Financial assets measured at fair value through other comprehensive profit or loss: non-current	26,010	1,055	0.02	1,055	0.02 %	
Route 66 Fast Food Ltd.	Beijing Hengfengtai Catering Management Co., Ltd.	-	"	-	6,643	9.09	6,643	9.09 %	
Great Wall Food (Hong Kong) Co., Ltd.	Dynasty Club	-	"	-	337	-	337	- %	

Note 1: The assumptions made of the market price is as follows:

- For those with an open market price, it refers to the average closing price as of the date on the balance sheet. However, for open end funds, the market price refers to its net asset value as of the date on the balance sheet.
- For those without an open market price, net asset value per share is used.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
Great Wall Enterprise Co., Ltd.	Non-listed stock	Investment using the equity method	Great Wall International (Holdings) Ltd.	Subsidiary	70,490,813	6,963,941	20,000,000	613,129	-	-	-	-	90,490,813	7,577,070
Great Wall International (Holdings) Ltd.	Non-listed stock	Investment using the equity method	Great Wall Northeast Asia Corporation (NAC)	Subsidiary	4,989,854	1,444,628	-	-	-	4,989,854	1,444,628	-	4,989,854	-
Great Wall Northeast Asia Corporation (NAC)	Non-listed stock	Investment using the equity method	Great Wall International (Holdings) Ltd.	Subsidiary	-	-	4,989,854	1,468,127	-	-	-	-	4,989,854	1,468,127

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Great Wall Enterprise Co., Ltd.	Land	2021.11.5	680,600	Not complete	Chiayi County Government	Not applicable	Not applicable	Not applicable	Not applicable	Auction	To advance its food-processing abilities		

Note: Information not found as the previous transaction transpired too long ago.

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

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Subsidiary	Purchase	4,113,884	16 %	2 months	-	-	(451,987)	(33)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Associate / Subsidiary	Sale	1,283,252	4 %	Same as regular customers	-	-	332,363	8 %	
Great Wall Enterprise Co., Ltd.	TTET Union Corporation	Other related party	Purchase	158,631	1 %	Same as regular customers	-	-	(9)	- %	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Subsidiary	Purchase	341,163	1 %	Same as regular customers	-	-	(34,053)	(3)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Associate / Subsidiary	Purchase	1,036,825	4 %	Same as regular customers	-	-	(92,059)	(7)%	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Subsidiary	Sale	1,893,867	6 %	2 months	-	-	-	- %	
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Subsidiary	Sale	1,141,948	4 %	270 days	-	-	596,259	21 %	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Subsidiary	Sale	183,734	1 %	Same as regular customers	-	-	27,447	1 %	
Mei Lan Lei Co., Ltd.	TTET Union Corporation	Other related party	Purchase (Outsourced)	281,360	- %	Same as regular customers	-	-	-	- %	
Great Wall Enterprise Co., Ltd.	Great Wall Grains International, Ltd.	Subsidiary	Purchase	687,095	- %	Same as regular customers	-	-	-	- %	

Note: Transactions between the parent company and its subsidiaries have been written off.

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Great Wall Enterprise Co., Ltd.	FoodChina Company	Subsidiary	332,363 (Note)	3.93 %	-		332,263	-
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Subsidiary	596,259 (Note)	15.59 %	-		22,341	-
Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	Subsidiary	451,987 (Note)	8.72 %	-		(451,987)	-

Note 1: Refers to trade receivables and notes receivables.

Note 2: Transactions between the parent company and its subsidiaries have been written off.

- (ix) Trading in derivative instruments: Please refer to notes 6(b)
(x) Business relationships and significant intercompany transactions:

For business relationships and significant intercompany transactions between the parent company and its subsidiaries (written off in the consolidated financial statements), please refer to "Business relationships and significant intercompany transactions" in the consolidated financial statements for the year ended December 31, 2021.

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	1	Sales revenue	1,893,867	Adjusted according to market price and company policies	2%
0	"	"	1	Cost of sales	4,113,884		5%
0	"	"	1	Trades' current account receivable	161,397		-%
0	"	"	1	Other receivables	1,029		-%
0	"	"	1	Accounts payable	169,397		-%

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	1	Notes payable	282,590		-%
0	"	"	1	Rental income	11,456		-%
0	"	"	1	Finance income	2,262		-%
0	"	Food China Global Co., Ltd.	1	Sales revenue	1,283,252		1%
0	"	"	1	Cost of sales	1,036,825		1%
0	"	"	1	Accounts receivable	332,363		-%
0	"	"	1	Accounts payable	92,059		-%
0	"	"	1	Rental income	1,063		-%
0	"	"	1	Other income	2,131		-%
0	"	"	1	Other receivables	57	Same as regular trading terms	-%
0	"	City Chain Food Ltd.	1	Sales revenue	7,429	Same as regular trading terms	-%
0	"	"	1	Accounts receivable	1,377		-%
0	"	"	1	Other income	77		-%
0	"	"	1	Rental income	2,555		-%
0	"	KouChan Mill Co., Ltd.	1	Cost of sales	26,291	Same as regular trading terms	-%
0	"	"	1	Accounts payable	4,460		-%
0	"	"	1	Service income	7,407		-%
0	"	Total Nutrition Tech. Co., Ltd.	1	Finance expense	1,616		-%
0	"	"	1	Sales revenue	341,163	Same as regular trading terms	-%
0	"	"	1	Cost of sales	183,734	3,000/metric ton on top of the cost	-%
0	"	"	1	Accounts receivable	27,447		-%
0	"	"	1	Trades' current account payable	240,000		-%
0	"	Total Nutrition Tech. Co., Ltd.	1	Rental income	8,360		-%
0	"	"	1	Other receivables	764		-%
0	"	"	1	Other income	1,016		-%
0	"	"	1	Accounts payable	34,010		-%
0	"	"	1	Notes payable	45		-%
0	"	An Hsin Chiao Chu Co., Ltd.	1	Sales revenue	14,554	Same as regular trading terms	-%
0	"	"	1	Cost of sales	809		-%
0	"	"	1	Accounts receivable	2,959		-%
0	"	"	1	Other income	231		-%
0	"	"	1	Rental income	131		-%
0	"	"	1	Other payables	14	Same as regular trading terms	-%
0	"	Zhong Yi Food Co., Ltd.	1	Sales revenue	1,141,948	Same as regular trading terms	1%
0	"	"	1	Cost of sales	5,508	Same as regular trading terms	-%
0	"	"	1	Accounts payable	182		-%
0	"	"	1	Accounts receivable	596,259		1%
0	"	"	1	Other income	5,289		-%
0	"	Oriental Best Foods Co., Ltd.	1	Sales revenue	49,991	Same as regular trading terms	-%
0	"	"	1	Cost of sales	10,205		-%
0	"	"	1	Trades' current account receivable	56,000		-%
0	"	"	1	Accounts receivable	4,081		-%
0	"	"	1	Other receivables	57		-%
0	"	"	1	Finance income	612		-%
0	"	"	1	Service income	2,655		-%
0	"	"	1	Accounts payable	1,593		-%
0	"	"	1	Other payables	109		-%
0	"	Saboten Co., Ltd.	1	Sales revenue	5,487	Same as regular trading terms	-%
0	"	"	1	Other payables	25		-%
0	"	"	1	Accounts receivable	425		-%
0	"	"	1	Rental income	42		-%

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Great Wall Enterprise Co., Ltd.	Honolulu Chain Food & Beverage Co., Ltd.	1	Sales revenue	215	Same as regular trading terms	-%
0	"	"	1	Accounts receivable	57		-%
0	"	"	1	Rental income	84		-%
0	"	Wonder Biotek Co., Ltd.	1	Rental income	23		-%
0	"	"	1	Accounts receivable	17		-%
0	"	"	1	Accounts payable	1,431		-%
0	"	"	1	Other income	44		-%
0	"	Neo Foods Co., Ltd.	1	Rental income	23		-%
0	"	"	1	Accounts receivable	11		-%
0	"	"	1	Trades' current account payable	15,000		-%
0	"	"	1	Finance expense	180		-%
0	"	"	1	Other income	125		-%
0	"	GREAT WALL GRAINS INTERNATIONAL	1	Cost of sales	687,095		-%
0	"	Great Wall International (Holdings) co., Ltd.	1	Trades' current account receivable	278,140		-%

Note 1: Numbers are classified as follows:

1. Parent company: 0
2. Subsidiaries are numbered in numerical order from 1.

Note 2: Nature of relationship is classified as follows:

1. Parent company to its subsidiaries.
2. Subsidiary to its parent company.
3. Subsidiary to subsidiary.

Note 3: Transactions between the parent company and its subsidiaries have been written off.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

(In USD/HKD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value				
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Taiwan	Feed	314,006	314,006	48,149,500	100.00 %	768,311	100.00 %	67,594	67,594	
	Huang-Ho Invest. Co., Ltd.	"	Investments	314,395	249,395	14,500,000	100.00 %	408,377	100.00 %	12,922	12,922	
	Great Wall International (Holdings) Ltd.	Hong Kong	Holdings	2,678,728	2,122,110	90,490,813	100.00 %	7,577,070	100.00 %	81,914	81,914	
	City Chain Food Ltd.	Taiwan	Fast Food Restaurants	856,496	856,496	167,823,438	100.00 %	487,575	100.00 %	(23,989)	(23,989)	
	Mei Lan Lei Co., Ltd.	"	Production, sale, and research of feed	120,010	120,010	48,000,000	100.00 %	1,809,231	100.00 %	52,563	52,563	
	KouChan Mill Co., Ltd.	"	Flour production and sales	373,799	373,799	33,550,000	55.00 %	491,326	55.00 %	53,268	29,297	
	Oriental Best Foods Co., Ltd.	"	Food processing and sale	161,405	141,405	80,067	100.00 %	214,702	90.00 %	13,997	12,773	
	An Hsin Chiao Chu Co., Ltd.	"	Sale of fresh meat	55,000	55,000	5,500,000	100.00 %	6,043	100.00 %	(4,429)	(4,429)	
	Neo Foods Co., Ltd.	"	Food manufacturing and sale	50,000	50,000	5,000,000	100.00 %	33,444	- %	(15,259)	(15,259)	
	Great Wall FeedTech Enterprise Co., Ltd.	"	Production, sale, and research of feed	37,274	37,274	340,000	100.00 %	5,507	100.00 %	(340)	(340)	
	Wonder Biotek Co., Ltd.	"	Medicine production and sales	200,000	150,000	20,000,000	100.00 %	59,776	100.00 %	(41,170)	(41,170)	
	Zhong Yi Food Co., Ltd.	"	Egg production and sale	780,000	780,000	78,000,000	65.00 %	692,534	100.00 %	(83,598)	(54,339)	
	San Inn Abattoir Co.	"	Abattoir	66,469	66,469	1,116,000	40.00 %	71,051	- %	11,454	4,582	
City Chain Food Ltd.	Nisshi Chain Co., Ltd.	"	Bakery	68,459	68,459	4,364,652	67.29 %	9,209	67.29 %	(1,458)	(981)	
	Saboten Co., Ltd.	"	Japanese restaurants	39,000	39,000	2,000,000	50.00 %	57,248	50.00 %	11,142	5,571	
	Route 66 Fast Food Ltd.	Hong Kong	Investment holdings	USD 31,555,384	USD 29,668,603	28,404,247	100.00 %	191,356	100.00 %	3,553	3,553	
	Saboten (China) Limited	"	Investment holdings	USD 1,250,000	USD 1,250,000	1,550,000	50.00 %	64,461	50.00 %	43,376	21,688	
City Chain Food Ltd.	DaChan Shin Yeh Ltd.	"	Chinese and western fast food	USD 700,000	USD 700,000	700,000	40.00 %	17,106	40.00 %	(2,274)	(910)	
	Honolulu Chain Food & Beverage Co., Ltd.	Taiwan	Chinese and western fast food	11,000	11,000	11,000,000	55.00 %	982	55.00 %	(15,109)	(8,310)	
	Xiang Cheng Co., Ltd.	"	Chinese food and dining	5,000	5,000	500,000	50.00 %	3,926	50.00 %	(617)	(309)	
	Ma Cheng Co., Ltd.	"	Western food and dining	18,000	18,000	1,800,000	90.00 %	(631)	90.00 %	(2,951)	(2,656)	
Total Nutrition Tech. Co., Ltd.	TNT Biotechnology Co., Ltd.	Hong Kong	Investment holdings	USD 13,110,000	USD 13,110,000	13,110,000	100.00 %	322,759	100.00 %	6,877	6,877	

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value				
Great Wall International (Holdings) Ltd.	Asia Nutrition Technologies Corporation Co., Ltd.	Hong Kong	Investment holdings	USD 7,391,940	USD 7,391,940	6,690,472	100.00 %	1,298,793	100.00 %	92,360	92,360	
	Greatwall Food Investment (H.K.) Co., Ltd.	"	Investment holdings	USD 62,500,000	USD 62,500,000	5,422,000	100.00 %	(1,532)	- %	(180)	(180)	
	Greatwall Food (H.K.) Co., Ltd.	"	Food wholesale	USD 500,000	USD 500,000	50,000	100.00 %	(15,741)	100.00 %	(2,461)	(2,461)	
	FoodChina Inc.	"	Investment holdings	USD 9,499,532	USD 5,070,000	32,730,000	88.70 %	376,784	88.70 %	69,938	62,035	
	Seafood International Inc.	"	Investment holdings	USD 4,183,974	USD 4,183,974	3,744,000	100.00 %	103,605	100.00 %	(5,738)	(5,738)	
	Tianjin Food Invest Co., Ltd.	"	Investment holdings	USD 9,729,433	USD 9,729,433	9,500,000	78.40 %	828,913	78.40 %	(56,881)	(44,595)	
	Waverley Star Ltd.	"	Investment holdings	USD 29,160,858	USD 29,160,858	29,160,858	100.00 %	3,209,440	100.00 %	246,517	246,517	
	Golden Harvest Inc.	"	Investment holdings	USD -	USD 1	1	100.00 %	-	100.00 %	-	-	
	Great Wall FeedTech (Holdings) Ltd.	"	Investment holdings	USD 10,630,000	USD 10,630,000	8,260,000	100.00 %	419,188	100.00 %	13,678	13,678	
	Clydebridge Ltd.	"	Investment holdings	USD 3,544,000	USD 3,544,000	3,544,000	94.66 %	320,517	94.66 %	107,114	101,394	
	Global Food Corp.	"	Aquaculture trading	USD -	USD 1	1	100.00 %	-	100.00 %	-	-	
	Gallant Dachan Seafood Co., Ltd.	Vietnam	Aquaculture processing and sales	USD 2,500,000	USD 2,500,000	2,500,000	50.00 %	104,528	50.00 %	(5,435)	(2,718)	
	Dachan (Asia-Pacific) Limited	Hong Kong	Investment holdings	USD 11,200,000	USD 11,200,000	11,200,000	75.17 %	131,041	75.17 %	(109,469)	(82,288)	
	Fresh Aqua Corporation	"	Aquaculture trading	USD 1	USD 1	1	100.00 %	-	100.00 %	-	-	
	Fresh Aqua Corporation	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	46,993	100.00 %	44,923	44,923	
	Fresh Aqua Limited	"	Aquaculture trading	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	132,306	100.00 %	105,991	105,991	
	Great Wall Grains International Limited	"	Commodity trading	USD 1,282	USD 1,282	1,282	100.00 %	34,754	100.00 %	34,222	34,222	
	Global Seafood Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	6,315	100.00 %	8,048	8,048	
	Pacific Harvest Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	23,694	100.00 %	22,281	22,281	
	Seafood International Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	30,176	100.00 %	27,758	27,758	
	Universal Food Limited	"	Aquaculture trading	USD 10,494,097	USD 10,494,097	10,494,097	51.00 %	-	51.00 %	(464,367)	(236,827)	
	Myint Dachan Company Limited	Myanmar	Production and sale of feed	USD 52,355,513	USD -	4,988,973	65.51 %	1,304,733	65.51 %	201,140	131,767	
	ANTIC(VN)	Vietnam	Sale of chicken	USD 2,887,240	USD -	1	100.00 %	163,394	100.00 %	9,706	9,706	
	Marksville	Malaysia	Production and sale of feed	USD 29,160,858	USD 29,160,858	375,899,946	36.99 %	3,212,900	36.99 %	666,779	246,641	
Waverley Star Ltd.	Dachan Food (Asia) Limited	"	Investment holdings	USD 5,759,421	USD 5,759,421	152,924,906	15.05 %	1,037,222	15.05 %	666,779	100,350	
Asia Nutrition Technologies Corporation	Dachan Food (Asia) Limited	"	Investment holdings	USD 800,000	USD 800,000	800,000	5.37 %	9,361	6.67 %	(109,469)	(5,878)	
Dachan Food (Asia)	Dachan (Asia-Pacific) Limited	"	Investment holdings	USD 300,000	USD 300,000	400,000	1.08 %	8,304	1.08 %	69,938	-	
	Food China Inc.	"	Investment holdings	USD 900,000	USD 900,000	900,000	30.00 %	24,912	30.00 %	-	-	
	Taiwan International Gene Co., Ltd.	Vietnam	Sale of boars for breeding purposes	USD 3,713,685	USD 3,713,685	3,730,000	79.03 %	(22,993)	79.03 %	(101)	(80)	
Route 66 Fast Food Ltd.	Yung Huo (China) Co., Ltd.	Hong Kong	Investment holdings	USD 53,000	USD 53,000	400,000	1.08 %	5,061	1.08 %	69,938	1,218	
	FoodChina Inc.	"	Investment holdings	USD 1,385,160	USD 1,385,160	1,110,000	100.00 %	32,669	100.00 %	(220)	(220)	

