

**GREAT WALL ENTERPRISE CO., LTD. AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021**

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Great Wall Enterprise Co., Ltd. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Great Wall Enterprise Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Great Wall Enterprise Co., Ltd.
Chairman: Han Chia-Yau
Date: March 14, 2023



安侯建業聯合會計師事務所

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Independent Auditors' Report

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

Opinion

We have audited the consolidated financial statements of Great Wall Enterprise Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

Please refer to Note 4(p) and Note 6(aa) “Revenue from contracts with customers” from the financial statements.

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

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

Other Matter

Great Wall Enterprise Co., Ltd. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Feng Hui Lee and Tan-Tan Chung.

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2023

Notes to Readers

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

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

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

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>December 31, 2022</u>		<u>December 31, 2021</u>			<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
11xx	Assets				21xx	Liabilities and Equity			
1100	Current assets:				2100	Current liabilities:			
1110	Cash and cash equivalents (Notes 4 and 6(a))	\$ 5,145,691	8	6,083,001	2110	Short-term borrowings (Notes 4 and 6(p))	\$ 15,153,347	24	13,183,124
1150	Current financial assets at fair value through profit or loss (Note 6(b))	94,779	-	7,705	2120	Short-term notes and bills payable (Notes 4 and 6(q))	3,660,000	6	2,914,931
1170	Notes receivable, net (Notes 4, 6(d) and 7)	1,691,269	3	1,582,488	2150	Current financial liabilities at fair value through profit or loss (Notes 4 and 6(b))	20,150	-	27,315
130x	Trade receivables (Notes 6(d) and 7)	6,816,374	11	5,952,083	2170	Notes payable (Note 7)	385,060	1	695,453
1400	Inventories (Notes 4 and 6(e))	10,901,397	17	8,176,015	2200	Trade payables (Note 7)	6,118,449	10	5,246,498
1410	Current biological assets, net (Note 6(f))	2,233,875	4	1,803,467	2230	Other payables (Notes 4, 6(s) and 7)	2,666,878	4	2,364,368
1476	Prepayments (Note 6(g))	1,798,084	3	1,450,708	2280	Current income tax liabilities (Note 4)	273,684	-	318,261
1479	Other current financial assets (Note (h))	372,256	1	303,641	2320	Lease liabilities (Notes 4 and 6(t))	188,329	-	191,053
	Other current assets, others	891,349	1	1,236,656	2399	Long-term liabilities, current portion (Notes 4 and 6(r))	109,354	-	185,336
		<u>29,945,074</u>	<u>48</u>	<u>26,595,764</u>		Other current liabilities, others (Note 7)	1,904,470	3	1,451,890
15xx	Non-current assets:						<u>30,479,721</u>	<u>48</u>	<u>26,578,229</u>
1517	Non-current financial assets at fair value through other comprehensive income (Notes 4 and 6(c))	2,617,731	4	2,933,887	25xx	Non-Current liabilities:			
1550	Investments accounted for using equity method, net (Notes 4 and 6(j))	1,744,169	3	1,741,218	2540	Long-term borrowings (Notes 4 and 6(r))	1,739,633	3	1,153,218
1600	Property, plant and equipment (Notes 4 and 6(l))	22,235,611	36	20,290,137	2551	Non-current provisions for employee benefits (Notes 4 and 6(v))	3,439	-	4,930
1755	Right-of-use assets (Notes 4 and 6(m))	1,912,722	3	1,993,146	2570	Deferred income tax liabilities (Notes 4 and 6(w))	108,069	-	85,486
1760	Investment property, net (Notes 4 and 6(n))	656,341	1	692,850	2580	Lease liabilities non-current (Notes 4 and 6(t))	869,445	1	929,787
1805	Goodwill	150,267	-	158,024	2645	Guarantee deposits received	89,134	-	90,603
1830	Non-current biological assets (Notes 4 and 6(f))	591,624	1	614,240	2670	Other non-current liabilities, others	155,854	-	150,268
1840	Deferred income tax assets (Note 4)	260,083	-	193,452			<u>2,965,574</u>	<u>4</u>	<u>2,414,292</u>
1975	Net defined benefit asset, non-current (Notes 4 and 6(v))	119,376	-	108,490	2xxx	Total liabilities			
1990	Other non-current assets, others (Notes 6(o) and 8)	2,108,523	4	1,410,922			<u>33,445,295</u>	<u>52</u>	<u>28,992,521</u>
		<u>32,396,447</u>	<u>52</u>	<u>30,136,366</u>	3100	Equity attributable to owners of parent (Notes 4 and 6(x)):			
					3200	Capital stock	8,947,673	14	8,521,593
					3300	Capital surplus	3,376,370	6	3,294,766
					3400	Retained earnings	7,451,954	13	6,952,880
					3500	Other equity interest	1,296,010	2	1,551,646
						Treasury shares	(219,132)	-	(219,132)
							<u>20,852,875</u>	<u>35</u>	<u>20,101,753</u>
					36xx	Non-controlling interests (Notes 4 and 6(i))	8,043,351	13	7,637,856
					3xxx	Total equity			
							<u>28,896,226</u>	<u>48</u>	<u>27,739,609</u>
1xxx	Total assets				2-3xxx	Total liabilities and equity			
		<u>\$ 62,341,521</u>	<u>100</u>	<u>56,732,130</u>			<u>\$ 62,341,521</u>	<u>100</u>	<u>56,732,130</u>

