

GREAT WALL ENTERPRISE CO., LTD.**Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020**

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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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Independent Auditors' Report

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

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

Our principal audit procedures include:

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

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

2. Assessing impairment of investments accounted for using equity method

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

Description of key audit matter:

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

How the matter was addressed in our audit:

Our principal audit procedures include:

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

KPMG

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

Notes to Readers

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

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

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

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

See accompanying notes to financial statements.

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

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

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

See accompanying notes to financial statements.

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

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

	Share capital		Retained earnings				Other equity interest				
	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, 2020	\$ 8,273,391	3,011,373	2,254,643	42,994	3,961,733	6,259,370	(899,515)	1,801,643	902,128	(219,132)	18,227,130
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
Profit for the year ended December 31, 2021	-	-	-	-	1,869,385	1,869,385	-	-	-	-	1,869,385
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	2,531	2,531	(118,564)	285,999	167,435	-	169,966
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	1,871,916	1,871,916	(118,564)	285,999	167,435	-	2,039,351
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	312,376	-	(312,376)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(2,233,816)	(2,233,816)	-	-	-	-	(2,233,816)
Stock dividends of ordinary share	248,202	-	-	-	(248,202)	(248,202)	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(7,339)	-	-	-	-	-	-	-	-	(7,339)
Adjustment of capital surplus for company's cash dividends received by subsidiaries	-	122,479	-	-	-	-	-	-	-	-	122,479
Balance on December 31, 2021	\$ 8,521,593	3,294,766	2,796,437	42,994	4,113,449	6,952,880	(920,308)	2,471,954	1,551,646	(219,132)	20,101,753

See accompanying notes to financial statements.

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

GREAT WALL ENTERPRISE CO., LTD.**Statements of Cash Flows****For the years ended December 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

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

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

(1) Company history

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

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

(Continued)

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

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

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

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

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

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

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

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

(Continued)

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(4) Summary of significant accounting policies:

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

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

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

(ii) Functional and presentation currency

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

(Continued)

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

(c) Foreign currencies

(i) Foreign currency transactions

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

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

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

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

(ii) Foreign operations

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

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

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

(Continued)

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

(d) Classification of current and non-current assets and liabilities

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

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

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

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

(e) Cash and cash equivalents

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

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

(f) Financial instruments

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

(Continued)

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

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

(Continued)

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

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

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

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

3) Fair value through profit or loss (FVTPL)

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

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

4) Business model assessment

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

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

(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.

(Continued)

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) 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.

(Continued)

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

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

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

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

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

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

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

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

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

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

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

(ii) As a lessor

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

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

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

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

(m) Impairment of non-financial assets

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

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

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

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

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

(Continued)

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

(n) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods – Feed and meat products

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

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

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

2) IT Consulting services/Advisory and Management

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

3) Financial components

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

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

(o) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

(iii) Short-term employee benefits

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

(p) Income taxes

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

(Continued)

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

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

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

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

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

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

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

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

(Continued)

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

(r) Operating segments

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

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

The preparation of the financial statements in conformity with the Regulations requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

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

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	\$ 6,481	5,000
Revolving funds	343	343
Check deposits	154,530	194,389
Demand deposits	73,914	85,863
Foreign currency deposits	10,039	4,920
Cash and cash equivalents	<u>\$ 245,307</u>	<u>290,515</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, 2021	December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Corn structured swaps	\$ 2,573	11,969
Forward exchange contracts	3,900	8,046
Non-derivative financial assets		
Stocks listed on domestic markets	439	439
Total	\$ 6,912	20,454
Held-for-trading financial liabilities:		
Derivative instruments not used for hedging		
Option contracts	\$ -	(1,010)
Forward exchange contracts	(25,046)	(22,189)
Total	\$ (25,046)	(23,199)

(i) Derivative financial instruments not designated as hedging instruments

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

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

(Continued)

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

(ii) Structured products and options trading

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

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

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

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

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

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

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

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

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

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

Sensitivity analysis- equity price risks:

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

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

(d) Notes and trade receivables

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

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

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

(Continued)

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

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

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

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

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

(e) Inventory

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

(Continued)

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

The details of the cost of sales were as follows:

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

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

(f) Biological assets

(i) Details of biological assets :

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

(Continued)

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

(ii) Changes in biological assets:

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

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

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

(Continued)

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

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

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

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

- (v) Fair value

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

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

- (i) Regulations and environmental risks

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

- (ii) Supply and demand risks

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

- (iii) Climate and other risks

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

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

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

(g) Prepayments

The details of prepayments are as follows :

	December 31, 2021	December 31, 2020
Prepayments to suppliers	\$ 44,919	85,609
Prepayments to breeders	53,570	16,766
Other	44,625	8,190
	<u>\$ 143,114</u>	<u>110,565</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, 2021	December 31, 2020
Subsidiary	<u>\$ 12,624,946</u>	<u>11,898,268</u>

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

(i) Property, plant and equipment

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

	Land	Buildings and Construction	Machinery and Equipment	Transportation equipment	Other facilities	Construction in progress	Accumulated impairment	Total
Cost or deemed cost :								
Balance at January 1, 2021	\$ 3,698,100	3,202,597	2,567,074	205,988	1,914,103	590,165	-	12,178,027
Other additions	328,551	48,004	-	33,337	43,079	818,505	-	1,271,476
Transfers	-	355,777	298,585	12,933	265,677	(932,972)	-	-
Disposal	-	-	(517)	(24,828)	(18,282)	(901)	-	(44,528)
Balance at December 31, 2021	<u>\$ 4,026,651</u>	<u>3,606,378</u>	<u>2,865,142</u>	<u>227,430</u>	<u>2,204,577</u>	<u>474,797</u>	<u>-</u>	<u>13,404,975</u>
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>
Depreciation and impairment loss :								
Balance at January 1, 2021	\$ -	1,327,230	2,020,292	124,378	1,288,659	-	1,500	4,762,059
Depreciation for the year	-	108,756	127,194	27,651	207,687	-	-	471,288
Disposal	-	-	(517)	(18,134)	(18,277)	-	-	(36,928)
Balance at December 31, 2021	<u>\$ -</u>	<u>1,435,986</u>	<u>2,146,969</u>	<u>133,895</u>	<u>1,478,069</u>	<u>-</u>	<u>1,500</u>	<u>5,196,419</u>

(Continued)

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

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

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

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

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

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

- (xv) The Company acquired three land lots (779) in the Fangzilin section of Dake District, Tainan City for \$10,255 thousand on August 3rd, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (xvi) The Company acquired three land lots (0318) in the Fangbei section of Fangyuan Township, Changhua County for \$12,003 thousand on October 19th, 2021. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the company.
- (xvii) Guarantees
- As of December 31, 2021 and 2020, the property, plant and equipment of the Company had not been pledged as collateral for short-term borrowings.
- (xviii) The Company did not capitalize any interests incurred due to the construction of plant and equipment in the years 2021 and 2020.
- (xix) For gain (loss) on disposal, please refer to Note 6(w).

(j) Right-of-use assets

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

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

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

(k) Investment property

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

The details of investment properties are as follows:

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

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

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

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

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

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

(l) Other non current assets - other

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

(m) Short-term borrowings

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

(i) Issuance and repayment of loans

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

(ii) Collateral for bank loans

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

(n) Short-term notes and bills payable

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

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

	December 31, 2021	December 31, 2020
Commercial paper payable	<u>\$ 2,500,000</u>	<u>1,700,000</u>
(i) Issuance and repayment		
		Total
Balance at January 1, 2021		\$ 1,700,000
New loans (Due date: from February 2021 to January 2022)		19,550,000
Loans repaid		<u>(18,750,000)</u>
Balance at December 31, 2021	<u>\$ 2,500,000</u>	
Unused short-term credit lines	<u>\$ 100,000</u>	
Range of interest rates		<u>0.828%-0.848%</u>
		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>	
Unused short-term credit lines	<u>\$ 700,000</u>	
Range of interest rates		<u>0.831%-0.898%</u>

(ii) Collateral for borrowings

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

(o) Lease liabilities

The carrying amounts of lease liabilities are as follows:

	December 31, 2021	December 31, 2020
Current	<u>\$ 46,948</u>	<u>46,575</u>
Non-current	<u>\$ 124,550</u>	<u>170,194</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,	
	2021	2020
Interest on lease liabilities	<u>\$ 2,690</u>	<u>3,363</u>
Expenses relating to short-term leases	<u>\$ 12,868</u>	<u>14,515</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 11,483</u>	<u>8,692</u>

(Continued)

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

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

	2021	2020
Total cash outflow for leases	<u>\$ 71,986</u>	<u>70,976</u>

(p) Operating lease

(i) Leases as lessor

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

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

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

(q) Employee benefits

(i) Defined benefit plans

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

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

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

	December 31, 2021	December 31, 2020
Total employee benefit assets	<u>\$ (108,490)</u>	<u>(105,259)</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.

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

1) Composition of plan assets

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

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

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

2) Movements in present value of the defined benefit obligations

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

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

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

3) Movements of defined benefit plan assets

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

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

4) Expenses recognized in profit or loss

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

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

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

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

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

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

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

6) Actuarial assumptions

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

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.70%	0.30%
Future salary increase rate	2.00%	2.00%

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

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

7) Sensitivity analysis

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

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

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

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

(ii) Defined contribution plans

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

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

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

(r) Income taxes

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

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

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

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

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

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

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

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

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

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

2) Recognized deferred tax assets and liabilities

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

Deferred Tax Liabilities:

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

Deferred Tax Assets:

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

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

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

(s) Capital and other equity

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

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

(expressed in thousands)

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

(i) Ordinary shares

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

(ii) Capital surplus

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

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

(Continued)

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

(iii) Retained earnings

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

1) Legal reserve

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

2) Special reserve

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

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

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

3) Earnings distribution

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

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

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

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

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

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

(iv) Treasury shares

Company shares held by subsidiaries

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

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

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

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

(v) Other equity interest

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

(Continued)

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

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

(t) Employee compensation and directors' remuneration

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

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

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

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

(u) Earnings per share

(i) Basic earnings per share

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

1) Profit attributable to ordinary shareholders of the Company

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

2) Weighted average number of ordinary shares

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

3) Basic earnings per share

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

(ii) Diluted earnings per share

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

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

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

(Continued)

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

2) Weighted average number of ordinary shares (diluted)

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

(v) Revenue from contracts with customers

(i) Details of revenue

	For the year ended December 31, 2021			
	Agriculture and Grains	Meat	Processed Foods	Total
Primary geographical markets:				
Taiwan	<u>\$ 17,839,081</u>	<u>12,957,859</u>	<u>815,266</u>	<u>31,612,206</u>
Major product line:				
Feed	\$ 15,719,783	1,994,734	-	17,714,517
Other	2,119,298	10,963,125	815,266	13,897,689
Total	<u>\$ 17,839,081</u>	<u>12,957,859</u>	<u>815,266</u>	<u>31,612,206</u>
	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	2,166,935	9,604,748	230,324	12,002,007
Total	<u>\$ 15,693,651</u>	<u>11,249,363</u>	<u>230,324</u>	<u>27,173,338</u>

(Continued)

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

(ii) Contract balances

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

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

Contract liabilities are recognized as other current liabilities, others.

