

GREAT WALL ENTERPRISE CO., LTD.**Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2020 and 2019**

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

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安侯建業聯合會計師事務所

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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, 2020 and 2019, 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, 2020 and 2019, 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 investment accounted for using equity method, please refer to Note 5 in the financial statement.

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 31, 2021

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019			December 31, 2020		December 31, 2019	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
1100 Cash and cash equivalents (Note 6(a))	\$ 290,515	1	251,020	1					
1110 Current financial assets at fair value through profit or loss (Note 6(b))	20,454	-	439	-	2100 Short-term borrowings (Note 6(m))	\$ 4,638,406	15	4,116,166	16
1150 Notes receivable, net (Notes 6(d) and 7)	861,623	3	870,680	3	2110 Short-term notes and bills payable (Note 6(n))	1,700,000	6	1,800,000	7
1170 Trade receivable, net (Notes 6(d) and 7))	2,441,080	8	1,917,060	7	2120 Current financial liabilities at fair value through profit or loss (Note 6(l))	23,199	-	69,844	-
1210 Other receivables due from related parties (Note 7)	612,228	2	206,100	1	2150 Notes payable (Note 7)	30,369	-	375,183	1
130x Inventories (Note 6(e))	1,698,474	6	2,139,985	9	2170 Trade payable (Note 7)	1,483,545	5	694,480	3
1400 Current biological assets (Note 6(f))	934,797	3	802,308	3	2200 Other payables (Note 7)	778,066	3	686,627	3
1410 Prepayments (Note 6(g))	110,565	-	86,911	-	2230 Current income tax liabilities	258,475	1	220,504	1
1476 Other current financial assets	23,865	-	50,309	-	2280 Current lease liabilities (Note 6(o))	46,575	-	45,908	-
1479 Other current assets, others	78,745	-	53,227	-	2399 Other current liabilities, others (Note 7)	338,746	1	213,941	1
	<u>7,072,346</u>	<u>23</u>	<u>6,378,039</u>	<u>24</u>		<u>9,297,381</u>	<u>31</u>	<u>8,222,653</u>	<u>32</u>
1517 Non-current financial assets at fair value through other comprehensive income (Notes 4 and 6(c))	2,277,088	8	1,946,129	7	Non-Current liabilities:				
1550 Investments accounted for using equity method (Note 6(h))	11,898,268	40	9,600,405	36	2570 Deferred income tax liabilities (Note 6(r))	69,203	-	53,287	-
1600 Property, plant and equipment (Note 6(i))	7,415,968	25	7,350,717	27	2580 Non-current lease liabilities (Note 6(o))	170,194	1	214,969	1
1755 Right-of-use assets (Notes 4 and 6(j))	213,834	1	259,080	1	2645 Guarantee deposits received	75,790	-	69,042	-
1760 Investment property, net (Note 6(k))	385,466	1	478,554	2	2670 Other non-current liabilities, others	122,195	-	122,195	-
1830 Non-current biological assets (Note 6(f))	187,167	1	200,431	1		<u>437,382</u>	<u>1</u>	<u>459,493</u>	<u>1</u>
1840 Deferred income tax assets (Note 6(r))	53,379	-	46,271	-	Total liabilities	<u>9,734,763</u>	<u>32</u>	<u>8,682,146</u>	<u>33</u>
1975 Net defined benefit asset, non-current (Note 6(q))	105,259	-	100,642	-	Equity attributable to owners of parent: (Note 6(s))				
1990 Other non-current assets, others (Notes 4, 6(l) and 8)	307,066	1	549,008	2	3110 Ordinary share	8,273,391	28	8,273,391	31
	<u>22,843,495</u>	<u>77</u>	<u>20,531,237</u>	<u>76</u>	3200 Capital surplus	3,179,626	11	3,011,373	11
					3300 Retained earnings (Note 6(s))	7,562,982	25	6,259,370	23
					3400 Other equity interest	1,384,211	5	902,128	3
					3500 Treasury shares	(219,132)	(1)	(219,132)	(1)
					Total equity	<u>20,181,078</u>	<u>68</u>	<u>18,227,130</u>	<u>67</u>
Total assets	<u>\$ 29,915,841</u>	<u>100</u>	<u>26,909,276</u>	<u>100</u>	Total liabilities and equity	<u>\$ 29,915,841</u>	<u>100</u>	<u>26,909,276</u>	<u>100</u>

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

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 6(v) and 7)	\$ 27,173,338	100	27,785,090	100
5000	Operating costs (Notes 6(e) and 7)	<u>23,121,741</u>	<u>85</u>	<u>23,991,737</u>	<u>86</u>
5900	Gross profit from operations	<u>4,051,597</u>	<u>15</u>	<u>3,793,353</u>	<u>14</u>
6000	Operating expenses:				
6100	Selling expenses	1,507,123	6	1,508,256	5
6200	Administrative expenses	478,122	2	416,853	2
6300	Research and development expenses	91,346	-	94,237	-
6450	Expected credit impairment loss (Note 6(d))	<u>24,290</u>	<u>-</u>	<u>24,840</u>	<u>-</u>
	Total operating expenses	<u>2,100,881</u>	<u>8</u>	<u>2,044,186</u>	<u>7</u>
6900	Net operating income	<u>1,950,716</u>	<u>7</u>	<u>1,749,167</u>	<u>7</u>
7000	Non-operating income and expenses: (Notes 6(w) and 7)				
7100	Interest income	9,076	-	7,448	-
7020	Other gains and losses, net	419,117	2	228,005	1
7050	Finance costs	(78,141)	-	(80,193)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method	<u>1,272,239</u>	<u>5</u>	<u>777,315</u>	<u>3</u>
	Total non-operating income and expenses	<u>1,622,291</u>	<u>7</u>	<u>932,575</u>	<u>4</u>
7900	Profit from continuing operations before tax	3,573,007	14	2,681,742	11
7950	Less: Income tax expenses (Note 6(r))	<u>450,936</u>	<u>2</u>	<u>398,141</u>	<u>1</u>
	Profit	<u>3,122,071</u>	<u>12</u>	<u>2,283,601</u>	<u>10</u>
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	2,160	-	3,505	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	384,312	1	411,124	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>473</u>	<u>-</u>	<u>490</u>	<u>-</u>
	Items that may not be subsequently reclassified to profit or loss	<u>385,999</u>	<u>1</u>	<u>414,139</u>	<u>1</u>
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	97,771	-	(271,538)	(1)
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>
	Items that may be subsequently reclassified to profit or loss	<u>97,771</u>	<u>-</u>	<u>(271,538)</u>	<u>(1)</u>
8300	Other comprehensive income	<u>483,770</u>	<u>1</u>	<u>142,601</u>	<u>-</u>
	Total comprehensive income	<u>\$ 3,605,841</u>	<u>13</u>	<u>2,426,202</u>	<u>10</u>
	Basic earnings per share				
	Basic earnings per share (NT dollars)	<u>\$ 3.99</u>		<u>2.93</u>	
	Diluted earnings per share (NT dollars)	<u>\$ 3.98</u>		<u>2.92</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, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Other equity interest				
	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	Total other equity interest	Treasury shares	Total equity
Balance on January 1, 2019	\$ 7,879,420	2,595,445	2,053,459	42,994	3,444,626	5,541,079	(627,977)	1,390,519	762,542	(306,199)	16,472,287
Profit for the year ended December 31, 2019	-	-	-	-	2,283,601	2,283,601	-	-	-	-	2,283,601
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	3,015	3,015	(271,538)	411,124	139,586	-	142,601
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	2,286,616	2,286,616	(271,538)	411,124	139,586	-	2,426,202
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	201,184	-	(201,184)	-	-	-	-	-	-
Cash dividends of ordinary share	393,971	-	-	-	(393,971)	(393,971)	-	-	-	-	-
Stock dividends of ordinary share	-	-	-	-	(1,181,913)	(1,181,913)	-	-	-	-	(1,181,913)
Disposal of company's share by subsidiaries recognized as treasury share transactions	-	363,674	-	-	-	-	-	-	-	87,067	450,741
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(10,749)	-	-	-	-	-	-	-	-	(10,749)
Changes in ownership interests in subsidiaries	-	(1,801)	-	-	7,559	7,559	-	-	-	-	5,758
Adjustment of capital surplus for company's cash dividends received by subsidiaries	-	64,804	-	-	-	-	-	-	-	-	64,804
Balance on December 31, 2019	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
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	1,384,211	(219,132)	20,181,078

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, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Profit before tax	\$ 3,573,007	2,681,742
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	460,928	512,222
Amortization expense	16,709	-
Expected credit impairment loss	24,290	24,840
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(66,660)	74,760
Interest expense	78,141	80,193
Interest income	(9,076)	(7,448)
Dividend income	(81,077)	(82,270)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(1,272,239)	(777,315)
Gain on disposal of property, plant and equipment	(27,535)	(22,678)
Net (reproductive) death changes in biological assets	(2,327,245)	(2,722,299)
Total adjustments to reconcile profit (loss)	<u>(3,203,764)</u>	<u>(2,919,995)</u>
Changes in operating assets and liabilities:		
Decrease in notes receivable	9,057	212,454
(Increase) decrease in trade receivable	(548,310)	22,651
Decrease (increase) in inventories	441,511	(394,256)
Decrease in biological assets	2,208,020	2,692,188
Increase in prepayments	(23,654)	(62,487)
(Increase) decrease in other current assets	(25,518)	12,714
Decrease (increase) in other financial assets	26,444	(3,039)
Increase in deferred debits	(2,254)	(5,420)
(Decrease) increase in notes payable	(344,814)	365,398
Increase (decrease) in trade payable	789,065	(462,693)
Increase in other payable	93,588	102,151
(Decrease) increase in other current liabilities	(9,195)	52,650
Total changes in operating assets and liabilities	<u>2,613,940</u>	<u>2,532,311</u>
Total adjustments	<u>(589,824)</u>	<u>(387,684)</u>
Cash inflow generated from operations	2,983,183	2,294,058
Interest received	9,076	7,448
Interest paid	(80,290)	(80,404)
Income taxes paid	(404,630)	(338,683)
Net cash flows from operating activities	<u>2,507,339</u>	<u>1,882,419</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	(1,115,518)	(659,490)
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	(1,121,361)	(2,494,950)
Proceeds from disposal of property, plant and equipment	761,349	115,887
Increase in other receivables due from related parties	(406,128)	70,600
Decrease (increase) in other non-current assets	225,233	(80,226)
Dividends received	422,449	318,110
Net cash flows used in investing activities	<u>(1,166,280)</u>	<u>(2,730,069)</u>
Cash flows used in financing activities:		
Increase in short-term loans	522,240	1,193,488
(Decrease) increase in short-term notes and bills payable	(100,000)	900,000
Increase in guarantee deposits received	6,748	2,123
Payment of lease liabilities	(44,406)	(47,237)
Increase in other non-current liabilities	134,000	61,000
Cash dividends paid	(1,820,146)	(1,181,913)
Net cash flows (used in) from financing activities	<u>(1,301,564)</u>	<u>927,461</u>
Net increase in cash and cash equivalents	39,495	79,811
Cash and cash equivalents at beginning of period	251,020	171,209
Cash and cash equivalents at end of period	<u>\$ 290,515</u>	<u>251,020</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2020 and 2019

(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) A401040 Livestock farming.

(Continued)

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

- (q) C199990 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) C802010 Fertilizer manufacturing.
- (s) A102041 Recreation agriculture.
- (t) F501060 Restaurants.
- (u) All businesses 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 31, 2021.

(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. (“FSC”) which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2020:

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”
- Amendments to IAS 1 and IAS 8 “Definition of Material”
- Amendments to IFRS 16 “COVID-19-Related Rent Concessions”

- (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, 2021, would not have a significant impact on its financial statements:

- 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”

(Continued)

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

- (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:

- 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 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”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(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).

(Continued)

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

(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.

(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.

(Continued)

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

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.

(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.

(Continued)

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

(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.

(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.

(Continued)

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

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.

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.

(Continued)

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

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

(Continued)

GREAT WALL ENTERPRISE CO., LTD.
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).

(Continued)

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

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.

(Continued)

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

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.

(Continued)

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) Identifying a lease

At inception of a contract, the Company 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 Company 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

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

- 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.

On the lease establishment date or when reassessing whether the contract includes a lease, the company allocates the consideration in the contract to individual lease components based on the relative individual price. However, when leasing land and buildings, the company chose not to distinguish between non-lease components and treat lease components and non-lease components as a single lease component.

(ii) 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.

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.

(Continued)

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

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.

(iii) 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.

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

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, 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.

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.

(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:

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

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.

(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.

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

(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.

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.

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GREAT WALL ENTERPRISE CO., LTD.
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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.

(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.

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

(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, 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, 2020	December 31, 2019
Cash on hand	\$ 5,000	4,755
Revolving funds	343	355
Check deposits	194,389	172,107
Demand deposits	85,863	70,615
Foreign currency deposits	<u>4,920</u>	<u>3,188</u>
Cash and cash equivalents	<u>\$ 290,515</u>	<u>251,020</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.

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

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

	December 31, 2020	December 31, 2019
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Corn structured swaps	\$ 11,969	-
Forward exchange contracts	8,046	-
Non-derivative financial assets		
Stocks listed on domestic markets	439	439
Total	\$ 20,454	439
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging		
Option contracts	\$ (1,010)	-
Forward exchange contracts	(22,189)	(69,844)
Total	\$ (23,199)	(69,844)

(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, 2020 and 2019, 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, 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
	December 31, 2019			
	Carrying amount	Amount (in thousands)	Currency	Maturity date
Forward exchange purchased	(69,844)	USD 162,000	USD to NTD	2020.1.2-2020.3.9

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

(ii) Structured products and options trading

Item	Type	Outstanding position		Contract amount or option premiums received (paid)	Fair value
		Buy/Sell	Amount		
December 31, 2020					
Structured swap	Corn	Buy	800	\$ -	11,969
Option contract	Corn	Sell	500	(497)	(1,010)
	Total			<u>\$ (497)</u>	<u>10,959</u>

As of December 31, 2019, the Company has no outstanding position corn structured swaps nor option contracts.