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

		<u>2022</u>		<u>2021</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 4, 6(aa) and 7)	\$ 113,297,286	100	101,437,842	100
5000	Operating costs (Notes 4, 6(e) and 7)	<u>101,938,516</u>	<u>90</u>	<u>90,701,292</u>	<u>89</u>
5900	Gross profit (loss) from operations	<u>11,358,770</u>	<u>10</u>	<u>10,736,550</u>	<u>11</u>
6000	Operating expenses:				
6100	Selling expenses	5,605,608	5	5,648,032	6
6200	Administrative expenses	2,503,240	2	2,356,485	3
6300	Research and development expenses	151,987	-	138,290	-
6450	Expected credit loss (Notes 4 and 6(d))	<u>39,731</u>	<u>-</u>	<u>248,351</u>	<u>-</u>
	Total operating expenses	<u>8,300,566</u>	<u>7</u>	<u>8,391,158</u>	<u>9</u>
6900	Net operating income (loss)	<u>3,058,204</u>	<u>3</u>	<u>2,345,392</u>	<u>2</u>
7000	Non-operating income and expenses: (Notes 6(ab) and 7)				
7100	Interest income	117,268	-	86,153	-
7020	Other gains and losses, net	755,705	1	733,610	1
7050	Finance costs	(474,887)	-	(284,623)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>(30,583)</u>	<u>-</u>	<u>6,186</u>	<u>-</u>
	Total non-operating income and expenses	<u>367,503</u>	<u>1</u>	<u>541,326</u>	<u>1</u>
7900	Profit (loss) from continuing operations before tax	3,425,707	4	2,886,718	3
7950	Less: Income tax expenses (Notes 4 and 6(w))	<u>575,581</u>	<u>1</u>	<u>624,695</u>	<u>1</u>
8200	Profit (loss)	<u>2,850,126</u>	<u>3</u>	<u>2,262,023</u>	<u>2</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	12,393	-	3,164	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(312,812)	-	285,999	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>2,047</u>	<u>-</u>	<u>633</u>	<u>-</u>
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(302,466)</u>	<u>-</u>	<u>288,530</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	97,678	-	(204,872)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>97,678</u>	<u>-</u>	<u>(204,872)</u>	<u>-</u>
8300	Other comprehensive income	<u>(204,788)</u>	<u>-</u>	<u>83,658</u>	<u>-</u>
	Total comprehensive income	<u>\$ 2,645,338</u>	<u>3</u>	<u>2,345,681</u>	<u>2</u>
	Profit (loss), attributable to:				
	Profit (loss), attributable to owners of parent	\$ 2,193,061	2	1,869,385	2
	Profit (loss), attributable to non-controlling interests	<u>657,065</u>	<u>1</u>	<u>392,638</u>	<u>-</u>
		<u>\$ 2,850,126</u>	<u>3</u>	<u>2,262,023</u>	<u>2</u>
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	\$ 1,947,757	3	2,039,351	2
	Comprehensive income, attributable to non-controlling interests	<u>697,581</u>	<u>1</u>	<u>306,330</u>	<u>-</u>
		<u>\$ 2,645,338</u>	<u>4</u>	<u>2,345,681</u>	<u>2</u>
	Basic earnings per share (Note 6(z))				
	Basic earnings per share(Unit: NTD)	<u>\$ 2.59</u>		<u>2.21</u>	
	Diluted earnings per share(Unit: NTD)	<u>\$ 2.59</u>		<u>2.21</u>	

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Share capital	Retained earnings					Total other equity interest			Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income				
Balance at January 1, 2021	\$ 8,273,391	3,179,626	2,484,061	42,994	5,035,927	7,562,982	(801,744)	2,185,955	1,384,211	(219,132)	20,181,078	7,705,674	27,886,752
Profit (loss)	-	-	-	-	1,869,385	1,869,385	-	-	-	-	1,869,385	392,638	2,262,023
Other comprehensive income	-	-	-	-	2,531	2,531	(118,564)	285,999	167,435	-	169,966	(86,308)	83,658
Total comprehensive income	-	-	-	-	1,871,916	1,871,916	(118,564)	285,999	167,435	-	2,039,351	306,330	2,345,681
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	312,376	-	(312,376)	-	-	-	-	-	-	-	-
Stock dividends of ordinary share	248,202	-	-	-	(248,202)	(248,202)	-	-	-	-	-	-	-
Cash dividends of preference share	-	-	-	-	(2,233,816)	(2,233,816)	-	-	-	-	(2,233,816)	-	(2,233,816)
Other changes in capital surplus:													
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	122,479	-	-	-	-	-	-	-	-	122,479	-	122,479
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(7,339)	-	-	-	-	-	-	-	-	(7,339)	-	(7,339)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(374,148)	(374,148)
Balance at December 31, 2021	8,521,593	3,294,766	2,796,437	42,994	4,113,449	6,952,880	(920,308)	2,471,954	1,551,646	(219,132)	20,101,753	7,637,856	27,739,609
Profit (loss)	-	-	-	-	2,193,061	2,193,061	-	-	-	-	2,193,061	657,065	2,850,126
Other comprehensive income	-	-	-	-	10,332	10,332	57,176	(312,812)	(255,636)	-	(245,304)	40,516	(204,788)
Total comprehensive income	-	-	-	-	2,203,393	2,203,393	57,176	(312,812)	(255,636)	-	1,947,757	697,581	2,645,338
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	187,191	-	(187,191)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,278,239)	(1,278,239)	-	-	-	-	(1,278,239)	-	(1,278,239)
Stock dividends of ordinary share	426,080	-	-	-	(426,080)	(426,080)	-	-	-	-	-	-	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	11,519	-	-	-	-	-	-	-	-	11,519	-	11,519
Cash dividends received by subsidiaries due to holding the parent company's stocks	-	70,085	-	-	-	-	-	-	-	-	70,085	-	70,085
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(292,086)	(292,086)
Balance at December 31, 2022	\$ 8,947,673	3,376,370	2,983,628	42,994	4,425,332	7,451,954	(863,132)	2,159,142	1,296,010	(219,132)	20,852,875	8,043,351	28,896,226

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

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,425,707	2,886,718
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,104,938	1,886,549
Amortization expense	30,542	46,465
Expected credit loss	39,731	248,351
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(94,239)	17,660
Interest expense	474,887	284,623
Interest income	(117,268)	(86,153)
Dividend income	(114,571)	(111,467)
Share of loss (profit) of associates and joint ventures accounted for using equity method	30,583	(6,186)
Gain on disposal of property, plant and equipment	(2,763)	(55,694)
Impairment loss on goodwill	20,846	-
Impairment (reversal gain) loss on property, plant and equipment	(29,231)	167,538
Write-down of inventory (Reversal of write-down)	1,425	(383)
Loss on disposal of inventory	45,527	12,521
Changes in fair value of biological assets	329,832	(37,485)
Total adjustments to reconcile profit	2,720,239	2,366,339
Changes in operating assets and liabilities:		
Increase in notes receivable	(108,780)	(474,926)
Increase in accounts receivable	(904,022)	(974,454)
Increase in inventories	(2,772,334)	(39,821)
Changes in biological assets	(692,560)	(349,023)
Increase in prepayments	(347,376)	(532,319)
Decrease (increase) in other current assets	345,307	(152,979)
(Increase) decrease in other financial assets	(68,615)	498,606
(Decrease) increase in notes payable	(310,393)	476,330
Increase in accounts payable	871,950	730,284
Increase in other payable	266,475	145,070
Increase (decrease) in other current liabilities	452,580	(151,007)
Increase in net defined benefit liability	8,854	329
Total changes in operating assets and liabilities	(3,258,914)	(823,910)
Total adjustments	(538,675)	1,542,429
Cash inflow generated from operations	2,887,032	4,429,147
Interest received	117,268	86,153
Income taxes paid	(664,206)	(233,632)
Net cash flows from operating activities	2,340,094	4,281,668
Cash flows from (used in) investing activities:		
Increase in prepayments for investments	4,107	-
Acquisition of property, plant and equipment	(3,876,976)	(3,177,620)
Proceeds from disposal of property, plant and equipment	286,166	175,308
Decrease in other non-current assets	(739,030)	(415,741)
Dividends received	114,571	111,467
Net cash flows used in investing activities	(4,211,162)	(3,306,586)

See accompanying notes to consolidated financial statements.