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

(w) Net other income (expenses)

(i) Interest income

The details of interest income were as follows:

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

(ii) Other gains and losses

The details of other gains and losses were as follows:

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

(Continued)

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

(iii) Finance costs

The details of finance costs were as follows:

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

(x) Financial instruments

(i) Types of financial instruments

1) Financial assets

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

2) Financial liabilities

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

(Continued)

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

(ii) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

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

(iii) Liquidity risk

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

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

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

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

(iv) Currency risk

1) Exposure to foreign currency risk

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

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

2) Sensitivity analysis

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

3) Foreign exchange gain and loss on monetary items

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

(v) Interest rate analysis

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

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

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

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

(vi) Fair value of financial instruments

1) Fair value hierarchy

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

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

(Continued)

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

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

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

2) Valuation techniques for financial instruments measured at fair value

a) Financial instruments

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

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

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

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

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

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

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

c) Non-financial instruments

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

3) Transfers between Level 1 and Level 2

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

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

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
December 31, 2021 (Same as balance at January 1, 2021)	\$ 80,171
January 1, 2020	\$ 80,677
Capital reduction	(506)
December 31, 2020	\$ 80,171

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

The Company's Level 3 financial instruments mainly include financial assets: equity instruments measured at fair value through other comprehensive profit and loss.

The Company's Level 3 financial instruments measured at fair value possess multiple significant unobservable inputs. The significant unobservable input values of equity instrument investments without an active market are independent of each other, thus, there is no correlation between them.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income - equity investments without an active market	Comparable to listed companies	<ul style="list-style-type: none"> · Discount due to lack of market liquidity (30% for both 2021.12.31 and 2020.12.31) · P/E multiplier (9.14-32.71 and 18.39-26.49 for 2021.12.31 and 2020.12.31, respectively) 	<ul style="list-style-type: none"> · The higher the discount due to the lack of market liquidity, the lower the fair value · The higher the P/E multiplier and control premium, the higher the fair value

(Continued)

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

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's fair value measurement of financial instruments is reasonable, but using different evaluation models or evaluation parameters may lead to different evaluation results. Should the evaluation parameters change, the impact on the current profit and loss or other comprehensive income or loss for financial instruments classified as Level 3 is as follows:

		Increasing or decreasing	Other comprehensive income	
	Input		Favourable	Unfavourable
December 31, 2021				
Financial assets at fair value through profit or loss				
Equity instrument investment without an active market	P/E ratio	5%	4,645	(4,645)
December 31, 2020				
Financial assets at fair value through other comprehensive income				
Equity instrument investment without an active market	P/E ratio	5%	4,793	(4,793)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (vii) Offsetting financial assets and financial liabilities

The Company performs transactions not applicable to the International Financial Reporting Standards Sections 42 NO. 32, but the Company has an exercisable master netting arrangement or similar agreement in place with its counterparties, and both parties reach a consensus regarding net settlement. The aforesaid exercisable master netting arrangement or similar agreement can be settled at the total amount. In the event of default involving one of the parties, the other party can have the transaction net settled. Relevant information is presented as follows:

December 31, 2021						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ 3,900	-	3,900	3,900	-	-
Corn structured swaps	2,573	-	2,573	-	-	2,573
Total	\$ 6,473	-	6,473	3,900	-	2,573

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GREAT WALL ENTERPRISE CO., LTD.
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December 31, 2021						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ (25,046)	-	(25,046)	(3,900)	-	(21,149)
December 31, 2020						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ 8,046	-	8,046	8,046	-	-
Corn structured swaps	11,969	-	11,969	-	-	11,969
Total	\$ 20,015	-	20,015	8,046	-	11,969
December 31, 2020						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ (22,189)	-	(22,189)	(8,046)	-	(14,143)
Option contracts	(1,010)	-	(1,010)	-	-	(1,010)
Total	\$ (23,199)	-	(23,199)	(8,046)	-	(15,153)

Note: Master netting arrangements and non-cash financial collaterals are included.

(y) Financial risk management

(i) Overview

The Company has exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

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

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above-mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

The Company's main credit risk lies in financial products of cash, equity securities, and accounts receivable. Cash is kept in different financial institutions. Equity securities held are funds issued by listed companies with excellent credit ratings. The Company controls the credit risks exposed to each financial institution and believes that the Company's cash and equity securities held will not have a significant concentration of credit risk.

1) Trade and other receivables

The Company's main potential credit risk comes from financial products in accounts receivable and other receivables. In order to reduce credit risk, the company continuously evaluates the financial position of customers, regularly assesses the possibility of recovering accounts receivable, and makes allowances for doubtful debts. The total loss of doubtful debts is within the management's expectations.

The credit risk exposure of the Company is mainly affected by the individual conditions of each customer. However, management also considers statistical data of the customer base, including the default risk of the customer's industry and country, as these factors may affect credit risk.

The Company's Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed quarterly. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

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

The Company's main transaction customers are not new customers, and no impairment loss has been recognized for these customers. When monitoring the credit risk of customers, they are grouped according to their credit characteristics, including whether they are individuals or legal entities, whether they are distributors, retailers or end customers, their respective location, industry, age, expiry date, and previous existing financial difficulties. Customers rated as high risk will be monitored by the credit department.

The Company has set up allowances of doubtful debt to reflect estimates of the losses incurred in accounts receivable and other receivables and investments. The main components of the provision account include specific loss components related to individual major risk insurance, and the combined loss components established for similar asset groups that have occurred but have not been identified. The combined loss provision account is determined based on historical payment statistics of similar financial assets.

2) Investments

The Company places orders of equity securities and trades futures through the centralized market. It is expected that the counterparty will not default, so there is no significant credit transaction risk.

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

For more information on the Company's policy to provide financial guarantees as of December 31, 2021 and 2020, please refer to Note 13(a).

(iv) Liquidity risk

The Company's capital and working capital are sufficient to meet all contractual obligations, so there is no liquidity risk caused by the inability to raise funds to fulfill contractual obligations. The changes in the fair value of the investment of the Company included in the profit and loss of financial assets have an active market, so it is expected that the financial assets can be quickly sold in the market at a price close to the fair value. The open positions of futures held by the Company can be liquidated in the market at a reasonable price, hence the liquidity risk is very low. The exchange rate of the forward foreign exchange contracts held by the Company has been determined, and there is no significant cash flow risk.

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

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2021 and 2020, the Company's unused credit line were amounted to \$4,635,204 thousand and \$6,761,939 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

In addition to the financial assets measured by cost, equity securities held by the Company also have financial assets whose fair value changes are included in the profit and loss and financial assets available for sale. Therefore, such assets are measured by fair value. Subsequently, the Company will be exposed to the risk of price volatility in the equity securities market.

The Company's forward foreign exchange contracts are of a hedging nature, and the profits and losses arising from changes in interest rates or exchange rates will roughly offset the profits and losses of the hedged project, so the market price risk is not significant.

The Company engaged in futures and option trading contracts, and had set a stop loss point based on risk during operation. As the loss incurred can be controlled within the expected range, the market price risk is not significant to the company as a whole and can be reasonably expected.

1) Currency risk

The Company is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the NTD, US Dollar (USD), and Chinese Yuan (CNY). The currencies used in these transactions are the NTD, USD, and CNY.

At any point in time, the Company hedges its estimated foreign currency exposure with respect to its forecast sales and purchases over the following six months. The Company also uses forward exchange contracts with a maturity of less than one year from the reporting date to hedge its currency risk.

For companies that use NTD as their functional currency, all USD loans borrowed will be hedged using forward contracts with the same maturity date as the loan repayment date.

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GREAT WALL ENTERPRISE CO., LTD.
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Loan interest is priced in the currency of its principal. Typically, the currency of the loan is the same as the currency of the cash flow generated by the operation of the Company, mainly denominated in NTD, but sometimes in USD or CNY. In this case, economic hedging is provided without the need to sign derivatives, so hedging accounting is not adopted.

Regarding other monetary assets and liabilities denominated in foreign currencies, the Company buys or sells foreign currencies at real-time exchange rates to ensure that the net exposure risk remains at an acceptable level when short-term imbalances occur.

2) Interest rate risk

On December 31, 2021 and 2020, the short-term and long-term borrowings of the Company consisted of debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term and long-term borrowings to change accordingly. For detailed interest rate analyses with respect to fluctuations in future cash flows, please refer to Note 6(x).

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company's exposure to equity price risk is mainly due to the equity financial instruments within the food industry on Taiwan's local stock exchange. In addition to meeting the expected consumption and sales demand, the Company has not signed any commodity contracts; these commodity contracts are not delivered on a net basis.

(z) Capital management

The Board of Directors' policy is to maintain a sound capital base to preserve the confidence of investors, creditors, and the market in order to support the development of future operations. Capital includes share capital, capital reserves, retained earnings, non-controlling interests and net liabilities of the Company. The Board of Directors controls the debt-to-capital ratio and at the same time controls the level of ordinary stock dividends.

The Company's debt-to-equity ratios at the end of the reporting period as of December 31, 2021 and 2020, are as follows:

	December 31, 2021	December 31, 2020
Total liabilities	\$ 12,388,334	9,734,763
Less: Cash and cash equivalents	(245,307)	(290,515)
Net debt	\$ 12,143,027	9,444,248
Total equity	\$ 20,101,753	20,181,078
Debt-to-equity ratio	37.66 %	31.88 %

(Continued)

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

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

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2021 and 2020, were as follows:

- (i) For right-of-use assets under leases, please refer to Note 6(j).
(ii) Reconciliation of liabilities arising from financing activities were as follows:

	<u>2021.1.1</u>	<u>Cash flow</u>	<u>Non-cash changes</u>			<u>December 31, 2021</u>
			<u>Rent</u>	<u>Changes in exchange rates</u>	<u>Acquisitions</u>	
Short-term borrowings	\$ 4,638,406	2,214,220	-	-	-	6,852,626
Short-term notes and bills payable	1,700,000	800,000	-	-	-	2,500,000
Guarantee deposits received	75,790	5,997	-	-	-	81,787
Lease liabilities	216,769	(44,945)	(326)	-	-	171,498
Other current liabilities, others	195,000	60,000	-	-	-	255,000
Total liabilities from financing activities	<u>\$ 6,825,965</u>	<u>3,035,272</u>	<u>(326)</u>	<u>-</u>	<u>-</u>	<u>9,860,911</u>

	<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>	
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>6,825,965</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

The followings are related parties that have made transactions with the Company during the periods covered in the financial statements.

<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

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GREAT WALL ENTERPRISE CO., LTD.
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<u>Name of related party</u>	<u>Relationship with the Company</u>
Honolulu Chain Food & Beverage Co., Ltd.	Subsidiaries
Xiang Cheng Co., Ltd.	Subsidiaries
An Hsin Chiao Chu Co., Ltd.	Subsidiaries
Wonder Biotek Co., Ltd.	Subsidiaries
Zhong Yi Food Co., Ltd.	Subsidiaries
Route 66 Fast Food Ltd.	Subsidiaries
Saboten (China) Limited	Subsidiaries
Beijing Universal Chain Food Co., Ltd.	Subsidiaries
Yung Huo (China) Co., Ltd.	Subsidiaries
Tianjin Fast Food Co.,Ltd	Subsidiaries
Tai Ji Food Co., Ltd.	Subsidiaries
Nanjing Tengcheng Enterprise Management Co., Ltd	Subsidiaries
Shanghai Universal Chain Food Co., Ltd.	Subsidiaries
Saboten (Beijing) Limited	Subsidiaries
Shanghai Xunshi Foods Co., Ltd.	Subsidiaries
Beijing Duhsiaoyueh Restaurant Co.,Ltd	Subsidiaries
Shanghai Duhsiaoyueh Restaurant Co.,Ltd	Subsidiaries
Great Wall Yung Huo Food (Beijing) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies Corporation	Subsidiaries
Waverley Star Ltd.	Subsidiaries
Great Wall Food (HK) Co., Ltd.	Subsidiaries
DaChan Showa Foods (Tianjin) Co., Ltd.	Subsidiaries
Seafood Internation Co., Ltd.	Subsidiaries
Tianjin Food Investment Co. Ltd.	Subsidiaries
Global Food Corporation	Subsidiaries
Clydebridge Ltd.	Subsidiaries
GreatWall Food Investment Co., Ltd.	Subsidiaries
Golden Harvest Inc.	Subsidiaries
Fresh Aqua Corporation	Subsidiaries
Great Wall FeedTech (Holdings) Ltd.	Subsidiaries
Asia Nutrition Technologies Investment Corporation	Subsidiaries