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

	December 31, 2020	December 31, 2019
Equity investments at fair value through other comprehensive income:		
Listed common shares: Domestic- TTET UNION CORPORATION	\$ 2,196,917	1,865,452
Unlisted common shares: Domestic	80,171	80,677
Total	<u>\$ 2,277,088</u>	<u>1,946,129</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, 2020 and 2019, 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, 2020 and 2019.

(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:

Prices of securities at the reporting date	For the years ended December 31,			
	2020		2019	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	\$ <u>22,770</u>	<u>-</u>	<u>19,461</u>	<u>-</u>
Decreasing 1%	\$ <u>(22,770)</u>	<u>-</u>	<u>(19,461)</u>	<u>-</u>

(d) Notes and trade receivables

	December 31, 2020	December 31, 2019
Notes receivable from operating activities	\$ 861,623	870,680
Trade receivables—measured as amortized cost	2,534,784	1,984,872
Less: Loss allowance	<u>(93,704)</u>	<u>(67,812)</u>
	<u>\$ 3,302,703</u>	<u>2,787,740</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, 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	<u>13,458</u>	100%	<u>13,458</u>
	<u>\$ 3,396,407</u>		<u>93,704</u>

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

	December 31, 2019		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 2,670,129	1.44%	38,464
1 to 30 days past due	137,605	1.70%	2,343
31 to 60 days past due	17,892	8.25%	1,476
61 to 90 days past due	8,645	49.14%	4,248
91 to 180 days past due	8,057	100%	8,057
181 to 365 days past due	9,098	100%	9,098
More than 365 days past due	4,126	100%	4,126
	\$ 2,855,552		67,812

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

	Accumulated loss
Balance at January 1, 2020	\$ 67,812
Impairment losses recognized	24,290
Amounts written off	(1,559)
Amounts recoverable	3,161
Balance at December 31, 2020	\$ 93,704
Balance at January 1, 2019	\$ 58,738
Impairment losses recognized	24,840
Amounts written off	(16,158)
Amounts recoverable	392
Balance at December 31, 2019	\$ 67,812

As of December 31, 2020 and 2019, trade receivables had not been pledged as collateral.

(e) Inventory

	December 31, 2020	December 31, 2019
Raw materials and consumables	\$ 448,858	746,070
Materials in transit	938,578	1,005,132
Work in progress	3,075	3,182
Finished goods	264,834	209,619
Agricultural products	43,129	175,982
Total	\$ 1,698,474	2,139,985
Inventory FVLCTS	\$ 43,129	175,982

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GREAT WALL ENTERPRISE CO., LTD.
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The details of the cost of sales were as follows:

	For the years ended December 31,	
	2020	2019
Inventory that has been sold	\$ 23,201,759	24,095,643
Revenue from sale of scraps	(80,018)	(103,906)
	\$ 23,121,741	23,991,737

As of December 31, 2020 and 2019, inventories have not been pledged as collateral for long-term borrowings.

(f) Biological assets

(i) Details of biological assets :

	December 31, 2020	December 31, 2019
<u>Biological assets: Current</u>		
Consumable biological assets: Poultry	\$ 295,302	200,145
Consumable biological assets: Livestock	589,225	508,022
Bearer biological assets: Poultry	86,707	152,781
Bearer biological assets: Accumulated depreciation	(38,194)	(58,640)
Changes in the fair value of productive biological assets less costs to sell	1,757	-
Biological assets: Current	\$ 934,797	802,308
<u>Biological assets: Non-current</u>		
Consumable biological assets: Poultry	\$ 22,137	-
Consumable biological assets: Accumulated depreciation	(9,714)	-
Bearer biological assets: Livestock	261,214	301,341
Bearer biological assets: Accumulated depreciation	(86,470)	(100,910)
Biological assets: Non-current	\$ 187,167	200,431

(ii) Changes in biological assets:

	Poultry	Livestock	Total
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)	277,549	2,049,696	2,327,245
Balance at December 31, 2020	\$ 357,995	763,969	1,121,964
Current	\$ 345,572	589,225	934,797
Non-current	12,423	174,744	187,167
	\$ 357,995	763,969	1,121,964

(Continued)

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

	<u>Poultry</u>	<u>Livestock</u>	<u>Total</u>
Balance at January 1, 2019	\$ 275,893	696,735	972,628
Increase due to purchases	1,414,941	66,146	1,481,087
Decrease due to sales	(2,039,224)	(2,134,051)	(4,173,275)
Net increase due to reproduction (death)	642,676	2,079,623	2,722,299
Balance at December 31, 2019	<u>\$ 294,286</u>	<u>708,453</u>	<u>1,002,739</u>
Current	\$ 294,286	508,022	802,308
Non-current	-	200,431	200,431
	<u>\$ 294,286</u>	<u>708,453</u>	<u>1,002,739</u>

(iii) As of December 31, 2020 and 2019, the number of poultry owned amounted to:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Underage broiler	6,719,596	5,782,389
Underage breeder poultry	164,712	179,288
Breeder poultry	223,925	806,094
	<u>7,108,233</u>	<u>6,767,771</u>

(iv) As of December 31, 2020 and 2019, the number of livestock owned amounted to:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Underage swine	97,141	112,008
Underage breeder swine	14,673	16,462
Breeder swine	16,788	12,841
	<u>128,602</u>	<u>141,311</u>

The Company slaughtered and sold approximately 71,290,737 and 67,552,814 units of biological assets in 2020 and 2019, 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.

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

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.

As of December 31, 2020 and 2019, biological assets have not been pledged as collateral for long-term borrowings.

(g) Prepayments

The details of prepayments are as follows :

	December 31, 2020	December 31, 2019
Prepayments to suppliers	\$ 85,609	62,084
Prepayments to breeders	16,766	7,779
Other	8,190	17,048
	<u>\$ 110,565</u>	<u>86,911</u>

(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, 2020	December 31, 2019
Subsidiary	<u>\$ 11,898,268</u>	<u>9,600,405</u>

Please refer to the consolidated financial statements for the year ended December 31, 2020.

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GREAT WALL ENTERPRISE CO., LTD.
Notes to the 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, 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	<u>\$ 3,698,100</u>	<u>3,202,597</u>	<u>2,567,074</u>	<u>205,988</u>	<u>1,914,103</u>	<u>590,165</u>	<u>-</u>	<u>12,178,027</u>
Balance at January 1, 2019	\$ 2,008,195	2,695,961	2,799,282	195,240	1,674,710	388,802	-	9,762,190
Other additions	1,535,534	37,054	56	29,320	3,634	889,352	-	2,494,950
Transfers	-	57,089	218,200	5,807	267,723	(548,819)	-	-
Disposal	(68,663)	(18,347)	(1,680)	(34,165)	(757)	-	-	(123,612)
Balance at December 31, 2019	<u>\$ 3,475,066</u>	<u>2,771,757</u>	<u>3,015,858</u>	<u>196,202</u>	<u>1,945,310</u>	<u>729,335</u>	<u>-</u>	<u>12,133,528</u>
Depreciation and impairment loss :								
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>
Balance at January 1, 2019	\$ -	1,132,655	1,989,600	124,444	1,111,165	-	1,500	4,359,364
Depreciation for the year	-	100,249	158,865	26,894	167,842	-	-	453,850
Disposal	-	(230)	(1,680)	(27,820)	(673)	-	-	(30,403)
Balance at December 31, 2019	<u>\$ -</u>	<u>1,232,674</u>	<u>2,146,785</u>	<u>123,518</u>	<u>1,278,334</u>	<u>-</u>	<u>1,500</u>	<u>4,782,811</u>
Carrying amount :								
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>
Balance at January 1, 2019	<u>\$ 2,008,195</u>	<u>1,563,306</u>	<u>809,682</u>	<u>70,796</u>	<u>563,545</u>	<u>388,802</u>	<u>(1,500)</u>	<u>5,402,826</u>
Balance at December 31, 2019	<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>

- (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 mortgage 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 mortgage 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 mortgage the land to the company.

(Continued)

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

- (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 mortgage 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 mortgage 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 mortgage the land to the company.
- (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 mortgage 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 mortgage 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 mortgage the land to the company.
- (x) Guarantees
As of December 31, 2020 and 2019, no guarantees were made for its short-term borrowings.
- (xi) The Company did not capitalize any interests incurred due to the construction of plant and equipment in the years 2020 and 2019.
- (xii) For gain (loss) on disposal, please refer to Note 6(w).

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

(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, 2020	\$ 176,288	16,705	111,570	304,563
Addition	298	-	-	298
Balance at December 31, 2020	<u>\$ 176,586</u>	<u>16,705</u>	<u>111,570</u>	<u>304,861</u>
Effects of retrospective application	\$ 184,574	-	111,570	296,144
Addition	-	16,705	-	16,705
Disposal/Write-off	(8,286)	-	-	(8,286)
Balance at December 31, 2019	<u>\$ 176,288</u>	<u>16,705</u>	<u>111,570</u>	<u>304,563</u>
Accumulated depreciation and impairment losses :				
Balance at January 1, 2020	\$ 29,545	-	15,938	45,483
Depreciation for the year	29,606	-	15,938	45,544
Balance at December 31, 2020	<u>\$ 59,151</u>	<u>-</u>	<u>31,876</u>	<u>91,027</u>
Balance at January 1, 2019	\$ -	-	-	-
Depreciation for the year	33,096	-	15,938	49,034
Disposal	(3,551)	-	-	(3,551)
Balance at December 31, 2019	<u>\$ 29,545</u>	<u>-</u>	<u>15,938</u>	<u>45,483</u>
Carrying amount :				
Balance at December 31, 2020	<u>\$ 117,435</u>	<u>16,705</u>	<u>79,694</u>	<u>213,834</u>
Balance at January 1, 2019	<u>\$ 184,574</u>	<u>-</u>	<u>111,570</u>	<u>296,144</u>
Balance at December 31, 2019	<u>\$ 146,743</u>	<u>16,705</u>	<u>95,632</u>	<u>259,080</u>

(k) Investment property

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

The details of investment properties are as follows:

	<u>Owned property</u>			<u>Total</u>
	<u>Land and improvements</u>	<u>Buildings and construction</u>	<u>Accumulated impairment</u>	
Balance at January 1, 2020	\$ 331,043	446,662	-	777,705
Transferred to property, plant and equipment	(55,675)	(73,294)	-	(128,969)
Balance at December 31, 2020	<u>\$ 275,368</u>	<u>373,368</u>	<u>-</u>	<u>648,736</u>
Balance at December 31, 2019 (same as balance at January 1, 2019)	<u>\$ 331,043</u>	<u>446,662</u>	<u>-</u>	<u>777,705</u>
Accumulated depreciation and impairment losses:				
Balance at January 1, 2020	\$ -	263,151	36,000	299,151
Depreciation	-	9,193	-	9,193
Transferred to property, plant and equipment	-	(45,074)	-	(45,074)
Balance at December 31, 2020	<u>\$ -</u>	<u>227,270</u>	<u>36,000</u>	<u>263,270</u>
Balance at January 1, 2019	\$ -	253,813	36,000	289,813
Depreciation	-	9,338	-	9,338
Balance at December 31, 2019	<u>\$ -</u>	<u>263,151</u>	<u>36,000</u>	<u>299,151</u>

(Continued)

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

	<u>Owned property</u>			<u>Total</u>
	<u>Land and improvements</u>	<u>Buildings and construction</u>	<u>Accumulated impairment</u>	
Carrying amount:				
Balance at December 31, 2020	\$ <u>275,368</u>	<u>146,098</u>	<u>(36,000)</u>	<u>385,466</u>
Balance at December 31, 2019	\$ <u>331,043</u>	<u>183,511</u>	<u>(36,000)</u>	<u>478,554</u>
Fair value:				
Balance at December 31, 2020			\$ <u>541,117</u>	
Balance at December 31, 2019			\$ <u>632,454</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 mortgage the land to the company.

As of December 31, 2020 and 2019, investment properties have not been pledged as collateral.

(l) Other non current assets - other

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Prepayments for construction and facilities	\$ 214,896	473,341
Intangible assets	600	600
Guarantee deposits paid	55,371	40,908
Unamortized expenses	6,199	4,159
Prepaid processing fee	<u>30,000</u>	<u>30,000</u>
	<u>\$ 307,066</u>	<u>549,008</u>

(m) Short-term borrowings

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Letters of credit	\$ 3,579,406	2,798,166
Unsecured bank loans	<u>1,059,000</u>	<u>1,318,000</u>
Total	<u>\$ 4,638,406</u>	<u>4,116,166</u>
Unused short-term credit lines	<u>\$ 6,061,939</u>	<u>3,532,677</u>
Range of interest rates	<u>0.476%~1%</u>	<u>0.8%~2.73%</u>

(Continued)

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

(i) Issuance and repayment of loans

	Total
Balance at January 1, 2020	\$ 4,116,166
New loans (Due date: from January 2020 to June 2021)	49,856,942
Loans repaid	<u>(49,334,702)</u>
Balance at December 31, 2020	<u>\$ 4,638,406</u>
Balance at January 1, 2019	\$ 2,922,678
New loans (Due date: from February 2019 to June 2020)	53,544,054
Loans repaid	<u>(52,350,566)</u>
Balance at December 31, 2019	<u>\$ 4,116,166</u>

(ii) Collateral for bank loans

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

(n) Short-term notes and bills payable

As of December 31, 2020 and 2019, 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 2021.1.4~2021.2.2 and from 2020.1.3~2020.1.22, respectively. Their respective face values are \$1,700,000 thousand and \$1,800,000 thousand.