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

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows used in financing activities:		
Increase in short-term loans	94,250,554	62,043,332
Decrease in short-term loans	(92,616,931)	(57,713,575)
Increase in short-term notes and bills payable	30,226,069	22,293,000
Decrease in short-term notes and bills payable	(29,481,000)	(21,365,000)
Proceeds from long-term debt	1,300,455	2,088,309
Repayments of long-term debt	(863,876)	(2,971,552)
(Decrease) increase in guarantee deposits received	(1,469)	7,271
Payment of lease liabilities	(207,809)	(184,776)
Cash dividends paid	(1,208,154)	(2,111,337)
Interest paid	(438,852)	(272,755)
Change in non-controlling interests	<u>(292,086)</u>	<u>(374,148)</u>
Net cash flows from financing activities	<u>666,901</u>	<u>1,438,769</u>
Effect of exchange rate changes on cash and cash equivalents	266,857	(819,336)
Net (decrease) increase in cash and cash equivalents	(937,310)	1,594,515
Cash and cash equivalents at beginning of period	<u>6,083,001</u>	<u>4,488,486</u>
Cash and cash equivalents at end of period	<u><u>\$ 5,145,691</u></u>	<u><u>6,083,001</u></u>

See accompanying notes to consolidated financial statements.

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

Notes to the Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

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

(1) Company history

GREAT WALL ENTERPRISE CO., LTD. (hereinafter referred to as the "Company") was established with the approval of the Ministry of Economic Affairs on December 28, 1960. Its registered address is No. 3, Song 2nd Street, Yongkang District, Tainan City. The consolidated financial reports of the company as of December 31, 2022 include the company and its subsidiaries (hereinafter also referred to as the "Group"). The main business areas of the Group are as follows:

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

(Continued)

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

- (q) Miscellaneous food manufacturing. (Liquid egg, egg powder, premium egg, braised egg, iron egg, tea egg, salted fish, brocade, egg skin, steamed egg, egg bag, egg tofu, egg tendon).
- (r) Manufacturing of chemical fertilizers.
- (s) Leisure farms.
- (t) Restaurants.
- (u) In addition to the permitted businesses, the Group may operate in businesses that are not prohibited or restricted by laws and regulations.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 14, 2023.

(3) New standards, amendments and interpretations adopted:

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

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- 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”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- 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”

(Continued)

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

- (b) Basis of preparation

- (i) Basis of measurement

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

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

- (ii) Functional and presentation currency

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

(Continued)

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

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) Subsidiaries in the consolidated financial statements

1) List of subsidiaries in the consolidated financial statements include:

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2022	December 31, 2021	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food distribution	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Huang-Ho Invest. Co., Ltd.	Investment	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Great Wall International (Holdings) Ltd.	Foreign investment holding	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	City Chain Food Ltd.	Operation of western restaurants	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	KouChan Mill Co., Ltd.	Flour production and sales	55.00 %	55.00 %	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Processing and sales of feed, concentrated feed, and chicken	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	An Hsin Chiao Chu Co., Ltd.	Sale of fresh meat	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Oriental Best Foods Co., Ltd.	Operation of western restaurants and food distribution	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Great Wall FeedTech Enterprise Co., Ltd.	Feed production, sales, and research	100.00 %	100.00 %	

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2022	December 31, 2021	
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Sale of egg products	65.00 %	65.00 %	
Great Wall Enterprise Co., Ltd.	Wonder Biotek Co., Ltd.	Production and research of animal medicine	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Neo Foods Co., Ltd.	Food production and sales	100.00 %	100.00 %	
Great Wall Enterprise Co., Ltd.	Gomo Pet Food Co., Ltd.	Production, sale, and research of pet food	100.00 %	- %	
City Chain Food Ltd.	Route 66 Fast Food Ltd.	Investment Holding	100.00 %	100.00 %	
City Chain Food Ltd. / KouChan Mill Co., Ltd.	Nissshi Chain Co., Ltd.	Bakeries	85.28 %	67.29 %	
City Chain Food Ltd.	Saboten Co., Ltd.	Operation of Japanese restaurants	50.00 %	50.00 %	
City Chain Food Ltd.	Saboten (China) Limited	Operation of Japanese restaurants	50.00 %	50.00 %	
City Chain Food Ltd.	Honolulu Chain Food & Beverage Co., Ltd.	Western and Chinese fast-food chain restaurants	55.00 %	55.00 %	
City Chain Food Ltd.	Xiang Cheng Co., Ltd.	Operation of Chinese restaurants	50.00 %	50.00 %	
City Chain Food Ltd.	Ma Cheng Co., Ltd.	Operation of western restaurants	- %	90.00 %	
Route 66 Fast Food Ltd.	Beijing Universal Chain Food Co., Ltd.	Western and Chinese food and dining	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	Yung Huo (China) Co., Ltd	Investment Holding	79.03 %	79.03 %	
Route 66 Fast Food Ltd.	Tianjin Fast Food Limited	Operation of western restaurants and sale of food products	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	ORIENT BEST GLOBAL FOODS Co., Ltd.	Investment Holding	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	Tai Ji Food Co., Ltd.	Operation of western restaurants and sale of food products	100.00 %	100.00 %	
Route 66 Fast Food Ltd. / ORIENT BEST GLOBAL FOODS Co., Ltd.	Shanghai Universal Chain Food Co., Ltd.	Processing, production, and sale of poultry, coffee, and fast-food products	100.00 %	100.00 %	
Route 66 Fast Food Ltd.	Beijing Dingfenggang Catering Co., Ltd.	Western and Chinese fast-food chain restaurants	75.00 %	55.00 %	
Route 66 Fast Food Ltd.	Full Loyal Int' Ltd.	Investment holding	100.00 %	100.00 %	
Full Loyal Int' Ltd. / Shanghai Universal Chain Food Co., Ltd.	Saboten (Nanjing) Limited	Mall operation	100.00 %	100.00 %	
Shanghai Universal Chain Food Co., Ltd.	Shanghai All-Household Restaurant Management Co., Ltd.	Chinese and western fast food chains	50.00 %	50.00 %	
Saboten (China) Limited	Saboten (Beijing) Limited	Operation of Japanese restaurants	50.00 %	50.00 %	
Beijing Universal Chain Food Co., Ltd. / ORIENT BEST GLOBAL FOODS Co., Ltd.	Shanghai Xunshi Foods Co., Ltd.	Western and Chinese dining services and management	100.00 %	100.00 %	
Route 66 Fast Food Ltd. / Beijing Universal Chain Food Co., Ltd.	Beijing Duhsiaoyueh Restaurant Co., Ltd	Operation of Chinese restaurants and sale of food products	70.00 %	70.00 %	
Beijing Duhsiaoyueh Restaurant Co., Ltd	Shanghai Duhsiaoyueh Restaurant Co., Ltd.	Operation of Chinese restaurants and sale of food products	70.00 %	70.00 %	
Yung Huo (China) Co., Ltd	Great Wall Yung Huo Food (Beijing) Co., Ltd.	Processing, production, and sale of western and Chinese fast-food products, pastries, and juices	79.03 %	79.03 %	
Great Wall International (Holdings) Ltd.	Asia Nutrition Technologies Corporation	Investment Holding	100.00 %	100.00 %	