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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>
Dachan Food (Asia) Limited	Subsidiaries
Great Wall Northeast Asia Corporation	Subsidiaries
Impreza Investment Ltd.	Subsidiaries
Great Wall Agritech (Liaoning) Co., Ltd. (Incorporated in BVI)	Subsidiaries
Dongbei Agri. Corp.	Subsidiaries
Hwabei Agri. Corp.	Subsidiaries
Great Wall Kuang Ming Investment Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Subsidiaries
Marksville Corp.	Subsidiaries
China S&F Farm Holdings Co., Ltd.	Subsidiaries
Great Wall Dalian Investment Co., Ltd.	Subsidiaries
Miyasun Great Wall (BVI) Co., Ltd.	Subsidiaries
Miyasan-Great Wall Foods (Dalian) Co., Ltd.	Subsidiaries
Great Wall Food (Dalian) Co., Ltd.	Subsidiaries
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Subsidiaries
Great Wall Agritech (Liaoning) Co., Ltd.	Subsidiaries
Great Wall Agri (Hei Long Jiang) Co., Ltd.	Subsidiaries
Great Wall Agri (Henan) Co., Ltd.	Subsidiaries
Great Wall Agrotech Huludao Co., Ltd.	Subsidiaries
Great Wall Agri (Yingkou) Co., Ltd.	Subsidiaries
Great Wall Agri (Tieling) Co., Ltd.	Subsidiaries
DongBei Agri (Changchun) Co., Ltd.	Subsidiaries
Dachan Livestock Development Co, Ltd.	Subsidiaries
DaChan (Hunan) Feed Technologies Co., Ltd.	Subsidiaries
Dachan Food (Hebei) Co., Ltd.	Subsidiaries
Dachan Food (Panjin) Co., Ltd.	Subsidiaries
Dachan Wanda (HK) Ltd.	Subsidiaries
Union Manufacturing Ltd.	Subsidiaries
Dongbei (Beijing) Consultant Co., Ltd.	Subsidiaries

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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>
Dachan Wanda (Tianjin) Co., Ltd.	Subsidiaries
Yanzhou Dachan Food Co., Ltd.	Subsidiaries
Great Wall Gourmet (Shanghai) Co., Ltd.	Subsidiaries
Taixu & Dachan Foods Holdings Co., Ltd.	Subsidiaries
Zhenglanqi Dachan Eco-Ranch Co., Ltd.	Subsidiaries
Dachan Agricultural Technologies (Sichuan) Co., Ltd.	Subsidiaries
Bengbu Dachan Food Co., Ltd.	Subsidiaries
Tianjin Dachan Prospect Research and Development Co., Ltd.	Subsidiaries
Taixu & Dachan Foods (HK) Co., Ltd.	Subsidiaries
Taixu & Dachan Foods (Dalian) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (HN) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (VN) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (LN) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (MV) Co., Ltd.	Subsidiaries
Asia Nutrition Technologies (Feed) Co., Ltd.	Subsidiaries
Dachan (Asia Pacific) Limited.	Subsidiaries
Dachan (VN) Company Limited	Subsidiaries
Dachan Aquaculture Limited.	Subsidiaries
PT. MUSTIKA MINANUSA AURORA.	Subsidiaries
PT. MISAJA MITRA	Subsidiaries
Dachan Aqua(Tarakan) Ltd.	Subsidiaries
PT. DACHAN MUSTIKS AURORA	Subsidiaries
Great Wall Food (Tianjin) Co., Ltd.	Subsidiaries
TNT Biotechnology Co., Ltd.	Subsidiaries
TNT Biotechnology (Tianjin) Co., Ltd.	Subsidiaries
Great Wall Milling Co., Ltd.	Subsidiaries
Great Wall FeedTech (Tianjin) Co., Ltd.	Subsidiaries
Grea Wall FeedTech (Ningxia) Co., Ltd.	Subsidiaries
Myint Dachan Company Limited	Subsidiaries
FoodChina Company	Subsidiaries (Note)
FoodChina Company	Associates (Note)

(Continued)

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

<u>Name of related party</u>	<u>Relationship with the Company</u>
Neo Foods Co., Ltd.	Subsidiaries
Fresh Aqua Limited	Subsidiaries
Global Seafood Limited	Subsidiaries
Pacific Harvest Limited	Subsidiaries
Seafood International Limited	Subsidiaries
Global Seafood Limited	Subsidiaries
Pacific Harvest Limited	Subsidiaries
Universal Food Limited	Subsidiaries
Great Wall Grains International Limited	Subsidiaries
Beijing Sisters Kitchen Food and Beverage Management Co.	Key management personnel
Kou Feng Industrial Co., Ltd.	Other related party
TTET Union Corporation	Other related party
Master Channels Corporation	Other related party
San Inn Abattoir Corporation	Associates

Note: Recognized as a subsidiary since the third financial quarter of 2020.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales by the Company to related parties were as follows:

	For the years ended December 31,	
	2021	2020
Subsidiary	\$ 4,580,296	4,425,654
Associate	38,771	4,433
Other related parties	68,808	5,975
	\$ 4,687,875	4,436,062

The abovementioned sales price and terms of trade are not significantly different from that of regular sales with other customers.

The sales price of Mei Lan Lei Co., Ltd. is adjusted according to the market price and the Company's policies. The credit period is 2 months.

Trade receivable from related parties were uncollateralized, and no expected credit loss were required after the assessment by the management.

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GREAT WALL ENTERPRISE CO., LTD.
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(ii) Purchases

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

	For the years ended December 31,	
	2021	2020
Mei Lan Lei Co., Ltd.	\$ 4,113,884	3,780,189
Subsidiary	2,103,783	1,194,238
Associate	378	-
Other related parties	158,631	267,430
	\$ 6,376,676	5,241,857

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors except for Total Nutrition Tech Co., Ltd. and Mei Lan Lei Co., Ltd.. For Total Nutrition Tech Co., Ltd., the price was cost plus \$3,000 per metric ton; for Mei Lan Lei Co., Ltd., the price was set following the market price and then adjusted in accordance with company policies.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2021	December 31, 2020
Notes receivables	Associate	\$ 2,313	-
Trade receivables	Zhong Yi Food Co., Ltd.	596,259	415,517
Trade receivables	Subsidiary	36,373	16,410
Trade receivables	FoodChina Company	332,363	320,770
Trade receivables	Other related parties	13,308	1,488
Trade receivables	Associate	2,659	-
Other financial assets	Subsidiary	2,049	2,785
		\$ 985,324	756,970

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

(iv) Payables to Related Parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes payable	Mei Lan Lei Co., Ltd.	\$ 282,590	24,418
Notes payable	Subsidiary	43	5,584
Trade payable	Mei Lan Lei Co., Ltd.	169,397	204,028
Trade payable	Subsidiary	133,908	86,791
Trade payable	Associate	1,694	-
Other payable	Subsidiary	2,046	5,008
Trade payable	Other related parties	<u>172</u>	<u>5,417</u>
		<u>\$ 589,850</u>	<u>331,246</u>

(v) Property transaction

1) Purchases of property, plant and equipment

On October 8, 2021, the Company purchased land located at the Koulian Section of Yangmei District from a related party. The land was 587.12 square feet and the transaction price was \$15,399 thousand. As of December 31, 2021, ownership of the land has been transferred and all payments have been settled.

2) Disposals of property, plant and equipment

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

<u>Type of related party</u>	<u>For the years ended December 31,</u>			
	<u>2021</u>		<u>2020</u>	
	<u>Disposal price</u>	<u>Gain (loss) from disposal</u>	<u>Disposal price</u>	<u>Gain (loss) from disposal</u>
Zhong Yi Food Co., Ltd.	<u>\$ -</u>	<u>-</u>	<u>820,420</u>	<u>-</u>

In 2020, the Company sold land and buildings located in Chiayi to a related party, Zhong-Yi Food Co., Ltd.. The total disposal price was \$820,420 thousand, which comprised of land totaling \$149,176 thousand, buildings totaling \$144,118 thousand, equipment totaling \$447,787 thousand, and construction in progress totaling \$79,339 thousand. Pricing of the above land and buildings was based on the valuation report from the CCIS Real Estate Joint Appraisers Firm, with the carrying amount as the trading price. Ownership of the land has been transferred. As of May 25, 2020, the payments have been settled.

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

(vi) Loans to Related Parties

The loans to related parties were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Mei Lan Lei Co., Ltd.	\$ 161,397	576,228
Oriental Best Foods Co., Ltd.	56,000	36,000
Great Wall International (Holdings) Ltd.	<u>278,140</u>	<u>-</u>
	<u><u>\$ 495,537</u></u>	<u><u>612,228</u></u>

The interest charged to the Company is 1.2%. The loans to related parties are unsecured. As of December 31, 2021 and 2020, interest expense was \$2,873 thousand and \$8,929 thousand, respectively.

(vii) Borrowings from Related Parties

The borrowings from related parties were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total Nutrition Tech. Co., Ltd.	\$ 240,000	180,000
Subsidiary	<u>15,000</u>	<u>15,000</u>
	<u><u>\$ 255,000</u></u>	<u><u>195,000</u></u>

The interest charged to the Group is 1.2%. The interest-bearing borrowings provided from related parties are unsecured. As of December 31, 2021 and 2020, interest expense was \$2,513 thousand and \$931 thousand, respectively.

(viii) Leases

<u>Lessee</u>	<u>Lease period</u>	<u>Item</u>	<u>Terms of payment</u>	<u>Rental income</u>	
				<u>2021</u>	<u>2020</u>
Subsidiary	2013.01-2026.04	Land, factory, office, dormitory, and warehouse	Monthly	\$ 23,479	27,030
Subsidiary	Cancellable lease	Dormitory	Monthly	<u>257</u>	<u>296</u>
				<u><u>\$ 23,736</u></u>	<u><u>27,326</u></u>

The Company leased land, property, machinery, and surrounding facilities in Liuying from its subsidiary, Mei Lan Lei, Co., Ltd.. The lease period lasts from March 1, 2018 till December 31, 2021. When IFRS 16 was first applied to this lease on January 1, 2019, right-of-use assets of 166,186 thousand and lease liabilities of 166,186 thousand was recognized, respectively. For the years ended December 31, 2021 and 2020, 1,498 thousand and 1,907 thousand of interest expense was recognized, respectively. As of December 31, 2021 and 2020, lease liabilities amounted to 84,961 thousand and 112,443 thousand, respectively.

(Continued)

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

In December 2019, the Company signed a 10-year lease for the machinery of the Ma Chouhou meat processing plant with a contract value of 18,000 thousand. When IFRS 16 was first applied to this lease on December 1, 2019, right-of-use assets of 16,705 thousand and lease liabilities of 16,705 thousand were recognized, respectively. For the year ended December 31, 2021 and 2020, there were no interest expense recognized. As of December 31, 2021 and 2020, lease liabilities both amounted to 16,705 thousand.

(ix) Management services

Management services for the years ended December 31, 2021 and 2020 comprised:

	For the years ended December 31,	
	2021	2020
Subsidiaries	<u>\$ 10,062</u>	<u>10,316</u>

(x) Processing fee

Processing fees in 2021 and 2020 are as follows:

	For the years ended December 31,	
	2021	2020
Subsidiaries	<u>\$ 47,937</u>	<u>38,614</u>

(c) Key management personnel compensation

Key management personnel compensation comprised:

	For the years ended December 31,	
	2021	2020
Short term employee benefits	\$ 122,315	126,723
Post-employment benefits	<u>1,305</u>	<u>1,150</u>
	<u>\$ 123,620</u>	<u>127,873</u>

In 2021 and 2020, the Company recognized costs of \$5,533 thousand and \$8,580 thousand for 3 and 5 cars for the use of key management personnel, respectively.