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of CNY/USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Great Wall Food (Tianjin) Co., Ltd.	Production and sale of flour related products	USD 8,278	(2)	53,136	-	-	53,136	(6,511)	78.40%	78.40%	(5,105)	919,835	-
Miyasun-Great Wall Foods (Dalian) Co., Ltd.	Production and sale of processed chicken products	USD 9,872	(2)	-	-	-	-	12,658	52.04%	52.04%	6,587	148,768	-
Great Wall Foods (Dalian) Co., Ltd.	Production and sale of chicken and feed	USD 26,600	(2)	315,908	-	-	315,908	54,959	30.70%	30.70%	16,872	688,781	-
Liaoning Great Wall Agri-Industrial Co., Ltd.	Production and sale of feed	USD 19,201	(2)	229,600	-	-	229,600	142,661	52.04%	52.04%	74,241	684,871	-
Great Wall Agri (Hei Long Jiang) Co., Ltd.	Production and sale of feed	USD 6,563	(2)	-	-	-	-	3,174	52.04%	52.04%	1,652	243,088	-
Great Wall Agri (Yingkou) Co., Ltd.	Production and sale of feed	USD 17,886	(2)	57,813	-	-	57,813	5,759	52.04%	52.04%	2,997	38,869	-

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Great Wall Agri (Tieling) Co., Ltd.	Production and sale of chicken and feed	USD 14,151	(2)	84,655	-	-	84,655	(68,332)	52.04%	52.04%	(32,958)	614,797	-
Dachan Wanda (Tianjin) Co., Ltd.	Production and sale of chicken and feed	RMB 579,060	(2)	-	-	-	-	113,248	52.04%	52.04%	58,934	712,202	-
Dongbei (Beijing) Consultant Co., Ltd.	Management consulting services	USD 500	(2)	-	-	-	-	(2,450)	52.04%	52.04%	(1,275)	(8,834)	-
Beijing FoodChina Online Information & Technology Ltd.	Feed trading, animal products wholesale, and feed and agricultural products retail	RMB 59,874	(2)	-	-	-	-	1,079	55.03%	55.03%	669	14,815	-
Dongbei Agri (Changchun) Co., Ltd.	Production and sale of feed	USD 1,111	(2)	19,483	-	-	19,483	10,956	52.04%	52.04%	5,702	102,056	-
Great Wall Agri (Henan) Co., Ltd.	Production and sale of feed	USD 1,900	(2)	-	-	-	-	12,813	52.04%	52.04%	6,668	10,329	-
Great Wall Gourmet(Shanghai) Co., Ltd.	Production and sale of chicken, pork, and frozen processed foods	USD 6,940	(2)	82,000	-	-	82,000	(27,033)	52.04%	52.04%	(14,068)	70,123	-
DaChan Showa Foods (Tianjin) Co., Ltd.	Production and sale of flour related products	USD 8,950	(2)	26,158	-	-	26,158	33,380	55.00%	55.00%	18,359	183,281	-
Dachan (Hunan) Feed Technologies Co., Ltd.	Production and sale of feed	USD 2,234	(2)	-	-	-	-	2,761	52.04%	52.04%	1,437	28,756	-
Dachan Food (Hebei) Co., Ltd.	Production and sale of feed	USD 53,767	(2)	-	-	-	-	30,797	52.04%	52.04%	16,027	40,479	-
Dachan Food (Panjin) Co., Ltd.	Production and sale of chicken	USD -	(2)	-	-	-	-	(1,480)	52.04%	52.04%	(770)	-	-
Dachan Liangyou Food (Shanghai) Co., Ltd.	Production and sale of flour related products	RMB 200,000	(2)	-	-	-	-	40,191	43.00%	43.00%	17,282	273,235	-
Great Wall Agrotech Huludao Co., Ltd.	Production and sale of feed	USD 3,800	(2)	-	-	-	-	128	52.04%	52.04%	66	50,563	-
Great Wall FeedTech (Tianjin) Co., Ltd.	Production and sale of feed	USD 14,536	(2)	-	-	-	-	22,661	100.00%	100.00%	22,661	623,027	-
Shanghai Universal Chain Food Co., Ltd.	Italian food and dining, bakery, and restaurant management services	USD 3,100	(2)	101,680	-	-	101,680	(2,864)	100.00%	100.00%	(2,864)	161,135	-
Great Wall Yung Huo Food (Beijing) Co., Ltd.	Chinese fast food chains	RMB 15,954	(2)	44,647	-	-	44,647	(47)	79.03%	79.03%	(36)	(14,268)	-
Nanjing Tengcheng Enterprise Management Co., Ltd.	Restaurant management	RMB 21,006	(2)	37,902	-	-	37,902	7,774	100.00%	100.00%	7,774	69,500	-
Beijing Universal Chain Food Co., Ltd.	Italian food and dining and bakery	USD 5,580	(2)	115,697	-	-	115,697	9,011	100.00%	100.00%	9,011	66,187	-
Saboten Catering Operation (Beijing) Co., Ltd.	Japanese food and dining and restaurant management services	USD 2,500	(2)	46,938	-	-	46,938	46,620	50.00%	50.00%	23,310	64,245	72,018
Shanghai Xunshi Foods Co., Ltd.	Chinese fast food chains	USD 278	(2)	-	-	-	-	-	100.00%	100.00%	-	(8,085)	-
Beijing Dingfenggang Catering Co., Ltd.	Chinese fast food chains	RMB 3,000	(2)	29,641	-	-	29,641	(1,585)	55.00%	55.00%	(872)	15,657	-
Beijing Duhsiaoyueh Restaurant Co., Ltd.	Chinese fast food chains	RMB 19,000	(2)	51,707	-	-	51,707	(1,373)	70.00%	70.00%	(961)	2,440	-
Tianjin Fast Food Co., Ltd.	Food processing	USD 5,800	(2)	175,676	-	-	175,676	1,196	100.00%	100.00%	1,196	(38,995)	-
TNT Biotechnology (Tianjin) Co., Ltd.	Feed	USD 11,602	(2)	303,344	-	-	303,344	8,261	100.00%	100.00%	8,261	286,909	-

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Shanghai All-Household Restaurant Management Co., Ltd	Chinese and western fast food chains	RMB 10,000	(2)	-	-	-	-	(5,318)	50.00%	50.00%	(2,659)	23,392	-
Taixu & DaChan Foods (Dalian) Co., Ltd.	Production and sale of pork	USD 21,595	(2)	-	-	-	-	16,608	20.82%	20.82%	3,458	60,080	-
Shangdong Dachan Biotechnology Co., Ltd.	Production and sale of feed	USD 3,000	(2)	-	-	-	-	21,877	52.04%	52.04%	11,385	(36,153)	-
Tai Ji Food Co., Ltd.	Processing and sale of food	USD 4,150	(2)	48,993	-	-	48,993	(4,830)	100.00%	100.00%	(4,830)	(77,881)	-
Advent Prosperity Real Estate Development Co. Ltd	Real Estate	RMB 435,500	(2)	-	-	-	-	(10,464)	32.64%	32.64%	(6,886)	1,109,975	-
Dachan Shinyeh Catering Management (Beijing) Co., Ltd.	Chinese and western fast food chains	USD 1,670	(2)	20,792	-	-	20,792	(2,187)	40.00%	40.00%	(875)	10,110	-
Shanghai Guangcheng Catering Co., Ltd	Chinese food and dining	RMB 4,884	(2)	-	-	-	-	(1,570)	20.68%	20.68%	(325)	86,710	-
Hepeer Catering Management (Beijing) Co., Ltd.	Chinese food and dining	RMB 6,000	(2)	-	-	-	-	1,352	20.00%	20.00%	270	2,869	-
TianJin Hai Rei Food Limited	Food processing	RMB 4,994	(2)	-	-	-	-	2,700	20.82%	20.82%	558	2,768	-
Rupp & DaChan Foods (Tianjin) Co., Ltd.	Feed research	RMB 35,000	(2)	-	-	-	-	(27,408)	20.82%	20.82%	(5,668)	48,065	-

(ii) Limitation on investment in Mainland China:

(In USD)

	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
	(USD 69,123,291) 1,913,333	(USD 240,735,856) 6,663,568	12,061,052

Note 1: Investments are classified into four types as follows:

1. Investment in Mainland China companies by remittance through a third region
2. Establishing a company in a third region then investing in Mainland China companies.
3. Investment in Mainland China via reinvesting in an established company in a third region.
4. Direct investment in a Mainland China company.
5. Other.

Note 2: The relevant figures in the chart above related to foreign currencies have been converted to NTD according to the exchange rate as of the reporting date. For profit or loss recognition, conversion into NTD is made according to the annual and monthly weighted average exchange rate.

Note 3: This figure does not include capital surpluses.

(iii) Significant inter-company transactions with the subsidiaries in Mainland China: None

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Fu-Chu Investment Co., Ltd.		73,219,551	8.59 %

Note: (i) The information of major shareholders includes shareholders who hold more than 5% of the Company's ordinary shares and preferred shares that have been delivered through non-physical registration (including treasury shares) on the last business day at the end of each quarter. There may be differences between the number of shares made through non-physical registration documented in this financial report and the actual figure due to differences in the calculation basis implemented.

(ii) If the shareholder delivers the shares to the trust, the individual account of the trustee who opened the trust account is disclosed. As for the Statement of Changes in Beneficial Ownership filed in accordance with the Securities and Exchange Act by insiders owning 10% or more of the company's outstanding stock, their shareholding includes their own shareholding plus the shares delivered to the trust and with the right to use the trust's property. For information on insiders' Statements of Changes in Beneficial Ownership, please refer to Public Information Observatory.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(14) Segment information:

The Group has six reportable segments as follow. The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies. The chief operating decision maker of the Group reviews the internal management reports of each strategic operating unit at least quarterly.

- (a) Grain Segment: Vertically integrated production and sales of feed, flour, fermented soybean meal, pork, and laying hens.
- (b) Meat Segment: Vertically integrated production and sales of white broilers, native chickens, and ducks in Taiwan.
- (c) Food segment: Department of manufacturing and sales of processed food.
- (d) Catering and shopping malls segment: Department of catering services and shopping mall operations.
- (e) Southeast Asia Segment: Production and sales of aquatic products and feed in Southeast Asia.
- (f) East Asia Segment: A listed entity listed based in Hong Kong.

Other operating activities include investments in various industries and management consulting services. These departments did not meet any quantitative thresholds to be reportable segments in 2021 and 2020.

The Group's operating segment information and reconciliation are as follows:

	For the years ended December 31, 2021								
	Grain Segment	Meat Segment	Food Segment	Catering and shopping malls Segment	Southeast Asia Segment	East Asia Segment	Other Segment	Reconciliati on and elimination	Total
Revenue from external customers	40,185,946	12,557,486	3,368,409	1,988,970	2,639,616	40,593,953	103,462	-	101,437,842
Intersegment revenues	9,111,621	1,525,887	736,072	7,275	-	41,443	-	(11,422,298)	-
Interest revenue	89,728	83	27	1,503	-	-	101	(5,289)	86,153
Total revenue	<u>\$ 49,387,295</u>	<u>14,083,456</u>	<u>4,104,508</u>	<u>1,997,748</u>	<u>2,639,616</u>	<u>40,635,396</u>	<u>103,563</u>	<u>(11,427,587)</u>	<u>101,523,995</u>
Interest expenses	\$ (263,991)	(18,221)	(3,038)	(6,049)	-	-	(111)	6,787	(284,623)
Depreciation and amortization	(663,755)	(109,860)	(42,974)	(233,481)	(632,468)	(4,673)	(245,803)	-	(1,933,014)
Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	6,186	6,186
Reportable segment profit before tax	<u>\$ 1,681,592</u>	<u>477,133</u>	<u>(1,781)</u>	<u>(18,629)</u>	<u>(319,285)</u>	<u>781,905</u>	<u>436,891</u>	<u>(151,108)</u>	<u>2,886,718</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the years ended December 31, 2020								
	Grain Segment	Meat Segment	Food Segment	Catering and shopping malls Segment	Southeast Asia Segment	East Asia Segment	Other Segment	Reconciliati on and elimination	Total
Revenue from external customers	\$ 22,196,146	11,953,589	3,013,611	1,989,707	2,739,287	39,735,252	23,300	-	81,650,892
Intersegment revenues	7,917,692	100,156	36,953	11,360	-	35,276	-	(8,101,437)	-
Interest revenue	4,264	1,870	386	3,212	-	-	16,506	(9,680)	16,558
Total revenue	<u>\$ 30,118,102</u>	<u>12,055,615</u>	<u>3,050,950</u>	<u>2,004,279</u>	<u>2,739,287</u>	<u>39,770,528</u>	<u>39,806</u>	<u>(8,111,117)</u>	<u>81,667,450</u>
Interest expenses	\$ (32,165)	(16,014)	(5,913)	(8,961)	-	-	(228,342)	11,768	(279,627)
Depreciation and amortization	(198,930)	-	(31,266)	(348,746)	(66,277)	(623,431)	(622,777)	-	(1,891,427)
Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	16,035	16,035
Reportable segment profit before tax	<u>\$ 2,124,887</u>	<u>833,327</u>	<u>136,766</u>	<u>(47,296)</u>	<u>104,293</u>	<u>1,598,070</u>	<u>392,816</u>	<u>(159,375)</u>	<u>4,983,488</u>

- (a) The material reconciling items of the above reportable segment are as below:

Name of product	For the years ended December 31,	
	2021	2020
Feed	\$ 45,740,161	38,103,939
Grain and Oil	19,209,672	9,253,041
Meat	17,494,966	17,989,965
Consumables	14,585,128	12,966,872
Other	4,407,915	3,337,075
Total	<u>\$ 101,437,842</u>	<u>81,650,892</u>

- (b) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue from external customers:

Geographical region	For the years ended December 31,	
	2021	2020
Taiwan	\$ 42,224,609	37,036,701
China	35,461,422	26,275,016
Vietnam	17,549,490	14,361,398
Other (all <10%)	6,202,321	3,977,777
Total operating income	<u>\$ 101,437,842</u>	<u>81,650,892</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Non-current assets:

Geographical region	For the years ended December 31,	
	2021	2020
Taiwan	\$ 15,207,172	13,879,934
China	6,874,502	6,242,039
Vietnam	1,565,100	1,111,316
Other (all <10%)	685,567	1,529,096
Total non-current assets	\$ 24,332,341	22,762,385

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract (non-current).

(c) Major customers

The Group did not have customers whose revenue accounted for more than 10% of the revenue stated in the income statement in 2021 and 2020.

VI. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: none

VII. The financial forecast for the last two years and the reasons for the difference between the original forecast and the actual achievement:

No financial forecast

Seven. Risk Management and Analysis on Financial Status and Operating Results

I. Financial Status

(I) Comparative Analysis of Financial Position

Unit: NTD Thousand

Item	Year	2021	2020	Amount of	
				Difference	%
Current assets		26,595,764	23,517,338	3,078,426	13.09%
Property, plant and equipment		20,290,137	19,119,064	1,171,073	6.13%
Other non-current assets		9,846,229	9,056,634	789,595	8.72%
Total assets		56,732,130	51,693,036	5,039,094	9.75%
Current liabilities		26,578,229	21,147,353	5,430,876	25.68%
Non-current liabilities		2,414,292	2,658,931	(244,639)	-9.20%
Total Liabilities		28,992,521	23,806,284	5,186,237	21.79%
Share capital		8,521,593	8,273,391	248,202	3.00%
Capital reserve		3,294,766	3,179,626	115,140	3.62%
Retained earnings		6,952,880	7,562,982	(610,102)	-8.07%
Other equity		1,551,646	1,384,211	167,435	12.10%
Treasury shares		(219,132)	(219,132)	0	0.00%
Non-controlling equity		7,637,856	7,705,674	(67,818)	-0.88%
Total equity		27,739,609	27,886,752	(147,143)	-0.53%

The main reasons for increase or decrease of more than 20% are provided below:

Current liabilities: because the short-term borrowing and short-term notes payable increased.

(II) Comparative Analysis of Financial Position - Individual

Unit: NTD Thousand

Item	Year	2021	2020	Amount of	
				Difference	%
Current assets		7,701,213	7,072,346	628,867	8.89%
Property, plant and equipment		8,208,556	7,415,968	792,588	10.69%
Other non-current assets		16,580,318	15,427,527	1,152,791	7.47%
Total assets		32,490,087	29,915,841	2,574,246	8.60%
Current liabilities		12,006,488	9,297,381	2,709,107	29.14%
Non-current liabilities		381,846	437,382	(55,536)	-12.70%
Total Liabilities		12,388,334	9,734,763	2,653,571	27.26%
Share capital		8,521,593	8,273,391	248,202	3.00%
Capital reserve		3,294,766	3,179,626	115,140	3.62%
Retained earnings		6,952,880	7,562,982	(610,102)	-8.07%
Other equity		1,551,646	1,384,211	167,435	12.10%
Treasury shares		(219,132)	(219,132)	0	0.00%
Total equity		20,101,753	20,181,078	(79,325)	-0.39%

The main reasons for increase or decrease of more than 20% are provided below:

Current liabilities: because the short-term borrowing and short-term notes payable increased.

(III) Material Effect on the Company and Responding Plan: No material effect.