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2022	December 31, 2021	
Great Wall International (Holdings) Ltd.	Waverley Star Ltd.	Investment Holding	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Great Wall Food (HK) Co., Ltd.	Sale of flour and chicken related products	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	DaChan Showa Foods (Tianjin) Co., Ltd.	Production and sale of flour related products	55.00 %	55.00 %	
Great Wall International (Holdings) Ltd.	Seafood International Co., Ltd.	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Tianjin Food Investment Co. Ltd.	Investment Holding	78.40 %	78.40 %	
Great Wall International (Holdings) Ltd.	Global Food Corporation	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Clydebridge Ltd.	Investment Holding	94.66 %	94.66 %	
Great Wall International (Holdings) Ltd.	GreatWall Food Investment Co., Ltd.	Investment Holding	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Golden Harvest Inc.	Aquaculture trading	- %	- %	
Great Wall International (Holdings) Ltd.	Fresh Aqua Corporation	Aquaculture trading	- %	100.00 %	
Great Wall International (Holdings) Ltd.	Great Wall FeedTech (Holdings) Ltd.	Investment Holding	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Myint Dachan Co., Ltd	Feed production and sales, breeding stock imports and exports, and food distribution	51.00 %	51.00 %	
Great Wall International (Holdings) Ltd.	Great Wall Grains International Limited	Commodities trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Fresh Aqua Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Global Seafood Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Pacific Harvest Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Seafood International Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd.	Universal Food Limited	Aquaculture trading	100.00 %	100.00 %	
Great Wall International (Holdings) Ltd., Route 66 Fast Food Ltd., and Great Wall Kuang-Ming Investment(BVI) Co., Ltd.	Foodchina Inc.	Commodities trading	94.95 %	90.34 %	
Great Wall International (Holdings) Ltd.	Asia Nutrition Technologies (VN) Investment Co., Ltd.	Investment Holding	65.51 %	65.51 %	
Great Wall International (Holdings) Ltd.	Marksville Corp.	Investment Holding	100.00 %	100.00 %	
Asia Nutrition Technologies Corporation	Asia Nutrition Technologies Investment Corporation	Investment Holding	100.00 %	100.00 %	
Asia Nutrition Technologies Corporation, Waverly Star Ltd., and Great Wall Feed Tech (Holdings) Ltd.	Dachan Food (Asia) Limited	Investment Holding	52.19 %	52.04 %	

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2022	December 31, 2021	
Dachan Food (Asia) Limited	Great Wall Northeast Asia Corporation	Investment Holding	52.19 %	52.04 %	
Great Wall Northeast Asia Corporation	Impreza Investment Ltd.	Investment Holding	52.19 %	52.04 %	
Great Wall Northeast Asia Corporation	Great Wall Agritech (Liaoning) Co., Ltd. (Incorporated in BVI)	Investment Holding	52.19 %	52.04 %	
Great Wall Northeast Asia Corporation	Dongbei Agri. Corp.	Investment Holding	52.19 %	52.04 %	
Great Wall Northeast Asia Corporation	Hwabei Agri. Corp.	Investment Holding	52.19 %	52.04 %	
Great Wall Northeast Asia Corporation	Great Wall Kuang-Ming Investment Co., Ltd.	Investment Holding	52.19 %	52.04 %	
Great Wall Northeast Asia Corporation	China S&F Farm Holdings Co., Ltd.	Investment Holding	52.19 %	52.04 %	
Impreza Investment Ltd.	Great Wall Dalian Investment Co., Ltd.	Investment Holding	31.31 %	30.70 %	
Great Wall Kuang-Ming Investment Co., Ltd.	Miyasun Great Wall (BVI) Co., Ltd.	Investment Holding	52.19 %	52.04 %	
Miyasun Great Wall (BVI) Co., Ltd.	Miyasun-Great Wall Foods (Dalian) Co., Ltd.	Feed and chicken production and sales	52.19 %	52.04 %	
Great Wall Dalian Investment Co., Ltd.	Great Wall Food (Dalian) Co., Ltd.	Feed and chicken production and sales	31.31 %	30.70 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in BVI)	Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Investment Holding	52.19 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Liaoning Great Wall Agri-Industrial Co., Ltd.	Feed and chicken production and sales	52.19 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Great Wall Agri (Hei Long Jiang) Co., Ltd.	Feed production and sales	52.19 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Great Wall Agri (Henan) Co., Ltd.	Feed production and sales	- %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Great Wall Agrotech Huludao Co., Ltd.	Feed production and sales	52.19 %	52.04 %	
Great Wall Agritech (Liaoning) Co., Ltd.(Incorporated in HK)	Shandong Dachan Biotechnology Co., Ltd.	Feed production and sales	52.19 %	52.04 %	
Dongbei Agri Corp.	Great Wall Agri (Yingkou) Co., Ltd.	Feed and chicken production and sales	52.19 %	52.04 %	
Dongbei Agri Corp.	Great Wall Agri (Tieling) Co., Ltd.	Feed and chicken production and sales	52.19 %	52.04 %	
Dongbei Agri Corp.	DongBei Agri (Changchun) Co., Ltd.	Feed and chicken production and sales	52.19 %	52.04 %	
Dongbei Agri Corp.	Dachan Livestock Development Co, Ltd.	Feed production and sales	20.88 %	20.82 %	
Dongbei Agri Corp.	DaChan (Hunan) Feed Technologies Co., Ltd.	Feed production and sales	52.19 %	52.04 %	
Dongbei Agri Corp.	Dachan Food (Hebei) Co., Ltd.	Feed production and sales	52.19 %	52.04 %	
Dongbei Agri Corp.	Dachan Food (Panjin) Co., Ltd.	Chicken production and sales	- %	52.04 %	