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Other current assets, others	Natural gas, fertilizers, lease premium, etc.	<u>\$ 4,144</u>	<u>2,916</u>

(Continued)

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

(9) Commitments and contingencies:

(a) The Company's unrecognized contractual commitments are as follows:

	December 31, 2021	December 31, 2020
Acquisition of property, plant and equipment (unpaid)	<u>\$ 1,307,906</u>	<u>888,292</u>

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

	December 31, 2021	December 31, 2020
Outstanding standby letter of credit	<u>USD 80,378</u>	<u>22,003</u>
	<u>EUR -</u>	<u>1,776</u>

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

	December 31, 2021	December 31, 2020
Outstanding promissory notes	<u>\$ 13,758,400</u>	<u>11,911,200</u>

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

(a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the year ended December 31					
		2021			2020		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		950,507	831,924	1,782,431	781,676	877,663	1,659,339
Labor and health insurance		94,687	72,138	166,825	73,342	73,972	147,314
Pension		30,521	33,598	64,119	26,460	34,433	60,893
Remuneration of directors		-	42,700	42,700	-	53,950	53,950
Others		65,465	40,678	106,143	56,311	45,028	101,339
Depreciation		455,790	70,226	526,016	394,115	66,813	460,928
Depletion		-	-	-	-	-	-
Amortization		17,898	-	17,898	16,709	-	16,709

(Continued)

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

A summary of the number of employees and employee benefit expenses is as follows:

	For the years ended December 31,	
	2021	2020
Number of employees	<u>2,569</u>	<u>2,462</u>
Board of directors	<u>7</u>	<u>7</u>
Average employee benefit expense	<u>\$ 827</u>	<u>802</u>
Average employee wage expense	<u>\$ 696</u>	<u>676</u>
Average employee wage adjustment rate	<u>2.96 %</u>	<u>0.90 %</u>
Supervisors' remuneration	<u>\$ -</u>	<u>-</u>

The Company's emolument policy (including the Board of Directors, managers, and employees) are as follows:

Great Wall Enterprise Co., Ltd.'s emolument policy is committed to provide employees with salaries and benefits above the industry average. Employees' remuneration includes a monthly salary, and quarterly performance bonuses. The bonus based on the company's annual profitability, taking the Company's operation results into consideration, will be used to determine the total amount of performance bonuses and emolument. The Company's memorandum stipulates that employee bonuses cannot be less than 2% of the Company's annual profits. The amount and method of distribution of managers and employees' remuneration depends on their position, contribution, and performance, which will then be approved by the Board of Directors through the remuneration committee.

Board members' remuneration depends on their position, contribution, and business performance of the Company while accounting for future risks. The Company's memorandum stipulates that remuneration for Board of Directors cannot exceed 2% of the Company's annual profits, and shall be approved by the Board of Directors through the remuneration committee as stipulated in the remuneration policies.

(Continued)

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

(13) Other disclosures:**(a) Information on significant transactions:**

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Great Wall Enterprise Co., Ltd.	City Chain Food Ltd.	Other receivables : related parties	Yes	100,000	100,000	-	1.2%	2	-	Business financing	-	None	-	4,020,351	8,040,701
0	"	Mei Lan Lei Co., Ltd.	"	Yes	1,600,000	1,600,000	161,397	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Total Nutrition Tech. Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Huang-Ho Invest. Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Oriental Best Foods Co., Ltd.	"	Yes	100,000	100,000	56,000	1.2%	2	-	"	-	"	-	4,020,351	8,040,701
0	"	Great Wall International (Holdings) Ltd.	"	Yes	417,150	415,350	276,900	0%	2	-	"	-	"	-	4,020,351	8,040,701
1	Great Wall International (Holdings) Ltd.	Great Wall Milling Co., Ltd.	"	Yes	8,559	7,199	7,199	0%	2	-	"	-	"	-	3,034,667	3,034,667
1	"	GREAT WALL INTERNATIONAL LIMITED	"	Yes	279,660	276,900	-	0%	2	-	"	-	"	-	3,034,667	3,034,667
1	"	Tianjin Food Investment Co., Ltd.	"	Yes	314,805	276,346	276,346	2%	2	-	"	-	"	-	3,034,667	3,034,667
2	Dachan Food (Asia) Limited	Dachan Food (Asia) Limited	"	Yes	1,328,197	1,301,430	1,301,430	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Miyasun-Great Wall Foods (Dalian) Co., Ltd.	"	Yes	99,859	96,915	96,915	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Great Wall Agri (Yingkou) Co., Ltd.	"	Yes	456,496	443,040	443,040	0%	2	-	"	-	"	-	3,327,053	3,327,053
2	"	Dachan Food (Hebei) Co., Ltd.	"	Yes	251,073	243,672	243,672	0%	2	-	"	-	"	-	3,327,053	3,327,053
3	Route 66 Fast Food Ltd.	Beijing Universal Chain Food Co., Ltd.	"	Yes	55,502	54,501	54,501	0%	2	-	"	-	"	-	382,712	382,712
3	"	Tai Ji Food Co., Ltd.	"	Yes	41,969	40,843	40,843	0%	2	-	"	-	"	-	382,712	382,712
3	"	Tianjin Food Invest Co., Ltd.	"		27,414	16,122	16,122	0%		-	"	-	"	-	382,712	382,712
4	City Chain Food Ltd.	Tai Ji Food Co., Ltd.	"	Yes	31,384	30,459	30,459	0%	2	-	"	-	"	-	765,675	765,675
4	"	Tianjin Food Invest Co., Ltd.	"	Yes	135,744	133,766	133,766	0%	2	-	"	-	"	-	765,675	765,675
4	"	Route 66 Fast Food Ltd.	"	Yes	82,252	80,118	80,118	0%	2	-	"	-	"	-	765,675	765,675

(Continued)

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

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
4	City Chain Food Ltd.	Ma Cheng Co., Ltd.	Other receivables : related parties	Yes	5,000	5,000	5,000	1.2%	2	-	Business financing	-	None	-	765,675	765,675
4	"	Great Wall Enterprise Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	765,675	765,675
5	Dachan Aquaculture Limited (DAL)	PT. Misaja Mitra (MM)	"	Yes	51,313	49,801	49,801	0%	2	-	"	-	"	-	225,494	225,494
5	Mei Lan Lei Co., Ltd.	PT. Mustika Minanusa Aurora (MMA)	"	Yes	14,266	13,845	13,845	0%	2	-	"	-	"	-	225,494	225,494
6	Greatwall Northeast Asia Corporation (NAC)	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	627,682	609,180	609,180	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	218,491	217,860	217,860	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Liaoning Great Wall Agri-Industrial Co., Ltd.	"	Yes	349,586	348,576	348,576	0%	2	-	"	-	"	-	3,478,044	3,478,044
6	"	Bengbu Dachan Food Co., Ltd.	"	Yes	305,888	305,004	305,004	0%	2	-	"	-	"	-	3,478,044	3,478,044
7	Total Nutrition Tech. Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	240,000	240,000	240,000	1.2%	2	-	"	-	"	-	309,161	309,161
7	"	Oriental Best Foods Co., Ltd.	"	Yes	50,000	50,000	-	1.2%	2	-	"	-	"	-	309,161	309,161
8	Great Wall Feed Tech (Holdings) Ltd. (GWFT(BVI))	Great Wall FeedTech (Tianjin) Co., Ltd.	"	Yes	28,531	-	-	0%	2	-	"	-	"	-	167,675	167,675
9	Taixu & Dachan Foods Co., Ltd.	Taixu & Dachan Foods (Bengbu) Co., Ltd.	"	Yes	78,864	34,858	34,858	0%	2	-	"	-	"	-	180,396	180,396
10	Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	100,000	100,000	-	1.2%	2	-	"	-	"	-	721,841	721,841
10	"	Wonder Biotek Co., Ltd.	"	Yes	20,000	20,000	3,500	1.2%	2	-	"	-	"	-	721,841	721,841
11	Neo Foods Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	15,000	15,000	15,000	1.2%	2	-	"	-	"	-	13,378	13,378
12	TNT Biotechnology Co., Ltd.	Great Wall International (Holdings) Ltd.	"	Yes	24,251	23,537	23,537	0%	2	-	"	-	"	-	129,103	129,103
13	Wonder Biotek Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	25,000	-	-	1.2%	2	-	"	-	"	-	23,910	23,910
14	TNT Biotechnology (Tianjin) Co., Ltd.	Beijing Universal Chain Food Co., Ltd.	"	Yes	5,280	-	-	0%	2	-	"	-	"	-	309,161	309,161
11	GREAT WALL GRAINS INTERNATIONAL LIMITED (GWGI)	Great Wall International (Holdings) Ltd.	"	Yes	236,289	47,073	47,073	0%	2	-	"	-	"	-	52,922	52,922

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GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

Note 1: The purposes of fund financing for the borrower are classified as follows:

1. For those with business dealings: 1.
2. For those with short-term financing: 2.

Note 2: The total amount of loans to other parties must not exceed 40% of the Company's net worth, while loans to individual entities must not exceed 20% of the Company's net worth.

Note 3: The above-mentioned loans and transactions to related parties have been written off.

Note 4: For the subsidiaries, the total amount of loans to other parties and to individual entities must not exceed 40% of its net worth.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	Great Wall International (Holdings) Ltd.	Great Wall Milling Co., Ltd.	2	7,586,667	342,372	332,280	249,653	-	4.38 %	15,173,334	Y		
1	"	Seafood International Inc.	2	7,586,667	285,310	276,900	13,568	-	3.65 %	15,173,334	Y		
1	"	Great Wall Grains International, Ltd.	2	7,586,667	1,401,665	1,384,500	-	-	18.25 %	15,173,334	Y		
1	"	Dachan Liangyou Food (Shanghai) Co., Ltd.	2	7,586,667	309,513	305,004	156,859	-	4.02 %	15,173,334			Y
3	Asia Nutrition Technologies (VN) Co., Ltd.	ANT FEED CO., LTD.	6	370,751	85,593	-	-	-	- %	741,502			
4	Liaoning Great Wall Agri-Industrial Co., Ltd.	1. Dachan Food (Hebei) Co., Ltd. 2. Dachan Wanda (Tianjin) Co., Ltd.	4	1,316,048	30,951	30,500	5,141	-	2.32 %	2,632,096			Y
5	Great Wall Agri (Hei Long Jiang) Co., Ltd	Liaoning Great Wall Agri-Industrial Co., Ltd.	4	233,559	14,061	-	-	-	- %	467,118			Y
6	Dachan Food (Asia) Limited	Bengbu Dachan Food Co., Ltd.	4	4,158,816	1,966,421	1,960,740	-	-	47.15 %	8,317,632	Y		Y

Note 1: Guarantees and endorsements for other parties are classified into six types of relationships as follows:

1. For those with business dealings.
2. For subsidiaries with over 50% of common shares.
3. When the parent company and its subsidiaries own more than 50% of common shares of the invested company.
4. When the parent company owns more than 50% of common shares of the company either directly or indirectly through its subsidiaries.
5. For those in the same industry who are contractually obligated to endorse each other due to projects.
6. For companies that are endorsed and guaranteed by each investor based on their shareholding ratio due to joint ventures.
7. For companies in the same industry engaged in pre-sale house sales contracts who are contractually obligated to provide guarantees and endorsements in accordance with the Consumer Protection Act.

Note 2: The total amount of guarantees and endorsements for other parties must not exceed the Company's total net worth, while guarantees and endorsements for individual entities must not exceed 50% of the Company's net worth.

Note 3: For subsidiaries, the total amount of guarantees and endorsements for other parties must not exceed double its total net worth and must not be higher than the Company's total net worth. Guarantees and endorsements for individual entities must not exceed the subsidiary's total net worth, and must not be higher than 50% of the Company's total net worth.