	December 31, 2020	December 31, 2019
Commercial paper payable	<u>\$ 1,700,000</u>	<u>1,800,000</u>

(i) Issuance and repayment

	Total
Balance at January 1, 2020	\$ 1,800,000
New loans (Due date: from January 2020 to February 2021)	20,000,000
Loans repaid	<u>(20,100,000)</u>
Balance at December 31, 2020	<u>\$ 1,700,000</u>
Range of interest rates	<u>0.831%-0.898%</u>
	Total
Balance at January 1, 2019	\$ 900,000
New loans (Due date: from January 2019 to January 2020)	18,300,000
Loans repaid	<u>(17,400,000)</u>
Balance at December 31, 2019	<u>\$ 1,800,000</u>
Range of interest rates	<u>0.958%-0.978%</u>

(Continued)

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

(ii) Collateral for borrowings

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

(o) Lease liabilities

The carrying amounts of lease liabilities are as follows:

	December 31, 2020	December 31, 2019
Current	\$ <u>46,575</u>	<u>45,908</u>
Non-current	\$ <u>170,194</u>	<u>214,969</u>

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,	
	2020	2019
Interest on lease liabilities	\$ <u>3,363</u>	<u>4,094</u>
Expenses relating to short-term leases	\$ <u>14,515</u>	<u>16,334</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>8,692</u>	<u>7,138</u>

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

	2020	2019
Total cash outflow for leases	\$ <u>70,976</u>	<u>74,803</u>

(p) Operating lease

(i) Leases as lessor

The Company leases out its investment property. 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, 2020 is as follows:

	December 31, 2020	December 31, 2019
Less than one year	\$ 25,392	30,022
Between one and five years	58,853	120,000
Over five years	<u>7,906</u>	<u>265,500</u>
Total undiscounted lease payments	\$ <u>92,151</u>	<u>415,522</u>

(Continued)

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

(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, 2020	December 31, 2019
Present value of the defined benefit obligations	\$ 62,850	68,628
Fair value of planned assets	<u>(168,109)</u>	<u>(169,270)</u>
Net defined benefit liabilities (assets)	<u>\$ (105,259)</u>	<u>(100,642)</u>

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

	December 31, 2020	December 31, 2019
Total employee benefit assets	<u>\$ (105,259)</u>	<u>(100,642)</u>

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.

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 \$168,109 thousand and \$169,270 thousand as of December 31, 2020 and 2019, 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.

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

2) Movements in present value of the defined benefit obligations

For the years ended December 31, 2020 and 2019, the movement in present value of the defined benefit obligations for the Company were as follows:

	For the years ended December 31,	
	2020	2019
Defined benefit obligations at January 1	\$ 68,628	68,951
Current service costs and interest cost (income)	1,522	1,667
Remeasurements loss (gain):		
— Return on plan assets excluding interest income	(470)	1,242
— Actuarial loss (gain) arising from financial assumptions	1,954	515
Benefits paid	(8,784)	(3,747)
Defined benefit obligations at December 31	\$ 62,850	68,628

3) Movements of defined benefit plan assets

For the years ended December 31, 2020 and 2019, the movements in the present value of the defined benefit plan assets for the Company were as follows:

	For the years ended December 31,	
	2020	2019
Defined benefit obligations at January 1	\$ 169,270	161,725
Remeasurements loss (gain):		
— Return on plan assets excluding interest income	5,037	5,520
Contributions paid by the employer	2,586	5,772
Benefits paid	(8,784)	(3,747)
Defined benefit obligations at December 31	\$ 168,109	169,270

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,	
	2020	2019
Current service costs	\$ 1,055	1,116
Net interest of net liabilities for defined benefit obligations	(722)	(764)
Total (Administration expenses)	\$ 333	352

(Continued)

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

	For the years ended December 31,	
	2020	2019
Administration expenses	\$ <u>333</u>	<u>352</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, 2020 and 2019, was as follows:

	For the years ended December 31,	
	2020	2019
Accumulated amount at January 1	\$ 2,535	4,982
Recognized during the period	<u>(2,363)</u>	<u>(2,447)</u>
Accumulated amount at December 31	<u>\$ 172</u>	<u>2,535</u>
6) Actuarial assumptions		

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

	December 31, 2020	December 31, 2019
Discount rate	0.30%	0.70%
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 \$1,320 thousand.

The weighted average lifetime of the defined benefits plans ranges from 7.4 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, 2020		
Discount rate (0.25% change)	\$ 1,235	(1,281)
Future salary increasing rate (0.25% change)	(1,099)	1,066
December 31, 2019		
Discount rate (0.25% change)	\$ 1,274	(1,318)
Future salary increasing rate (0.25% change)	(1,136)	1,105

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

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 2020 and 2019.

(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 \$60,560 thousand and \$55,898 thousand for the years ended December 31, 2020 and 2019, respectively.

(r) Income taxes

(i) The components of income tax in the years 2020 and 2019 were as follows:

	For the years ended December 31,	
	2020	2019
Current tax expense		
Current period	\$ 437,354	386,924
Adjustment for prior periods	<u>5,247</u>	<u>6,963</u>
	<u>442,601</u>	<u>393,887</u>
Deferred tax expense		
Origination and reversal of temporary difference	<u>8,335</u>	<u>4,254</u>
	<u>8,335</u>	<u>4,254</u>
Income tax expense from continuing operations	<u>\$ 450,936</u>	<u>398,141</u>

The amount of income tax recognized in other comprehensive income for 2020 and 2019 was as follows:

	For the years ended December 31,	
	2020	2019
Items that will not be reclassified subsequently to profit or loss :		
Remeasurement from defined benefit plans	<u>\$ (473)</u>	<u>(490)</u>

(Continued)

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

Reconciliation of income tax and profit before tax for 2020 and 2019 is as follows:

	For the years ended December 31,	
	2020	2019
Profit excluding income tax	\$ 3,573,007	2,681,742
Income tax using the Company's domestic tax rate	714,601	536,348
Tax-exempt income	(16,215)	(16,454)
Other permanent differences	(252,697)	(140,366)
Additional tax on undistributed earnings	-	11,650
Change in provision in prior periods	5,247	6,963
Total	\$ 450,936	398,141

(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, 2020 and 2019. 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, 2020	December 31, 2019
Aggregate amount of temporary differences related to investments in subsidiaries	\$ 4,925,691	4,911,233
Unrecognized deferred tax liabilities	\$ 985,138	982,247

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2020 and 2019 were as follows:

Deferred Tax Liabilities:

	Provision for the Land Value Increment Tax	Defined benefit plans	Unrealized exchange gains and losses	Fair value gains	Total
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
January 1, 2019	\$ 20,754	21,497	-	1,011	43,262
Recognized in profit or loss debit (credit)	-	(862)	-	10,887	10,025
December 31, 2019	\$ 20,754	20,635	-	11,898	53,287

(Continued)

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

Deferred Tax Assets:

	Excessive amount of bad debt expense	Impairment loss of financial assets	Impairment loss of fixed assets	Other	Total
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	<u>\$ 20,481</u>	<u>12,112</u>	<u>7,500</u>	<u>13,286</u>	<u>53,379</u>
January 1, 2019	\$ 13,788	7,264	7,500	12,438	40,990
Recognized in profit or loss (debit) credit	5,604	-	-	167	5,771
Recognized in other comprehensive profit and loss	-	-	-	(490)	(490)
December 31, 2019	<u>\$ 19,392</u>	<u>7,264</u>	<u>7,500</u>	<u>12,115</u>	<u>46,271</u>

(iii) As of December 31, 2020, the Company's tax returns for the years through 2018 were assessed by the National Tax Administration.

(s) Capital and other equity

As of December 31, 2020 and 2019, 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, 827,339 thousand ordinary shares were issued, respectively.

Reconciliation of shares outstanding for 2020 and 2019 was as follows:

(expressed in thousands)

	Ordinary shares	
	2020	2019
Balance at January 1, 2020	\$ 827,339	787,942
Capital increase through undistributed earnings	-	39,397
Balance at December 31, 2020	<u>\$ 827,339</u>	<u>827,339</u>

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on May 31, 2019 to transfer undistributed earnings of \$393,971 thousand into capital increase. The Company has received approval from the Financial Supervisory Commission for this capital increase, with September 2, 2019 as the date of capital increase. The relevant statutory registration procedures have since been completed.

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

(ii) Capital surplus

The balances of capital surplus as of December 31, 2020 and 2019, were as follows:

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Share capital	\$ 2,252	2,252
Treasury share transactions	1,659,108	1,559,311
Gain or disposal differences arising from subsidiary's share price and its carrying value	844,969	807,430
Change in equity of associates and joint ventures under the equity method	66,918	36,001
Additional paid-in capital arising from bond conversion	587,144	587,144
Other	<u>19,235</u>	<u>19,235</u>
	<u><u>\$ 3,179,626</u></u>	<u><u>3,011,373</u></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 and submitted to the stockholders' meeting for approval.

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

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

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, 2020 and 2019, special reserves both amounted to \$42,994 thousand.

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 2019 and 2018 had been approved during the board meeting on March 27, 2020 and March 28, 2019, respectively. Furthermore, the amounts of share dividends on the appropriations of earnings for 2018 had been approved in the shareholders' meeting on May 31, 2019.

	2019		2018	
	<u>Amount per share</u>	<u>Total amount</u>	<u>Amount per share</u>	<u>Total amount</u>
Dividends distributed to ordinary shareholders :				
Cash	\$ 2.20	1,820,146	1.50	1,181,913
Shares	-	-	0.50	393,971
		<u>1,820,146</u>		<u>1,575,884</u>

The amount of cash dividends on the appropriations of earnings for 2020, and the amount of shares dividends of appropriations of earnings for 2020, had been approved and proposed, respectively during the board meeting on March 31, 2021, as follows:

	For the years ended December 31, 2020	
	<u>Amount per share</u>	<u>Total Amount</u>
Dividends distributed to ordinary shareholders:		
Cash	\$ 2.70	2,233,815
Shares	0.30	248,202
		<u>2,482,017</u>

(Continued)

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

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

(iv) Treasury shares

Company shares held by subsidiaries

In 2020 and 2019, 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, 2020</u>		<u>December 31, 2019</u>	
	<u>Market price</u>	<u>Shares owned (thousands)</u>	<u>Market price</u>	<u>Shares owned (thousands)</u>
Huang-Ho Invest. Co., Ltd.	\$ 999,449	19,674	858,778	19,674
City Chain Food Ltd.	1,304,963	25,688	1,121,292	25,688
Total	\$ 2,304,412	45,362	1,980,070	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 totaled to \$363,674 thousand.

As of December 31, 2020 and 2019, 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, 2020	\$ (899,515)	1,801,643	902,128
Exchange differences on subsidiaries accounted for using equity method	97,771	-	97,771
Unrealized gains (losses) from subsidiaries' financial assets measured at fair value through other comprehensive income	-	331,465	331,465
Unrealized gain (losses) from financial assets measured at fair value through other comprehensive income, subsidiaries for using equity method		52,847	52,847
Balance at December 31, 2020	\$ (801,744)	2,185,955	1,384,211

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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, 2019	\$ (627,977)	1,390,519	762,542
Exchange differences on subsidiaries accounted for using equity method	(271,538)	-	(271,538)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	-	354,590	354,590
Unrealized gains (losses) from subsidiaries' financial assets measured at fair value through other comprehensive income, subsidiaries for using equity method		56,534	56,534
Balance at December 31, 2019	<u>\$ (899,515)</u>	<u>1,801,643</u>	<u>902,128</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, 2020 and 2019, the Company estimated its employee remuneration both amounting to \$90,000 thousand and \$75,000 thousand, and directors' remuneration both amounting \$40,000 thousand and \$35,000 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 2020 and 2019. 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 2020 and 2019. 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, 2020 and 2019 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,	
	2020	2019
Profit attributable to ordinary shareholders of the Company	\$ 3,122,071	2,283,601

2) Weighted average number of ordinary shares

	For the years ended December 31,	
	2020	2019
Issued ordinary shares at January 1	\$ 827,339	787,942
Effect of the Company's shares held by subsidiaries recognized as treasury shares	(45,362)	(48,188)
Effect of share dividends	-	39,397
Weighted average number of ordinary shares at December 31	\$ 781,977	779,151

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2020 and 2019 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,	
	2020	2019
Profit attributable to ordinary shareholders of the Company (diluted)	\$ 3,122,071	2,283,601

2) Weighted average number of ordinary shares (diluted)

	For the years ended December 31,	
	2020	2019
Weighted average number of ordinary shares (basic)	\$ 781,977	779,151
Effect of employee share bonus	1,772	1,718
Weighted average number of ordinary shares (diluted) at December 31	\$ 783,749	780,869

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

(v) Revenue from contracts with customers

		For the year ended December 31, 2020			
		Agriculture and Grains	Meat	Processed Foods	Total
Primary geographical markets:					
Taiwan		<u>\$ 15,693,651</u>	<u>11,249,363</u>	<u>230,324</u>	<u>27,173,338</u>
Major product line:					
Feed	\$	13,526,716	1,644,615	-	15,171,331
Other		<u>2,166,935</u>	<u>9,604,748</u>	<u>230,324</u>	<u>12,002,007</u>
Total		<u>\$ 15,693,651</u>	<u>11,249,363</u>	<u>230,324</u>	<u>27,173,338</u>
		For the year ended December 31, 2019			
		Agriculture and Grains	Meat	Processed Foods	Total
Primary geographical markets:					
Taiwan		<u>\$ 17,252,763</u>	<u>10,481,221</u>	<u>51,106</u>	<u>27,785,090</u>
Major product line:					
Feed	\$	15,050,370	1,859,952	-	16,910,322
Other		<u>2,202,393</u>	<u>8,621,269</u>	<u>51,106</u>	<u>10,874,768</u>
Total		<u>\$ 17,252,763</u>	<u>10,481,221</u>	<u>51,106</u>	<u>27,785,090</u>

(w) Net other income (expenses)

(i) Interest income

The details of interest income were as follows:

		For the years ended December 31,	
		2020	2019
Interest income from loans and receivables	\$	8,929	7,309
Interest income from bank deposits		<u>147</u>	<u>139</u>
		<u>\$ 9,076</u>	<u>7,448</u>

(Continued)

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

(ii) Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31,	
	2020	2019
Foreign exchange gains (losses)	\$ 252,442	83,566
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	(64,220)	(70,149)
Dividends income	83,267	82,270
Rent income	38,531	52,832
Gains (losses) on disposals of property, plant and equipment	27,535	22,678
Other	81,562	56,808
	<u>\$ 419,117</u>	<u>228,005</u>

(iii) Finance costs

The details of finance costs were as follows:

	For the years ended December 31,	
	2020	2019
Interest expense: Borrowings	\$ 74,778	76,099
Interest expense: lease liabilities	3,363	4,094
Total	<u>\$ 78,141</u>	<u>80,193</u>

(x) Financial instruments

(i) Types of financial instruments

1) Financial assets

	December 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 290,515	251,020
Financial assets measured at fair value through profit and loss	20,454	439
Notes receivables	861,623	870,680
Trade receivables	2,441,080	1,917,060
Other receivable due from related parties	612,228	206,100
Other current financial assets	23,865	50,309
Non-current financial assets measured at fair value through profit and loss	2,277,088	1,946,129
Other non-current assets, other	55,371	40,908
Total	<u>\$ 6,582,224</u>	<u>5,282,645</u>

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

2) Financial liabilities

	December 31, 2020	December 31, 2019
Short-term borrowings	\$ 4,638,406	4,116,166
Short-term notes and bills payable	1,700,000	1,800,000
Financial liabilities measured at fair value through profit and loss:	23,199	69,844
Notes payable	30,369	375,183
Trade payable	1,483,545	694,480
Other payables	778,066	686,627
Other current liabilities, others	234,714	93,861
Guarantee deposits received	75,790	69,042
Lease liabilities	<u>216,769</u>	<u>260,877</u>
Total	<u>\$ 9,180,858</u>	<u>8,166,080</u>

(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, 2020 and 2019, the Company's maximum exposure to credit risk amounted to \$4,304,697 thousand and \$3,336,077, 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.

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

(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, 2020							
Short-term borrowings	\$ 4,638,406	4,649,515	4,649,515	-	-	-	-
Short-term notes and bills payable	1,700,000	1,700,686	1,700,686	-	-	-	-
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
	<u>\$ 8,631,924</u>	<u>8,649,821</u>	<u>8,405,486</u>	<u>26,092</u>	<u>64,769</u>	<u>147,493</u>	<u>5,981</u>
December 31, 2019							
Short-term borrowings	\$ 4,116,166	4,141,103	4,141,103	-	-	-	-
Short-term notes and bills payable	1,800,000	1,800,545	1,800,545	-	-	-	-
Financial liabilities measured at fair value through other comprehensive income: current	69,844	69,844	69,844	-	-	-	-
Notes and trade payable	1,069,663	1,069,663	1,069,663	-	-	-	-
Other payables	206,500	206,500	206,500	-	-	-	-
Other current liabilities, others	93,861	93,861	93,861	-	-	-	-
Guarantee deposits received	69,042	69,042	29,380	2,843	12,630	23,989	200
Lease liabilities	260,877	272,377	24,753	24,753	49,506	165,874	7,491
	<u>\$ 7,685,953</u>	<u>7,722,935</u>	<u>7,435,649</u>	<u>27,596</u>	<u>62,136</u>	<u>189,863</u>	<u>7,691</u>

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

	<u>December 31, 2020</u>			<u>December 31, 2019</u>		
	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>TWD</u>
<u>Financial assets</u>						
<u>Investments accounted for using the equity method</u>						
USD	\$ 247,465	28.480	7,047,801	213,651	29.980	6,405,252
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD		124,565	28.540	3,554,831	89,693	30.030
EUR		-	-	3,013	34.740	104,684

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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, 2020 and 2019, 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 \$35,548 thousand and \$27,982 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 2020 and 2019, 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 \$2,590 thousand and \$9,239 thousand in 2020 and 2019, respectively. This is mainly due to the Company's borrowing at variable rates and investment in variable-rate bills.

(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:

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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					
Corn structured swaps	\$ 11,969	-	11,969	-	11,969
Forward exchange contracts	8,046	-	8,046	-	8,046
Derivative instruments not used for hedging					
Stocks in listed companies	439	439	-	-	439
Financial assets at fair value through other comprehensive income	20,454	439	20,015	-	20,454
Subtotal					
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
Subtotal	<u>\$ 2,277,088</u>	<u>2,196,917</u>	<u>-</u>	<u>80,171</u>	<u>2,277,088</u>
Financial liabilities at fair value through profit or loss					
Derivative instruments not used for hedging					
Option contracts	\$ (1,010)	-	(1,010)	-	(1,010)
Forward exchange contracts	(22,189)	-	(22,189)	-	(22,189)
Subtotal	<u>\$ (23,199)</u>	<u>-</u>	<u>(23,199)</u>	<u>-</u>	<u>(23,199)</u>

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	December 31, 2019				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit and loss					
Non-derivative financial assets					
Stocks in listed companies	\$ <u>439</u>	<u>439</u>	<u>-</u>	<u>-</u>	<u>439</u>
Financial assets measured at fair value through other comprehensive income					
Stocks in domestic listed companies	\$ 1,865,452	1,865,452	-	-	1,865,452
Stocks in domestic unlisted companies	80,677	-	-	80,677	80,677
Subtotal	<u>\$ 1,946,129</u>	<u>1,865,452</u>	<u>-</u>	<u>80,677</u>	<u>1,946,129</u>
Financial liabilities measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	\$ <u>(69,844)</u>	<u>-</u>	<u>(69,844)</u>	<u>-</u>	<u>(69,844)</u>

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.

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GREAT WALL ENTERPRISE CO., LTD.
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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 2020 and 2019.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
Opening balance, January 1, 2020	\$ 80,677
Capital reduction	(506)
December 31, 2020	<u>\$ 80,171</u>
December 31, 2019 (same as balance at January 1, 2019)	<u>\$ 80,677</u>

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

Due to the fact that the Company's Level 3 financial instruments measured at fair value through other comprehensive profit and loss has no active market public quotation and the relationship between the significant unobservable input value and the fair value cannot be fully grasped in practice, quantitative information is not exposed.

Most of the Company's Level 3 financial instruments measured at fair value only has one single significant unobservable input. Only equity instrument investments without an active market have multiple significant unobservable inputs. The significant unobservable input values of equity instrument investments without an active market are independent of each other, so there is no correlation.

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GREAT WALL ENTERPRISE CO., LTD.
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Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
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 2020.12.31 and 2019.12.31) · P/E multiplier (26.59-36.67 and 19.73-21.89 for 2020.12.31 and 2019.12.31, 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
	Net Asset Value Method	<ul style="list-style-type: none"> · Net Asset Value 	The estimated fair value would increase if the net asset value were higher

6) Valuation process of fair value measurements in Level 3

The fair value of the Company uses unobservable input values, and the observable input values must be significantly adjusted based on unobservable parameters to be classified as Level 3. The input value of this level is measured on the basis of the earnings multiplier derived from the market quotation of comparable listed companies. The evaluation results will then be checked later to ensure consistency with the evaluation source and ensure that the evaluation results are reasonable.

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GREAT WALL ENTERPRISE CO., LTD.
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- 7) 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:

	<u>Input</u>	<u>Increasing or decreasing</u>	<u>Other comprehensive income</u>	
			<u>Favourable</u>	<u>Unfavourable</u>
December 31, 2020				
Financial assets at fair value through profit or loss				
Equity instrument investment without an active market	P/E ratio	5%	6,165	(6,165)
December 31, 2019				
Financial assets at fair value through other comprehensive income				
Equity instrument investment without an active market	P/E ratio	5%	4,543	(4,543)

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, 2020						
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 liabilities offset in the balance sheet (b)</u>	<u>Net amount of financial assets 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</u>	<u>Cash collateral received</u>	
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

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Notes to the Financial Statements

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	<u>\$ (23,199)</u>	<u>-</u>	<u>(23,199)</u>	<u>(8,046)</u>	<u>-</u>	<u>(15,153)</u>
December 31, 2019						
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	\$ (69,844)	-	(69,844)	-	-	(69,844)

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

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.

(Continued)

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

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.

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.

(Continued)

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

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, 2020 and 2019, 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.

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, 2020 and 2019, the Company's unused credit line were amounted to \$6,062,639 thousand and \$3,932,677 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.

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

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.

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, 2020 and 2019, 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).

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

3) Other market price risk

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, 2020 and 2019, are as follows:

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Total liabilities	\$ 9,734,763	8,682,146
Less: Cash and cash equivalents	<u>(290,515)</u>	<u>(251,020)</u>
Net debt	<u>\$ 9,444,248</u>	<u>8,431,126</u>
Total equity	<u>\$ 20,181,078</u>	<u>18,227,130</u>
Debt-to-equity ratio	<u>31.88 %</u>	<u>31.63 %</u>

(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, 2020 and 2019, 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:

	<u>2020.1.1</u>	<u>Cash flow</u>	<u>Non-cash changes</u>			<u>December 31, 2020</u>
			<u>Rent</u>	<u>Changes in exchange rates</u>	<u>Acquisitions</u>	
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>

(Continued)

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

	<u>2019.1.1</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>December 31, 2019</u>
			<u>Rent</u>	<u>Changes in exchange rates</u>	
Short-term borrowings	\$ 2,922,678	1,193,488	-	-	4,116,166
Short-term notes and bills payable	900,000	900,000	-	-	1,800,000
Guarantee deposits received	66,919	2,123	-	-	69,042
Lease liabilities	296,144	(47,237)	11,970	-	260,877
Other current liabilities, others	-	61,000	-	-	61,000
Total liabilities from financing activities	<u>\$ 4,185,741</u>	<u>2,109,374</u>	<u>11,970</u>	<u>-</u>	<u>6,307,085</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.

<u>Name of related party</u>	<u>Relationship with the Company</u>
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
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

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

<u>Name of related party</u>	<u>Relationship with the Company</u>
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
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

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

<u>Name of related party</u>	<u>Relationship with the Company</u>
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
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

(Continued)

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

<u>Name of related party</u>	<u>Relationship with the Company</u>
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)
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

(Continued)

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

<u>Name of related party</u>	<u>Relationship with the Company</u>
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,	
	2020	2019
Subsidiary	\$ 2,410,282	1,906,270
FoodChina Company	2,015,372	2,751,372
Associate	4,433	-
Other related parties	5,975	43,970
	<u>\$ 4,436,062</u>	<u>4,701,612</u>

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.

(ii) Purchases

The amounts of significant purchases by the Company from related parties were as follows:

	For the years ended December 31,	
	2020	2019
Mei Lan Lei Co., Ltd.	3,780,189	3,931,612
Subsidiary	380,774	297,726
FoodChina Company	813,464	1,141,889
Other related parties	267,430	322,450
	<u>\$ 5,241,857</u>	<u>5,693,677</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.

(Continued)

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

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivables	Subsidiary	\$ -	384
Trade receivables	Zhong Yi Food Co., Ltd.	415,517	80,597
Trade receivables	Subsidiary	16,410	47,911
Trade receivables	FoodChina Company	320,770	97,369
Trade receivables	Other related parties	1,488	582
Other financial assets	Subsidiary	2,785	37,129
Other receivable due from related parties	Subsidiary	-	56
		<u>\$ 756,970</u>	<u>264,028</u>

(iv) Payables to Related Parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes payable	Mei Lan Lei Co., Ltd.	\$ 24,418	371,424
Notes payable	Subsidiary	5,584	3,536
Trade payable	Mei Lan Lei Co., Ltd.	204,028	99,752
Trade payable	Subsidiary	86,791	24,905
Trade payable	Associate	-	26,395
Other payable	Subsidiary	5,008	563
Trade payable	Other related parties	5,417	15,110
		<u>\$ 331,246</u>	<u>541,685</u>

(v) Property transaction

1) Purchases of property, plant and equipment

On February 27, 2019, the Company purchased land of a factory located in Taoyuan Yangmei from a related party, Kou Feng Industrial Co., Ltd.. The land was 29,603.94 square meters and the transaction price was \$916,989 thousand based on the appraisal reports issued by the CCIS Real Estate Joint Appraisers Firm and the Tianshia Real Estate Joint Appraisers Firm. As of March 22, 2019, ownership of the land has been transferred. As of June 25, 2019, all payments have been settled.

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

2) Disposals of property, plant and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

<u>Type of related party</u>	<u>For the years ended December 31,</u>			
	<u>2020</u>		<u>2019</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>\$ 820,420</u>	<u>-</u>	<u>-</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 December 31, 2020, the payments have been settled.

(vi) Loans to Related Parties

The loans to related parties were as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Mei Lan Lei Co., Ltd.	\$ 576,228	-
Oriental Best Foods Co., Ltd.	36,000	36,000
KouChan Mill Co., Ltd.	-	40,000
Zhong Yi Food Co., Ltd.	-	127,044
Subsidiary	-	3,000
	<u>\$ 612,228</u>	<u>206,044</u>

The interest charged to the Company is 1.2%. The loans to related parties are unsecured. As of December 31, 2020 and 2019, interest expense was \$8,929 thousand and \$7,309 thousand, respectively.

(Continued)

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

(vii) Borrowings from Related Parties

The borrowings from related parties were as follows:

	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Mei Lan Lei Co., Ltd.	\$ -	8,000
Total Nutrition Tech. Co., Ltd.	180,000	50,000
Subsidiary	<u>15,000</u>	<u>3,000</u>
	<u>\$ 195,000</u>	<u>61,000</u>

The interest charged to the Group is 1.2%. The interest-bearing borrowings provided from related parties are unsecured. As of December 31, 2020 and 2019, interest expense was \$931 thousand and \$1,842 thousand, respectively.