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2022	December 31, 2021	
Hwabei Agri Corp.	Dachan Wanda (HK) Ltd.	Investment Holding	52.19 %	52.04 %	
Hwabei Agri Corp.	Union Manufacturing Ltd.	Investment Holding	52.19 %	52.04 %	
Hwabei Agri Corp.	Dongbei (Beijing) Consultant Co., Ltd.	Operations management services	52.19 %	52.04 %	
Dachan Wanda (HK) Ltd.	Dachan Wanda (Tianjin) Co., Ltd.	Feed and chicken production and sales	52.19 %	52.04 %	
China S&F Farm Holdings Co., Ltd.	Yanzhou Dachan Food Co., Ltd.	Production and sale of feed, livestock and poultry farming	52.19 %	52.04 %	
Union Manufacturing Ltd.	Great Wall Gourmet (Shanghai) Co., Ltd.	Sale of chicken, pork, and prepared foods	52.19 %	52.04 %	
Great Wall Kuang-Ming Investment Co., Ltd.	Taixu & Dachan Foods Holdings Co., Ltd.	Investment Holding	32.12 %	32.03 %	
Donbei (Beijing) Consultant Co., Ltd.	Zhenglanqi Dachan Eco-Ranch Co., Ltd.	Food services, animal breeding and sales	52.19 %	52.04 %	
Liaoning Great Wall Agri-Industrial Co., Ltd.	Dachan Agricultural Technologies (Sichuan) Co., Ltd.	Feed production and sales; livestock farming research and consulting services	52.19 %	52.04 %	
Dachan Wanda (Tianjin) Co., Ltd.	Bengbu Dachan Food Co., Ltd.	Feed production and sales, poultry and livestock farming and sales, and meat and meat products processing and sales	52.19 %	52.04 %	
Dachan Wanda (Tianjin) Co., Ltd.	Tianjin Chao Cheng Food Trade Co., Ltd.	Pig farming and sales	28.70 %	28.62 %	
Dachan Wanda (Tianjin) Co., Ltd.	Tianjin Dachan Prospect Research and Development Co., Ltd.	Research	52.19 %	52.04 %	
Tianjin Dachan Prospect Research and Development Co., Ltd.	Tian Jin Super Pig Ast Co., Ltd.	Meat and processed food sales	52.19 %	52.04 %	
Taixu & Dachan Foods (Holding) Co., Ltd.	Taixu & Dachan Foods (HK) Co., Ltd.	Investment Holding	20.88 %	20.82 %	
Taixu & Dachan Foods (HK) Co., Ltd.	Taixu & Dachan Foods (Dalian) Co., Ltd.	Wholesale of pork related prepared foods	20.88 %	20.82 %	
Taixu & Dachan Foods (Dalian) Co., Ltd.	Taixu & Dachan Foods (Bengbu) Co., Ltd.	Wholesale of pork related prepared foods	20.88 %	20.82 %	
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Asia Nutrition Technologies (HN) Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	65.51 %	65.51 %	
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Asia Nutrition Technologies (VN) Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	65.51 %	65.51 %	
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Asia Nutrition Technologies (LA) Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	65.51 %	65.51 %	
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Asia Nutrition Technologies (MV) Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	65.51 %	65.51 %	
Asia Nutrition Technologies (VN) Investment Co., Ltd.	ANT Feed Co., Ltd.	Feed production and sales, breeding stock imports and exports, and food imports and exports	52.40 %	52.40 %	
Asia Nutrition Technologies (VN) Investment Co., Ltd. / Great Wall International (Holdings) Ltd.	Dachan (Asia-Pacific) Limited.	Investing Holding	73.28 %	80.54 %	
Dachan (Asia-Pacific) Limited.	Dachan (VN) Company Limited	Feed production and sales	73.28 %	80.54 %	

(Continued)

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		Notes
			December 31, 2022	December 31, 2021	
Clydebridge Ltd.	Dachan Aquaculture Limited.	Investing Holding	56.80 %	56.80 %	
Dachan Aquaculture Limited.	PT. Mustika Minanusa Aurora	Seafood processing	56.80 %	56.80 %	
Dachan Aquaculture Limited.	Dachan Aqua (Tarakan) Ltd.	Investing Holding	56.80 %	56.80 %	
Dachan Aquaculture Limited.	PT. Misaja Mitra	Seafood processing	56.80 %	56.80 %	
Dachan Aqua (Tarakan) Ltd. and PT. Mustika Minanusa Aurora	PT. Dachan Mustika Aurora	Seafood processing	56.80 %	56.80 %	
Marksville Corp.	Great Wall Nutrition Technologies SDN. BHD.	Feed sales and production	100.00 %	100.00 %	
Tianjin Food Investment Co., Ltd.	Great Wall Food (Tianjin) Co., Ltd.	Flour production and sales	78.40 %	78.40 %	
Total Nutrition Tech. Co., Ltd.	TNT Biotechnology Co., Ltd.	Investment Holding	100.00 %	100.00 %	
TNT Biotechnology Co., Ltd.	TNT Biotechnology (Tianjin) Co., Ltd.	Feed production and sales	100.00 %	100.00 %	
TNT Biotechnology Co., Ltd.	TNT Huabang Holdings Limited	Investment Holding	100.00 %	100.00 %	
Dachan Food (HK) Co., Ltd.	Great Wall Milling Co., Ltd.	Sale of flour related products	100.00 %	100.00 %	
GreatWall Food Investment Co., Ltd	Trans Dynamic Corporation	Investment Holding	100.00 %	100.00 %	
Great Wall Feed Tech (Holdings) Ltd.	Great Wall FeedTech (Tianjin) Co., Ltd.	Feed production and sales	100.00 %	100.00 %	
Great Wall FeedTech (Tianjin) Co., Ltd.	Great Wall FeedTech (Ningxia) Co. Ltd.	Feed production and sales	100.00 %	100.00 %	
Food China Inc.	FoodChina Global Co. Ltd.	Commodities trading	94.95 %	90.34 %	
Food China Inc.	Beijing FoodChina Global Information & Technology Ltd.	Commodities trading	94.95 %	90.34 %	

When preparing the consolidated financial statements, the company's investments in its subsidiaries represented as shareholder equity have been written off, and significant transactions during the period have been eliminated.

2) Changes in subsidiaries included in the consolidated financial statements:

In the fourth quarter of 2022, the Group obtained 0.15% of non-controlling interest of Dachan Food (Asia) Limited, resulting in its shareholding increasing to 52.19%.

In the fourth quarter of 2022, the Group's subsidiary Xiang Cheng Co., Ltd. had commenced its liquidation process.

In the fourth quarter of 2022, Fresh Aqua Corporation was liquidated.

In the third quarter of 2022, the Group's 100%-owned subsidiary, City Chain Food Ltd., acquired the entire non-controlling interest of its 90%-owned subsidiary, Ma Cheng Co., Ltd., increasing its shareholding to 100% and merging with Ma Cheng Co., Ltd.; Ma Cheng Co., Ltd. is the extinguished company and City Chain Food Ltd. is the surviving company.