II. Financial Performance

(I) Comparative analysis of financial performance

Unit: NTD Thousand

Item	Year	2021	2020	Amount of	
				Difference	%
Operating revenues		101,437,842	81,650,892	19,786,950	24.23%
Operating costs		90,701,292	69,388,663	21,312,629	30.71%
Gross profit		10,736,550	12,262,229	(1,525,679)	-12.44%
Operating expenses		8,391,158	8,050,281	340,877	4.23%
Net operating profit		2,345,392	4,211,948	(1,866,556)	-44.32%
Non-operating revenue and expenses		541,326	771,540	(230,214)	-29.84%
Continuing operation net profit before tax		2,886,718	4,983,488	(2,096,770)	-42.07%
Less: income tax expenses		624,695	911,142	(286,447)	-31.44%
Net profit for the period		2,262,023	4,072,346	(1,810,323)	-44.45%
Other comprehensive income (loss) for the period		83,658	629,592	(545,934)	-86.71%
Total comprehensive income for the period		2,345,681	4,701,938	(2,356,257)	-50.11%

The main reasons for increase or decrease of more than 20% are provided below:

1. Operating revenues: due to increase in the feeds and bulk oil resources incomes
2. Operating costs: due to the increase in the raw material prices and basic wages, the operating costs increased.
3. Non-operating revenue and expenses: due to the increase in impairment loss of property, plant, and equipment, and the decrease in other incomes.
4. Income tax expenses: due to the decrease in the net profit before tax.
5. Other comprehensive gains and losses for the current period: decrease in the translation difference of the foreign operating agency's financial statements.

(II) Comparative analysis of financial performance - Individual

Unit: NTD Thousand

Item	Year	2021	2020	Amount of	
				Difference	%
Operating revenues		31,612,206	27,173,338	4,438,868	16.34%
Operating costs		27,752,985	23,121,741	4,631,244	20.03%
Gross profit		3,859,221	4,051,597	(192,376)	-4.75%
Operating expenses		2,164,405	2,100,881	63,524	3.02%
Net operating profit		1,694,816	1,950,716	(255,900)	-13.12%
Non-operating revenue and expenses		575,771	1,622,291	(1,046,520)	-64.51%
Continuing operation net profit before tax		2,270,587	3,573,007	(1,302,420)	-36.45%
Less: income tax expenses		401,202	450,936	(49,734)	-11.03%
Net profit for the period		1,869,385	3,122,071	(1,252,686)	-40.12%
Other comprehensive income (loss) for the period		169,966	483,770	(313,804)	-64.87%
Total comprehensive income for the period		2,039,351	3,605,841	(1,566,490)	-43.44%

The main reasons for increase or decrease of more than 20% are provided below:

1. Operating costs: due to the increase in the raw material prices and basic wages, the operating costs increased.
2. Non-operating revenue and expenses: due to the decreased share of the subsidiaries, affiliates, and income/loss of joint-venture recognized by the equity method.
3. Other comprehensive gains and losses for the current period: decrease in the translation difference of the foreign operating agency's financial statements.

(III) Analysis of gross profit changes

Unit: NTD Thousand

	2021 gross profit	2020 gross profit	Deviation
Meat Department	3,274,650	3,739,980	(465,330)
Feeds Department	6,978,800	7,970,500	(991,700)
Others	483,100	551,749	(68,649)
Total	10,736,550	12,262,229	(1,525,679)

It can be seen from the above table that the department with significant changes in the Company's gross profit is the Feed Department. The price-volume analysis of some products that have a significant impact on gross profit in this department is as follows:

Unit: NTD Thousand

	Variation from the previous period	Reason for deviation			
		Selling price difference	Cost difference	Sales mix difference	Quantity difference
Feeds	(991,700)	1,529,593	(1,935,215)	(583,447)	(2,631)

(IV) Expected sales volume and the basis

Based on past performance and changes in market demand, the Company has estimated sales volume for 2022 as follows:

Item	Sales volume (tons)
Feeds	3,600,000
Meat (white broiler + native chicken)	400,000
Food	200,000
Bulk supplies	1,600,000

(V) Potential impact on the future financial operations and corresponding plans: no significant impact.

III. Cash flow

(I) Cash Flow Analysis for the Current Year

Item	Year	2021	2020	Percentage of increase (decrease)%
Cash flow ratio		16.11%	30.59%	-14.48%
Cash flow adequacy ratio		80.72%	125.85%	-45.13%
Cash flow reinvestment ratio		4.69%	10.48%	-5.79%

The analysis of the increase and decrease ratio is as follows:

The cash flow ratios for the current year decreased compared with the previous year, mainly due to the decrease in net profit before tax of NT\$2,096,770 thousand; the increase in account receivable of NT\$726,103 thousand; the increase in short-term borrowing of NT\$4,251,718 thousand; the increase in short-term notes payable of NT\$928,000 thousand; and the increase in cash dividends of NT\$390,988 thousand.

(II) Cash liquidity analysis for the upcoming year

Unit: NTD Thousand

Cash balance amount at the beginning of the year (1)	Estimated annual net cash provided by operating activities (2)	Estimated annual cash outflow (3)	Estimated cash balance (deficit) (1)+(2)-(3)	Remedy for cash deficit	
				Investment Plan	Financial Plan
6,083,001	5,170,000	4,850,000	6,403,001	-	-

1. Cash flow analysis for the current year:

- (1) Operating activities: The reason for the net inflow of operating activities in the coming year is that the expected operating conditions will be better than this year, resulting in the expected net cash inflows from operating activities.
- (2) Investing activities: It is expected that there will be no increase or sale of long-term investments in the coming year, so there is little change.
- (3) Financing activities: It is expected that long-term liabilities maturing within one year will be repaid and cash dividends will be paid in the coming year, so net cash outflows from financing activities are expected to occur.

In summary, the net cash inflow from operating activities in the coming year will support the annual outflow.

2. Improvement plan for insufficient liquidity: None.

IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

- (I) The Company is expected to have a relatively large capital expenditure of NT\$ 685,000 thousand in 2022, mainly investing in the construction of Erlin Egg Washing Plant. For related expenditure items, please refer to the table below. Of which including
 1. Investment in Yenshui Ranch: the estimated total investment is NT\$450,000 thousand, including NT\$250,000 thousand for buildings and NT\$200,000 thousand for equipment
 2. Investment in Liu Ying Stock Farm: the preliminary plan is NT\$235,000 thousand, including NT\$120,000 thousand for buildings and NT\$115,000 thousand for equipment

(1) Status of major capital expenditure and source of funds

Plan	Actual or projected source of funds	Actual or projected completion date	Funds Required (NT\$ Thousand)	Actual or projected capital expenditure status (NT\$ Thousand)			
				2022	2023	2024	2025
Yenshui Ranch	Operation with profit	2023	450,000	220,000	230,000	—	—
Liu Ying Stock Farm:			235,000	—	235,000	—	—

(2) Estimated possible benefit assessment: assuming the interest rate is 3%.

- A. Yenshui Ranch: assuming that the sows give 2.2 births per year, with 10 piglets weaned per birth, when the incubation rate from weaning to sales is 85%, at the pork market price of NT\$70, the net current value, recovery period and internal return of this investment are shown as table below.

Unit: NT\$ Thousand

NPV	Payback	IRR
188,480	7.6	9.06%

- B. Liu Ying Stock Farm: assuming the incubation rate from weaning to sales is 85%, at the meat market price of NT\$70, the net current value, recovery period and internal return of this investment are shown as table below.

Unit: NT\$ Thousand

NPV	Payback	IRR
46,083	8.08	6.31%

V. Main Reasons for the Profit or Loss of the Reinvestment Policy in the Most Recent Year, Improvement Plans and Investment Plans for the Coming Year

(I) Reinvestment policy in the most recent year

The Company upholds the investment in industries and industrial policies that we are familiar with, focuses on bulk materials and agricultural and livestock food chains, provides humans with the highest quality animal protein, moves towards a more comprehensive bio-nutrition technology field, uses Taiwan as its operations research and operation center- “Invest in Taiwan, Realize Global Layout”, and strives to develop into a “life nutrition science company.”

(II) Major reasons for profit or loss of reinvestments and improvement plan:

1. Main reasons for profit or loss:
 - (1) Please refer to the notes to the consolidated financial report for the profit from the reinvestment.
 - (2) The Company's Southeast Asia Business Group has had loss; due to the COVID-19 pandemic and the military coup in Myanmar, the Company has had difficulties to expand the business there as well as the payment collection. Currently, the subsidiary in Myanmar is under the liquidation process, and the related investments have been fully provided for impairment in 2021.
2. Improvement plan: for the future development of the Southeast Asia Business Group, new production lines will be added to the aquaculture processing in Indonesia, and other investment opportunities are sought in Vietnam actively.

(III) Investment plan for the coming year

1. Expand Taiwan's egg product business and flour mills.
2. Additional production lines for plant-based meat product.
3. Expand food processing capacity in Mainland China.
4. Expand capacity for aquaculture processing in Indonesia.

VI. Risk Management Analysis and Evaluation

(I) Effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Impact on the Company's profits (losses):

Unit: NT\$ Thousand; %

Item	2021
Net interest revenue	198,470
Net foreign exchange gains (losses)	339,482
Net interest revenue to net operating revenue	0.20%
Net interest revenue to net profit before tax	6.88%
Net exchange gains (losses) to net operating revenue	0.33%
Net exchange gains (losses) to net profit before tax	11.76%

(1) Interest rate fluctuations

The Company's domestic short-term and long-term loans at the end of 2021 are debts with floating interest rates, so changes in market interest rates will cause the effective interest rate of short-term and long-term loans to change accordingly, leading to fluctuations in future cash flows. For every 1% change in interest rates, the annual interest rate will affect approximately NT\$78 million.

(2) Exchange rate fluctuations

The Company has foreign currency-denominated import business capital transactions, and the exchange rate changes mainly affect the purchase costs. The Company is engaged in derivative financial commodity trading contracts mainly for non-trading purposes and holds forward USD foreign exchange. The establishment of forward foreign exchange contracts is to avoid the risk of foreign currency debt due to exchange rate changes. Since it is a hedging nature of foreign exchange transactions, the profits and losses arising from exchange rate changes will roughly offset the profits and losses of the hedged items. Therefore, the overall cost of the Company is not affected by the price risk caused by exchange rate changes.

(3) Inflation

The raw materials needed for the Company's production mainly come from foreign imports or internal transfer pricing. In 2021, affected by the surging prices of international freight and bulk raw materials, as well as the selling prices of the Company's products were unable to fully reflect the increased costs, the profit in 2021 was impacted to a certain degree.

2. Future countermeasures

(1) Countermeasures against interest rate fluctuations

The Company's domestic individual financial reporting current ratio was 64%, and the debt ratio was 39% at the end of 2021. To meet short-term working capital needs, the major tools of bank financing used are low-interest commercial promissory notes and short-term bank loans.

(2) Countermeasures against exchange rate fluctuations

The Company adopts dynamic hedging strategies for fluctuations in the appreciation and depreciation of NTD against USD, openings or foreign currency debt positions, and observes global economic trends, and avoids risks arising from exchange rate changes on the principle of conservativeness and stability.

(3) Countermeasures against inflation

The Company is at the upstream in the industrial chain, other than retained the

leadership by expanding the market share, the Company has been continuing adding relative competitiveness to respond the trend of rising raw material prices.

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and countermeasures to be taken in the future

1. The Company did not engage in high-risk or highly leveraged investments.
2. In accordance with the relevant laws and regulations of the Securities and Futures Bureau of the FSC, the Company has formulated the “Procedures for Loaning Funds to Others” and the “Implementation Measures for Endorsement and Guarantee”. At the same time, the Company’s auditing unit has also formulated relevant systems for risk management and evaluation in accordance with the “Guidelines for Establishing Internal Control System Processing by Public Offering Companies” promulgated by the Securities and Futures Bureau. As of December 31, 2021, the maximum limit of the Company’s funds loaned to others was NT\$8,040,701 thousand, and the end-of-period limit of funds loaned to others was NT\$2,317,150 thousand. The counterparties were City Chain Company Limited., May Lan Lei Co., Ltd., Total Nutrition Technologies Co., Ltd., Huang-Ho Invest. Co., Ltd., Kouchan Mill Co., Ltd., Oriental Best Foods Co., Ltd., and Great Wall International (Holdings) Limited. The actual transfer targets were May Lan Lei Co., Ltd. at NT\$160 million, Oriental Best Foods Company Limited. at NT\$56,000 thousand, and Great Wall International (Holdings) Limited at US\$10 million. In addition, the Company did not engage in endorsement and guarantees as of 2021.
3. The Company conducts derivative commodity transactions in accordance with the established “Procedures Governing Derivatives Trading.” In order to avoid the risk of USD exchange rate fluctuations and reduce the cost of corn procurement, the derivative commodity transaction items are USD forward foreign exchange and corn derivatives. For commodities, the realized exchange gains as of December 31, 2021 were NT\$86,540 thousand, and the realized gain of corn derivatives were NT\$38,450 thousand.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work

1. Animal nutrition R&D:
 - ① Catch the opportunities of changing raw material prices, to design the advantageous formula with the lowest costs.
 - ② Develop high-quality artificial milk and suckling pig feed.
 - ③ Cooperate with the contract department to expand the number of contracts and develop the most efficient contracted pig breeding system and feed.
 - ④ In conjunction with the improvement of breeding performance of breeding pigs, develop a high-efficiency system for the use of special feeds for breeding animals.
 - ⑤ Develop high-efficiency layer feed products and feeding systems.
 - ⑥ High-performance feed products with antibiotic-free and waste reduction.
2. Functional raw materials and product development: by integrating the advantages of Total Nutrition Technologies, the functional raw materials and products are developed, especially in animal healthcare and environmental maintenance, such as N100, 100A, functional probiotics, high-moisture lactic acid bacteria, high-efficiency subtilis, and yeast cell walls, immunomodulators, organic acids, functional peptides and other products. To respond the breeding trend of less antibiotics and drugs in the market, the development of application product substitution for replacing or reducing antibiotics is enhanced in the year, such as biotech acid and proprietary probiotic.
3. Establish a safe and reliable biological security defense system:
 - ① Establish a biosafety planning and audit department, planning, supervising and implementing biosafety implementation work to reduce disease risks.
 - ② Implement antibody and pathogen monitoring technology, such as: PCR, Eliza's detection tools for pathological detection and analysis, understand the farm's disease pollution status, formulate an effective epidemic prevention plan and prevent the risk of disease.
 - ③ Diseases tend to happen due to changing environment and deficiencies in the breeding management tasks. The bio-security department will intervene to establish the key monitoring at the environmental conditions and breeding management, for better implementation of disease prevention.

4. Environmental protection and minimal antibiotic product development: After long-term R&D, DaChan feed has no antibiotics in layer feed, pig late stage, and broiler late stage, achieving the goal of zero drug residues. We have also successively introduced environmentally friendly feeds for pigs, laying hens, and low N.P.NH₃ pollution. In the future, we will continue to improve on the goals of safety and environmental protection.
5. The continuously rapid development of the pet food market in the recent years, especially in the backdrop of the pandemic, international sea freight situation, and surging development, has driven the accelerating development in the domestic pet food industry. The Company has decided to invest more resources to the R&D of the pet feed products and market development, while planning to build the brand new pet food production plant, to produce the dry and wet food, snacks, and healthcare product, to develop the product with unique edges and enter the pet market swiftly by utilizing the Group's integrated advantages.
6. Wonder Vax Company Limited will launch more poultry and living stock vaccine products in this year, while expanding the ferment equipment scale to respond the market demand, and the mass production is also expected in this year. The self-use and domestic market demands will be satisfied in larger scale, and the Southeast Asia is planned for the future development.

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment, both domestically and internationally: None.

(V) Effect on the Company's financial operations of developments in science and technology (cyber security risk included) as well as industrial change

The Company has established a complete network and computer security protection system to control or maintain the Company's manufacturing operations and accounting and other important corporate operations. By reviewing and evaluating rules and procedures annually, the Company ensures appropriateness and effectiveness of its network security. However, it is still unable to fully guarantee the exemption from the risks and attacks which are subject to ever-changing innovation in cybersecurity threats. Technological changes have not caused major operational risks and impacts on the Company's information security in the most recent year up to the date of publication of the Annual Report.

(VI) Impact of corporate image change on corporate crisis management: None.

(VII) Expected benefits and possible risks associated with any merger and acquisitions: None.

(VIII) Expected benefits and possible risks associated with any plant expansion: None.

(IX) Risks associated with any concentration of sales or purchasing operations: None.

The Company's purchases are mainly imported bulk materials, mainly through futures trading and foreign exchange operations to avoid procurement risks. The Company's top ten sales vendors account for less than 10% of the Company's sales, and there is no risk of concentration sales.

(X) Impacts and risk resulting from major equity transfer or replacement of directors, supervisors, or substantial shareholders holding more than 10% of the Company's shares: none

(XI) Impact and risk associated with changes in management rights: none

(XII) Litigation and non-litigation matters

List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.: none

(XIII) Other Significant Risks:

1. Food safety risks and countermeasures:

The Company has established a high-quality and responsible food supply chain through detailed and strict TGAP (Taiwan Good Agriculture Practice), checks at each level from the source of bulk raw materials, feed production, nutritional formula, breeder breeding, incubation, contract breeding, to five-star electric slaughter factory. We are leading the industry to implement the monitoring operation system without drug residues, and confirm that the products and raw materials are 100% free of drug residues.

Safety and quality have always been the Company's core philosophy and strengths. In order to strengthen the implementation of food safety and strengthen industrial competitiveness, DaChan opened a quality inspection center building to establish a complete and traceable production history through vertical integration, adopts professional quality control and inspection technology from farm to table, strictly controls and ensure their safety and quality for consumers.