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

(iii) Securities held as of December 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Great Wall Enterprise Co., Ltd.	Ordinary shares: Lien Hwa Industrial Holdings Corp.	Board of Directors	Financial assets measured at fair value through profit or loss: current	36,974	439	-	439	
	Ordinary shares: TTET Union Co.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	15,416,960	2,443,588	9.64	2,443,588	
	Ordinary shares: China Trade and Development Co.	-	"	20,004	199	0.03	199	
	Ordinary shares: Da Chiang International Co., Ltd.	Board of Directors	"	7,889,655	56,615	3.94	56,615	
	Ordinary shares: ZHONG ZHENG CO.,LTD.	-	"	461,760	4,618	2.59	4,618	
	Ordinary shares: Yo-Ho Beach Resort Co., Ltd.	-	"	1,848,000	16,800	1.81	16,800	
	Ordinary shares: Deyong Biological Technology Co., Ltd.	Board of Directors	"	117,997	459	3.70	459	
	Ordinary shares: Yahsen Frozen Foods Co., Ltd.	-	"	40,425	-	0.08	-	
	Ordinary shares: Hsin Tung Yang Co. Ltd.	-	"	137,000	1,480	0.16	1,480	
Huang-Ho Invest. Co., Ltd.	Great Wall Enterprise Co., Ltd.	Company	Treasury shares	20,264,416	121,687	2.38	1,082,120	
	Ordinary shares: Da Chiang International Co., Ltd.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	1,724,138	12,500	0.86	12,500	
Huang-Ho Invest. Co., Ltd.	Ordinary shares: TTET Union Co.	Board of Directors	"	2,457,997	389,593	1.54	389,593	
City Chain Food Ltd.	Great Wall Enterprise Co., Ltd.	Company	Treasury shares	26,458,889	128,909	3.10	1,412,905	
Oriental Best Foods Co., Ltd.	Cashbox Partyworld Co., Ltd.	-	Financial assets measured at fair value through other comprehensive profit or loss: non-current	26,010	1,055	0.02	1,055	
Route 66 Fast Food Ltd.	Beijing Hengfengtai Catering Management Co., Ltd.	-	"	-	6,643	9.09	6,643	
Great Wall Food (Hong Kong) Co., Ltd.	Dynasty Club	-	"	-	337	-	337	

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

- For those with an open market price, it refers to the average closing price as of the date on the balance sheet. However, for open end funds, the market price refers to its net asset value as of the date on the balance sheet.
- For those without an open market price, net asset value per share is used.

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
Great Wall Enterprise Co., Ltd.	Non-listed stock	Investment using the equity method	Great Wall International (Holdings) Ltd.	Subsidiary	70,490,813	6,963,941	20,000,000	613,129	-	-	-	-	90,490,813	7,577,070
Great Wall International (Holdings) Ltd.	Non-listed stock	Investment using the equity method	Great Wall Northeast Asia Corporation (NAC)	Subsidiary	-	-	4,989,854	1,468,127	-	-	-	-	4,989,854	1,468,127
Great Wall Northeast Asia Corporation (NAC)	Non-listed stock	Investment using the equity method	Great Wall International (Holdings) Ltd.	Subsidiary	4,989,854	1,444,628	-	-	4,989,854	1,612,160	1,444,628	167,532	-	-

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

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Great Wall Enterprise Co., Ltd.	Land	2021.11.5	680,600	Not complete	Chiayi County Government	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Auction	To advance its food-processing abilities	

Note: Information not found as the previous transaction transpired too long ago.

- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Subsidiary	Purchase	4,113,884	16 %	2 months	-	-	(451,987)	(33)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Associate / Subsidiary	Sale	1,283,252	4 %	Same as regular customers	-	-	332,363	8 %	
Great Wall Enterprise Co., Ltd.	TTET Union Corporation	Other related party	Purchase	158,631	1 %	Same as regular customers	-	-	(9)	- %	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Subsidiary	Purchase	341,163	1 %	Same as regular customers	-	-	(34,053)	(3)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Associate / Subsidiary	Purchase	1,036,825	4 %	Same as regular customers	-	-	(92,059)	(7)%	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Subsidiary	Sale	1,893,867	6 %	2 months	-	-	-	- %	
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Subsidiary	Sale	1,141,948	4 %	270 days	-	-	596,259	21 %	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Subsidiary	Sale	183,734	1 %	Same as regular customers	-	-	27,447	1 %	
Mei Lan Lei Co., Ltd.	TTET Union Corporation	Other related party	Purchase (Outsourced)	281,360	- %	Same as regular customers	-	-	-	- %	
Great Wall Enterprise Co., Ltd.	Great Wall Grains International, Ltd.	Subsidiary	Purchase	687,095	- %	Same as regular customers	-	-	-	- %	

Note: Transactions between the parent company and its subsidiaries have been written off.

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

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Great Wall Enterprise Co., Ltd.	FoodChina Company	Subsidiary	332,363 (Note)	3.93 %	-		332,263	-
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Subsidiary	596,259 (Note)	15.59 %	-		22,341	-
Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	Subsidiary	451,987 (Note)	8.72 %	-		(451,987)	-

Note 1: Refers to trade receivables and notes receivables.

Note 2: Transactions between the parent company and its subsidiaries have been written off.

- (ix) Trading in derivative instruments:Please refer to notes 6(b)

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

(x) Business relationships and significant intercompany transactions:

For business relationships and significant intercompany transactions between the parent company and its subsidiaries (written off in the consolidated financial statements), please refer to "Business relationships and significant intercompany transactions" in the consolidated financial statements for the year ended December 31, 2021.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2021 (excluding information on investees in Mainland China):

(In USD/HKD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Taiwan	Feed	314,006	314,006	48,149,500	100.00 %	768,311	67,594	67,594	
	Huang-Ho Invest. Co., Ltd.	"	Investments	314,395	249,395	14,500,000	100.00 %	408,377	12,922	12,922	
	Great Wall International (Holdings) Ltd.	Hong Kong	Holdings	2,678,728	2,122,110	90,490,813	100.00 %	7,577,070	81,914	81,914	
	City Chain Food Ltd.	Taiwan	Fast Food Restaurants	856,496	856,496	167,823,438	100.00 %	487,575	(23,989)	(23,989)	
	Mei Lan Lei Co., Ltd.	"	Production, sale, and research of feed	120,010	120,010	48,000,000	100.00 %	1,809,231	52,563	52,563	
	KouChan Mill Co., Ltd.	"	Flour production and sales	373,799	373,799	33,550,000	55.00 %	491,326	53,268	29,297	
	Oriental Best Foods Co., Ltd.	"	Food processing and sale	161,405	141,405	80,067	100.00 %	214,702	13,997	12,773	
	An Hsin Chiao Chu Co., Ltd.	"	Sale of fresh meat	55,000	55,000	5,500,000	100.00 %	6,043	(4,429)	(4,429)	
	Neo Foods Co., Ltd.	"	Food manufacturing and sale	50,000	50,000	5,000,000	100.00 %	33,444	(15,259)	(15,259)	
	Great Wall FeedTech Enterprise Co., Ltd.	"	Production, sale, and research of feed	37,274	37,274	340,000	100.00 %	5,507	(340)	(340)	
	Wonder Biotek Co., Ltd.	"	Medicine production and sales	200,000	150,000	20,000,000	100.00 %	59,776	(41,170)	(41,170)	
	Zhong Yi Food Co., Ltd.	"	Egg production and sale	780,000	780,000	78,000,000	65.00 %	692,534	(83,598)	(54,339)	
	San Inn Abattoir Co.	"	Abattoir	66,469	66,469	1,116,000	40.00 %	71,051	11,454	4,582	
City Chain Food Ltd.	Nisshi Chain Co., Ltd.	"	Bakery	68,459	68,459	4,364,652	67.29 %	9,209	(1,458)	(981)	
	Saboten Co., Ltd.	"	Japanese restaurants	39,000	39,000	2,000,000	50.00 %	57,248	11,142	5,571	
	Route 66 Fast Food Ltd.	Hong Kong	Investment holdings	USD 31,555,384	USD 29,668,603	28,404,247	100.00 %	191,356	3,553	3,553	
	Saboten (China) Limited	"	Investment holdings	USD 1,250,000	USD 1,250,000	1,550,000	50.00 %	64,461	43,376	21,688	
City Chain Food Ltd.	DaChan Shin Yeh Ltd.	Hong Kong	Chinese and western fast food	USD 700,000	USD 700,000	700,000	40.00 %	17,106	(2,274)	(910)	
	Honolulu Chain Food & Beverage Co., Ltd.	Taiwan	Chinese and western fast food	11,000	11,000	11,000,000	55.00 %	982	(15,109)	(8,310)	
	Xiang Cheng Co., Ltd.	"	Chinese food and dining	5,000	5,000	500,000	50.00 %	3,926	(617)	(309)	
	Ma Cheng Co., Ltd.	"	Western food and dining	18,000	18,000	1,800,000	90.00 %	(631)	(2,951)	(2,656)	
Total Nutrition Tech. Co., Ltd.	TNT Biotechnology Co., Ltd.	Hong Kong	Investment holdings	USD 13,110,000	USD 13,110,000	13,110,000	100.00 %	322,759	6,877	6,877	
Great Wall International (Holdings) Ltd.	Asia Nutrition Technologies Corporation Co., Ltd.	"	Investment holdings	USD 7,391,940	USD 7,391,940	6,690,472	100.00 %	1,297,771	92,360	92,360	
	Greatwall Food Investment (H.K.) Co., Ltd.	"	Investment holdings	USD 62,500,000	USD 62,500,000	54,220,000	100.00 %	(1,532)	(180)	(180)	
	Greatwall Food (H.K.) Co., Ltd.	"	Food wholesale	USD 500,000	USD 500,000	500,000	100.00 %	(15,741)	(2,461)	(2,461)	
	FoodChina Inc.	"	Investment holdings	USD 9,499,532	USD 5,070,000	32,730,000	88.70 %	376,784	69,938	62,035	
	Seafood International Inc.	"	Investment holdings	USD 4,183,974	USD 4,183,974	3,744,000	100.00 %	103,605	(5,738)	(5,738)	
	Tianjin Food Invest Co., Ltd.	"	Investment holdings	USD 9,729,433	USD 9,729,433	9,500,000	78.40 %	828,913	(56,881)	(44,595)	
	Waverley Star Ltd.	"	Investment holdings	USD 29,160,858	USD 29,160,858	29,160,858	100.00 %	3,209,440	246,517	246,517	
	Golden Harvest Inc.	"	Investment holdings	USD -	USD 1	1	100.00 %	-	-	-	
	Great Wall FeedTech (Holdings) Ltd.	"	Investment holdings	USD 10,630,000	USD 10,630,000	8,260,000	100.00 %	419,188	13,678	13,678	
	Clydebridge Ltd.	"	Investment holdings	USD 3,544,000	USD 3,544,000	3,544,000	94.66 %	320,517	107,114	101,394	
	Global Food Corp.	"	Aquaculture trading	USD -	USD 1	-	100.00 %	-	-	-	
	Gallant Dachan Seafood Co., Ltd.	Vietnam	Aquaculture processing and sales	USD 2,500,000	USD 2,500,000	2,500,000	50.00 %	104,528	(5,435)	(2,718)	
	Dachan (Asia-Pacific) Limited	Hong Kong	Investment holdings	USD 11,200,000	USD 11,200,000	11,200,000	75.17 %	131,041	(109,469)	(82,288)	

(Continued)

GREAT WALL ENTERPRISE CO., LTD.