(viii) Leases

<u>Lessee</u>	<u>Lease period</u>	<u>Item</u>	<u>Terms of payment</u>	<u>Rental income</u>	
				<u>2020</u>	<u>2019</u>
Total Nutrition Tech. Co., Ltd.	2013.1-2019.12	Land, office, factory, and warehouse	Monthly	\$ 9,585	10,460
Zhong Yi Food Co., Ltd.	2017.6-2038.5	Warehouse	Monthly	1,441	17,143
Mei Lan Lei Co., Ltd.	2016.5-2026.4	Warehouse	Monthly	11,429	11,429
Subsidiary	2019.1-2019.12	Neihu office	Monthly	4,531	4,318
Subsidiary	2017.12-2020.12	Office	Monthly	22	21
Subsidiary	2020.1-2021.1	Factory	Monthly	22	-
Subsidiary	Cancellable lease	Dormitory	Monthly	<u>296</u>	<u>278</u>
				<u>\$ 27,326</u>	<u>43,649</u>

The Company leased land, property, machinery, and surrounding facilities of native chicken slaughterhouses that use the electric stunning method in Liuying from its subsidiary Mei Lan Lei, Co., Ltd.. The lease period started from March 1, 2018 till December 31, 2020. 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, 2020 and 2019, 1,907 thousand and 2,310 thousand of interest expense was recognized, respectively. As of December 31, 2020 and 2019, lease liabilities amounted to 112,443 thousand and 139,516 thousand, respectively.

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, 2020, there was no interest expense recognized. As of December 31, 2020, lease liabilities amounted to 16,705 thousand.

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

(ix) Management services

Management services for the years ended December 31, 2020 and 2019 comprised:

The Company signed contracts with Total Nutrition Tech Co., Ltd. to provide financial and administrative management services for \$126 thousand per month (tax included). In addition, the Company also provides financial and administrative management services for Oriental Best Foods Co., Ltd., KuoChan Mill Co., Ltd., An Hsin Chiao Chu Co., Ltd., and City Chain Food Ltd.. Services charged monthly according to the actual services provided.

	For the years ended December 31,	
	2020	2019
Total Nutrition Tech. Co., Ltd.	\$ 840	1,440
KouChan Mill Co., Ltd.	7,111	6,855
Oriental Best Foods Co., Ltd.	2,242	2,242
Subsidiaries	123	-
	\$ 10,316	10,537

(x) Processing fee

Processing fees in 2020 and 2019 are as follows:

	For the years ended December 31,	
	2020	2019
San Inn Abattoir Corporation	\$ 21,793	-
Total Nutrition Tech. Co., Ltd.	16,821	25,336
	\$ 38,614	25,336

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31,	
	2020	2019
Short term employee benefits	\$ 126,723	97,530
Post-employment benefits	1,150	1,037
	\$ 127,873	98,567

In 2020 and 2019, the Company recognized costs of \$8,580 thousand and \$7,296 thousand for 5 and 4 cars for the use of key management personnel, respectively.

(8) Pledged assets:None

(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, 2020	December 31, 2019
Acquisition of property, plant and equipment (unpaid)	<u>\$ 888,292</u>	<u>611,507</u>

(b) The Company's outstanding standby letter of credit are as follows:

	December 31, 2020	December 31, 2019
Outstanding standby letter of credit	<u>USD 22,003</u>	<u>47,742</u>
	<u>EUR 1,776</u>	<u>-</u>

(c) The Company's issuance of promissory notes in order to provide guarantees for loans are as follows:

	December 31, 2020	December 31, 2019
Outstanding promissory notes	<u>\$ 11,911,200</u>	<u>9,891,585</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:

By item	By function	For the year ended December 31					
		2020			2019		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		781,676	877,663	1,659,339	722,284	866,001	1,588,285
Labor and health insurance		73,342	73,972	147,314	70,016	67,461	137,477
Pension		26,460	34,433	60,893	23,740	32,510	56,250
Remuneration of directors		-	53,950	53,950	-	37,700	37,700
Others		56,311	45,028	101,339	54,652	42,417	97,069
Depreciation		394,115	66,813	460,928	443,432	68,790	512,222
Depletion		-	-	-	-	-	-
Amortization		16,709	-	16,709	15,008	-	15,008

(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,	
	2020	2019
Number of employees	<u>2,462</u>	<u>2,378</u>
Board of directors	<u>7</u>	<u>7</u>
Average employee benefit expense	<u>\$ 802</u>	<u>793</u>
Average employee wage expense	<u>\$ 676</u>	<u>670</u>
Average employee wage adjustment rate	<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.	Mei Lan Lei Co., Ltd.	Other receivables : related parties	Yes	1,600,000	1,600,000	576,228	1.2%	2	-	Business financing	-	None	-	4,036,216	8,072,431
0	"	City Chain Food Ltd.	"	Yes	100,000	100,000	-	1.2%	2	-	"	-	"	-	4,036,216	8,072,431
0	"	Total Nutrition Tech. Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	4,036,216	8,072,431
0	"	Huang-Ho Invest. Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	4,036,216	8,072,431
0	"	An Hsin Chiao Chu Co., Ltd.	"	Yes	30,000	30,000	-	1.2%	2	-	"	-	"	-	4,036,216	8,072,431
0	"	Oriental Best Foods Co., Ltd.	"	Yes	100,000	100,000	36,000	1.2%	2	-	"	-	"	-	4,036,216	8,072,431
1	Great Wall International (Holdings) Ltd.	Great Wall Milling Co., Ltd.	"	Yes	9,099	8,559	8,559	0	2	-	"	-	"	-	2,820,857	2,820,857
1	"	Tianjin Food Investment Co., Ltd.	"	Yes	336,056	316,112	316,112	3.5%	2	-	"	-	"	-	2,820,857	2,820,857
2	Dachan Food (Asia) Limited	Miyasun-Great Wall Foods (Dalian) Co., Ltd.	"	Yes	106,155	99,855	99,855	0%	2	-	"	-	"	-	3,230,521	3,230,521
2	"	Dachan Food (Hebei) Co., Ltd.	"	Yes	266,904	251,064	251,064	0%	2	-	"	-	"	-	3,230,521	3,230,521
2	"	Great Wall Agri (Yingkou) Co., Ltd.	"	Yes	485,280	456,480	456,480	0%	2	-	"	-	"	-	3,230,521	3,230,521
2	"	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	818,910	770,310	770,310	0%	2	-	"	-	"	-	3,230,521	3,230,521
3	Greatwall FeedTech (Holding) Ltd.	Greatwall FeedTech (Tianjin) Co., Ltd.	"	Yes	30,330	28,530	28,530	0%	2	-	"	-	"	-	163,166	163,166
4	Route 66 Fast Food Ltd.	Beijing Universal Chain Food Co., Ltd.	"	Yes	34,880	32,810	32,810	0%	2	-	"	-	"	-	286,302	286,302
4	"	Tai Ji Food Co., Ltd.	"	Yes	44,464	41,825	41,825	0%	2	-	"	-	"	-	286,302	286,302
4	"	Ma Cheng Co., Ltd.	"	Yes	39,630	27,105	27,105	0%	2	-	"	-	"	-	286,302	286,302
8	Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	95,000	95,000	-	1.2%	2	-	"	-	"	-	700,902	700,902
8	"	Wonder Biotek Co., Ltd.	"	Yes	20,000	20,000	-	1.2%	2	-	"	-	"	-	700,902	700,902
9	City Chain Food Ltd.	Tianjin Fast Food Co., Ltd.	"	Yes	134,733	134,213	134,213	0%	2	-	"	-	"	-	706,864	706,864
9	"	Tai Ji Food Co., Ltd.	"	Yes	32,889	31,383	31,383	0%	2	-	"	-	"	-	706,864	706,864
9	"	Ma Cheng Co., Ltd.	"	Yes	5,000	5,000	5,000	1.2%	2	-	"	-	"	-	706,864	706,864

(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		
9	City Chain Food Ltd.	Route 66 Fast Food Ltd.	Other receivables related parties	Yes	75,825	71,325	71,325	0%	2	-	"	-	"	-	706,864	706,864
9	"	Great Wall Enterprise Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	706,864	706,864
9	"	An Hsin Chiao Chu Co., Ltd.	"	Yes	30,000	30,000	-	1.2%	2	-	"	-	"	-	706,864	706,864
10	Dachan Aquaculture Limited (DAL)	PT. Misaja Mitra (MM)	"	Yes	84,894	51,311	51,311	0%	2	-	"	-	"	-	183,454	183,454
10	"	PT. Mustika Minanusa Aurora (MMA)	"	Yes	30,330	14,265	14,265	0%	2	-	"	-	"	-	183,454	183,454
11	Total Nutrition Tech. Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	180,000	180,000	180,000	1.2%	2	-	"	-	"	-	283,330	283,330
11	"	Huang-Ho Invest. Co., Ltd.	"	Yes	50,000	-	-	1.2%	2	-	"	-	"	-	283,330	283,330
11	"	Oriental Best Foods Co., Ltd.	"	Yes	50,000	50,000	20,000	1.2%	2	-	"	-	"	-	283,330	283,330
12	Neo Foods Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	20,000	15,000	15,000	1.2%	2	-	"	-	"	-	19,481	19,481
13	Greatwall Northeast Asia Corporation (NAC)	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	667,260	627,660	627,660	0%	2	-	"	-	"	-	3,295,453	3,295,453
14	Dachan Wanda (Tianjin) Co., Ltd.	Green Pac Bio Co., Ltd.	"	Yes	28,526	28,416	28,416	4.6%	2	-	"	-	"	-	514,021	514,021
15	Taixu & Dachan Foods Co., Ltd.	Taixu & Dachan Foods (Bengbu) Co., Ltd.	"	Yes	30,721	17,487	17,487	0%	2	-	"	-	"	-	57,595	57,595
16	TNT Biotechnology Co., Ltd.	Great Wall International (Holdings) Ltd.	"	Yes	24,599	24,251	24,251	0%	2	-	"	-	"	-	127,560	127,560

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.	Dachan Liangyou Food (Shanghai) Co., Ltd.	5	7,052,142	307,208	306,022	172,684	-	4.34 %	14,104,284			Y
1	"	Seafood International Inc.	2	7,052,142	303,300	285,300	-	-	4.05 %	14,104,284	Y		
1	"	Great Wall Milling Co., Ltd.	2	7,052,142	424,620	342,360	205,017	-	4.85 %	14,104,284	Y		

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

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 Grains International Ltd.	2	7,052,142	713,250	713,250	-	-	10.11 %	14,104,284	Y		
5	Asia Nutrition Technologies (VN) Co., Ltd.	ANT FEED CO., LTD.	4	1,413,821	90,990	85,590	28,530	-	6.05 %	2,827,641			
6	Liaoning Great Wall Agri-Industrial Co., Ltd.	Dachan Food (Hebei) Co., Ltd.	4	1,144,219	19,749	19,673	-	-	1.72 %	2,288,438			Y
7	Great Wall Agri (Hei Long Jiang) Co., Ltd.	Liaoning Great Wall Agri-Industrial Co., Ltd.	4	440,754	129,758	13,902	13,902	3,180	3.15 %	881,508			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.

(iii) Securities held as of December 31, 2020 (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	2,196,917	9.64	2,196,917	
	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 ZHDNG 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	-	
Great Wall Enterprise Co., Ltd.	Ordinary shares: Hsin Tung Yang Co. Ltd.	-	Financial assets measured at fair value through other comprehensive profit or loss: non-current	137,000	1,480	0.16	1,480	
Huang-Ho Invest. Co., Ltd.	Great Wall Enterprise Co., Ltd.	Company	Treasury shares	19,674,191	121,687	2.38	999,449	
	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	

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

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	
Huang-Ho Invest. Co., Ltd.	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	350,264	1.54	350,264	
City Chain Food Ltd.	Great Wall Enterprise Co., Ltd.	Company	Treasury shares	25,688,242	128,909	3.10	1,304,963	
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.	-	"	-	6,835	9.09	6,835	
Great Wall Food (Hong Kong) Co., Ltd.	Dynasty Club	-	"	-	349	-	349	

Note 1: The assumptions made of the market price is as follows:

1. 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.
2. 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:None
- (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.	Property, plant, and equipment	2020.2.3	820,420	Complete	Zhong Yi Food Co., Ltd.	Subsidiary	Note	Note	Note	-	CCIS Real Estate Joint Appraisers Firm		

Note: Information not found as the previous transfer took place ages 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	3,780,189	19%	2 months	-	-	(228,446)	(32)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Associate	Sale	2,015,372	9%	Same as regular customers	-	-	320,770	13%	
Great Wall Enterprise Co., Ltd.	TTET Union Corporation	Other related party	Purchase	267,430	1%	Same as regular customers	-	-	(5,417)	(1)%	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Subsidiary	Purchase	338,787	2%	Same as regular customers	-	-	(20,729)	(4)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Associate	Purchase	813,464	4%	Same as regular customers	-	-	(59,558)	(4)%	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Subsidiary	Sale	1,235,034	5%	2 months	-	-	-	-	%
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Subsidiary	Sale	816,920	3%	270 days	-	-	415,517	14%	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Subsidiary	Sale	283,737	1%	Same as regular customers	-	-	10,818	-	%

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

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)	
Mei Lan Lei Co., Ltd.	TTET Union Corporation	Other related party	Purchase (Outsourced)	287,877	-	% 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	320,770 (Note)	15.90 %	-		320,689	-
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Subsidiary	415,517 (Note)	12.12 %	-		22,089	-
Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	Subsidiary	228,446 (Note)	8.72 %	-		158,697	-