VII. Other Necessary Supplements: None.

Eight, Subsidiary Information and Other Special Notes

I, Information on Affiliates

The merger report of affiliates has been issued.

(I) Organizational Chart

Figure I

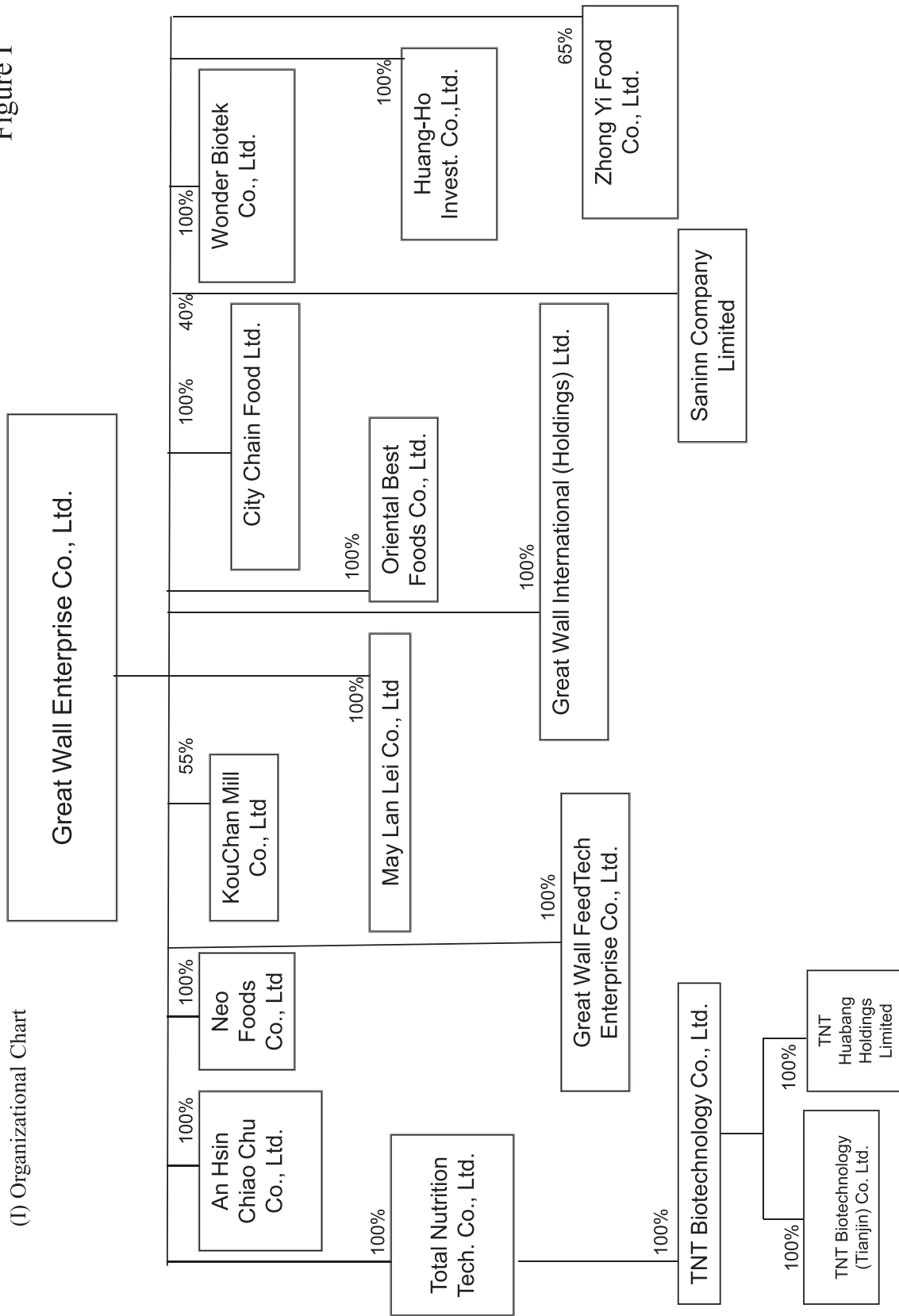


Figure II

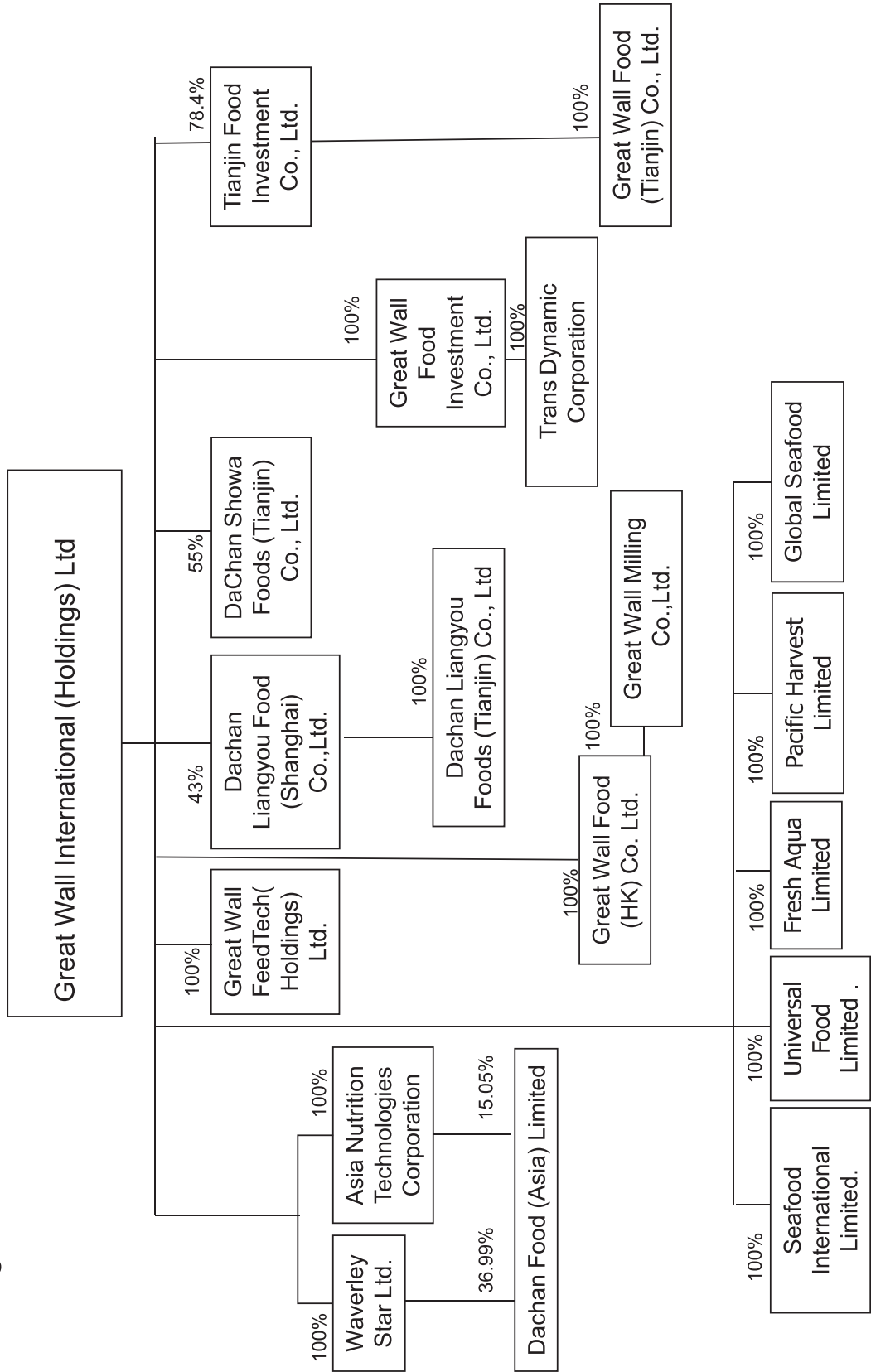


Figure II (Continued)

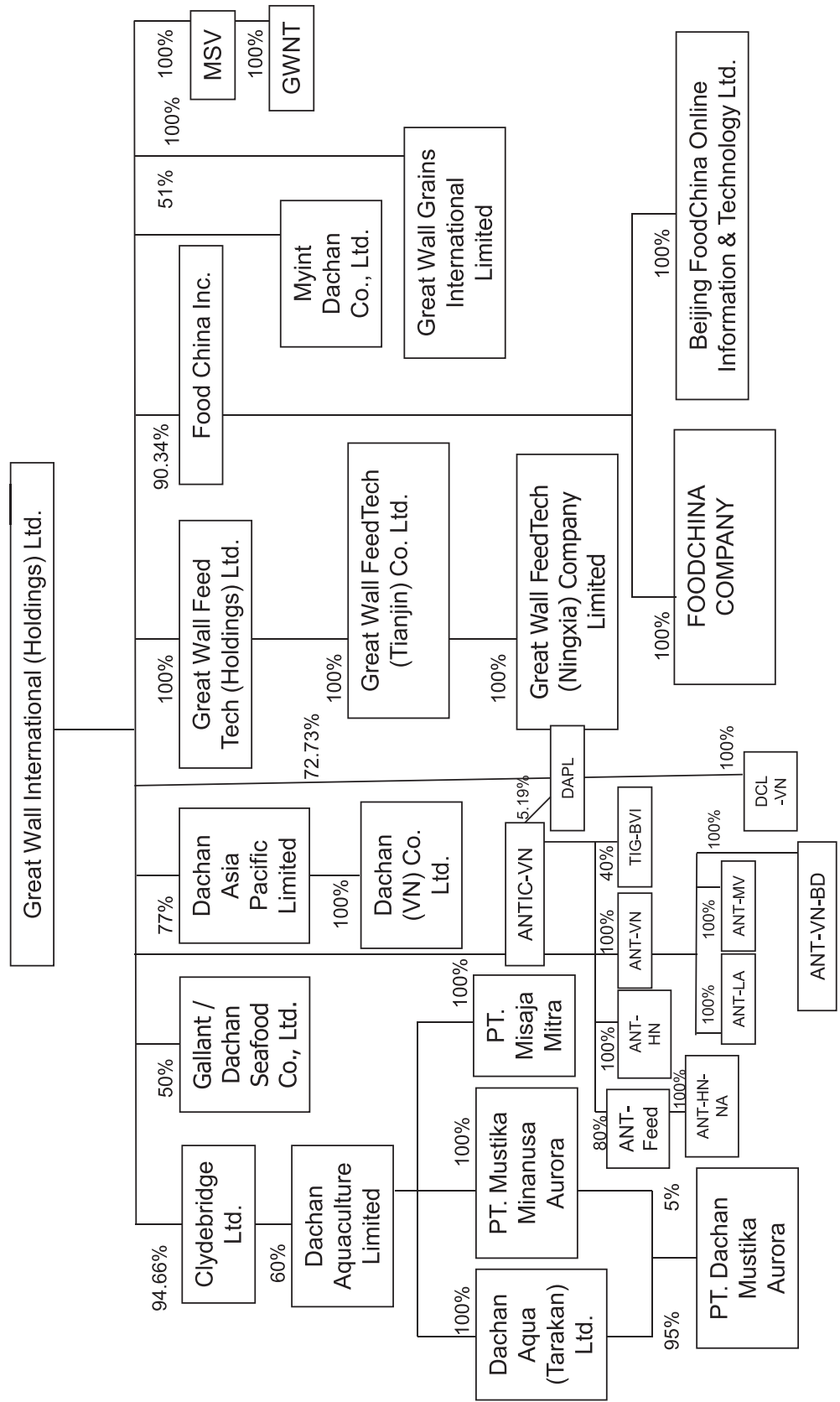
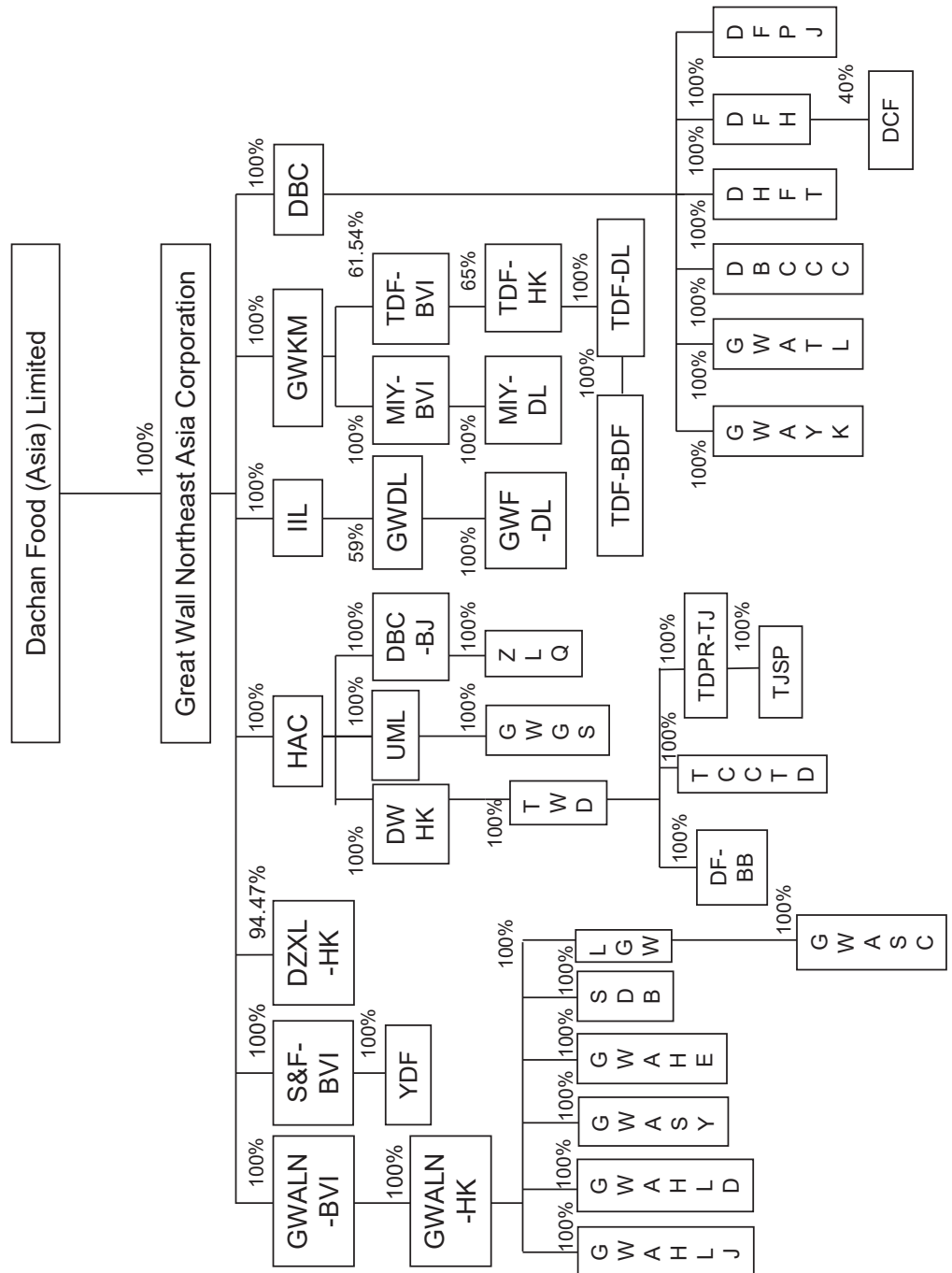