Notes to the Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of ownership	Carrying value			
Great Wall International (Holdings) Ltd.	Fresh Aqua Corporation	Hong Kong	Aquaculture trading	USD 1	USD 1	1	100.00 %	-	-	-	
	Fresh Aqua Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	46,993	44,923	44,923	
	Great Wall Grains International Limited	"	Commodity trading	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	132,306	105,991	105,991	
	Global Seafood Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	34,754	34,222	34,222	
	Pacific Harvest Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	6,315	8,048	8,048	
	Seafood International Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	23,694	22,281	22,281	
	Universal Food Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	30,176	27,758	27,758	
	Myint Dachan Company Limited	Myanmar	Production and sale of feed	USD 10,494,097	USD 10,494,097	10,494,097	51.00 %	-	(464,367)	(236,827)	
	ANTIC (VN)	Vietnam	Sale of poultry	USD -	USD 52,355,513	4,988,973	65.51 %	1,304,733	201,140	131,767	
	Marksville	Malaysia	Production and sale of feed	USD -	USD 2,887,240	1	100.00 %	163,394	9,706	9,706	
Waverly Star Ltd.	Dachan Food (Asia) Limited	"	Investment holdings	USD 29,160,858	USD 29,160,858	375,899,946	36.99 %	3,212,900	666,779	246,641	
Asia Nutrition Technologies Corporation	Dachan Food (Asia) Limited	"	Investment holdings	USD 5,759,421	USD 5,759,421	152,924,906	15.05 %	1,037,222	666,779	100,350	
Dachan Food (Asia)	Dachan (Asia-Pacific) Limited	"	Investment holdings	USD 800,000	USD 800,000	800,000	5.37 %	9,361	(109,469)	(5,878)	
	Food China Inc.	"	Investment holdings	USD 300,000	USD 300,000	400,000	1.08 %	8,304	69,938	-	
	Taiwan International Gene Co., Ltd.	Vietnam	Sale of boars for breeding purposes	USD 900,000	USD 900,000	900,000	30.00 %	24,912	-	-	
Route 66 Fast Food Ltd.	Yung Huo (China) Co., Ltd.	Hong Kong	Investment holdings	USD 3,713,685	USD 3,713,685	3,730,000	79.03 %	(22,993)	(101)	(80)	
	FoodChina Inc.	"	Investment holdings	USD 53,000	USD 53,000	400,000	1.08 %	5,061	69,938	1,218	
TNT Biotechnology Co., Ltd.	TNT Huabang Holdings Limited	"	Investment holdings	USD 1,385,160	USD 1,385,160	1,110,000	100.00 %	32,669	(220)	(220)	

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of CNY/USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Great Wall Food (Tianjin) Co., Ltd.	Production and sale of flour related products	USD 8,278	(2)	53,136	-	-	53,136	(6,511)	78.40%	(5,105)	919,835	-
Miyasun-Great Wall Foods (Dalian) Co., Ltd.	Production and sale of processed chicken products	USD 9,872	(2)	-	-	-	-	12,658	52.04%	6,587	148,768	-
Great Wall Foods (Dalian) Co., Ltd.	Production and sale of chicken and feed	USD 26,600	(2)	315,908	-	-	315,908	54,959	30.70%	16,872	688,781	-
Liaoning Great Wall Agri-Industrial Co., Ltd.	Production and sale of feed	USD 19,201	(2)	229,600	-	-	229,600	142,661	52.04%	74,241	684,871	-
Great Wall Agri (Hei Long Jiang) Co., Ltd.	Production and sale of feed	USD 6,563	(2)	-	-	-	-	3,174	52.04%	1,652	243,088	-
Great Wall Agri (Yingkou) Co., Ltd.	Production and sale of feed	USD 17,886	(2)	57,813	-	-	57,813	5,759	52.04%	2,997	38,869	-
Great Wall Agri (Tieling) Co., Ltd.	Production and sale of chicken and feed	USD 14,151	(2)	84,655	-	-	84,655	(68,332)	52.04%	(32,958)	614,797	-
Dachan Wanda (Tianjin) Co., Ltd.	Production and sale of chicken and feed	USD 579,060	(2)	-	-	-	-	113,248	52.04%	58,934	712,202	-
Dongbei (Beijing) Consultant Co., Ltd.	Management consulting services	USD 500	(2)	-	-	-	-	(2,450)	52.04%	(1,275)	(8,834)	-
Beijing FoodChina Online Information & Technology Ltd.	Feed trading, animal products wholesale, and feed and agricultural products retail	RMB 59,874	(2)	-	-	-	-	1,080	55.03%	594	13,135	-

(Continued)

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Dongbei Agri (Changchun) Co., Ltd.	Production and sale of feed	USD 1,111	(2)	19,483	-	-	19,483	10,956	52.04%	5,702	102,056	-
Great Wall Agri (Henan) Co., Ltd.	Production and sale of feed	USD 1,900	(2)	-	-	-	-	12,813	52.04%	6,668	10,329	-
Great Wall Gourmet(Shanghai) Co., Ltd.	Production and sale of chicken, pork, and frozen processed foods	USD 6,940	(2)	82,000	-	-	82,000	(27,033)	52.04%	(14,068)	70,123	-
DaChan Showa Foods (Tianjin) Co., Ltd.	Production and sale of flour related products	USD 8,950	(2)	26,158	-	-	26,158	33,380	55.00%	18,359	183,281	-
Dachan (Hunan) Feed Technologies Co., Ltd.	Production and sale of feed	USD 2,234	(2)	-	-	-	-	2,761	52.04%	1,437	28,756	-
Dachan Food (Hebei) Co., Ltd.	Production and sale of feed	USD 53,767	(2)	-	-	-	-	30,797	52.04%	16,027	40,479	-
Dachan Food (Panjin) Co., Ltd.	Production and sale of chicken	USD -	(2)	-	-	-	-	(1,480)	52.04%	(770)	-	-
Dachan Liangyou Food (Shanghai) Co., Ltd.	Production and sale of flour related products	RMB 200,000	(2)	-	-	-	-	40,191	43.00%	17,282	273,235	-
Great Wall Agrotech Huludao Co., Ltd.	Production and sale of feed	USD 3,800	(2)	-	-	-	-	128	52.04%	66	50,563	-
Great Wall FeedTech (Tianjin) Co., Ltd.	Production and sale of feed	USD 14,536	(2)	-	-	-	-	22,661	100.00%	22,661	623,027	-
Shanghai Universal Chain Food Co., Ltd.	Italian food and dining, bakery, and restaurant management services	USD 3,100	(2)	101,680	-	-	101,680	(2,864)	100.00%	(2,864)	161,135	-
Great Wall Yung Huo Food (Beijing) Co., Ltd.	Chinese fast food chains	RMB 15,954	(2)	44,647	-	-	44,647	(47)	79.03%	(36)	(14,268)	-
Nanjing Tengcheng Enterprise Management Co., Ltd	Restaurant management	USD 21,006	(2)	37,902	-	-	37,902	7,774	100.00%	7,774	69,500	-
Beijing Universal Chain Food Co., Ltd.	Italian food and dining and bakery	USD 5,580	(2)	115,697	-	-	115,697	9,011	100.00%	9,011	66,187	-
Saboten Catering Operation (Beijing) Co., Ltd.	Japanese food and dining and restaurant management services	USD 2,500	(2)	46,938	-	-	46,938	46,620	50.00%	23,310	64,245	72,018
Shanghai Xunshi Foods Co., Ltd.	Chinese fast food chains	USD 278	(2)	-	-	-	-	-	100.00%	-	(8,085)	-
Beijing Dingfenggang Catering Co., Ltd.	Chinese fast food chains	RMB 3,000	(2)	29,641	-	-	29,641	(1,585)	55.00%	(872)	15,657	-
Beijing Duhuaoyue Restaurant Co., Ltd	Chinese fast food chains	RMB 19,000	(2)	51,707	-	-	51,707	(1,373)	70.00%	(961)	2,440	-
Tianjin Fast Food Co., Ltd	Food processing	USD 5,800	(2)	175,676	-	-	175,676	1,196	100.00%	1,196	(38,995)	-
TNT Biotechnology (Tianjin) Co., Ltd.	Feed	USD 11,602	(2)	303,344	-	-	303,344	8,261	100.00%	8,261	286,909	-
Shanghai All-Household Restaurant Management Co., Ltd	Chinese and western fast food chains	RMB 10,000	(2)	-	-	-	-	(5,318)	50.00%	(2,659)	23,392	-
Taixu & DaChan Foods (Dalian) Co., Ltd.	Production and sale of pork	USD 21,595	(2)	-	-	-	-	16,608	20.82%	3,458	60,080	-
Shandong Dachan Biotechnology Co., Ltd.	Production and sale of feed	USD 3,000	(2)	-	-	-	-	21,877	52.04%	11,385	(36,153)	-

(Continued)

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

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Tai Ji Food Co., Ltd.	Processing and sale of food	USD 4,150	(2)	48,993	-	-	48,993	(4,830)	100.00%	(4,830)	(77,881)	-
Advent Prosperity Real Estate Development Co. Ltd.	Real Estate	RMB 435,500	(2)	-	-	-	-	(10,464)	32.64%	(6,886)	1,109,975	-
Dachan Shinyeh Catering Management (Beijing) Co., Ltd.	Chinese and western fast food chains	USD 1,670	(2)	20,792	-	-	20,792	(2,187)	40.00%	(875)	10,110	-
Shanghai Guangcheng Catering Co., Ltd.	Chinese food and dining	RMB 4,884	(2)	-	-	-	-	(1,570)	20.68%	(325)	86,710	-
Hepeer Catering Management (Beijing) Co., Ltd.	Chinese food and dining	RMB 6,000	(2)	-	-	-	-	1,352	20.00%	270	2,869	-
Tianjin Hai Rei Food Limited	Food processing	RMB 4,994	(2)	-	-	-	-	2,700	20.82%	558	2,768	-
Rupp & DaChan Foods (Tianjin) Co., Ltd.	Feed research	RMB 35,000	(2)	-	-	-	-	(27,408)	20.82%	(5,668)	48,065	-

(ii) Limitation on investment in Mainland China:

(In USD)

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
(USD 69,123,291) 1,913,333	(USD 240,735,856) 6,663,568	12,061,052

Note 1: Investments are classified into four types as follows:

1. Investment in Mainland China companies by remittance through a third region
2. Establishing a company in a third region then investing in Mainland China companies.
3. Investment in Mainland China via reinvesting in an established company in a third region.
4. Direct investment in a Mainland China company.
5. Other.

Note 2: The relevant figures in the chart above related to foreign currencies have been converted to NTD according to the exchange rate as of the reporting date. For profit or loss recognition, conversion into NTD is made according to the annual and monthly weighted average exchange rate.

Note 3: This figure does not include capital surpluses.

(iii) Significant inter-company transactions with the subsidiaries in Mainland China: None

(Continued)

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

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Fu-Chu Investment Co., Ltd.		73,219,551	8.59 %

Note: (i) The information of major shareholders includes shareholders who hold more than 5% of the Company's ordinary shares and preferred shares that have been delivered through non-physical registration (including treasury shares) on the last business day at the end of each quarter. There may be differences between the number of shares made through non-physical registration documented in this financial report and the actual figure due to differences in the calculation basis implemented.

(ii) If the shareholder delivers the shares to the trust, the individual account of the trustee who opened the trust account is disclosed. As for the Statement of Changes in Beneficial Ownership filed in accordance with the Securities and Exchange Act by insiders owning 10% or more of the company's outstanding stock, their shareholding includes their own shareholding plus the shares delivered to the trust and with the right to use the trust's property. For information on insiders' Statements of Changes in Beneficial Ownership, please refer to Public Information Observatory.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended 2021 for more information.

Great Wall Enterprise Co., Ltd.
Statement of cash and cash equivalents
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Cash	Cash on hand, revolving funds	\$ 6,824
Bank deposits	Check deposits	154,530
	Demand deposits	73,914
	Foreign currency deposits	10,039
		<u>\$ 245,307</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	-	-	3,900	-	%	-	-	3,900	-
Structured swaps	Corn structured swaps	-	-	2,573	-	%	-	-	2,573	-
				<u>\$ 6,912</u>					<u>6,912</u>	<u>-</u>

Great Wall Enterprise Co., Ltd.