In the third quarter of 2022, the Group acquired 4.61% of non-controlling interest of its subsidiaries, Foodchina Inc., FoodChina Global Co. Ltd., and Beijing FoodChina Global Information & Technology Ltd., resulting in its shareholding increasing to 94.95%.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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In the third quarter of 2022, the Group did not proportionately subscribe for new shares of Dachan (Asia-Pacific) Ltd. according to its prior shareholding ratio, resulting in its shareholding decreasing to 73.28%.

In the third quarter of 2022, the Group obtained all non-controlling interest of its subsidiary Nisshi Chain Co., Ltd., resulting in its shareholding increasing to 85.28%.

In the second quarter of 2022, Gomo Pet Food Co., Ltd. was established, wherein the Group has a shareholding of 100%.

In the second quarter of 2022, the Group did not proportionately subscribe for new shares of Beijing Dingfenggang Catering Co.,Ltd. according to its prior shareholding ratio, resulting in its shareholding increasing to 75%.

In the first quarter of 2022, Great Wall Agri (Henan) Co., Ltd. and Dachan Food (Panjin) Co., Ltd. were liquidated.

In the first quarter of 2021, Shanghai All-Household Restaurant Management Co., Ltd. was established, wherein the Group has a shareholding of 50% with control. Therefore, it is listed in the consolidated financial statements.

In the third quarter of 2021, Myint Dachan Ltd. had commenced its liquidation process.

In the third and fourth quarter of 2021, the Group obtained 10% of non-controlling interest of Oriental Best Foods Co., Ltd., resulting in its shareholding increasing to 100%.

In the third quarter of 2021, the Group did not proportionately subscribe for new shares of ANT Food Co., Ltd. according to its prior shareholding ratio, resulting in its shareholding decreasing to 27.27%.

In the third quarter of 2021, the Group acquired 35.31% of non-controlling interest of its subsidiaries, Foodchina Inc., FoodChina Global Co. Ltd., and Beijing FoodChina Global Information & Technology Ltd., resulting its shareholding increasing to 90.34%.

In the fourth quarter of 2021, the Group underwent restructuring. Great Wall Northeast Asia Corporation, which the Group indirectly held 52.04% shares, began to directly hold 65.1% of its subsidiaries, Asia Nutrition Technologies (VN) Investment Co., Ltd., Asia Nutrition Technologies (HN) Co., Ltd., Asia Nutrition Technologies (VN) Co., Ltd., Asia Nutrition Technologies (LA) Co., Ltd., and Asia Nutrition Technologies (MV) Co., Ltd. In addition, all shares of ANT Feed Co., Ltd., wherein the Group held 52.4% shares, alongside with Marksville Corp. and Great Wall Nutrition Technologies SDN.BHD, whose shares were fully owned by the Group, were transferred to Great Wall International (Holdings) Co., Ltd., wherein the Group held its entire shares.

- 3) Subsidiaries excluded from the consolidated financial statements: None.

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

(d) Foreign currencies

(i) Foreign currency transactions

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

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

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

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

(ii) Foreign operations

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

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

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

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

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

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

An entity shall classify a liability as current when:

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

(f) Cash and cash equivalents

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

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

(g) Financial instruments

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

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

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

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

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

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

3) Fair value through profit or loss (FVTPL)

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

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

4) Business model assessment

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

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

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

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

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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- 5) Assessment of whether contractual cash flows are solely payments of principal and interest

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

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

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

- 6) Impairment of financial assets

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

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

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

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

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

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

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

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

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

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

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

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

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset 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
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

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

7) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

Interests and losses or benefits related to financial liabilities are recognized as profit and loss, and reported as financial costs under non-operating income and expenses.

Financial liabilities are reclassified into equity at the time of conversion, and the conversion does not generate profit or loss.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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3) Treasury shares

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

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

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

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments and hedge accounting

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

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(h) Inventories

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

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

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

(i) Biological assets

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

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method without remeasuring the retained interest.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(k) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Reclassification to investment properties

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

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(iii) Subsequent expenditure

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

(iv) Depreciation

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

Land is not depreciated.

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

Buildings	2 - 60 years
Plant and equipment	2 - 60 years
Transportation equipment	3 - 10 years
Other equipment	2 - 25 years
Leasehold improvement	According to leasehold period
Leased assets	According to leasehold period

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

(l) Leases

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- 1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- 2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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- 3) the customer has the right to direct the use of the asset throughout the period of use only if either:
- the customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
 - the relevant decisions about how and for what purpose the asset is used are predetermined and:
 - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
 - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

(ii) As a lessee

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

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

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

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

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

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

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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- 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 an extension or termination option; or
- 5) there is any lease modification

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

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

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

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

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

(iii) As a lessor

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

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

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

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

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

(m) 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.

(n) Intangible assets

(i) Goodwill

1) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is included in intangible assets. Please refer to Note 4(s) for the recognition of goodwill.

2) Subsequent evaluations

Goodwill is measured at cost, less accumulated impairment losses. For investments using the equity method, the book value of goodwill is included in the book value of the investment, and the impairment losses of such investments are not allocated to goodwill or any assets, but are part of the book value of the investment using the equity method.

(o) Impairment of non-financial assets

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

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

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

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods – Feed and meat products

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

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

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

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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2) IT Consulting services/Advisory and Management

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

3) Financial components

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

(q) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

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

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

(iii) Short-term employee benefits

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

(r) Income taxes

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

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

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

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

(s) Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(t) Earnings per share

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

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

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(v) Government subsidies

A government subsidy is recognized when it is reasonably certain that the company will comply with the conditions attached to the government subsidy and will receive the subsidy. The receipt of the subsidy by the enterprise itself is not sufficient to provide conclusive evidence that the completed goods will fulfill the conditions attached to the subsidy.

Government subsidies should be recognized in profit and loss on a systematic basis during the period when the related costs that they intend to compensate are recognized as expenses by the company.

When a government subsidy is receivable, if it is used as compensation for the expenses or losses that have already occurred or for the purpose of providing immediate financial support to the company without future related costs, it shall be recognized in the profit and loss during the period when it can be received.

Asset-related subsidies (including non-monetary subsidies measured at fair value) should be classified as deferred income or as a deduction to obtain the asset's carrying amount, which is expressed in the statement of financial position.

When government subsidies need to be returned, they should be dealt with according to changes in accounting estimates. The return of subsidies related to income shall first be offset against the unamortized deferred credits recognized in connection with the subsidies. When the refund exceeds the scope of any such deferred credit, or when there is no deferred credit, the refund shall be immediately recognized in profit and loss. The return of subsidies related to assets should be recognized by increasing the asset's carrying amount or reducing the balance of deferred income. Assuming that there is no subsidy, the accumulated additional depreciation that should have been recognized in profit and loss so far should be recognized in profit and loss immediately.