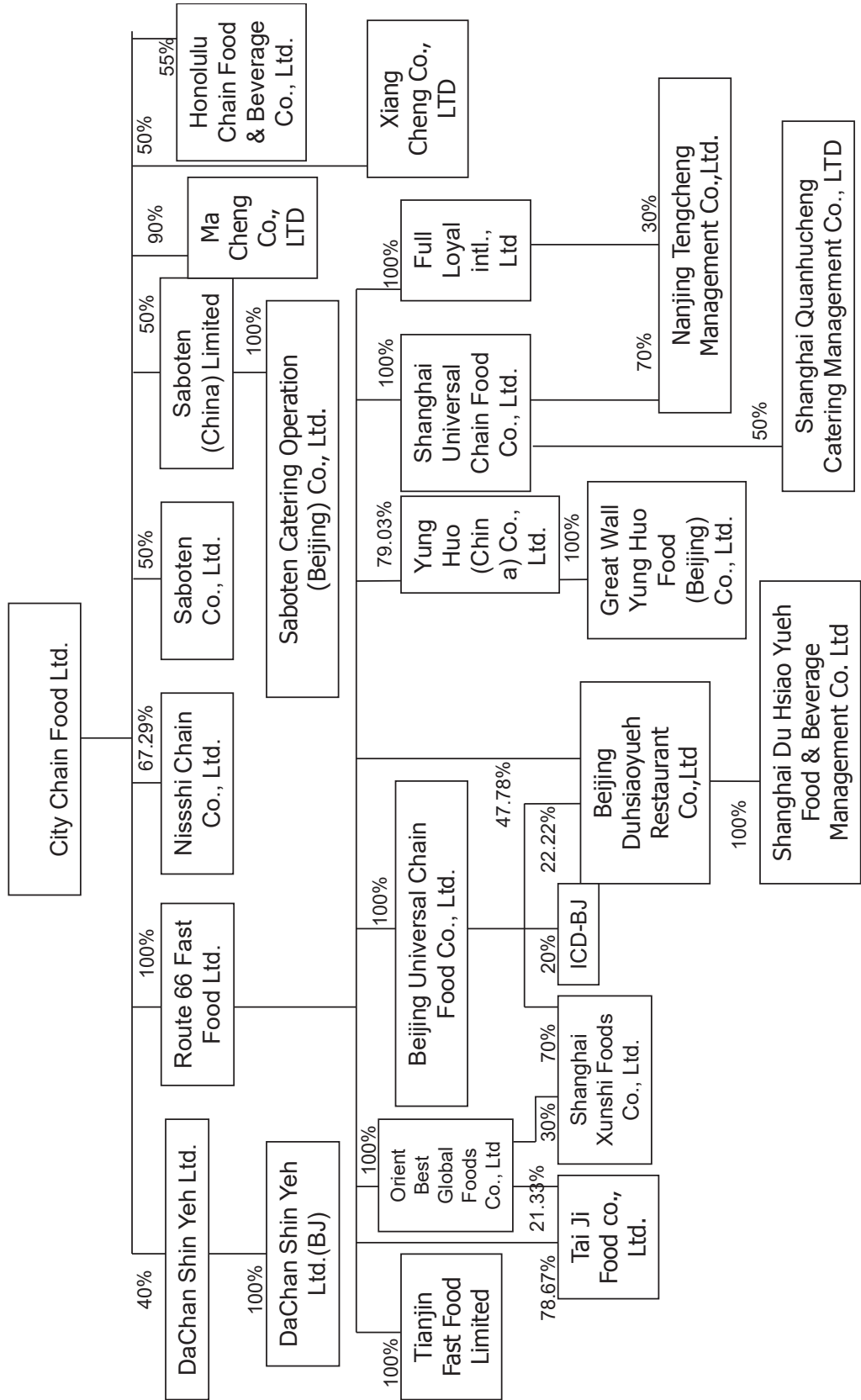
Figure III



1. GWALN-BVI : Great Wall Agritech (Liaoning) Co., Ltd. (BVI)
2. GWALN-HK : Great Wall Agritech (Liaoning) Co., Ltd. (HK)
3. GWAHLJ : Great Wall Agri (Hei Long Jiang) Co., Ltd.
4. GWAHLD : Great Wall Agrotech Huludao Co., Ltd.
5. GWASY : Great Wall Agrotech Feed (Shenyang) Co., Ltd.
6. GWAHE : Great Wall Agri (Henan) Co., Ltd.
7. LGW : Liaoning Great Wall Agri-Industrial Co., Ltd.
8. DZXL-HK : Dachan Zhong Xin Limited
9. HAC : Hwabei Agri Corporation
10. DWHK : Dachan Wanda (HK) Ltd.
11. UML : Union Manufacturing Ltd.
12. TWD : Dachan Wanda (Tianjin) Co.Ltd.
13. GWGS : Great Wall Gourmet (Shanghai) Co., Ltd.
14. DBC-BJ : Dongbei (Beijing) Consultant Co., Ltd
15. ZLQ : ZHENGLANQI DACHAN ECO-RANCH CO LTD
16. IIL : Impreza Investments Ltd.
17. GWDL : Great Wall Dalian Investments Co., Ltd.
18. GWF-DL : Great Wall Foods (Dalian) Co., Ltd.
19. GWKM : Great Wall Kuang-Ming Investment (BVI) Co., Ltd.
20. MIY-BVI : Miyasun-Great Wall (BVI) Co., Ltd.
21. MIY-DL : Miyasun-Great Wall Foods (Dalian) Co., Ltd.
22. DBC : Dongbei Agri Corporation
23. GWAYK : Great Wall Agri (Yingkou) Co., Ltd.
24. GWATL : Great Wall Agri (Tieling) Co., Ltd.
25. DBCCC : Dongbei Agri (Changchun) Co., Ltd.
26. DHFT : DaChan (Hunan) Feed Technologies Co., Ltd.
27. DFH : Dachan Food (Hebei) co., Ltd.
28. DFPJ:Dachan Food (Panjin) Co., Ltd.
29. DAPL : Dachan (Asia-Pacific) Limited
30. DCL-VN : Dachan (VN) Company Limited
31. DCF : DaChan Livestock Development Co., Ltd.
32. TDF-BVI : TAI XU & DACHAN FOODS HOLDINGS CO LTD
33. TDF-HK : TAI XU & DACHAN FOODS CO LTD
34. TDF-DL : TAI XU & DACHAN FOODS (DALIAN) CO LTD
35. GWA-SC : DACHAN AGRICULTURAL TECHNOLOGIES (SICHUAN) CO LTD
36. DF-BB : BENGBU DACHAN FOOD CO LTD
37. TDPR-BJ : TIANJIN DACHAN PROSPECT RESEARCH AND DEVELOPMENT CO LTD
38. SDB : SHANDONG DACHAN BIOTECHNOLOGY CO LTD
39. YDF : YANZHOU DACHAN FOOD CO LTD
40. S&F-BVI : China S & F Farm Holdings Co.,Ltd.
41. TIG-BVI : TAIWAN INTERNATIONAL GENE CO., LTD
42. TDF-BDF : TAI XU & DACHAN FOODS (BENGBU) CO LTD
43. TCC-TD: TIANJIN CHAO CHENG FOOD TRADE CO LTD
44. TJSP: TIAN JIN SUPER PIG AST Co., Ltd

Figure III - Full names of all companies

Figure IV



(f) Basic information of the Company's Affiliates

Name of Affiliate	Date of establishment	Address	Paid-in capital	Major Lines of Business or Products	Original currency
Great Wall Company Limited	1991/2/26	NO.87, HUANGKONG RD., YONGKANG DIST., TAINAN CITY 710, TAIWAN (R.O.C.)	480,000	Wholesale of Edible Fat Oil, Foods and Concocties	RMB
Oreal Best Foods Company Limited	1988/7/26	3F., NO.2-20, NANYUAN RD., ZHONGJIAO DIST., TAOYUAN CITY 32063, TAIWAN (R.O.C.)	80,067	Manufacturing of Canning, Freezing, Dehydration, Pickled of Food	NTD
An Hsin Chiao Chu Company Limited	2007/12/17	No.3, Niansong 2nd St., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	55,000	Fresh Meat	NTD
Z.Y. Food Company Limited	2018/2/7	No.3, NIAO SUNG 2ND ST., YONGKANG DIST., TAINAN CITY 710, TAIWAN (R.O.C.)	200,000	Wholesale of Food and Groceries	NTD
Wonder Vax Company Limited	2017/12/25	NO.3, NIAOSUNG 2ND ST., YONGKANG DIST., TAINAN CITY 710, TAIWAN (R.O.C.)	27,900	Manufacturing of Animal Use Medicine	NTD
San Im Abator Corporation	2007/5/31	No. 96-7, Xintan Rd., Zhuangwei Township, Yilan County 26343, Taiwan (R.O.C.)	50,000	Retail Sale of Livestock Products	NTD
GREAT WALL AGRITECH (LIAONING) CO LTD (INCORPORATED IN CHINA)	2020/1/31	Rm. 3, 8F., No. 312, Sec. 4, Zhongguo E. Rd., Da'an Dist., Taipei City 10670, Taiwan (R.O.C.)	544,879	Frozen prepared food	RMB
GREAT WALL AGRITECH (LIAONING) CO LTD (INCORPORATED IN CHINA)	1995/12/6	No. 28, Baisha Street, Yuhong District, Shenyang, China	951,045	Manufacturing and trading of animal feeds	RMB
Great Wall Foods (Taiwan) Company Limited	1992/10/21	No. 26, Tainan Road, Poxia Town, Puwei New District, Dalian, China	2,513,989	Manufacturing and trading of animal feeds	RMB
DACHAN WANDA (TAIWAN) CO LTD	1995/10/21	No. 88, Jijiang Road, Xingji District, Tianjin, China	447,533	Manufacturing and trading of animal feeds	RMB
Great Wall Agri (Holding) Company Limited	1997/4/1	China Trading Economic Development Zone (No. 1 Fancheng Road, Yinzhou District)	54,511	Manufacturing and trading of animal feeds	RMB
Great Wall Agri (Yingkou) Company Limited	1997/4/1	North of Qianhuo Village, Yongan Town, Dashiqiao City, Liaoning Province	325,886	Manufacturing and trading of animal feeds	RMB
Miyusun-Great Wall Foods (Dalian) Company Limited	1995/5/20	Poatai Town, Puwan New District, Dalian, Liaoning Province, China	231,957	Manufacturing and trading of animal feeds	RMB
Great Wall Gourmet (Shanghai) Company Limited	1996/6/9/5	No. 48, Rongping Road, Rongbei Industrial Zone, Songjiang District, Shanghai, China	191,339	Research and development	RMB
Great Wall Agri (Hefei Long Jiang) Company Limited	2006/8/28	Farm Section of Beijing Road, Linnu Economic and Technological Development Zone, Harbin	37,250	Manufacturing and trading of animal feeds	RMB
Dongbei Agri (Changshu) Company Limited	2006/8/28	No. 455, Guangrong Road, North District, High-tech Zone, Changshu City	74,436	Manufacturing and trading of animal feeds	RMB
DaChan (Hunan) Feed Technologies Company Limited	2006/10/8	No. 58 Taijia Road, Wengcheng Economic and Technological Development Zone, Hunan Province	217,075	Manufacturing and trading of animal feeds	RMB
Yanzhou DaChan Food Co., Ltd.	2008/3/20	Yanzhou Foreign Trade Export Processing Zone (800 meters south of the 327 national highway)	1,522,653	Manufacturing and trading of animal feeds	RMB
DaChan Food (Hebei) Company Limited	2008/3/10	Guozhai Town People's Government, Mengxin Hui Autonomous County, Weizhou City, Hebei Province	112,669	Manufacturing and trading of animal feeds	RMB
Great Wall Agrotech Huludao Company Limited	2009/7/15	Shangpozi Village, Shihaiying Township, Lianshan District, Huludao City, China	86,830	Manufacturing and trading of animal feeds	RMB
DACHAN AGRICULTURAL TECHNOLOGIES (SICHUAN) CO LTD	2008/8/25	Group 6, Chundian Village, Guanyin Town, Pengshan County, Meishan City, Sichuan Province	1,006,620	Manufacturing and trading of animal feeds	RMB
BENGBU DACHAN FOOD CO LTD	2008/12/23	West side of Gubeihu, Economic Development Zone, Guizhou County, Bengbu City, Anhui Province	14,839	Manufacturing and trading of animal feeds	RMB
Dongbei (Beijing) Consultant Company Limited	2008/10/30	Room 104, Block C, Wanning Center, No. 6, Chaoyangnanwei Street, Chaoyang District, Beijing	56,331	Manufacturing and trading of animal feeds	RMB
Great Wall Agri (Hunan) Company Limited	2009/7/24	Industrial Cluster, Xineat County, Hunan Province, China	434	Manufacturing and trading of animal feeds	RMB
ZHENGWANGDACHAN ECO-RANCH CO LTD	2011/1/5	Zhenduan Banner, Shangzhi Town	240,953	Manufacturing and trading of animal feeds	RMB
Taixu & DaChan Foods (Dalian) Co., Ltd.	2012/5/25	No. 54-3, Poatai Village, Poatai Town, Puwan New District, Dalian	173,660	Processing and trading of meat and meat products	RMB
Taixu & DaChan Foods (Beijing) Co., Ltd.	2016/11/25	Intersection of Linnu Road, Inner Road, Linnu Economic Development Zone, Guizhou County, Anhui Province	83,207	Manufacturing and trading of animal feeds	RMB
SHANDONG DACHAN BIOTECHNOLOGY CO LTD	2012/11/12	South of Fancheng Machinery, South Outer Ring Road, Yuehan High-tech Development Zone, Dezhou District, Shandong Province	4,342	Manufacturing and trading of animal feeds	RMB
DaChan Livestock Development Co., Ltd.	2013/6/14	Xiyao Yaosun Village, Gaozhuai Town, Mengxin Hui Autonomous County	434	Research and development	RMB
Tianjin DaChan Prospect Research and Development Co., Ltd.	2009/1/19	2 kilometers east of Dabaozhuang Village, Nuijiaji Town, Baodi District, Tianjin	0	Manufacturing and trading of animal feeds	RMB
TIANJIN CHAO CHENG FOOD TRADE CO LTD	2017/10/12	Near Tianjin Yongqing Bridge, Tianjin Jing Road, Xiqing District, Tianjin, China	0	Manufacturing and trading of animal feeds	RMB
Rupp & DaChan Foods (Tianjin) Co., Ltd.	2017/5/4	1.5 kilometers east of Dabaozhuang Village, Nuijiaji Town, Baodi District, Tianjin	0	Manufacturing and trading of animal feeds	RMB
Imprezza Investments Limited	1996/11/7	Near Tianjin Yongqing Bridge, Tianjin Jing Road, Xiqing District, Tianjin, China	406,896	Dairy Products	USD
Great Wall Dalian Investment Company Limited	1995/2/23	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	678,160	Investment Holding	USD
Great Wall Agritech (Liaoning) Company Limited (BYD)	1990/9/13	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	597,748	Investment Holding	USD
Great Wall Agritech (Liaoning) Company Limited (HK)	1990/7/24	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	598,462	Investment Holding	HKD
Dongbei Agri Corporation	1996/11/27	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	2,763,680	Investment Holding	USD
DaChan Wanda(HK) Limited	1984/6/26	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	1,779,102	Investment Holding	USD
Hwabei Agri Corporation	1998/12/23	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	1,910,292	Investment Holding	USD
Union Manufacturing Limited	1995/5/17	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	213,136	Investment Holding	USD
Great Wall Kunming-Ming Inv. (BYD) Company Limited	1995/5/17	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	138,815	Investment Holding	USD
Great Wall Northeast Asia Corporation	1996/12/3	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	5,993,312	Investment Holding	USD
Taixu & DaChan Foods Holdings CO LTD	2007/5/18	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	359,647	Investment Holding	USD
Taixu & DaChan Foods CO LTD	2012/3/7	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	161,928	Investment Holding	USD
China S & F Farm Holdings Co., Ltd.	2011/11/29	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	249,120	Investment Holding	USD
Great Wall Nutrition Technologies SDN. BHD.	1990/8/3	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	193,760	Investment Holding	MYR
Asia Nutrition Technologies (HN) Company Limited	1995/4/29	PL0 311, Zone 12, Jalan Keluli, Pasir Gudang, BND Area, 81700 Pasir Gudang, Johor, Malaysia	387,520	Manufacturing and trading of animal feeds	000_VND
Asia Nutrition Technologies (LA) Company Limited	2003/1/22	Bae Son Village, Thong Nhat District, Dong Nai Province Vietnam	155,008	Manufacturing and trading of animal feeds	000_VND
Asia Nutrition Technologies (LA) Company Limited	2007/5/10	Tam Thong Commune, Cam Giang District, Hai Duong Province Vietnam	123,410	Manufacturing and trading of feed meal and related additives, aquatic products, veterinary and aquatic medicine	000_VND
Asia Nutrition Technologies (MV) Company Limited	2012/9/26	Cum CN Long Cang-Long Dinh, Xia Long Cong, Huyen Can Dooe, Long An Province, Vietnam	83,040	Manufacturing and trading of animal feeds	000_VND
ANT Feed Co., Ltd	2017/11/27	A1.5 & A1.6 RD, Nhon Hoa industrial zone, Nhon Hoa village, An Nhon district, Binh Dinh province.	138,400	Manufacturing and trading of animal feeds	000_VND
Asia Nutrition Technologies (VN) Investment Company Limited	1997/1/14	Phnom Penh Special Economic Zone (plot P2-090)H, 091 National Road 4, Phnom Bosing Thom 3, Sangkat Bosing Thom, Klam Posenchey, Phnom Penh, Cambodia	210,800	Investment Holding	USD
Marksville Corporation	2007/6/15	Suite 1806, Tower 1, The Gateway, 25 Canton Road, Tsimshatsui, Kowloon, Hong Kong	0	Investment Holding	USD
City Chain Company Limited	1989/5/17	8F-3, No.312, Sec. 4, Zhongguo E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	1,678,234	Western restaurant business and bread and cake management	NTD
Shanghai Universal Chain Food Company Limited	1994/8/2	Room 703-A, 310 Tianshan Road, Changning District, Shanghai, China	122,869	Restaurant Management & Consulting	RMB
Beijing Universal Chain Food Company Limited	2001/10/16	Room 401-A, Block 3, 4th Floor, No. 6A, Chaoyangnanwei Street, Chaoyang District, Beijing	226,168	Catering services; Processing, production of snacks and breads; Property management; Wholesale and retail of food; Selling self-produced products; Enterprise management consulting, Corporate image planning.	RMB
Great Wall Yung Hoo Food (Beijing) Company Limited	1997/3/6	Room 401-D, Block 3, 4th Floor, No. 6A, Chaoyangnanwei Street, Chaoyang District, Beijing	69,263	Production and processing of cooked food, fast food, frozen food, poultry, food seasoning; Catering services (only branch operations); Provide food production technical services; management services, sales of self-produced products. For projects that are subject to approval in accordance with the law, business activities shall be carried out in accordance with the approved content after approval by the relevant departments.	RMB
MISSSH CHAIN CO LTD	1999/3/26	8F-3, No.312, Sec. 4, Zhongguo E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	64,866	Bakel Food Industry	NTD
Shanghai Xunshi Foods Company Limited	2005/9/30	8th Floor, Zhong Building, No. 57, Lane 800, Zhongshan West Road, Shanghai, China	9,985	Out of business	RMB
Sablon Company Limited	2005/12/1	8F-3, No.312, Sec. 4, Zhongguo E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.)	78,000	Japanese food service	NTD
Tai Ji Food co., Ltd.	2002/4/23	No. 5, Changfeng Road, National Agricultural Comprehensive Development Demonstration Zone, Kunshan City, China	122,448	Out of business	RMB