Statement of notes receivable

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
San Inn Abattoir Corporation		\$ 2,313	Related party
Client A		151,942	Non-related-party
Client B		63,710	Amount per client < 5%
Other: non-related-party		991,766	"
		<u>\$ 1,209,731</u>	

Statement of trade receivables

<u>Client name</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Zhong Yi Food Co., Ltd.		\$ 596,259	Related party
FoodChina Company		332,363	"
Other: related-party		52,340	Amount per client < 5%
Other: non-related-party		2,017,628	"
Subtotal		2,998,590	
Less: allowance for bad debts		(108,724)	
		<u>\$ 2,889,866</u>	

Great Wall Enterprise Co., Ltd.
Statement of inventories
For the year ended December 31, 2021
(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	\$ 656,242	656,242	
Materials in transit	294,374	471,215	
Work in progress	3,180	3,180	
Finished goods	290,283	326,110	
Agricultural produce	304,119	309,134	
Total	<u>\$ 1,548,198</u>	<u>1,765,881</u>	

Statement of prepayments

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Prepayments to suppliers	Prepayments for raw materials	\$ 44,919	
Prepayments to breeders	Prepayments to pig farmers	53,570	
Other	Other prepayments	44,625	
		<u>\$ 143,114</u>	

Great Wall Enterprise Co., Ltd.
Statement of biological assets - current
For the year ended December 31, 2021
(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	\$ -	2,502	298,199	(30,637)	-	270,064	
Livestock	Underage swine, swine	-	-	764,467	(15,547)	-	748,920	
Total		\$ -	2,502	1,062,666	(46,184)	-	1,018,984	

Statement of other receivables

Name of financial instrument	Description	Fair value	Note
Claims receivable and others	Claims receivable	\$ 27,506	
Interest receivable: associates	Interest receivables from subsidiaries	86	
Receivables: related parties	Receivables from subsidiaries	1,963	
Other	Other items	69	
		<u>\$ 29,624</u>	

Great Wall Enterprise Co., Ltd.

Statement of other receivables: related-parties

For the year ended December 31, 2021

(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.	\$ 161,397	
	Oriental Best Foods Co., Ltd.	56,000	
	Great Wall International (Holdings) Ltd.	<u>278,140</u>	
		<u>\$ 495,537</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.	\$ 98,660	
Prepaid sales tax		<u>15,280</u>	
		<u>\$ 113,940</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, 2021

(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	\$ 2,196,917	-	246,671	-	-	15,416,960	2,443,588		
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 ZHENG 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		
Deyong Biological Technology Co., Ltd.	117,997	459	-	-	-	-	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>\$ 2,277,088</u>		<u>246,671</u>		<u>-</u>		<u>2,523,759</u>		

Note: Addition: TTET Union Co. increased 246,671 thousand due to an upwards evaluation.

Great Wall Enterprise Co., Ltd.
Statement of changes in right-of-use assets
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Buildings and construction	\$ 176,586	-	1,262	175,324	
Machinery and equipment	16,705	-	-	16,705	
Other	111,570	-	-	111,570	
	\$ 304,861	-	1,262	303,599	

Note: A 1,262 thousand disposal of right-of-use assets 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	\$ 59,151	29,474	936	87,689	
Other	31,876	15,938	-	47,814	
	\$ 91,027	45,412	936	135,503	

Note: An additional 45,412 thousand of depreciation was recognized this period. The decrease recognized this period was due to a 936 thousand disposal.

Great Wall Enterprise Co., Ltd.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2021

(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	\$ 703,734	-	67,594	-	3,017	48,149,500	100.00 %	768,311	16	768,311	None	
Huang-Ho Invest. Co., Ltd.	14,500,000	352,683	-	105,370	-	49,676	14,500,000	100.00 %	408,377	28	408,377	"	
Great Wall International (Holdings) Ltd.	70,490,813	7,047,801	20,000,000	638,532	-	109,263	90,490,813	100.00 %	7,577,070	84	7,577,070	"	
City Chain Food Ltd.	153,702,647	448,490	14,120,791	69,358	-	30,273	167,823,438	100.00 %	487,575	3	487,575	"	
Mei Lan Lei Co., Ltd.	48,000,000	1,756,668	-	52,563	-	-	48,000,000	100.00 %	1,809,231	38	1,809,231	"	
KouChan Mill Co., Ltd.	33,550,000	462,029	-	29,297	-	-	33,550,000	55.00 %	491,326	15	491,326	"	
Oriental Best Foods Co., Ltd.	72,061	197,554	8,006	32,773	-	15,625	80,067	100.00 %	214,702	2,682	214,702	"	
An Hsin Chiao Chu Co., Ltd.	5,500,000	10,472	-	-	-	4,429	5,500,000	100.00 %	6,043	1	6,043	"	
Zhong Yi Food Co., Ltd.	78,000,000	746,873	-	-	-	54,339	78,000,000	65.00 %	692,534	9	692,534	"	
Great Wall FeedTech Enterprise Co., Ltd.	340,000	5,847	-	-	-	340	340,000	100.00 %	5,507	16	5,507	"	
San Inn Abattoir Co.	1,116,000	66,469	-	4,582	-	-	1,116,000	40.00 %	71,051	64	71,051	"	
Wonder Biotek Co., Ltd.	15,000,000	50,946	5,000,000	50,000	-	41,170	20,000,000	100.00 %	59,776	3	59,776	"	
Neo Foods Co., Ltd.	5,000,000	48,702	-	-	-	15,259	5,000,000	100.00 %	33,443	7	33,443	"	
		<u>\$ 11,898,268</u>		<u>1,050,069</u>		<u>323,391</u>			<u>12,624,946</u>		<u>12,624,946</u>		

Note: Addition: Total Tech Nutrition Co., Ltd.: recognized an investment income of 67,594 thousand. Huang-Ho Invest. Co., Ltd.: recognized an unrealized gain on financial instrument of 39,328 thousand, an investment income of 12,921 thousand, and a capital surplus from treasury share transactions of 53,121 thousand. Great Wall International (Holdings) Ltd.: obtained a capital increase of 20,000 thousand shares and 556,618 thousand and an investment income of 81,914 thousand using the equity method. City Chain Food Ltd.: recognized an increase of 14,120,791 shares of capital stock through reserves and 69,358 thousand of capital surplus from treasury share transactions. Mei Lan Lei Co., Ltd.: recognized an investment income of 52,563. KouChan Mill Co., Ltd.: recognized an investment income of 29,297 thousand. Oriental Best Foods Co., Ltd.: acquired non-controlling interest of 8,006 thousand shares and 20,000 thousand, and recognized an investment income of 12,773 thousand. San Inn Abattoir Corporation: recognized an investment income of 4,582 thousand. Wonder Biotek Co., Ltd.: obtained a capital increase of 5,000,000 shares and 50,000 thousand.

Note: Decrease: Total Nutrition Tech. Co., Ltd.: recognized a cumulative translation adjustments loss of 3,017 thousand. Huang-Ho Invest. Co., Ltd.: distributed cash dividends of 49,677 thousand. Great Wall International (Holdings) Ltd.: recognized a cumulative translation adjustments loss of 109,263 thousand. City Chain Food Ltd.: recognized an investment loss of 23,989 thousand and a cumulative translation adjustments loss of 6,284 thousand. Oriental Best Foods Co., Ltd.: distributed cash dividends of 8,286 thousand and recognized a loss of 7,339 thousand on the difference between consideration and carrying amount of subsidiaries acquired or disposed. An Hsin Chiao Chu Co., Ltd.: recognized an investment loss of 4,429 thousand. Zhong Yi Food Co., Ltd.: recognized an investment loss of 54,339 thousand. Great Wall FeedTech Enterprise Co., Ltd.: recognized an investment loss of 340 thousand. Wonder Biotek Co., Ltd.: recognized an investment loss of 41,170 thousand. Neo Foods Co., Ltd.: recognized an investment loss of 15,259 thousand.

Great Wall Enterprise Co., Ltd.
**Statement of changes in property, plant and
equipment**
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance	Addition	Decrease	Ending balance	Collateral	Note
Land	\$ 3,698,100	328,551	-	4,026,651	None	
Buildings and construction	3,202,597	403,781	-	3,606,378	"	
Machinery and equipment	2,567,074	298,585	517	2,865,142	"	
Transportation equipment	205,988	46,270	24,828	227,430	"	
Other facilities	1,914,103	308,756	18,282	2,204,577	"	
Construction in progress	590,165	818,505	933,873	474,797	"	
	<u>\$ 12,178,027</u>	<u>2,204,448</u>	<u>977,500</u>	<u>13,404,975</u>		

Note: Additions for this period include a purchasing amount of 1,271,476 thousand and an increase of 932,972 thousand from transfers from construction in progress.

Note: Disposals for this period totaled 44,528 thousand, transfers to land amounted to - thousand, transfers to buildings amounted to 355,777 thousand, transfers to machinery and equipment amounted to 298,585 thousand, transfers to transportation equipment amounted to 12,933 thousand, and transfers to other facilities amounted to 265,677 thousand.

Great Wall Enterprise Co., Ltd.

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

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Buildings and construction	\$ 1,327,230	108,756	-	1,435,986	
Machinery and equipment	2,020,292	127,194	517	2,146,969	
Transportation equipment	124,378	27,651	18,134	133,895	
Other facilities	1,288,659	207,687	18,277	1,478,069	
Accumulated impairment	1,500	-	-	1,500	
	\$ 4,762,059	471,288	36,928	5,196,419	

Note: Additions for this period include 471,288 thousand of depreciation recognized. Decreases for this period include 36,928 thousand from disposals.

Great Wall Enterprise Co., Ltd.
Statement of changes in investment property
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Land and improvements	\$ 275,368	-	-	275,368	
Buildings and construction	373,368	-	-	373,368	
	\$ 648,736	-	-	648,736	

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

Item	Beginning balance	Addition	Decrease	Ending balance	Note
Buildings and construction	\$ 227,270	9,316	-	236,586	
Accumulated impairment	36,000	-	-	36,000	
	\$ 263,270	9,316	-	272,586	

Note: Increases for this period include 9,316 thousand of depreciation recognized.