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

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

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

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

There is no information that has significant effects on the amounts recognized in the consolidated financial statements, nor significant judgments made in applying accounting policies in this financial report.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(a) The loss allowance for trade receivables

The Group has estimated the loss allowance for trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to Note 6(d).

(b) Inventory evaluation

As inventories are measured at the lower of cost and net realizable value, the Group assesses the value of inventory that has been through normal depletion, is outdated, or has no available market price, then subtracts it against inventory cost in order to obtain net realizable value. This inventory evaluation is done mainly due to the client's proclivity for change and their competitors' actions taken due to the competitive nature of the market, which in turn could lead to a significant change in accounting estimates. Please refer to Note 5(e) for more information on inventory evaluation.

(c) Impairment of property, plant and equipment, and right-of-use assets

In the process of evaluating the potential impairment of tangible assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Please refer to Note 6(l) and 6(m) for impairment recognized or reversed in this period.

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss.

The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts backtesting, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liability that are not based on observable market data.

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

Please refer to the following notes for assumptions used in measuring fair value:

- (a) Note 6(f). Biological assets
- (d) Note 6(m). Investment property.
- (e) Note 6(ac). Financial instruments.

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	\$ 76,249	31,070
Revolving funds	344	344
Check deposits	556,713	754,621
Demand deposits	3,692,117	4,756,830
Foreign currency deposits	85,131	120,297
Structured deposits	-	70,375
Time/certificate deposits	<u>735,137</u>	<u>349,464</u>
Cash and cash equivalents	<u>\$ 5,145,691</u>	<u>6,083,001</u>

Please refer to Note 6(ac) for the interest rate risk and the sensitivity analysis of financial assets and liabilities of the Group.

The details of structured deposits are as follows:

- (i) On December 2, 2021, the Group entered into an agreement with a bank for a floating rate principal protected note at an amount of \$8,683 thousand, with an expected yield of 3.10% (linked to the three month SHIBOR interest rate), and maturing on January 4, 2022.
- (ii) On October 27, 2021, the Group entered into an agreement with a bank for a floating rate principal protected note at an amount of \$61,692 thousand, with an expected yield of 3.38% (linked to the three month LIBOR (USD) interest rate), and maturing on January 27, 2021.

As of December 31, 2022, the Group has no remaining structured deposit transactions.

The Company undertook one year time deposits for its short-term financing, with the intention to fulfill its short-term cash promises instead of using them for investments or other purposes. The above time deposits can be readily transformed into a fixed amount of cash and the risk of their value being volatile is relatively low.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Derivative financial assets: current:		
Derivative instruments not used for hedging		
Forward exchange contracts	\$ 92,415	4,693
Corn structured products	-	2,573
Non-derivative financial assets: current:		
Listed company stocks	2,364	439
Total	\$ 94,779	7,705
Derivative financial liabilities:		
Non-hedge derivatives		
Forward exchange contracts	\$ 20,150	27,315
Total	\$ 20,150	27,315

(i) Forward exchange contracts:

	December 31, 2022			
	Carrying amount	Amount (in thousands)	Currency	Maturity date
Forward exchange purchased	92,415	USD 135,864	USD to NTD	2023.01.05-2023.06.02
Forward exchange sold	(20,150)	USD 35,077	USD to NTD	2023.01.31-2022.03.27
	December 31, 2021			
	Carrying amount	Amount (in thousands)	Currency	Maturity date
Forward exchange purchased		USD 7,000	USD to CNY	2022.01.24-2022.05.24
Forward exchange purchased	(27,315)	USD 266,517	USD to NTD	2022.01.03-2022.05.23
Forward exchange sold	4,693	USD 94,901	USD to NTD	2022.01.03-2022.04.29

(ii) Futures and options trading

Item	Type	Open Interest		Contract amount or option premium paid	Fair value
		Buy/Sell	Amount		
December 31, 2021					
Structured product	Corn	Sell	380	\$ -	2,573

As of December 31, 2022, the Group has no futures or options trading.

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

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

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Equity investments at fair value through other comprehensive income:		
Domestic listed stocks: TTET Union Co.	\$ 2,520,369	2,833,181
Domestic unlisted stocks	96,989	100,369
Other	<u>373</u>	<u>337</u>
Total	<u>\$ 2,617,731</u>	<u>2,933,887</u>

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

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

For information on dividends received from the aforementioned equity investments measured at fair value through other comprehensive income as of December 31, 2022 and 2021, please refer to Note 6(ab).

The Group has not disposed of any strategic investments in 2022 and 2021. No accumulated profits and losses were transferred as well.

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

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

Sensitivity analysis- equity price risks:

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

	<u>For the years ended December 31,</u>			
	<u>2022</u>		<u>2021</u>	
<u>Prices of securities at the reporting date</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>\$ 26,177</u>	<u>-</u>	<u>29,339</u>	<u>-</u>
Decreasing 1%	<u>\$ (26,177)</u>	<u>-</u>	<u>(29,339)</u>	<u>-</u>

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

(d) Notes and trade receivables

	December 31, 2022	December 31, 2021
Notes receivable from operating activities	\$ 1,691,269	1,582,488
Trade receivables—measured as amortized cost	7,311,899	6,396,583
Less: Loss allowance	<u>(495,525)</u>	<u>(444,500)</u>
	<u>\$ 8,507,643</u>	<u>7,534,571</u>

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

	December 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 7,693,790	0~2%	132,431
1 to 30 days past due	649,847	0~27%	18,605
31 to 36 days past due	154,873	0~47%	11,439
61 to 90 days past due	63,367	0~100%	6,792
91 to 180 days past due	44,797	0~100%	14,990
181 to 365 days past due	56,900	0~100%	35,358
More than 365 days past due	<u>339,594</u>	0~100%	<u>275,910</u>
	<u>\$ 9,003,168</u>		<u>495,525</u>

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 6,461,166	0~3%	126,968
1 to 30 days past due	959,964	0~10%	7,958
31 to 36 days past due	76,940	0~15%	1,859
61 to 90 days past due	49,977	0~50%	3,166
91 to 180 days past due	24,877	0~100%	2,908
181 to 365 days past due	29,949	0~100%	18,980
More than 365 days past due	<u>376,198</u>	0~100%	<u>282,661</u>
	<u>\$ 7,979,071</u>		<u>444,500</u>

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

The changes in loss allowance provisions were as follows:

	For the years ended December 31,	
	2022	2021
Balance at January 1	\$ 444,500	313,735
Impairment losses recognized	39,731	248,351
Amounts written off	(2,884)	(84,883)
Foreign exchange gains/(losses)	12,619	(34,007)
Amounts recoverable	<u>1,559</u>	<u>1,304</u>
Balance at December 31	<u>\$ 495,525</u>	<u>444,500</u>

As of December 31, 2022 and 2021, accounts receivable had not been pledged as collateral.