(III) Director, Supervisor and General Manager of Affiliates

Company	Title	Name or Representative	Service Term	Year of Appointment
May Lan Lei Company Limited	Chairman	Chuang, Kun-Yen	3 years	2016
	Director	Tseng, Tien-Fu	3 years	2016
	Director	Lai, Tung-Chun	3 years	2016
	Supervisor	Wu, Hsueh-Min	3 years	2016
Oriental Best Foods Company Limited	Chairman	Han, Chia-Yau	3 years	2019
	Director	Han, Chia-Yin	3 years	2019
	Director	Chou, Shu-Heng	3 years	2019
	Director	Jan, Jin-Ho	3 years	2019
An Hsin Chiao Chu Company Limited	Supervisor	Wu, Hsueh-Min	3 years	2019
	Chairman	Han, Chia-Yin	3 years	2020
	Director	Han, Chia-Yau	3 years	2020
	Director	Lai, Tung-Chun	3 years	2020
Zhong Yi Food Company Limited	Supervisor	Liu, Chien-Chung	3 years	2020
	Chairman	Han, Fang-Hao	3 years	2020
	Director	Chou, Shu-Heng	3 years	2020
	Director	Hsia, Hsien-Yu	3 years	2020
Wonder Vax Company Limited	Director	Arakawa, Noriaki	3 years	2021
	Director	Mizumoto, Yasutaka	3 years	2020
	Supervisor	Liu, Chien-Chung	3 years	2020
	Chairman	Han, Chia-Yau	3 years	2021
Neo Foods Company Limited	Director	Chuang, Kun-Yen	3 years	2021
	Director	Liang, Chien-Kuo	3 years	2021
	Supervisor	Chou, Shu-Heng	3 years	2021
	Chairman	Han, Chia-Yau	3 years	2020
San Inn Abattoir Corporation	Chairman	Lin, Li-Ching	3 years	2020
	Director	Chu, Huei-En	3 years	2020
	Director	Lai, Tung-Chun	3 years	2020
	Supervisor	Chou, Shu-Heng	3 years	2020
Great Wall Food (Dalian) Co., Limited	chairman	Sun, Teh-Hong	3 years	2020
	director	Han, Chia-Yin	3 years	N/A
	director	Takahashi, Yoshinobu	3 years	2019
	director	Umezaki, Jin	3 years	2019
Taixu & Dachan Foods (Bengbu) Co., Limited	director	Li, Wen-huai	3 years	N/A
	supervisor	Chou, Ying-Hung	3 years	2019
	executive director	Sun, Teh-Hong	3 years	2022
	supervisor	Chou, Ying-Hung	3 years	2019
Taixu & Dachan Foods (Dalian) Co., Limited	executive director	Sun, Teh-Hong	3 years	2022
	supervisor	Chou, Ying-Hung	3 years	2019
Dachan Livestock Development Co., Ltd.	executive director	N/A	3 years	N/A
	supervisor	Huang, Chan-Chang	3 years	N/A
Tianjin Chao Cheng Food Trade Co., Ltd.	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Han, Fang-Tsu, Jonathan	3 years	2017
Rupp & Dachan Foods (Tianjin) Co., Ltd.	chairman	Han, Fang-Tsu, Jonathan	3 years	2017
	director	Tu, Feng	3 years	2017
	director	Josef Jakob Mag.Dr.Rupp	3 years	2017
	director	Harald Albert Fischli	3 years	2017
	director	Clemens Harald Fischli	3 years	2019
	supervisor	Chou, Ying-Hung	3 years	2019
	supervisor	Markus Duernberger	3 years	2017
	director	Han, Chia-Yin	N/A	2013
Great Wall Dalian Investment Co., Ltd.	director	Sun, Teh-Hong	N/A	2020
	director	Takahashi, Yoshinobu	N/A	2019
	director	Umezaki, Jin	N/A	2019
	director	Li, Wen-huai	N/A	2013
Taixu & Dachan Foods Holdings Co., Ltd	director	Han, Jia-Hwan	N/A	2019
Taixu & Dachan Foods Co., Ltd	chairman	Han, Jia-Hwan	N/A	2012
	director	Han, Chia-Yin	N/A	2012
	director	Sun, Teh-Hong	N/A	2022
	director	Chang, Hua-Hsin	N/A	2020
	director	Chen, Tyan-Wen	N/A	2012
	director	Wu, Yih-Guei	N/A	2012
	director	Lin, Tai-Sheng	N/A	2012
	director	Wang, Chih-Hsing	N/A	2012
	director	Wu, Tong-Liang	N/A	2012
	executive director	Sun, Teh-Hong	3 years	2020
Dachan Wanda (Tianjin) Co., Ltd	supervisor	Chou, Ying-Hung	3 years	2019
	chairman	Harn, Jia-Chen	3 years	N/A
Great Wall Agri (TIELING) Co., Ltd	director	Kan, Che-Ming Paul	3 years	N/A
	director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Great Wall Agri (YINGKOU) Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
MIYASUN-Great Wall FoodS (Dalian) Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Great Wall GOURMET (Shanghai) Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Great Wall Agri (HEI LONG JIANG) Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Dongbei Agri (CHANGCHUN) Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Dachan (HUNAN) FEED TECHNOLOGIES Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
YANZHOU Dachan Food Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Dachan Food (HEBEI) Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Great Wall Agritech Huludao Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Dachan Agricultural Technologies (Sichuan) Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Bengbu Dachan Food Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020

Company	Title	Name or Representative	Service Term	Year of Appointment
	supervisor	Chou, Ying-Hung	3 years	2019
Dongbei (BEIJING) Consultant Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Great Wall Agri (Henan) Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2020
Tianjin Dachan PROSPECT RESEARCH AND DEVELOPMENT Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Zhenglanqi Dachan Eco-Ranch Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Shandong Dachan Biotechnology Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Tian Jin Super Pig Ast Co., Ltd	executive director	Sun, Teh-Hong	3 years	2020
	supervisor	Chou, Ying-Hung	3 years	2019
Great Wall Northeast AsiaA Corporation	director	Han, Chia-Yin	N/A	2013
	director	Sun, Teh-Hong	N/A	2020
Impreza Investments Limited	director	Han, Chia-Yin	N/A	2013
	director	Sun, Teh-Hong	N/A	2020
Great Wall Agritech (Liaoning) Company Limited (BVI)	director	Han, Jia-Hwan	N/A	1990
	director	Han, Chia-Yau	N/A	1994
	director	Kan, Che-Ming Paul	N/A	1990
Great Wall Agritech (Liaoning) Company Limited (HK)	director	Han, Chia-Yau	N/A	1994
	director	Kan, Che-Ming Paul	N/A	1990
Dongbei Agri Corporation	director	Sun, Teh-Hong	N/A	2020
	director	Han, Chia-Yin	N/A	2013
	director	Kan, Che-Ming Paul	N/A	1996
HWABEL Agri Corporation	director	Kan, Che-Ming Paul	N/A	1998
	director	Harn, Jia-Chen	N/A	1999
	director	Sun, Teh-Hong	N/A	2020
Dachan Wanda (HK) LTD	director	Kan, Che-Ming Paul	N/A	1999
	director	Harn, Jia-Chen	N/A	1999
	director	Sun, Teh-Hong	N/A	2020
Union Manufacturing Ltd	director	Kan, Che-Ming Paul	N/A	2000
	director	Harn, Jia-Chen	N/A	2000
	director	Sun, Teh-Hong	N/A	2020
Great Wall Kuang-Ming Investment (BVI) Co., Ltd	director	Sun, Teh-Hong	N/A	2020
	director	Han, Chia-Yin	N/A	2013
Marksville Corporation	director	Kan, Che-Ming Paul	N/A	2007
Miyasun-Great Wall (BVI) Co., Ltd	director	Sun, Teh-Hong	N/A	2020
	director	Han, Chia-Yin	N/A	2013
China S&F Farm Holdings Co., Ltd	director	Sun, Teh-Hong	N/A	2020
Great Wall Nutrition Technologies SDN. BHD.	Director	Han, Fang-Hao	N/A	2022
	Director	Tan, Lay-See	N/A	2017
Asia Nutrition Technologies (VN) Company Limited	Chairman	Huang, Lieh-Chun	N/A	2012
	Vice Chairman	Chang, Yu-Lu, ng	N/A	2012
	Director	Su, Meng-Chih	N/A	2012
Asia Nutrition Technologies (HN) Company Limited	Chairman	Huang, Lieh-Chun	N/A	2012
	Vice Chairman	Chang, Yu-Lu, ng	N/A	2012
	Director	Su, Meng-Chih	N/A	2012
Asia Nutrition Technologies (LA) Company Limited	Chairman	Huang, Lieh-Chun	N/A	2012
	Vice Chairman	Chang, Yu-Lu, ng	N/A	2012
	Director	Su, Meng-Chih	N/A	2012
Asia Nutrition Technologies (MV) Company Limited	Chairman	Huang, Lieh-Chun	N/A	2012
	Vice Chairman	Chang, Yu-Lu, ng	N/A	2012
	Director	Su, Meng-Chih	N/A	2012
ANT Feed .Co.Ltd	Chairman	Huang, Lieh-Chun	N/A	2018
	Director	Chang, Ching-Chia	N/A	2018
Asia Nutrition Technologies (VN) Investment Company Limited	Chairman	Huang, Kun-Fu	N/A	1998
	Director	Chuang, Kun-Yen	N/A	2021
	Director	Han, Fang-Hao	N/A	2021
	Director	Chou, Shu-Heng	N/A	2021
	Director	Huang, Lieh-Chun	N/A	2006
Marksville Corporation	Director	Kan, Che-Ming Paul	N/A	2007
City Chain Company Limited	Chairman	Han, Chia-Yau	3 years	2018
	Director	Han, Chia-Yin	3 years	2018
	Director	Wu, Hsueh-Min	3 years	2018
	Supervisor	Chou, Shu-Heng	3 years	2018
Shanghai Universal Chain Food Company Limited	Chairman	Han, Chia-Yau	4 years	2010
	Director	Han, Chia-Yin	4 years	2010
	Director	Chou, Shu-Heng	4 years	2010
	Director	Yu, Jui-Lin	4 years	2010
	Director	Chang, Li-Chum	4 years	2010
Beijing Universal Chain Food Company Limited	Chairman	Han, Chia-Yau	4 years	2009
	Director	Harn, Jia-Chen	4 years	2009
	Director	Han, Chia-Yin	4 years	2009
	Supervisor	Tseng, Wen-Huang	4 years	2009
Great Wall Yung Huo Food (Beijing) Company Limited	Chairman	Liu, Hsiao-Hu	3 years	2016
	Director	Han, Chia-Yau	3 years	2016
	Director	Harn, Jia-Chen	3 years	2016
Nissshi Chain Co., Ltd	Chairman	Han, Chia-Yau	3 years	2018
	Director	Han, Chia-Yin	3 years	2018
	Director	Han, Fang-Hao	3 years	2019
	Director	Ishimoto, Yukiyoshi	3 years	2018
	Director	Omura, Kazuyoshi	3 years	2018
	Supervisor	Chou, Shu-Heng	3 years	2018
Shanghai Xunshi Foods Company Limited	Chairman	Han, Chia-Yau	3 years	2012
	Director	Harn, Jia-Chen	3 years	2012
	Director	Han, Chia-Yin	3 years	2012
	Director		3 years	2012
	Director	Jan, Jin-Ho	3 years	2012
Saboten Company Limited	Chairman	Han, Chia-Yau	3 years	2019
	Director	Han, Chia-Yin	3 years	2019
	Director	Tanuma, Chiaki	3 years	2019
	Director	Enomoto, Katsuhiko	3 years	2019
	Supervisor	Chou, Shu-Heng	3 years	2019
	Supervisor	Kondo, Ken	3 years	2019

Company	Title	Name or Representative	Service Term	Year of Appointment
Tai Ji Food co., Ltd.	Chairman	Han, Chia-Yau	3 years	2011
	Director	Harn, Jia-Chen	3 years	2011
	Director	Han, Chia-Yin	3 years	2011
	Director		3 years	2011
	Director	Jan, Jin-Ho	3 years	2011
	Supervisor	Chou, Shu-Heng	3 years	2011
Saboten Catering Operation (Beijing) Co., Ltd.	Chairman	Harn, Jia-Chen	3 years	2019
	Director	Han, Chia-Yau	3 years	2019
	Director	Han, Chia-Yin	3 years	2019
	Director	Enomoto, Katsuhiko	3 years	2017
	Director	Kondo, Ken	3 years	2017
	Director	Nakajima, Hiroshi	3 years	2014
	Supervisor	Yu, Jui-Lin	3 years	2014
Tianjin Fast Food Limited	Chairman	Harn, Jia-Chen	3 years	2014
	Director	Han, Chia-Yin	3 years	2014
	Director	Jan, Jin-Ho	3 years	2014
	Supervisor	Lan, Yung-Hsu	3 years	2014
Beijing Duhsiao Yueh Restaurant Co., Ltd	Chairman	Harn, Jia-Chen	3 years	2015
	Vice Chairman	Hung, Kuei-Lan	3 years	2015
	Director	Yu, Jui-Lin	3 years	2015
	Director	Han, Chia-Yin	3 years	2018
	Director	Hung, Hsiu-Hung	3 years	2015
	Supervisor	Chang, Kan-Ling	3 years	2015
Hepeer Catering Management (Beijing) Co., Ltd.	Chairman	Tsai, Bing-Jung	3 years	2012
	Director	Tsai, Hsin-Jung	3 years	2012
	Director		3 years	2012
	Director	Harn, Jia-Chen	3 years	2012
	Director	Yu, Jui-Lin	3 years	2012
	Supervisor	Yang, Peng-Kuan	3 years	2012
Tianjin Hai Rei Food Limited	Chairman	Han, Jia-Hwan	3 years	2018
	Director	Harn, Jia-Chen	3 years	2018
	Director	Huang, Wen-Bin	3 years	2014
	Director	Huang, Shi-Kai	3 years	2014
	Director	Wang, Shi-qun	3 years	2014
	Supervisor	Cherry trees	3 years	2014
	Supervisor	Chen, Xiu-juan	3 years	2014
Shanghai Du Hsiao Yueh Food & Beverage Management Co. Ltd	Director	Harn, Jia-Chen	3 years	2015
	Supervisor	Yang, Peng-Kuan	3 years	2015
Shanghai Quanhucheng Catering Management Co., LTD	Chairman	Han, Chia-Yin	3 years	2021
	Director	Harn, Jia-Chen	3 years	2021
	Director	Wu, Sheng-Fu	3 years	2021
	Director	Yagihara, Takeshi	3 years	2021
	Director		3 years	2021
	Supervisor	Lan, Yung-Hsu	3 years	2021
	Supervisor	Cheng, Tu-Chien	3 years	2021
Dachan Shinyeh Catering Management (Beijing) Co., Ltd.	Chairman	Lee, Hung-Chun	3 years	2015
	Director	Lee, Hsiu-Ying	3 years	2015
	Director	Han, Chia-Yau	3 years	2015
	Director	Harn, Jia-Chen	3 years	2015
	Director	Chao, Tien-Shin	3 years	2015
	Supervisor	Lan, Yung-Hsu	3 years	2015
Nanjing Tengcheng Management Co., Ltd.	Chairman	Han, Chia-Yau	3 years	2015
	Director	Harn, Jia-Chen	3 years	2015
	Director	Han, Chia-Yin	3 years	2015
	Supervisor	Lan, Yung-Hsu	3 years	2015
Beijing Dingfenggang Catering Co., Ltd.	Chairman	Harn, Jia-Chen	3 years	2014
	Director	Han, Chia-Yin	3 years	2017
	Director		3 years	2014
	Director	Chao, Shian-Jung	3 years	2017
	Director	Yeung, Siu-Yip	3 years	2014
	Director	Han, Chia-Yau	3 years	2017
	Manager	Yang, Peng-Kuan	3 years	2017
	Supervisor	Lan, Yung-Hsu	3 years	2017
Honolulu Chain Food & Beverage Co. Ltd.	Chairman	Han, Chia-Yau	3 years	2017
	Director	Harn, Jia-Chen	3 years	2017
	Director	Han, Chia-Yin	3 years	2017
	Director	Chao, Shian-Jung	3 years	2017
	Director	Yeung, Siu-Yip	3 years	2017
	Director		3 years	2017
	Supervisor	Chou, Shu-Heng	3 years	2017
	Supervisor		3 years	2017
Ma Cheng Co., LTD	Chairman	Han, Chia-Yin	3 years	2018
	Director	Hsia, Hsien-Yu	3 years	2018
	Director	Hung, Che-Wei	3 years	2018
Xiang Cheng Co., LTD	Chairman	Han, Chia-Yin	3 years	2018
	Director	Sung, Chia-Hsuan	3 years	2018
	Director	Wang, Lu, -Chieh	3 years	2018
	Director	Hsueh Yung-Hsiang	3 years	2018
	Supervisor	Chou, Shu-Heng	3 years	2018
Route 66 Fast Food Limited	Director	Kan, Che-Ming Paul	N/A	2012
	Director	Chou, Shu-Heng	N/A	2012
Yung Huo (China) Co., Ltd.	Director	Han, Chia-Yau	N/A	1996
	Director	Kan, Che-Ming Paul	N/A	1996
Saboten (China) Limited	Director	Han, Chia-Yau	N/A	2010
	Director	Harn, Jia-Chen	N/A	2010
	Director	Han, Chia-Yin	N/A	2010
	Director	Tanuma Chiaki	N/A	2010
	Director	Kondo, Ken	N/A	2010
	Director	Enomoto, Katsuhiko	N/A	2016
Dachan Shin Yeh Limited	Chairman	Lee, Hung-Chun	N/A	2014
	Director	Han, Chia-Yau	N/A	2014
	Director	Harn, Jia-Chen	N/A	2014
	Director	Lee, Hsiu-Ying	N/A	2015
	Director	Chao, Tien-Shin	N/A	2014
Great Wall Food (Tianjin) Company Limited	Chairman	Harn, Jia-Chen	4 years	2021