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, 2020.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2020 (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, 2020			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	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 %	703,734	139,580		
	Huang-Ho Invest. Co., Ltd.	"	Investments	249,395	314,395	14,500,000	100.00 %	352,683	11,914	11,914	
	Great Wall International (Holdings) Ltd.	Hong Kong	Holdings	2,122,110	2,122,110	70,490,813	100.00 %	7,047,801	507,311	507,311	
	City Chain Food Ltd.	Taiwan	Fast Food Restaurants	856,496	856,496	132,062,705	100.00 %	448,490	(99,851)	(99,851)	
	Mei Lan Lei Co., Ltd.	"	Production, sale, and research of feed	120,010	120,010	48,000,000	100.00 %	1,756,668	678,811	678,811	
	KouChan Mill Co., Ltd.	"	Flour production and sales	373,799	79,750	33,550,000	55.00 %	462,029	55,002	30,251	
	Oriental Best Foods Co., Ltd.	"	Food processing and sale	141,405	141,405	72,061	90.00 %	197,554	20,313	18,282	
	An Hsin Chiao Chu Co., Ltd.	"	Sale of fresh meat	55,000	20,000	5,500,000	100.00 %	10,472	(5,716)	(5,716)	
	Neo Foods Co., Ltd.	"	Food manufacturing and sale	50,000	-	5,000,000	100.00 %	48,702	(1,298)	(1,298)	
	Great Wall FeedTech Enterprise Co., Ltd.	"	Production, sale, and research of feed	37,274	37,274	340,000	100.00 %	5,847	744	744	
	Wonder Biotech Co., Ltd.	"	Medicine production and sales	150,000	100,000	15,000,000	100.00 %	50,946	(44,540)	(44,540)	
	Zhong Yi Food Co., Ltd.	"	Egg production and sale	780,000	160,000	78,000,000	65.00 %	746,873	56,540	36,751	
	San Inn Abattoir Co., Ltd.	"	Abattoir	66,469	-	1,116,000	40.00 %	66,469	-	-	
City Chain Food Ltd.	Nisshi Chain Co., Ltd.	"	Bakery	68,459	68,459	4,364,652	67.29 %	10,041	(5,325)	(3,583)	
	Saboten Co., Ltd.	"	Japanese restaurants	39,000	39,000	2,000,000	50.00 %	64,282	22,654	11,327	
	Route 66 Fast Food Ltd.	Hong Kong	Investment holdings	USD 29,668,603	USD 24,642,247	26,592,247	100.00 %	143,150	(52,454)	(52,454)	
	Saboten (China) Limited	"	Investment holdings	USD 1,250,000	USD 1,250,000	1,550,000	50.00 %	56,530	21,199	10,599	
	DaChan Shin Yeh Ltd.	"	Chinese and western fast food	USD 700,000	USD 700,000	700,000	40.00 %	17,695	(3,409)	(1,364)	
	Honolulu Chain Food & Beverage Co., Ltd.	Taiwan	Chinese and western fast food	11,000	11,000	11,000,000	55.00 %	9,556	(8,205)	(4,513)	
	Xiang Cheng Co., Ltd.	"	Chinese food and dining	5,000	5,000	500,000	50.00 %	4,235	82	41	
	Ma Cheng Co., Ltd.	"	Western food and dining	18,000	18,000	1,800,000	90.00 %	2,025	(4,384)	(3,945)	
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 %	318,899	46,203	46,203	
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 %	1,211,975	132,485	132,485	
	Greatwall Food Investment (H.K.) Co., Ltd.	"	Investment holdings	USD 62,500,000	USD 62,500,000	54,220,000	100.00 %	(1,401)	(308)	(308)	

(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, 2020			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares (thousands)	Percentage of ownership	Carrying value			
Great Wall International (Holdings) Ltd.	Greatwall Food (H.K.) Co., Ltd.	Hong Kong	Food wholesale	USD 500,000	USD 500,000	500,000	100.00 %	(13,781)	(1,598)	(1,598)	
	FoodChina Inc.	"	Investment holdings	USD 5,070,000	USD 1,680,000	19,700,000	53.39 %	191,603	15,826	8,450	
	Seafood International Inc.	"	Investment holdings	USD 4,183,974	USD 4,183,974	3,744,000	100.00 %	100,765	-	-	
	Tianjin Food Invest Co., Ltd.	"	Investment holdings	USD 9,729,433	USD 9,729,433	9,500,000	78.40 %	874,245	10,468	8,207	
	Waverly Star Ltd.	"	Investment holdings	USD 29,160,858	USD 29,160,858	29,160,858	100.00 %	2,970,013	316,097	316,097	
	Golden Harvest Inc.	"	Investment holdings	USD 1	USD 1	1	100.00 %	(17,048)	(1,942)	(1,942)	
	Great Wall FeedTech (Holdings) Ltd.	"	Investment holdings	USD 10,630,000	USD 10,630,000	8,260,000	100.00 %	407,914	16,499	16,499	
	Clydebridge Ltd.	"	Investment holdings	USD 3,544,000	USD 3,544,000	3,544,000	94.66 %	260,764	52,594	49,785	
	Global Food Corp.	"	Aquaculture trading	USD 1	USD 1	1	100.00 %	(515)	-	-	
	Gallant Dachan Seafood Co., Ltd.	Vietnam	Aquaculture processing and sales	USD 2,500,000	USD 2,500,000	2,500,000	50.00 %	108,890	26,409	13,204	
	Dachan (Asia-Pacific) Limited	Hong Kong	Investment holdings	USD 11,200,000	USD 11,200,000	11,200,000	75.17 %	7,574	(61,207)	(46,009)	
	Fresh Aqua Corporation	"	Aquaculture trading	USD 1	USD 1	1	100.00 %	-	-	-	
	Fresh Aqua Limited	"	Aquaculture trading	USD 1,282	USD -	1,282	100.00 %	15,888	16,446	16,446	
	Great Wall Grains International Limited	"	Commodity trading	USD 1,000,000	USD -	1,000,000	100.00 %	28,356	(129)	(129)	
	Global Seafood Limited	"	Aquaculture trading	USD 1,282	USD -	1,282	100.00 %	5,234	5,392	5,392	
	Pacific Harvest Limited	"	Aquaculture trading	USD 1,282	USD -	1,282	100.00 %	(67)	(108)	(108)	
	Seafood International Limited	"	Aquaculture trading	USD 1,282	USD -	1,282	100.00 %	9,982	10,319	10,319	
	Universal Food Limited	"	Aquaculture trading	USD 1,282	USD -	1,282	100.00 %	16,778	17,370	17,370	
	Myint Dachan Company Limited	Myanmar	Production and sale of feed	USD 10,494,097	USD 8,964,097	10,494,097	51.00 %	292,112	(15,023)	(7,662)	
Waverly Star Ltd.	Dachan Food (Asia) Limited	"	Investment holdings	USD 29,160,858	USD 29,160,858	375,899,946	36.99 %	2,973,446	854,901	316,228	
Asia Nutrition Technologies Corporation	Dachan Food (Asia) Limited	"	Investment holdings	USD 5,759,421	USD 5,759,421	152,924,906	15.05 %	1,209,796	854,901	128,663	
Dachan Food (Asia)	Dachan (Asia-Pacific) Limited	"	Investment holdings	USD 800,000	USD 800,000	800,000	5.37 %	541	(3,287)	-	
	Food China Inc.	"	Investment holdings	USD 300,000	USD 300,000	400,000	1.08 %	8,544	15,826	-	
	Taiwan International Gene Co., Ltd.	Vietnam	Sale of boars for breeding purposes	USD 900,000	USD 900,000	900,000	30.00 %	25,632	-	-	
Route 66 Fast Food Ltd.	Yung Huo (China) Co., Ltd.	Hong Kong	Investment holdings	USD 3,713,685	USD 3,713,685	3,730,000	79.03 %	23,241	(194)	(154)	
	FoodChina Inc.	"	Investment holdings	USD 137,122	USD 138,364	400,000	1.08 %	3,905	15,826	(26)	
TNT Biotechnology Co., Ltd.	TNT Huabang Holdings Limited	"	Investment holdings	USD 1,385,160	USD 1,825,728	1,110,000	100.00 %	34,292	8,240	8,240	

(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, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	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	9,378	(2)	53,136	-	-	53,136	4,069	78.40%	3,190	954,749	-
Miyasun-Great Wall Foods (Dalian) Co., Ltd.	Production and sale of processed chicken products	9,872	(2)	-	-	-	-	15,187	52.04%	8,231	142,949	-
Great Wall Foods (Dalian) Co., Ltd.	Production and sale of chicken and feed	26,600	(2)	315,908	-	-	315,908	329,906	30.70%	101,281	700,406	-
Liaoning Great Wall Agri-Industrial Co., Ltd.	Production and sale of feed	19,201	(2)	229,600	-	-	229,600	97,879	52.04%	50,936	615,036	-
Great Wall Agri (Hei Long Jiang) Co., Ltd.	Production and sale of feed	1,563	(2)	-	-	-	-	26,703	52.04%	13,896	242,735	-
Great Wall Agri (Yingkou) Co., Ltd.	Production and sale of feed	14,636	(2)	57,813	-	-	57,813	131,159	52.04%	68,255	(11,086)	-
Great Wall Agri (Tieling) Co., Ltd.	Production and sale of chicken and feed	14,151	(2)	84,655	-	-	84,655	48,907	52.04%	25,451	651,216	-

(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, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Dachan Wanda (Tianjin) Co., Ltd.	Production and sale of chicken and feed	579,060	(2)	-	-	-	-	87,214	52.04%	45,386	668,742	-
Qingdao Dachan Technologies Feed Co., Ltd.	Production and sale of feed	-	(2)	-	-	-	-	(213)	-%	(111)	-	-
Dongbei (Beijing) Consultant Co., Ltd.	Management consulting services	500	(2)	-	-	-	-	(4,402)	52.04%	(2,291)	(7,595)	-
Beijing FoodChina Online Information & Technology Ltd.	Feed trading, animal products wholesale, and feed and agricultural products retail	59,874	(2)	-	-	-	-	(7,173)	55.03%	(3,947)	12,609	-
Dongbei Agri (Changchun) Co., Ltd.	Production and sale of feed	1,111	(2)	19,483	-	-	19,483	22,636	52.04%	11,780	96,876	-
Great Wall Agri (Henan) Co., Ltd.	Production and sale of feed	1,900	(2)	-	-	-	-	(1,316)	52.04%	(685)	3,685	-
Great Wall Gourmet(Shanghai) Co., Ltd.	Production and sale of chicken, pork, and frozen processed foods	6,940	(2)	82,000	-	-	82,000	(12,383)	52.04%	(6,444)	84,635	-
DaChan Showa Foods (Tianjin) Co., Ltd.	Production and sale of flour related products	8,950	(2)	26,158	-	-	26,158	29,150	55.00%	16,032	180,224	-
Dachan (Hunan) Feed Technologies Co., Ltd.	Production and sale of feed	2,234	(2)	-	-	-	-	(5,934)	52.04%	(3,088)	27,467	-
Dachan Food (Hebei) Co., Ltd.	Production and sale of feed	53,767	(2)	-	-	-	-	(215,098)	52.04%	(111,937)	24,615	-
Dachan Food (Panjin) Co., Ltd.	Production and sale of chicken	3,000	(2)	-	-	-	-	(2,254)	52.04%	(1,173)	46,224	-
Dachan Liangyou Food (Shanghai) Co., Ltd.	Production and sale of flour related products	200,000	(2)	-	-	-	-	47,044	43.00%	20,229	257,534	-
Great Wall Agrotech Huludao Co., Ltd.	Production and sale of feed	3,800	(2)	-	-	-	-	1,524	52.04%	793	50,768	-
Great Wall FeedTech (Tianjin) Co., Ltd.	Production and sale of feed	14,536	(2)	-	-	-	-	24,717	100.00%	24,717	423,286	-
Shanghai Universal Chain Food Co., Ltd.	Italian food and dining, bakery, and restaurant management services	3,100	(2)	101,680	-	-	101,680	(4,063)	100.00%	(4,063)	156,174	-
Great Wall Yung Huo Food (Beijing) Co., Ltd.	Chinese fast food chains	15,954	(2)	44,647	-	-	44,647	(137)	79.03%	(108)	(14,308)	-
Nanjing Tengcheng Enterprise Management Co., Ltd.	Restaurant management	21,006	(2)	37,902	-	-	37,902	7,601	100.00%	7,601	62,063	-
Beijing Universal Chain Food Co., Ltd.	Italian food and dining and bakery	5,580	(2)	87,449	28,248	-	115,697	(5,169)	100.00%	(5,169)	15,064	-
Saboten Catering Operation (Beijing) Co., Ltd.	Japanese food and dining and restaurant management services	2,500	(2)	46,938	-	-	46,938	25,572	50.00%	12,786	56,228	72,018
Shanghai Xunshi Foods Co., Ltd.	Chinese fast food chains	278	(2)	-	-	-	-	-	70.00%	-	(5,690)	-
Beijing Dingfenggang Catering Co., Ltd.	Chinese fast food chains	3,000	(2)	29,641	-	-	29,641	(2,487)	55.00%	(1,368)	17,073	-

(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, 2019	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Beijing Duhsiao Yueh Restaurant Co., Ltd.	Chinese fast food chains	19,000	(2)	21,719	29,988	-	51,707	(25,641)	70.00%	(17,949)	3,418	-
Tianjin Fast Food Co., Ltd.	Food processing	5,800	(2)	175,676	-	-	175,676	8,347	100.00%	8,347	(40,406)	-
TNT Biotechnology (Tianjin) Co., Ltd.	Feed	11,602	(2)	303,344	-	-	303,344	39,018	100.00%	39,018	280,151	-
Taixu & DaChan Foods (Dalian) Co., Ltd.	Production and sale of pork	21,595	(2)	-	-	-	-	1,119	20.82%	233	8,680	-
Shandong Dachan Biotechnology Co., Ltd.	Production and sale of feed	3,000	(2)	-	-	-	-	28,240	52.04%	14,696	(47,786)	-
Tai Ji Food Co., Ltd.	Processing and sale of food	4,150	(2)	48,993	-	-	48,993	(38,668)	100.00%	(38,668)	(73,447)	-
Advent Prosperity Real Estate Development Co., Ltd.	Real Estate	435,500	(2)	-	-	-	-	(9,892)	32.64%	(6,068)	1,122,859	-
Dachan Shinyeh Catering Management (Beijing) Co., Ltd.	Chinese and western fast food chains	1,670	(2)	20,792	-	-	20,792	(3,310)	40.00%	(1,324)	11,043	-
Shanghai Guangcheng Catering Co., Ltd.	Chinese food and dining	4,884	(2)	-	-	-	-	(33,373)	20.68%	(5,006)	87,502	-
Hepeer Catering Management (Beijing) Co., Ltd.	Chinese food and dining	6,000	(2)	-	-	-	-	-	20.00%	-	2,080	-
Tianjin Hai Rei Food Limited	Food processing	4,994	(2)	-	-	-	-	(1,125)	20.82%	(450)	3,372	-
Rupp & DaChan Foods (Tianjin) Co., Ltd.	Feed research	35,000	(2)	-	-	-	-	(12,405)	20.82%	(4,962)	54,025	-

(ii) Limitation on investment in Mainland China:

(In USD)

Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
(USD 69,145,001) 1,969,250	(USD 238,133,856) 6,782,052	12,108,647

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.		71,086,943	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 2020 for more information.