Great Wall Enterprise Co., Ltd.
Statement of biological assets - non-current
For the year ended December 31, 2021
(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	\$ -	-	299,930	(64,207)	-	235,723	
Poultry	Underage breeder poultry	-	-	95,338	(34,341)	-	60,997	
Total		\$ -	-	395,268	(98,548)	-	296,720	

Statement of deferred tax assets

Item	Description	Amount	Note
Excessive amount of bad debt expense		\$ 23,611	
Loss on valuation of financial asset		12,112	
Impairment loss on fixed assets		7,500	
Others		13,121	
		\$ <u>56,344</u>	

Great Wall Enterprise Co., Ltd.
Statement of other non-current assets
For the year ended December 31, 2021
(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		\$ 253,213	
Guarantee deposits paid	Software, plastic baskets, and packaging fees	79,914	
Unamortized expenses		3,419	
Prepayment for processing fee		88,667	
Other intangible assets		<u>600</u>	
		<u><u>\$ 425,813</u></u>	

Great Wall Enterprise Co., Ltd.
Statement of short-term borrowings
For the year ended December 31, 2021
(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	Taiwan Cooperative Bank: Ziqiang Branch	\$ 953,375	2022.01.30-2022.09.19	0.69%-0.8881%	USD	42,000	Credit guarantee	
"	Bank of Taiwan: Wuchang Branch	140,763	2022.04.01-2022.04.12	0.6714%- 0.6731%	USD	9,500	"	
"	E.Sun Commercial Bank: Tainan Branch	360,968	2022.03.04-2022.06.20	0.619375%- 0.75%	USD	19,500	"	
"	Hua Nan Commercial Bank: Tainan Branch	142,983	2022.05.30-2022.06.02	0.7517%- 0.7729%	NTD	800,000	"	
"	Taiwan Business Bank: Chenggong Branch	319,751	2022.03.08-2022.06.18	0.613023%- 0.762308%	USD	15,000	"	
"	Mega Bank: Tainan Branch	403,216	2022.05.16	0.75%	NTD	23,000	"	
"	Chinatrust Commercial Bank	197,185	2022.03.16	0.761099%	USD	300,000	"	
"	Taipei Fubon Bank	337,159	2022.04.04	0.69%	USD	20,000	"	
"	United Overseas Bank	282,704	2022.01.07-2022.05.07	0.75%-0.9%	USD	30,000	"	
"	ANZ Bank	555,150	2022.02.28	0.75%	USD	42,000	"	
"	Bank of China	725,255	2022.01.10-2022.04.06	0.55%-0.63%	USD	35,000	"	
"	Bangkok Bank	35,844	2022.01.28-2022.03.21	0.75%-0.84%	USD	30,000	"	
"	ING Bank	611,273	2022.04.26-2022.06.10	0.77%-0.88%	USD	35,000	"	
Unsecured bank loans	E.Sun Commercial Bank: Taipei Branch	100,000	2022.02.21	0.84%	USD	19,500	None	
"	Mizuho Bank	737,000	2022.12.31	floating	USD	60,000	"	
"	Bangkok Bank	750,000	2022.01.18-2022.03.01	0.84%	USD	30,000	"	
"	ING Bank	200,000	2022.03.21	0.83%	USD	35,000	"	
		<u>\$ 6,852,626</u>						

Great Wall Enterprise Co., Ltd.
Statement of short-term notes and bills payable
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Guarantee or acceptance institution</u>	<u>Contract period</u>	<u>Range of interest rate</u>	<u>Amount</u>			<u>Note</u>
				<u>Total amount</u>	<u>Unamorti zed discount</u>	<u>Carrying amount</u>	
Commercial paper payable	Mega Bills	2022/1/21	0.848%	\$ 500,000	-	500,000	
Commercial paper payable	Mega Bills	2022/1/26	0.848%	300,000	-	300,000	
Commercial paper payable	Dah Chung Bills	2022/1/12	0.838%	100,000	-	100,000	
Commercial paper payable	Dah Chung Bills	2022/1/28	0.838%	100,000	-	100,000	
Commercial paper payable	Dah Chung Bills	2022/1/19	0.838%	100,000	-	100,000	
Commercial paper payable	Taiwan Finance Co.	2022/1/12	0.848%	200,000	-	200,000	
Commercial paper payable	China Bills	2022/1/5	0.848%	200,000	-	200,000	
Commercial paper payable	China Bills	2022/1/19	0.848%	400,000	-	400,000	
Commercial paper payable	Ta Ching Bills	2022/1/3	0.838%	300,000	-	300,000	
Commercial paper payable	Taiwan Cooperative Bills	2022/1/12	0.828%	100,000	-	100,000	
Commercial paper payable	Taiwan Cooperative Bills	2022/1/20	0.828%	200,000	-	200,000	
				<u>\$ 2,500,000</u>	<u>-</u>	<u>2,500,000</u>	

Great Wall Enterprise Co., Ltd.
Statement of financial liabilities at fair value
through profit or loss - current
For the year ended December 31, 2021
(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	Buy	-	\$ -	<u>25,046</u>	- %	-	-	<u>25,046</u>	-	

Statement of notes payable

Vendor name	Description	Amount	Note
Mei Lan Lei Co., Ltd.		\$ 282,590	Related-party
Other: subsidiary		43	Amount per account <5%
Other: non-related-party		<u>269</u>	Amount per account <5%
		<u>\$ 282,902</u>	

Great Wall Enterprise Co., Ltd.
Statement of trade payables
For the year ended December 31, 2021
(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.		\$ 169,397	Related-party
Total Nutrition Tech. Co., Ltd.		34,010	"
Other: non-related-party		92,059	Amount per account <5%
Other: subsidiary		581,163	"
Other: associate		7,839	"
Other: other related-party		1,694	"
Other: other related-party		<u>172</u>	"
		<u>\$ 886,334</u>	

Statement of other payables

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Wages and salaries	Salary, bonuses, paid holidays and overtime expense	\$ 410,629
Freight	Freight and gas expense	22,581
Insurance expense	Labor and health insurance expense	31,752
Energy expense	Electricity expense	14,570
Employee compensation		90,000
Directors' remuneration		40,000
Revolving funds		16,428
Professional service fee	Lawyer and auditor expenses	1,610
Meal expense		6,146
Advertisement expense	Advertisement and promotion expense	81,945
Interest expense	Short term borrowings for material purchases	8,972
Natural gas expense		2,700
Land value tax		3,520
Other		<u>111,796</u>
		<u>\$ 842,649</u>

Great Wall Enterprise Co., Ltd.
Statement of lease liabilities
For the year ended December 31, 2021
(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%	\$ 672	
Property, plant, and equipment	Swine farm lease	2015/4/1-2025/3/31	1.5%	1,981	
Property, plant, and equipment	Farm lease	2014/1/1-2022/7/31	1.5%	213	
Property, plant, and equipment	Native chicken farm lease	2017/4/1-2027/3/31	1.5%	1,781	
Property, plant, and equipment	Luiying native chicken farm	2019/1/1-2024/12/31	1.5%	84,960	
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%	65,186	
				<u>\$ 171,498</u>	

Great Wall Enterprise Co., Ltd.
Statement of other current liabilities
For the year ended December 31, 2021
(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	\$ 6,727	
	Other	24,438	
	Subtotal	<u>31,165</u>	
Temporary credits	Funds for foreign workers	922	
	Temporary transaction fee receipts	7,912	
	Other	5,375	
	Subtotal	<u>14,209</u>	
Advance receipts	Advance receipts for wares	36,520	
Tax payable	Tax payable	(214)	
Business tax received	Sales tax payable	15,923	
Other payables: related-party	Payables to related-parties	2,046	
Current account with others		255,000	
		<u>\$ 354,649</u>	

Statement of provisions - current

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Guarantee deposits received		<u>\$ 81,787</u>	

Great Wall Enterprise Co., Ltd.
Statement of other non-current liabilities
For the year ended December 31, 2021
(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		21,148	
Unrealized exchange gains and losses		3,093	
Fair value gains		7,720	
Other		<u>599</u>	
		<u>\$ <u>53,314</u></u>	

Great Wall Enterprise Co., Ltd.
Statement of operating revenue
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>	<u>Note</u>
Sale			
Products:			
Layer feeds	335,415,993	\$ 4,568,455	
Broiler feeds	206,242,111	3,760,408	
Swine feeds	141,925,378	2,505,954	
Contract swine	41,054,034	3,105,081	
Chicken meat	163,368,786	11,078,974	
Eggs	55,624,520	684,685	
Others	215,360,323	<u>3,805,346</u>	
Subtotal		<u>29,508,903</u>	
Corn	124,022,324	1,044,929	
Soybean meal (including soybeans)	104,276,046	1,783,595	
Others	9,932,333	<u>427,333</u>	
Subtotal		<u>3,255,857</u>	
Total operating revenue		32,764,760	
Sales returns		(62,068)	
Sales discounts		<u>(1,090,486)</u>	
Net operating profit		<u><u>\$ 31,612,206</u></u>	

Great Wall Enterprise Co., Ltd.

Statement of operating costs

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Inventory balance at 1 January	\$	440,185
Purchases of raw materials		21,444,408
Deduct: Raw materials transferred to cost of sales		(1,840,836)
Raw materials transferred to outsourced processing		1,013
Raw materials transferred to manufacturing expense		(150,326)
Raw materials transferred to operating expense		(91)
Variation from standard cost		23,067
Balance at December 31		(638,884)
Inventory balance at 1 January		8,673
Purchases		143,075
Deduct: Materials transferred to manufacturing expense		(140,389)
Materials transferred to other expense		(348)
Inventory balance at 31 December		(17,358)
Direct labor		725,280
Manufacturing expense		2,081,833
Add: Work-in-progress balance at 1 January		3,075
Deduct: Work-in-progress balance at 31 December		(3,180)
Add: Finished goods balance at 1 January		264,834
Biological assets: current		934,797
Biological assets: non-current		187,167
Farm products		43,129
Deduct: Finished goods balance at 31 December		(290,283)
Biological assets: current		(1,018,984)
Biological assets: non-current		(296,720)
Farm products		(304,119)
Transfers to operating expense		(7,935)
Transfers to manufacturing expense		(140)
Add: Transfers from outsourced finished goods (including processing cost)		539,243
Wages for farmers		1,950,940
Variation from standard cost		(1,561,464)
Finished goods purchased		3,530,431
Issuance of outsourced finished products		(38,634)
Add: Raw materials transferred to cost of sale		1,840,836
Less: Sale of rejectable waste		(99,310)
Total operating costs	\$	<u><u>27,752,985</u></u>

Great Wall Enterprise Co., Ltd.
Statement of selling expenses
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 584,230	
Travelling expense		60,279	
Freight		1,400	
Entertainment expense		3,061	
Depreciations		50,122	
Taxes		5,325	
Stationery and supplies		8,810	
Postage expense		9,879	
Repairs and maintenance expense		27,246	
Utilities expense		29,612	
Insurance expense		9,514	
Labor insurance expense		29,043	
Health insurance expense		22,922	
Employee benefits		11,003	
Rent expense		15,404	
Pension		23,455	
Material expense		11,294	
Training expense		191	
Meal expense		18,045	
Overtime expense		29,263	
Professional service fee		2,439	
Sundry expense		12,183	
Books and magazines		236	
Miscellaneous expense		561,382	
Feed expense		75,524	
		<u>\$ 1,601,862</u>	

Great Wall Enterprise Co., Ltd.
Statement of administrative expenses
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 158,971	
Travelling expense		25,587	
Freight		594	
Entertainment expense		1,299	
Depreciations		13,638	
Taxes		2,260	
Stationery and supplies		3,740	
Postage expense		4,194	
Repairs and maintenance expense		11,565	
Utilities expense		12,570	
Insurance expense		4,039	
Labor insurance expense		7,903	
Health insurance expense		6,237	
Employee benefits		2,994	
Rent expense		6,539	
Pension		6,382	
Material expense		4,794	
Training expense		81	
Meal expense		4,910	
Overtime expense		7,963	
Professional service fee		1,035	
Sundry expense		6,213	
Books and magazines		100	
Miscellaneous expense		110,094	
Feed expense		32,059	
		<u>\$ 435,761</u>	

Great Wall Enterprise Co., Ltd.
Statement of research and development expenses
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Wages and salaries		\$ 49,039	
Travelling expense		2,418	
Freight		56	
Entertainment expense		123	
Depreciations		6,466	
Taxes		214	
Stationery and supplies		353	
Postage expense		396	
Repairs and maintenance expense		1,093	
Utilities expense		1,188	
Insurance expense		382	
Labor insurance expense		3,372	
Health insurance expense		2,661	
Employee benefits		1,411	
Rent expense		618	
Pension		3,761	
R&D expense		5,958	
Material expense		453	
Training expense		8	
Meal expense		2,315	
Overtime expense		2,458	
Professional service fee		98	
Sundry expense		518	
Books and magazines		9	
Miscellaneous expense		12,945	
Feed expense		3,029	
		<u>\$ 101,342</u>	

Great Wall Enterprise Co., Ltd.

Statement of finance costs

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Interest expense: borrowings		\$ 58,599	
Interest expense: lease liabilities		2,690	
		\$ 61,289	

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

Item	Description	Amount	Note
Other income (expenses)	Gains (losses) on financial assets (liabilities) at fair value through profit or loss	\$ 284,166	
	Gains (losses) on disposals of property, plant and equipment	3,942	
	Rent income	35,078	
	Dividends income	96,004	
	Foreign exchange gains	166,963	
	Other	(74,153)	
		\$ 512,000	