Company	Title	Name or Representative	Service Term	Year of Appointment
	Vice Chairman	Yuan, Ming-Chi	4 years	2021
	Director	Han, Chia-Yau	4 years	2021
	Director	Quan, Wen-Sheng	4 years	2021
	Director	Kan, Che-Ming Paul	4 years	2021
Great Wall Milling Company Limited	Director	Harn, Jia-Chen	N/A	2012
	Director	Kan, Che-Ming Paul	N/A	2012
	Director	Han, Chia-Yau	N/A	2012
Dachan Showa Foods (Tianjin) Company Limited	Chairman	Harn, Jia-Chen	2 years	2020
	Vice Chairman	Mizumoto, Yasutaka	2 years	2020
	Director	Adachi, Tsuyoshi	2 years	2020
	Director	Kan, Che-Ming Paul	2 years	2020
	Director	Quan, Wen-Sheng	2 years	2020
Kouchan Mill Company Limited	Chairman	Han, Fang-Hao	3 years	2020
	Director	Chou, Tsao-Hsiung	3 years	2020
	Director	Chou, Shu-Heng	3 years	2020
	Director	Mizumoto, Yasutaka	3 years	2020
	Director	Ohno, Masashi	3 years	2020
	Supervisor	Wu, Hsueh-Min	3 years	2020
Dachan Liangyu Food (Shanghai) Company Limited	Chairman	Xiong, Hui	4 years	2020
	Vice Chairman	Harn, Jia-Chen	4 years	2020
	Director	Han, Chia-Yau	4 years	2020
	Director	Quan, Wen-Sheng	4 years	2020
	Director	Mizumoto, Yasutaka	4 years	2020
	Director	Shen, Jun-Hua	4 years	2020
	Director	Pan, Run-Ping	4 years	2020
	Director	Gu, Qing-Gang	4 years	2020
	Director	Zeng, Xiao-Rong	4 years	2020
	Supervisor	Chou, Shu-Heng	4 years	2020
Dachan Liangyu Food (Tianjin) Company Limited	Executive Director	Xiong, Hui	4 years	2020
Tianjin Dacheng Xingye Real Estate Development Co. Ltd	Director	Han, Chia-Yau	N/A	2013
	Director	Harn, Jia-Chen	N/A	2013
	Director	Han, Chia-Yin	N/A	2013
	Director	Chao, Tien-Shin	N/A	2013
	Director	Yu, Paul	N/A	2013
	Director	Chang, Yuh-Ta	N/A	2013
	Director	Wang, Juei -Liu	N/A	2013
	Director	Hsuan, Chien-Shen	N/A	2013
	Supervisor	Lan, Yung-Hsu	N/A	2013
Great Wall Food Investment Company Limited	Director	Han, Chia-Yau	N/A	1994
	Director	Kan, Che-Ming Paul	N/A	1990
Tianjin Food Investment Company Limited	Director	Harn, Jia-Chen	N/A	2003
	Director	Han, Chia-Yau	N/A	1994
	Director	Yuan, Ming-Chi	N/A	2004
	Director	Kan, Che-Ming Paul	N/A	2010
	Director	Wu, Ming-Jin	N/A	2016
Trans Dynamic Corporation	Director	Harn, Jia-Chen	N/A	1997
	Director	Kan, Che-Ming Paul	N/A	1997
	Director	Han, Chia-Yau	N/A	2007
Total Nutrition Technology Company Limited	Chairman	Han, Chia-Yau	3 years	2016
	Director	Liang, Chien-Kuo	3 years	2016
	Director	Chuang, Kun-Yen	3 years	2016
	Supervisor	Chou, Shu-Heng	3 years	2016
Biotechnology (Tianjin) Co. Ltd.	Executive Director	Sun, Teh-Hong	3 years	2021
	Supervisor	Lan, Yung-Hsu	3 years	2021
TNT Biotechnology Co., Limited	Director	Han, Chia-Yau	N/A	2010
	Director	Harn, Jia-Chen	N/A	2010
	Director	Kan, Che-Ming Paul	N/A	2010
TNT Huabang Holdings Limited	Director	Han, Chia-Yau	N/A	2010
	Director	Lu, Min-Chih	N/A	2010
Foodchina Company	Chairman	Han, Jia-Hwan	3 years	2019
	Director	Chen, Fa-Cheng	3 years	2019
	Director	Chang, Tsee-Shen	3 years	2019
	Supervisor	Chou, Shu-Heng	3 years	2019
FoodChina Inc.	Director	Han, Jia-Hwan	N/A	2000
	Director	Harn, Jia-Chen	N/A	2017
	Director	Sun, Teh-Hong	N/A	2017
Great Wall FeedTech Enterprise Company Limited	Chairman	Han, Chia-Yau	3 years	2017
	Vice Chairman	Harn, Jia-Chen	3 years	2017
	Director	Chuang, Kun-Yen	3 years	2017
	Director	Lu, Min-Chih	3 years	2017
	Supervisor	Wu, Hsueh-Min	3 years	2017
Great Wall FeedTech (Tianjin) Company Limited	Chairman	Han, Chia-Yau	3 years	2014
	Vice Chairman	Lan, Yung-Hsu	3 years	2014
Great Wall FeedTech (Ningxia) Company Limited	Executive Director	Han, Chia-Yau	3 years	2014
	Supervisor	Lan, Yung-Hsu	3 years	2014
Great Wall FeedTech (Holdings) Ltd.	Chairman	Han, Chia-Yau	N/A	2007
	Director	Harn, Jia-Chen	N/A	2009
Seafood International Inc.	Director	Kan, Che-Ming Paul	N/A	2000
Universal Food Corporation	Director	Kan, Che-Ming Paul	N/A	2009
PT. Mustika Minanusa Aurora	Director	Han, Chia-Yau	5 years	2019
	Director	Fieyono Hiu	5 years	2019
	Supervisor	Han, Chia-Yin	5 years	2019
Dachan Aquaculture Limited	Director	Han, Chia-Yau	N/A	2008
	Director	Fieyono Hiu	N/A	2008
	Director	Kan, Che-Ming Paul	N/A	2008
	Director	Wu, Wen-Yuan	N/A	2008
PT. Dachan Mustika Aurora	Chairman	Fieyono Hiu	5 years	2017
	Director	Han, Chia-Yau	5 years	2017
	Supervisor	Han, Chia-Yin	5 years	2017
DaChan Aqua (Tarakan) Ltd.	Director	Han, Chia-Yau	N/A	2012
	Director	Kan, Che-Ming Paul	N/A	2011
	Director	Budiyono Hiu	N/A	2012
Clydebridge Ltd.	Director	Kan, Che-Ming Paul	N/A	1995
	Director	Thomas Oscar	N/A	2009
PT Misaja Mitra	Director	Han, Chia-Yau	N/A	2018

Company	Title	Name or Representative	Service Term	Year of Appointment
	Director	Kan, Che-Ming Paul	N/A	2018
	Director	Wu, Wen-Yuan	N/A	2018
	Director	Fieyono Hiu	N/A	2018
	Supervisor	Chou, Shu-Heng	N/A	2018
Global Food Corporation	Director	Chang, Lai-Fong Kimmy	N/A	2009
Dachan (VN) Company Limited	Director	Han, Chia-Yau	N/A	2015
	Director	Han, Chia-Yin	N/A	2015
	Director	Su, Meng-Chih	N/A	2015
	Director	Kan, Che-Ming Paul	N/A	2015
	Director	Huang, Lieh-Chun	N/A	2015
Gallant / Dachan SeaFood Company Limited	Chairman	Han, Chia-Yin	5 years	2016
	Director	Ho, Shan-Tien	5 years	2016
Myint Dachan	Director	Han, Chia-Yau	N/A	2018
	Director	Chao, Tien-Shin	N/A	2018
	Director	Chang, Wei	N/A	2018
	Director	Chou, Shu-Heng	N/A	2018
	Director	Daw Nan Lin Lin Tun	N/A	2018
	Director	Daw Aye Aye	N/A	2018
	Director	Kyaw Tin	N/A	2018
Fresh Aqua Corporation	Director	Kan, Che-Ming Paul	N/A	2014
Golden Harvest Inc	Director	Kan, Che-Ming Paul	N/A	2010
Dachan (Asia-Pacific) Limited	Director	Han, Chia-Yau	N/A	2011
	Director	Kan, Che-Ming Paul	N/A	2010
	Director	Huang, Lieh-Chun	N/A	2015
Waverley Star Ltd.	Director	Han, Chia-Yau	N/A	1996
	Director	Kan, Che-Ming Paul	N/A	1996
Asia Nutrition Technologies Corporation	Director	Han, Chia-Yau	N/A	1997
	Director	Kan, Che-Ming Paul	N/A	2011
Asia Nutrition Technologies Investments Corp.	Director	Han, Chia-Yau	N/A	1997
	Director	Kan, Che-Ming Paul	N/A	2011
Great Wall Food (Hong Kong) Co., Ltd.	Director	Han, Chia-Yau	N/A	1994
	Director	Harn, Jia-Chen	N/A	1988
	Director	Kan, Che-Ming Paul	N/A	1988
Great Wall International (Holdings) Ltd.	Director	Han, Chia-Yau	N/A	1994
	Director	Kan, Che-Ming Paul	N/A	1990
Huang-Ho Invest. Company Limited	Chairman	Han, Chia-Yau	3 years	2016
	Director	Harn, Jia-Chen	3 years	2016
	Director	Han, Chia-Yin	3 years	2016
	Supervisor	Chou, Shu-Heng	3 years	2016
Seafood International Limited	Director	Kan, Che-Ming Paul	N/A	2020
Global Seafood Limited	Director	Kan, Che-Ming Paul	N/A	2020
Universal Food Limited	Director	Kan, Che-Ming Paul	N/A	2020
Fresh Aqua Limited	Director	Kan, Che-Ming Paul	N/A	2020
Pacific Harvest Limited	Director	Kan, Che-Ming Paul	N/A	2020
Great Wall Grains International Limited	Director	Han, Chia-Yau	N/A	2020
	Director	Kan, Che-Ming Paul	N/A	2020
	Director	Hsia, Hsien-Yu	N/A	2020

(IV) Summarized Operation Results of Affiliates

Name of Company	Capital (NT\$ thousand)	Total Assets (NT\$ thousand)	Total Liabilities (NT\$ thousand)	Net Worth (NT\$ thousand)	Net Revenue (NT\$ thousand)	Operating Profit (NT\$ thousand)	Profit or loss for the period (After tax)	Profit or loss after tax (NT\$ thousand)	EPS (After tax)
MAY LAN LEI CO., LTD. May Lan Lei Company Limited	480,000.00	4,725,019.98	2,920,416.50	1,804,603.49	9,582,284.66	-12,722.07	52,348,171.36	52,348.17	1.09
Oriental Best Foods Company Limited	80,067.00	526,340.10	397,974.82	128,365.28	726,531.56	17,853.75	13,997,361.00	13,997.36	1.75
An Hsin Chiao Chu Company Limited	55,000.00	29,144.86	23,102.11	6,042.75	92,098.39	130.92	-4,429,268.00	-4,429.27	-0.81
Zhong Yi Food Company Limited	1,200,000.00	2,258,640.05	1,193,115.53	1,065,524.52	3,326,723.56	-83,260.08	-83,598,414.00	-83,598.41	-0.70
Wonder Vax Company Limited	200,000.00	77,590.93	17,815.07	59,775.86	15.00	-46,534.51	-41,170,369.00	-41,170.37	-2.06
GREAT WALL AGRITECH (LIAONING) CO LTD (INCORPORATED IN HK)	544,879.32	1,994,949.76	680,020.16	1,314,929.60	5,420,787.49	416,110.37	32,839,550.53	142,661.58	0.26
Great Wall Foods (Dalian) Company Limited	951,044.56	3,393,748.87	1,150,155.31	2,243,593.56	8,387,128.63	386,726.15	12,651,023.68	54,958.58	0.06
DACHAN WANDA (TIANJIN) CO LTD	2,513,988.99	3,544,103.47	2,147,276.23	1,396,827.24	2,588,407.08	185,759.33	26,068,512.00	113,246.83	0.05
Great Wall Agri (Tieling) Company Limited	457,532.78	1,623,180.32	441,782.65	1,181,397.67	4,953,406.26	74,839.05	-14,578,551.61	-63,332.14	-0.14
Great Wall Agri (Yingkou) Company Limited	544,510.56	748,793.69	674,100.42	74,693.27	1,152,968.13	50,927.65	1,325,588.89	5,758.62	0.01
Miyasun-Great Wall Foods (Dalian) Company Limited	325,885.50	453,875.18	168,002.45	285,872.73	599,860.42	50,376.46	2,913,804.97	12,658.15	0.04
Great Wall Gourmet (Shanghai) Company Limited	231,956.75	150,403.19	15,654.21	134,748.97	5.16	5.16	-6,222,894.00	-27,033.50	-0.12
Great Wall Agri (Hei Long Jiang) Company Limited	191,339.07	570,310.56	103,190.29	467,120.27	1,149,788.61	106,258.57	730,667.82	3,174.17	0.02
Dongbei Agri (Changchun) Co., Ltd.	37,249.90	297,572.92	101,462.19	196,110.74	996,422.22	65,046.20	2,522,011.54	10,956.12	0.29
DaChan (Hunan) Feed Technologies Company Limited	74,435.52	80,863.46	25,606.19	55,257.27	192,993.32	15,256.53	635,638.38	2,761.34	0.04
Yanzhou Anxian Farm Food Co., Ltd.	217,075.00	150,615.29	124,351.60	26,263.70	385,314.74	97,674.58	11,982,035.00	52,052.56	0.24
DaChan Food (Hebei) Company Limited	1,522,652.96	2,063,731.53	1,985,971.39	77,760.14	5,666,282.56	255,248.92	7,089,390.95	30,797.73	0.02
Great Wall Agrotech Huludao Company Limited	112,668.72	162,748.83	65,587.10	97,161.73	584,376.71	34,323.32	29,396.00	12.70	0.00
DACHAN AGRICULTURAL TECHNOLOGIES (SICHUAN) CO LTD	86,830.00	126,924.47	57,207.63	69,716.84	708,727.83	37,789.77	4,464,735.73	19,395.70	0.22
BENGBU DACHAN FOOD CO LTD	1,006,620.19	2,655,904.12	1,465,649.06	1,190,255.06	10,527,625.97	662,253.00	19,633,207.11	85,290.58	0.08
Dongbei (Beijing) Consultant Company Limited	14,838.60	230,466.57	247,447.49	-16,980.92	0.00	0.00	-563,896.00	-2,449.68	-0.16
DACHAN FOOD (PANJIN) CO LTD	0.00	0.00	0.00	0.00	0.00	0.00	-340,405.58	-1,478.79	0.00
Great Wall Agri (Henan) Company Limited	56,330.96	19,848.65	0.01	19,848.64	0.00	0.00	2,949,343.15	12,812.54	0.23
ZHENGLANQI DACHAN ECO-RANCH CO LTD	434.15	83,876.56	191,400.62	-107,524.05	0.00	0.00	-2,434,093.67	-10,574.19	-24.34
Great Wall Foods (Dalian) Company Limited	240,933.25	326,667.59	38,098.69	288,568.91	473,062.30	71,263.63	3,823,132.68	16,608.45	0.07
TAIXU & DACHAN FOODS (BENGBU) CO LTD	173,660.00	855,183.96	572,656.33	282,527.63	1,336,956.39	149,188.06	8,707,534.78	37,827.27	0.22
SHANDONG DACHAN BIOTECHNOLOGY CO LTD	82,207.17	312,118.20	381,589.71	-69,471.51	1,123,849.03	56,482.97	5,035,791.33	21,876.48	0.27
Mengcun Hui Autonomous County DaChan Animal Husbandry Development Co., Ltd.	4,341.50	317,842.62	310,944.01	6,898.61	0.00	0.00	1,624,253.00	7,056.08	1.62
TIANJIN DACHAN PROSPECT RESEARCH AND DEVELOPMENT CO LTD	434.15	214,840.76	272,315.79	-57,475.03	6.52	6.52	-1,382,012.73	-6,003.74	-13.82
TIANJIN CHAO CHENG FOOD TRADE CO LTD	4,341.50	55,364.13	45,149.49	10,214.64	194,252.16	39,751.41	-205,765.43	-893.89	-0.21
TIAN JIN SUPER PIG AST Co., Ltd	0.00	238.77	139,243.87	-139,005.10	0.00	0.00	-3,504.00	-15.22	0.00
Impreza Investments Limited	406,896.00	2,693,748.22	460,548.64	2,233,199.59	5,605,043.90	449,157.62	5,709,819.17	159,925.18	0.39
Great Wall Dalian Investment Company Limited	678,160.00	2,689,585.25	460,548.64	2,229,036.61	5,605,043.90	449,157.62	5,711,693.18	159,977.67	0.23
Great Wall Agritech (Liaoning) Company Limited (BVI)	597,748.05	597,854.22	276.80	597,571.42	0.00	0.00	-1,888.77	-52.90	0.00
Great Wall Agritech (Liaoning) Company Limited (HK)	598,462.35	983,619.22	347,609.74	636,009.48	0.00	0.00	-4,340.55	-121.57	0.00
Dongbei Agri Corporation	2,262,679.54	4,979,522.52	3,391,108.34	1,588,414.18	12,818,879.01	498,102.48	-372,439.42	-10,431.58	0.00
Dachan Wanda(HK) Limited	1,779,102.39	5,092,139.06	3,729,549.68	1,362,589.38	13,248,128.00	896,346.57	6,276,222.53	175,789.46	0.10
Hwabei Agri Corporation	1,910,291.94	5,388,399.58	3,985,912.73	1,402,486.85	13,248,065.02	896,351.73	4,842,366.74	135,628.88	0.07
Union Manufacturing Limited	213,136.00	150,553.86	17,849.00	132,704.87	5.16	5.16	-967,025.23	-27,085.22	-0.13
Great Wall Kuang-Ming Inv. (BVI) Company Limited	210,783.20	1,482,237.55	801,149.71	681,087.84	2,242,501.45	270,828.19	5,024,986.84	140,743.85	0.66