Great Wall Enterprise Co., Ltd.
Statement of cash and cash equivalents
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash	Cash on hand, revolving funds	\$ 5,343
Bank deposits	Check deposits	194,389
	Demand deposits	85,863
	Foreign currency deposits	4,920
		<u>\$ 290,515</u>

**Statement of financial assets measured at fair value
through profit or loss - current**

<u>Name of financial instrument</u>	<u>Description</u>	<u>Shares or units</u>	<u>Par value</u>	<u>Total amount</u>	<u>Interest rate</u>	<u>Acquisition cost</u>	<u>Fair value</u>		<u>Fair value changes is attributable to the changes in credit risk</u>	<u>Note</u>	
							<u>Unit price</u>	<u>Total amount</u>			
Domestic listed company stocks	Lien Hwa Industrial Holdings Co.	36,974	\$ 10	439	-	%	6	12	439	-	
Forward exchange contracts	Forward exchange purchased	-	-	8,046	-	%	-	-	8,046	-	
Structured swaps	Corn structured swaps	-	-	11,969	-	%	-	-	11,969	-	
				<u>\$ 20,454</u>					<u>20,454</u>	<u>-</u>	

Great Wall Enterprise Co., Ltd.
Statement of notes receivable
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Client A		\$ 124,758	Non-related-party
Client B		67,589	Amount per client < 5%
Other: non-related-party		<u>669,276</u>	"
		<u><u>\$ 861,623</u></u>	

Statement of trade receivables

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Zhong Yi Food Co., Ltd.		\$ 415,517	Related party
FoodChina Company		320,770	"
Other: related-party		17,898	Amount per client < 5%
Other: non-related-party		<u>1,780,599</u>	"
Subtotal		2,534,784	
Less: allowance for bad debts		<u>(93,704)</u>	
		<u><u>\$ 2,441,080</u></u>	

Great Wall Enterprise Co., Ltd.
Statement of inventories
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>		<u>Note</u>
	<u>Cost</u>	<u>Net realizable value</u>	
Raw materials and consumables	\$ 448,858	448,858	
Materials in transit	938,578	938,578	
Work in progress	3,075	3,075	
Finished goods	264,834	287,493	
Agricultural produce	43,129	48,230	
Total	<u>\$ 1,698,474</u>	<u>1,726,234</u>	

Statement of prepayments

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
	Prepayments to suppliers	\$ 85,609	
	Prepayments to breeders	16,766	
	Other	8,190	
		<u>\$ 110,565</u>	

Great Wall Enterprise Co., Ltd.
Statement of biological assets - current
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount						Note
		Fair value	Costs to sell	Cost	Accumulated depreciation	Accumulated impairment	Carrying amount	
Poultry	Underage broiler, broilers, breeder poultry	\$ -	1,757	382,009	(38,194)	-	345,572	
Livestock	Underage swine, swine	-	-	589,225	-	-	589,225	
Total		\$ -	1,757	971,234	(38,194)	-	934,797	

Statement of other receivables

Name of financial instrument	Description	Fair value	Note
	Claims receivable and others	\$ 21,080	
	Other	2,785	
		\$ 23,865	

Great Wall Enterprise Co., Ltd.

Statement of other receivables: related-parties

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Trades' current account	Mei Lan Lei Co., Ltd.	\$ 576,228	
	Oriental Best Foods Co., Ltd.	36,000	
		<u>\$ 612,228</u>	

Statement of other current assets

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Temporary payments	Temporary payments for travelling costs and insurance, etc.	\$ 75,194	
Prepaid sales tax		3,551	
		<u>\$ 78,745</u>	

Great Wall Enterprise Co., Ltd.

Statement of financial assets measured at fair value through other
comprehensive income - non-current

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Beginning balance		Addition		Decrease		Ending balance		Collateral	Note
	Shares or units	Fair value	Shares or units	Amount	Shares or units	Amount	Shares or units	Fair value		
TTET Union Co.	15,416,960	\$ 1,865,452	-	331,465	-	-	15,416,960	2,196,917		
China Trade and Development Co.	20,004	199	-	-	-	-	20,004	199		
Da Chiang International Co., Ltd.	7,889,655	56,615	-	-	-	-	7,889,655	56,615		
ZHONG ZHDNG CO.,LTD.	461,760	4,618	-	-	-	-	461,760	4,618		
Yo-Ho Beach Resort Co., Ltd.	1,848,000	16,800	-	-	-	-	1,848,000	16,800		
International Network Capital Global Fund	316,667	-	-	-	316,667	-	-	-		
Deyong Biological Technology Co., Ltd.	168,568	965	-	-	50,571	506	117,997	459		
Yahsen Frozen Foods Co., Ltd.	40,425	-	-	-	-	-	40,425	-		
Hsin Tung Yang Co. Ltd.	137,000	1,480	-	-	-	-	137,000	1,480		
		<u>\$ 1,946,129</u>		<u>331,465</u>		<u>506</u>		<u>2,277,088</u>		

Note: Addition: TTET Union Co. increased 331,465 thousand due to an upwards evaluation.

Note: Decrease: Deyong Biological Technology Co., Ltd. issued a capital reduction of 50,571 shares, totaling 506 thousand ; International Network Capital Global Fund was liquidated and the remaining assets of 316,667 shares were distributed.

Great Wall Enterprise Co., Ltd.
Statement of changes in right-of-use assets
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Buildings and construction	\$ 176,288	298	-	176,586	
Machinery and equipment	16,705	-	-	16,705	
Other	111,570	-	-	111,570	
	\$ 304,563	298	-	304,861	

Note: An additional 298 thousand of property was recognized this period.

**Statement of changes in accumulated depreciation of
right-of-use assets**

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Buildings and construction	\$ 29,545	29,606	-	59,151	
Other	15,938	15,938	-	31,876	
	\$ 45,483	45,544	-	91,027	

Note: An additional 45,544 thousand of depreciation was recognized this period.

Great Wall Enterprise Co., Ltd.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning balance		Addition		Decrease		Ending balance			Market value or net assets value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of ownership	Amount	Unit price	Total amount		
Total Nutrition Tech. Co., Ltd.	48,149,500	\$ 579,390	-	142,441	-	18,097	48,149,500	100.00 %	703,734	15	703,734	None	
Huang-Ho Invest. Co., Ltd.	21,000,000	595,274	-	108,044	6,500,000	350,635	14,500,000	100.00 %	352,683	24	352,683	"	
Great Wall International (Holdings) Ltd.	70,490,813	6,405,252	-	642,549	-	-	70,490,813	100.00 %	7,047,801	100	7,047,801	"	
City Chain Food Ltd.	132,062,705	501,441	-	56,514	-	109,465	132,062,705	100.00 %	448,490	3	448,490	"	
Mei Lan Lei Co., Ltd.	48,000,000	1,077,857	-	678,811	-	-	48,000,000	100.00 %	1,756,668	37	1,756,668	"	
KouChan Mill Co., Ltd.	10,930,838	168,724	22,619,162	324,300	-	30,995	33,550,000	55.00 %	462,029	14	462,029	"	
Oriental Best Foods Co., Ltd.	72,061	188,107	-	18,282	-	8,835	72,061	70.00 %	197,554	2,741	197,554	"	
An Hsin Chiao Chu Co., Ltd.	2,000,000	(18,812)	3,500,000	35,000	-	5,716	5,500,000	100.00 %	10,472	2	10,472	"	
Zhong Yi Food Co., Ltd.	16,000,000	52,583	62,000,000	694,290	-	-	78,000,000	65.00 %	746,873	10	746,873	"	
Great Wall FeedTech Enterprise Co., Ltd.	340,000	5,103	-	744	-	-	340,000	100.00 %	5,847	17	5,847	"	
San Inn Abattoir Co.	-	-	1,116,000	66,469	-	-	1,116,000	40.00 %	66,469	60	66,469	"	
Wonder Biotek Co., Ltd.	10,000,000	45,486	5,000,000	50,000	-	44,540	15,000,000	100.00 %	50,946	3	50,946	"	
Neo Foods Co., Ltd.	-	-	5,000,000	50,000	-	1,298	5,000,000	100.00 %	48,702	10	48,702	"	
		<u>\$ 9,600,405</u>		<u>2,867,444</u>		<u>569,581</u>			<u>11,898,268</u>		<u>11,898,268</u>		

Note: Addition: Total Tech Nutrition Co., Ltd.: recognized an investment income of 139,580 thousand and a cumulative translation adjustment of 2,861 thousand. Huang-Ho Invest. Co., Ltd.: recognized an unrealized gain on financial instrument of 52,847 thousand, an investment income of 11,914 thousand, and a capital surplus from treasury share transactions of 43,283 thousand. Great Wall International (Holdings) Ltd.: recognized a change in equity of subsidiaries of 30,917 thousand, a cumulative translation adjustment of 104,321 thousand, and an investment income of 507,311 thousand under the equity method. City Chain Food Ltd.: recognized a capital surplus from treasury share transactions of 56,514 thousand. Mei Lan Lei Co., Ltd.: recognized an investment income of 678,811. KouChan Mill Co., Ltd.: acquired non-controlling interest of 5,893,412 shares and 76,614 thousand, a capital increase of 16,725,750 shares and 217,435 thousand, and recognized an investment income of 30,251 thousand. Oriental Best Foods Co., Ltd.: recognized an investment income of 18,282 thousand. An Hsin Chiao Chu Co., Ltd.: obtained a capital increase of 3,500,000 shares and 35,000 thousand. Zhong Yi Food Co., Ltd.: obtained a capital increase of 62,000,000 shares and 620,000 thousand, recognized a capital surplus of 37,539 thousand due to the difference between the actual price and carrying amount, and recognized an investment profit of 36,751 thousand. Great Wall FeedTech Enterprise Co., Ltd.: recognized an investment profit of 744 thousand. Wonder Biotek Co., Ltd.: obtained a capital increase of 5,000,000 shares and 50,000 thousand. Neo Foods Co., Ltd.: obtained a capital increase of 5,000,000 shares and 50,000 thousand. San Inn Abattoir Co.: obtained a capital increase of 1,116,000 shares and 66,469 thousand.

Note: Decrease: Total Nutrition Tech. Co., Ltd.: distributed cash dividends of 18,097 thousand. Huang-Ho Invest. Co., Ltd.: distributed cash dividends of 285,635 thousand, had a capital reduction of 6,500,000 shares and 65,000 thousand. City Chain Food Ltd.: recognized a loss on remeasurements of 203 thousand, recognized a cumulative translation adjustment of 9,411 thousand, and an investment loss of 99,851 thousand. KouChan Mill Co., Ltd.: distributed cash dividends of 30,995 thousand. Oriental Best Foods Co., Ltd.: distributed cash dividends of 8,835 thousand. An Hsin Chiao Chu Co., Ltd.: recognized an investment loss of 5,716 thousand. Wonder Biotek Co., Ltd.: recognized an investment loss of 44,540 thousand. Neo Foods Co., Ltd.: recognized an investment loss of 1,298 thousand.

Great Wall Enterprise Co., Ltd.
**Statement of changes in property, plant and
equipment**
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Beginning balance</u>	<u>Addition</u>	<u>Decrease</u>	<u>Ending balance</u>	<u>Collateral</u>	<u>Note</u>
Land	\$ 3,475,066	368,875	145,841	3,698,100	None	
Buildings and Construction	2,771,757	618,620	187,780	3,202,597	"	
Machinery and Equipment	3,015,858	82,862	531,646	2,567,074	"	
Transportation equipment	196,202	44,717	34,931	205,988	"	
Other facilities	1,945,310	235,045	266,252	1,914,103	"	
Construction in progress	729,335	783,939	923,109	590,165	"	
	<u>\$ 12,133,528</u>	<u>2,134,058</u>	<u>2,089,559</u>	<u>12,178,027</u>		

Note: Additions for this period include a purchasing amount of 1,121,359 thousand, an increase of 55,675 thousand and 73,294 thousand from transfers from investment properties to land and buildings and construction, respectively, and an increase of 883,730 thousand from transfers from construction in progress.

Note: Disposals for this period totaled 1,205,829 thousand, transfers to land amounted to 25,280 thousand, transfers to buildings amounted to 545,326 thousand, transfers to machinery and equipment amounted to 82,862 thousand, transfers to transportation equipment amounted to 5,385 thousand, and transfers to other facilities amounted to 224,877 thousand.

Great Wall Enterprise Co., Ltd.

Statement of changes in accumulated depreciation of
property, plant and equipment

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Buildings and Construction	\$ 1,232,674	148,526	53,970	1,327,230	
Machinery and Equipment	2,146,785	116,771	243,264	2,020,292	
Transportation equipment	123,518	25,615	24,755	124,378	
Other facilities	1,278,334	160,352	150,027	1,288,659	
Accumulated impairment	1,500	-	-	1,500	
	\$ 4,782,811	451,264	472,016	4,762,059	

Note: Additions for this period include 406,190 thousand of depreciation recognized, 45,074 thousand from transfers from investment properties to buildings and construction. Decreases for this period include 472,016 thousand from disposals.

Great Wall Enterprise Co., Ltd.
Statement of changes in investment property
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Land and improvements	\$ 331,043	-	55,675	275,368	
Buildings and construction	446,662	-	73,294	373,368	
	\$ 777,705	-	128,969	648,736	

Note: Decreases for this period include transfers to property, plant, and equipment of 128,969 thousand.

**Statement of changes in accumulated depreciation of
investment property**

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Buildings and construction	\$ 263,151	9,193	45,074	227,270	
Accumulated impairment	36,000	-	-	36,000	
	\$ 299,151	9,193	45,074	263,270	

Note: Increases for this period include 9,913 thousand of depreciation recognized. Decreases for this period include transfers to property, plant, and equipment of 45,074 thousand.

Great Wall Enterprise Co., Ltd.
Statement of biological assets - non-current
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount						Note
		Fair value	Costs to sell	Cost	Accumulated depreciation	Accumulated impairment	Carrying amount	
Livestock	Swine, underage swine	\$ -	-	261,214	(86,470)	-	174,744	
Poultry	Underage breeder poultry	-	-	22,137	(9,714)	-	12,423	
Total		\$ -	-	283,351	(96,184)	-	187,167	

Statement of deferred tax assets

Item	Description	Amount	Note
Excessive amount of bad debt expense		\$ 20,481	
Loss on valuation of financial asset		12,112	
Impairment loss on fixed assets		7,500	
Others		13,286	
		\$ 53,379	

Great Wall Enterprise Co., Ltd.
Statement of other non-current assets
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Notes</u>
Prepayments for land construction and business facilities		\$ 214,896	
Guarantee deposits paid	Software, plastic baskets, and packaging fees	55,371	
Unamortized expenses		6,199	
Prepayment for processing fee		30,000	
Other intangible assets		<u>600</u>	
		<u>\$ 307,066</u>	

Great Wall Enterprise Co., Ltd.
Statement of short-term borrowings
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Type</u>	<u>Description</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Range of interest rate</u>	<u>Loan commitment</u>		<u>Collateral</u>	<u>Note</u>
Letters of credit	Bank of China	\$ 191,314	2021.2.10-2021.5.19	0.63%-0.84%	USD	35,000	Credit guarantee	
"	Bank of Taiwan: Wuchang Branch	47,610	2021.9.22	0.578%-0.8034%	USD	10,000	"	
"	Taiwan Cooperative Bank: Ziqiang Branch	688,610	2021.1.22-2021.6.20	0.68%-0.86%	USD	42,000	"	
"	Hua Nan Commercial Bank: Tainan Branch	47,027	2021.3.8	0.8843%	NTD	800,000	"	
"	Mega Bank: Tainan Branch	57,584	2021.5.12-2021.6.18	1%	USD	23,000	"	
"	Chinatrust Commercial Bank	201,487	2021.6.25	0.863245%	NTD	300,000	"	
"	E.Sun Commercial Bank: Tainan Branch	9,469	2021.3.23-2021.6.25	0.87%-1%	USD	19,500	"	
"	Taiwan Business Bank: Chenggong Branch	102,696	2021.2.11-2021.6.15	0.476%-0.847%	USD	10,000	"	
"	ANZ Bank	673,004	2021.1.4-2021.1.11	1%	USD	42,000	"	
"	Taipei Fubon Bank	54,350	2021.4.4	0.84%	USD	20,000	"	
"	Mizuho Bank	682,704	2021.3.11-2021.5.27	0.9%	USD	60,000	"	
"	Mizuho Bank	24,575	2021.6.25	0.9%	USD	60,000	"	
"	ING Bank	798,976	2021.1.4-2021.6.9	0.96%-0.97%	USD	35,000	"	
Unsecured bank loans	E.Sun Commercial Bank: Tainan Branch	300,000	2021.3.23	0.84%	USD	19,500	None	
"	Mizuho Bank	259,000	2021.12.31	floating	USD	60,000	"	
"	ING Bank	100,000	2021.1.4	0.85%	USD	35,000	"	
"	Bangkok Bank	400,000	2021.3.20	0.84%	USD	30,000	"	
		<u>\$ 4,638,406</u>						

Great Wall Enterprise Co., Ltd.

Statement of short-term notes and bills payable

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Guarantee or acceptance institution	Contract period	Range of interest rate	Amount			Note
				Total amount	Unamorti zed discount	Carrying amount	
Commercial paper payable	China Bills	2021/1/20	0.848%	\$ 100,000	-	100,000	
Commercial paper payable	China Bills	2021/1/4	0.858%	200,000	-	200,000	
Commercial paper payable	Mega Bills	2021/1/27	0.848%	200,000	-	200,000	
Commercial paper payable	Dah Chung Bills	2021/1/12	0.84%	200,000	-	200,000	
Commercial paper payable	Taiwan Finance Co.	2021/2/2	0.888%	300,000	-	300,000	
Commercial paper payable	Taiwan Cooperative Bills	2021/1/12	0.848%	300,000	-	300,000	
Commercial paper payable	Dah Chung Bills	2021/1/15	0.831%	100,000	-	100,000	
Commercial paper payable	Ta Ching Bills	2021/1/12	0.898%	300,000	-	300,000	
				<u>\$ 1,700,000</u>	<u>-</u>	<u>1,700,000</u>	

Great Wall Enterprise Co., Ltd.
Statement of financial liabilities at fair value
through profit or loss - current
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares		Total amount	Interest rate	Cost of acquisition	Fair value		Fair value changes attributable to the changes in credit risk	Note
		or units	Par value				Unit price	Total amount		
Forward exchange contracts	Forward exchange contracts	-	\$ -	22,189	- %	-	-	22,189	-	
Option contracts	Corn options	-	-	1,010	- %	-	-	1,010	-	
				<u>\$ 23,199</u>				<u>23,199</u>	<u>-</u>	

Statement of notes payable

Vendor name	Description	Amount	Note
Mei Lan Lei Co., Ltd.		\$ 24,418	Related-party
Other: subsidiary		5,584	Amount per account <5%
Other: non-related-party		367	Amount per account <5%
		<u>\$ 30,369</u>	

Great Wall Enterprise Co., Ltd.

Statement of trade payables

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

<u>Vendor name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Mei Lan Lei Co., Ltd.		\$ 204,028	Related-party
Other: non-related-party		1,187,309	Amount per account <5%
Other: subsidiary		86,791	"
Other: other related-party		<u>5,417</u>	"
		<u>\$ 1,483,545</u>	

Statement of other payables

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Wages and salaries	Salary, bonuses, paid holidays and overtime expense	\$ 418,934
Freight	Freight and gas expense	22,818
Insurance expense	Labor and health insurance expense	27,818
Energy expense	Electricity expense	13,734
Employee compensation		90,000
Directors' remuneration		40,000
Revolving funds		14,197
Professional service fee	Lawyer and auditor expenses	1,800
Fuel expense		684
Meal expense		5,944
Advertisement expense	Advertisement and promotion expense	69,406
Interest expense	Short term borrowings for material purchases	6,169
Natural gas expense		1,037
Land value tax		3,373
Other		<u>62,152</u>
		<u>\$ 778,066</u>

Great Wall Enterprise Co., Ltd.
Statement of lease liabilities
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending balance</u>	<u>Note</u>
Property, plant, and equipment	Land lease	2013/7/1-2024/12/31	1.5%	\$ 1,262	
Property, plant, and equipment	Swine farm lease	2015/4/1-2025/3/31	1.5%	2,572	
Property, plant, and equipment	Farm lease	2014/1/1-2022/7/31	1.5%	575	
Property, plant, and equipment	Native chicken farm lease	2017/4/1-2027/3/31	1.5%	2,104	
Property, plant, and equipment	Material warehouse lease	2017/1/1-2021/12/31	1.5%	143	
Property, plant, and equipment	Native chicken coop lease	2016/7/1-2021/6/30	1.5%	86	
Property, plant, and equipment	Luiying native chicken farm	2019/1/1-2024/12/31	1.5%	112,443	
Machinery and equipment	Refrigeration equipment and factory lease	2019/12/1-2029/11/30	1.5%	13,364	
Machinery and equipment	Meat dissection equipment lease	2019/12/1-2029/11/30	1.5%	3,341	
Other	Electrical slaughtering factory lease	2016/1/1-2025/12/31	1.5%	80,879	
				<u>\$ 216,769</u>	

Great Wall Enterprise Co., Ltd.
Statement of other current liabilities
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Receipts under custody	Transportation fee receipts under custody	\$ 19,320	
	Other	<u>15,386</u>	
	Subtotal	<u>34,706</u>	
Temporary credits	Funds for foreign workers	818	
	Temporary transaction fee receipts	7,912	
	Other	<u>5,949</u>	
	Subtotal	<u>14,679</u>	
Advance receipts	Advance receipts for wares	86,248	
Business tax received	Sales tax payable	3,105	
Other payables: related-party	Payables to related-parties	5,008	
Current account with others		195,000	
		<u>\$ <u>338,746</u></u>	

Statement of provisions - current

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Guarantee deposits received		<u>\$ <u>75,790</u></u>	

Great Wall Enterprise Co., Ltd.
Statement of other non-current liabilities
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Deferred credit		\$ <u><u>122,195</u></u>	

Statement of deferred tax liabilities

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Provision for the Land Value Increment Tax		\$ 20,754	
Defined benefit plans		21,135	
Unrealized exchange gains and losses		15,966	
Fair value gains		11,348	
		\$ <u><u>69,203</u></u>	

Great Wall Enterprise Co., Ltd.
Statement of operating revenue
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>	<u>Note</u>
Sale			
Products:			
Layer feeds	337,852,168	\$ 3,767,310	
Broiler feeds	199,409,601	3,112,230	
Swine feeds	128,947,526	1,817,502	
Contract swine	40,479,109	2,729,919	
Chicken meat	150,755,545	9,376,449	
Eggs	52,595,701	516,770	
Others	197,737,429	<u>2,723,640</u>	
Subtotal		<u>24,043,820</u>	
Corn	184,813,837	1,250,118	
Soybean meal (including soybeans)	139,591,934	1,828,033	
Others	26,619,316	<u>1,045,526</u>	
Subtotal		<u>4,123,677</u>	
Total operating revenue		28,167,497	
Sales returns		(55,544)	
Sales discounts		<u>(938,615)</u>	
Net operating profit		<u><u>\$ 27,173,338</u></u>	

Great Wall Enterprise Co., Ltd.

Statement of operating costs

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Inventory balance at 1 January	\$	740,938
Purchases of raw materials		16,571,464
Deduct: Raw materials transferred to cost of sales		(1,923,022)
Raw materials transferred to outsourced processing		(372,057)
Raw materials transferred to manufacturing expense		(147,393)
Raw materials transferred to operating expense		(480)
Variation from standard cost		(76,730)
Balance at December 31		(440,185)
Inventory balance at 1 January		5,132
Purchases		108,672
Deduct: Materials transferred to manufacturing expense		(105,485)
Materials transferred to other expense		(8)
Inventory balance at 31 December		(8,673)
Direct labor		643,422
Manufacturing expense		1,870,154
Add: Work-in-progress balance at 1 January		3,182
Deduct: Work-in-progress balance at 31 December		(3,075)
Add: Finished goods balance at 1 January		209,619
Biological assets: current		802,308
Biological assets: non-current		200,431
Farm products		175,982
Deduct: Finished goods balance at 31 December		(264,834)
Biological assets: current		(934,797)
Biological assets: non-current		(187,167)
Farm products		(43,129)
Transfers to operating expense		(8)
Transfers to manufacturing expense		(6,256)
Add: Transfers from outsourced finished goods (including processing cost)		467,493
Wages for farmers		1,830,526
Variation from standard cost		(1,962,275)
Finished goods purchased		4,196,360
Issuance of outsourced finished products		(71,373)
Add: Raw materials transferred to cost of sale		1,923,023
Less: Sale of rejectable waste		(80,018)
Total operating costs	\$	<u><u>23,121,741</u></u>

Great Wall Enterprise Co., Ltd.
Statement of selling expenses
For the year ended December 31, 2020
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 931,613	
Rent expense		14,646	
Stationery and supplies		4,137	
Travelling expense		33,428	
Freight		526,353	
Expected credit impairment loss on credit		24,290	
Postage expense		10,916	
Repairs and maintenance expense		25,690	
Advertisement expense		121,557	
Utilities expense		18,477	
Insurance expense		86,734	
Entertainment expense		12,000	
Donation expense		1,874	
Taxes		11,200	
Depreciations		66,813	
Meal expense		28,725	
Employee benefits		16,303	
Material expense		708	
Commission expense		2,389	
Training expense		2,660	
R&D expenses		7,011	
Sundry purchases		4,833	
Stock affairs service		6,132	
Pension		34,433	
Books and magazines		542	
Professional service fee		22,509	
Miscellaneous expense		80,864	
Feed inspection expense		4,043	
		<u>\$ 2,100,880</u>	

Great Wall Enterprise Co., Ltd.

Statement of finance costs

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Interest expense: borrowings		\$ 74,778	
Interest expense: lease liabilities		3,363	
		<u>\$ 78,141</u>	

Statement of the net amount of other revenues and gains and expenses and losses

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Other income (expenses)	Gains (losses) on financial assets (liabilities) at fair value through profit or loss	\$ (64,220)	
	Gains (losses) on disposals of property, plant and equipment	27,535	
	Rent income	38,531	
	Dividends income	83,267	
	Foreign exchange gains (losses)	252,442	
	Other	<u>81,562</u>	
		<u>\$ 419,117</u>	