Name of Company	Capital (NT\$ thousand)	Total Assets (NT\$ thousand)	Total Liabilities (NT\$ thousand)	Net Worth (NT\$ thousand)	Net Revenue (NT\$ thousand)	Operating Profit (NT\$ thousand)	Profit or loss for the period (After tax)	Profit or loss after tax (NT\$ thousand)	EPS (After tax)
Miyasun Great Wall (BYD) Company Limited	138,815.20	370,988.09	110,720.00	260,268.09	2,242,501.45	270,828.19	5,024,986.84	140,743.85	1.00
Great Wall Northeast Asia Corporation	5,993,311.92	15,560,152.95	5,671,462.30	9,888,690.65	47,029,614.95	3,549,094.64	35,607,552.38	997,324.81	0.16
Dachan Food(Asia) Limited	359,646.66	14,938,460.20	5,077,354.92	9,861,105.28	40,620,297.53	3,553,736.40	30,683,108.30	859,397.04	2.36
TaiXu & Dachan Foods Holdings CO LTD	161,928.00	1,012,118.65	560,228.83	451,889.83	1,796,686.23	220,451.72	4,576,960.11	128,195.16	0.78
TaiXu & Dachan Foods CO LTD	249,120.00	1,009,675.74	558,686.47	450,989.27	1,796,686.23	220,451.72	4,592,543.94	128,631.64	0.51
China S & F Farm Holdings Co.,Ltd.	193,760.00	193,425.12	0.00	193,425.12	0.00	0.00	-1,126.72	-31.56	0.00
Great Wall Nutrition Technologies SDN. BHD.	37,793.91	189,709.94	27,494.55	162,215.39	236,939.60	41,250.83	347,661.76	9,737.59	0.25
Asia Nutrition Technologies (VN) Company Limited	387,520.00	1,758,691.16	1,017,188.89	741,502.28	3,919,262.08	189,900.40	8,472,119.42	237,293.90	0.61
Asia Nutrition Technologies (HN) Company Limited	155,008.00	1,157,646.86	625,253.43	532,393.43	3,669,092.53	246,546.89	3,604,264.39	100,951.12	0.64
Asia Nutrition Technologies (LA) Company Limited	123,410.04	997,784.38	645,281.23	352,503.14	3,364,259.56	92,112.37	968,233.08	27,119.05	0.22
Asia Nutrition Technologies (MV) Company Limited	83,040.00	778,685.47	373,854.05	404,831.42	2,807,734.06	192,916.01	3,282,672.63	91,943.72	1.09
Asia Nutrition Technologies (Cambodia) Co., Ltd.	138,400.00	475,189.40	383,443.95	91,745.44	1,148,119.22	-422.46	-983,572.00	-27,548.67	-0.20
Asia Nutrition Technologies (VN) Investment Company Limited	210,799.53	5,871,308.69	3,416,725.54	1,991,654.19	16,462,306.19	806,184.93	7,181,319.62	201,140.14	0.94
City Chain Company Limited	1,678,234.38	3,134,564.86	1,072,493.58	2,062,071.28	1,986,449.70	-96,463.31	166,744,442.98	166,744.44	0.99
Shanghai Universal Chain Food Company Limited	122,869.22	260,331.35	54,953.53	205,377.82	58,875.57	-19,416.92	-734,435.78	-3,190.54	-0.03
Beijing Universal Chain Food Company Limited	226,168.47	255,001.90	183,270.26	71,731.64	340,759.43	-19,928.36	2,350,182.74	10,209.66	0.05
Great Wall Yung Huo Food (Beijing) Company Limited	69,262.66	45,334.93	63,389.68	-18,054.75	0.00	-39.81	-10,834.51	-47.07	0.00
NISSHHI CHAIN CO LTD	64,866.11	38,507.94	25,043.91	13,464.03	103,135.69	68,967.97	-1,458,390.00	-1,458.39	-0.22
Shanghai Xunshi Foods Company Limited	9,985.45	754.29	8,839.29	-8,085.00	0.00	0.00	0.00	0.00	0.00
Saboten Company Limited	78,000.00	285,009.05	172,220.90	112,788.15	659,019.48	458,589.88	9,434,198.00	9,434.20	1.21
Tai Ji Food co., Ltd.	122,448.02	-3,611.38	74,271.48	-77,882.86	0.00	-6,029.99	-1,111,728.62	-4,829.57	-0.04
Saboten Restaurant (Beijing) Co., Ltd.	67,432.72	186,257.89	57,767.17	128,490.73	454,947.30	56,813.69	10,731,620.82	46,620.31	0.69
Tianjin Fast Food Limited	159,182.70	117,210.28	156,205.02	-38,994.74	0.00	-10,189.73	275,372.08	1,196.27	0.01
Beijing Duxiaoyue Catering Management Co., Ltd.	82,488.50	37,738.42	34,272.68	3,485.74	126,826.22	4,127.40	-315,913.17	-1,372.39	-0.02
TIANJIN HAI REI FOOD LIMITED	21,683.18	23,794.77	16,875.30	6,919.48	23,175.13	1,389.60	321,350.07	1,396.01	0.06
Shanghai Du Xiaoyue Catering Management Co., Ltd.	6,512.25	29,727.87	34,258.60	-4,530.73	74,854.12	-6,245.90	-1,221,131.42	-5,304.84	-0.81
DuChun Xin Ye Restaurant Management (Beijing) Co., Ltd.	44,358.01	50,037.06	24,763.19	25,273.87	57,330.49	-7,693.39	-1,208,021.38	-5,247.89	-0.12
Teng Cheng Catering Management (Nanjing) Co., Ltd.	91,198.10	104,810.61	33,310.33	69,500.28	46,950.72	-305.20	1,789,444.58	7,773.71	0.09
HONOLULU CHAIN FOOD & BEVERAGE CO., LTD.	24,530.00	63,604.73	61,295.27	2,309.46	202,535.65	139,362.74	-15,065,633.00	-15,065.63	-6.14
Xiang Cheng Co., Ltd	10,000.00	9,253.02	1,400.28	7,852.73	9,804.58	5,164.36	-617,313.00	-617.31	-0.62
Ma Cheng Co., LTD	20,000.00	11,170.63	11,871.71	-701.08	4,636.22	3,008.25	-2,950,987.00	-2,950.99	-1.48
Route 66 Fast Food Limited	160,544.00	117,209.85	156,204.44	-38,994.59	0.00	-10,189.74	42,710.56	1,196.27	0.01
Yung Huo (China) Co., Limited	130,649.60	-17,841.62	11,253.95	-29,095.57	0.00	-53.78	-3,600.39	-100.84	0.00
Dachan Expressamente ily (China) Limited	96,880.00	28,462.00	8.59	28,453.41	0.00	0.00	-341.06	-9.55	0.00
Saboten (China) Limited	69,200.00	186,762.96	57,841.48	128,921.48	454,947.38	343,860.22	1,548,656.68	43,376.02	0.62
DaChan Shin Yeh Limited	69,200.00	63,064.09	768.15	62,295.94	0.00	0.00	-3,644.01	-94.22	0.00
Great Wall Food (Tianjin) Company Limited	255,510.16	1,181,127.16	7,864.24	1,173,262.92	0.00	0.00	-1,498,810.40	-6,511.13	-0.03
Great Wall Milling Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	-66,784.90	0.00	-6.68
Dachan Showa Foods (Tianjin) Company Limited	262,019.95	360,059.40	26,819.12	333,240.27	272,084.39	90,533.17	7,683,990.19	33,380.79	0.13
KouChan Mill Company Limited	610,000.00	1,086,397.45	193,077.56	893,319.89	740,900.09	62,048.74	53,267,586.00	53,267.59	0.87
Dachan Liangyu Food (Shanghai) Company Limited	868,300.00	1,218,536.57	549,968.97	668,567.60	1,638,443.52	37,726.58	6,048,779.32	26,277.11	0.03
Dachan Liangyu Food (Tianjin) Company Limited	434,150.00	571,485.78	170,746.91	400,738.87	1,035,698.71	15,308.33	3,099,690.44	13,465.68	0.03

Name of Company	Capital (NTS thousand)	Total Assets (NTS thousand)	Total Liabilities (NTS thousand)	Net Worth (NTS thousand)	Net Revenue (NTS thousand)	Operating Profit (NTS thousand)	Profit or loss for the period (After tax)	Profit or loss after tax (NTS thousand)	EPS (After tax)
Great Wall Food Investment Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	-50,067.99	0.00	0.00
Tianjin Food Investment Company Limited	262,960.00	1,320,595.42	263,308.09	1,057,287.33	0.00	0.00	-2,030,828.75	-56,881.08	-0.21
Trans Dynamic Corporation	0.00	0.00	0.00	0.00	0.00	0.00	-35,252.61	0.00	0.00
Total Nutrition Technology Company Limited	481,495.00	908,534.26	135,631.22	772,903.04	1,639,171.19	76,356.64	67,594,295.33	67,594.30	1.40
Biotechnology (Tianjin) Co. Ltd.	336,833.69	307,487.83	20,577.69	286,910.14	715,574.99	7,761.77	1,901,688.95	8,261.32	0.02
TNT Biotechnology Company Limited	362,884.86	345,557.17	22,798.53	322,758.69	715,575.12	6,366.69	245,516.99	6,876.64	0.02
TNT Huabang Holding Limited	30,724.86	22,743.54	226.15	22,517.39	0.00	-230.81	-7,870.47	-220.44	-0.01
FOODCHINA COMPANY	155,598.14	1,135,991.01	859,520.45	276,470.56	9,134,634.13	160,298.75	77,047,046.00	77,047.05	4.95
BeijingFoodChina Online Information & Technology Limited	259,942.34	70,913.95	47,045.50	23,868.44	0.00	0.00	248,277.00	1,078.56	0.00
FoodChina Inc.	204,278.40	1,283,573.75	858,789.06	424,784.69	9,081,878.51	159,372.97	2,496,986.73	69,937.60	0.34
Great Wall FeedTech Enterprise Company Limited	3,400.00	7,242.19	1,736.34	5,505.84	0.00	-1.72	-340,107.00	-340.11	-1.00
Great Wall FeedTech (Tianjin) Company Limited	416,652.84	509,993.81	702,746.66	439,719.16	687,668.45	131,783.36	4,305,918.00	18,705.77	0.04
Great Wall FeedTech (Ningxia) Company Limited	208,392.00	339,342.09	156,031.87	183,310.23	844,571.26	35,440.34	910,486.00	3,955.33	0.02
Great Wall FeedTech(Holdings) Ltd.	297,836.80	604,626.76	185,438.38	419,188.39	1,528,197.82	167,223.73	488,335.91	13,677.70	0.05
Seafood International Inc.	103,633.92	103,634.30	29.42	103,604.88	0.00	0.00	204,852.58	5,737.67	0.05
PT. Mustika Mimanusa Aurora	28,660.18	280,720.27	143,562.44	137,157.83	1,141,646.46	114,616.43	918,553.33	25,727.58	0.89
Dachan Aquaculture Limited	370,912.00	673,401.33	109,667.48	563,733.85	2,166,730.81	192,658.74	6,377,802.33	178,634.59	0.48
PT. Dachan Mustika Aurora	11,756.18	8,482.90	1,919.30	6,563.60	0.00	-327.00	-5,002.02	-140.10	-0.01
DuChan Aqua (Tarakan) Limited-BVI	11,833.20	8,575.41	3,674.07	4,901.34	0.00	-327.00	-9,882.65	-276.80	-0.02
Clydebridge Limited	103,633.92	777,402.72	213,310.88	564,091.84	2,166,730.81	192,658.74	3,824,292.67	107,113.85	1.02
PT. Misaja Mitra	162,815.70	357,373.75	163,964.99	193,408.76	1,039,105.87	84,353.48	895,991.91	25,095.66	0.15
Global Food Corporation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dachan (VN) Company Limited	326,624.00	739,057.06	575,210.79	163,846.27	1,479,548.97	-17,851.74	-3,902,417.78	-109,302.04	-0.33
Gallant / Dachan Seafood Company Limited	163,773.48	355,758.76	188,040.18	229,546.87	591,730.45	43,209.57	31,571,202.82	38,234.64	0.23
Fresh Aqua Corporation	35.49	95.04	95.02	0.03	0.00	0.00	0.00	0.00	0.00
Golden Harvest Inc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dachan (Asia-Pacific) Limited	185,192.26	727,571.62	553,244.82	174,326.81	1,479,548.97	-17,851.74	-3,908,360.09	-109,468.48	-0.58
Waverley Star Limited	807,172.56	14,939,944.20	5,077,424.83	9,862,519.39	40,620,297.53	3,553,736.40	8,801,413.39	246,517.03	0.30
Asia Nutrition Technologies Corporation	262,960.00	1,320,595.42	263,308.09	1,057,287.33	0.00	0.00	3,297,542.61	92,360.21	0.35
Asia Nutrition Technologies Investment Company Limited	35,452.46	176.15	8,526.89	-8,350.74	0.00	0.00	-174,354.64	-4,883.46	-0.14
Great Wall Food (HK) Company Limited	0.00	0.00	0.00	0.00	0.00	0.00	-683,065.86	0.00	-1.37
Great Wall International (Holdings) Limited	2,504,785.70	27,423,942.51	13,109,358.44	7,586,694.29	63,184,212.89	4,592,419.31	3,102,725.00	86,903.60	0.03
Huang-Ho Invest. Company Limited	145,000.00	1,507,670.54	403.44	1,507,267.10	0.00	-2,549.62	66,041,980.00	66,041.98	4.55
Myint Dachan Co., Ltd	569,561.95	212,703.33	212,703.33	0.00	29,278.73	-46,982.10	-16,579,328.48	-464,367.10	-0.81
Marksville Corporation	0.03	190,888.94	27,494.55	163,394.39	236,939.60	41,250.83	346,544.76	9,706.30	346,544.76
Neo Foods Company Limited	50,000.00	37,622.95	4,179.05	33,443.90	2,519.65	-15,362.31	-15,258,528.00	-15,258.53	-3.05
Seafood International Limited	35.49	94,487.03	70,793.04	23,693.98	485,261.89	24,263.09	795,506.65	22,281.19	620.50
Global Seafood Limited	35.49	104,594.71	69,840.38	34,754.33	528,930.49	36,935.71	1,221,812.17	34,221.49	953.01
Universal Food Limited	35.49	135,072.30	104,896.68	30,175.62	622,246.75	32,647.51	991,035.09	27,757.70	773.01
Fresh Aqua Limited	35.49	109,295.08	62,301.96	46,993.12	554,005.58	47,103.05	1,603,874.57	44,922.60	1,251.02
Pacific Harvest Limited	35.49	53,382.17	47,067.32	6,314.85	322,706.96	11,456.99	287,353.18	8,048.42	224.14
Great Wall Grains International Limited	27,680.00	487,939.20	355,633.17	132,306.03	5,617,398.14	110,006.45	3,784,197.25	105,990.82	3.78

II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

III. Holding or Disposal of Shares in Aurora by Subsidiaries during the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report

Unit: NT\$ thousands; Shares; %

Name of Subsidiary	Paid-in Capital	Source of Capital	The Company's shareholding ratio	Date of Acquisition or Disposal	Amount and Number of Shares Acquired	Amount and Number of Shares Disposed of	Investment Income	Amount and Shares Held up to the Date of Publication of the Annual Report	Pledge	Making of Endorsements/Guarantees to Subsidiary	Loaning of Funds to Subsidiary
Huang-Ho Invest. Co., Ltd.	145,000	Private capital	100	2020	-	-	-	19,674,191 shares NT \$121,687		-	-
				2021	590,225 shares NT \$0	-	-	20,264,416 shares NT \$121,687		-	-
				As of the date of publication of the Annual Report	-	-	-	20,264,416 shares NT \$121,687	9,100,000 shares No material impact.	-	-
To Shing Industry Co., Ltd.	1,678,234	Private capital	100	2020	-	-	-	25,688,242 shares NT \$128,908		-	-
				2021	770,647 shares NT \$0	-	-	26,458,889 shares NT \$128,908		-	-
				As of the date of publication of the Annual Report	-	-	-	26,458,889 shares NT \$128,908	No material impact.	-	-

IV Other Necessary Supplements: None.

Nine. In the most recent year and up to the date of publication of the annual report, any event that has a significant impact on shareholders' equity or securities prices as stipulated in Article 36, paragraph 2, paragraph 2 of the Stock Exchange Law: none.