(e) Inventory

	December 31,	December 31,
	2022	2021
Raw materials and consumables	\$ 5,871,359	4,896,858
Materials in transit	1,836,168	768,072
Work in progress	47,408	38,423
Finished goods	2,877,422	2,139,832
Farm products	<u>269,040</u>	<u>332,830</u>
Total	<u>\$ 10,901,397</u>	<u>8,176,015</u>
Inventory listed at fair value less costs to sell	<u>\$ 269,040</u>	<u>332,830</u>

The details of the cost of sales were as follows:

	For the years ended December 31,	
	2022	2021
Inventory that has been sold	\$ 102,013,234	90,809,658
Write-down of inventories (Reversal of write-downs)	1,425	(383)
Loss on disposal of inventory	45,527	12,521
Revenue from sale of scraps	<u>(121,670)</u>	<u>(120,504)</u>
	<u>\$ 101,938,516</u>	<u>90,701,292</u>

As of December 31, 2022 and 2021, the Group did not provide any inventories as collateral for its loans.

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

(f) Biological assets

(i) The details of biological assets are as follows:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<u>Biological assets: Current</u>		
Consumable biological assets: Poultry	\$ 859,633	769,473
Consumable biological assets: Livestock	1,162,611	841,160
Productive biological assets: Poultry	176,850	155,831
Productive biological assets: Accumulated depreciation: Poultry	(43,805)	(30,637)
Productive biological assets: Livestock	108,552	80,685
Productive biological assets: Accumulated depreciation: Livestock	(31,072)	(15,547)
Changes in the fair value of productive biological assets less costs to sell	1,106	2,502
Biological assets: Current	<u>\$ 2,233,875</u>	<u>1,803,467</u>
	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<u>Biological assets: Non-current</u>		
Productive biological assets: Poultry	\$ 1,970,712	2,002,562
Productive biological assets: Accumulated depreciation: Poultry	(1,835,097)	(1,724,391)
Productive biological assets: Livestock	1,665,768	1,109,619
Productive biological assets: Accumulated depreciation: Livestock	(1,209,759)	(773,550)
Biological assets: Non-current	<u>\$ 591,624</u>	<u>614,240</u>

(Continued)

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

(ii) Changes in biological assets:

	<u>Poultry</u>	<u>Livestock</u>	<u>Total</u>
Balance at January 1, 2022	\$ 1,175,340	1,242,367	2,417,707
Increase due to purchases	10,420,747	187,238	10,607,985
Decrease due to sales	(11,902,150)	(3,204,926)	(15,107,076)
Net increase due to reproduction (death)	1,084,259	3,447,728	4,531,987
Changes in fair value less costs to sell	329,832	-	329,832
Effect of movements in exchange rates	21,371	23,693	45,064
Balance at December 31, 2022	<u>\$ 1,129,399</u>	<u>1,696,100</u>	<u>2,825,499</u>
Current	\$ 993,784	1,240,091	2,233,875
Non-current	135,615	456,009	591,624
	<u>\$ 1,129,399</u>	<u>1,696,100</u>	<u>2,825,499</u>
	<u>Poultry</u>	<u>Livestock</u>	<u>Total</u>
Balance at January 1, 2021	\$ 1,219,982	763,969	1,983,951
Increase due to purchases	10,140,870	417,654	10,558,524
Decrease due to sales	(11,469,286)	(2,464,113)	(13,933,399)
Net increase due to reproduction (death)	1,252,148	2,524,857	3,777,005
Changes in fair value less costs to sell	37,485	-	37,485
Effect of movements in exchange rates	(5,859)	-	(5,859)
Balance at December 31, 2021	<u>\$ 1,175,340</u>	<u>1,242,367</u>	<u>2,417,707</u>
Current	\$ 897,169	906,298	1,803,467
Non-current	278,171	336,069	614,240
	<u>\$ 1,175,340</u>	<u>1,242,367</u>	<u>2,417,707</u>

(iii) As of December 31, 2022 and 2021, the number of poultry owned amounted to:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Underage broiler	8,108,873	9,892,121
Underage breeder poultry	377,018	304,925
Breeder poultry	920,405	992,613
Breeder ducks	98,303	138,889
Adult ducks	8,233	41,532
	<u>9,512,832</u>	<u>11,370,080</u>

(Continued)

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

- (iv) As of December 31, 2022 and 2021, the number of livestock owned amounted to:

	December 31, 2022	December 31, 2021
Underage swine	170,888	137,407
Underage breeder swine	19,096	17,074
Breeder swine	36,522	32,331
Adult swine	19,480	20,592
	<u>245,986</u>	<u>207,404</u>

The Group slaughtered and sold approximately \$154,659,058 and \$156,333,206 units of biological assets in 2022 and 2021, respectively.

- (v) Fair value

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

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

- (i) Regulations and environmental risks

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

- (ii) Supply and demand risks

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

- (iii) Climate and other risks

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

As of December 31, 2022 and 2021, biological assets have not been pledged as collateral.

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

(g) Prepaid expenses

The details of prepaid expenses are as follows :

	December 31, 2022	December 31, 2021
Prepayments for raw materials	\$ 961,108	829,707
Other	836,976	621,001
	<u>\$ 1,798,084</u>	<u>1,450,708</u>

(h) Other financial assets- current

The details of other current financial assets are as follows:

	December 31, 2022	December 31, 2021
Other advances receivable: associates	\$ 13,812	16,046
Other advances receivable: other related parties	11,933	15,477
Guarantee deposits paid	21,678	49,972
Other accounts receivable: other	324,833	222,146
	<u>\$ 372,256</u>	<u>303,641</u>

(i) Obtaining non-controlling interest

The Group acquired more equity of Dachan Food (Asia) Limited for \$10,000 thousand in cash in 2022, which increased its shareholding from 52.04% to 52.19%.

The effects of the changes in shareholdings were as follows:

	December 31, 2022
Carrying amount of non-controlling interest on acquisition	\$ 14,923
Consideration paid to non-controlling interests	<u>(3,334)</u>
Capital surplus differences between consideration and carrying amounts subsidiaries acquired	<u>\$ 11,589</u>

The Group acquired more equity of Foodchina Inc. in 2022 and 2021 for \$16,193 thousand and 124,066 thousand in cash, respectively, increasing its shareholding from 90.34% to 94.95% and 55.04% to 90.34%, respectively.

(Continued)

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

The effects of the changes in shareholdings were as follows:

	December 31, 2022	December 31, 2021
Carrying amount of non-controlling interest on acquisition	\$ 16,193	\$ 124,066
Consideration paid to non-controlling interests	<u>(16,193)</u>	<u>(124,066)</u>
Capital surplus differences between consideration and carrying amounts subsidiaries acquired	<u>\$ -</u>	<u>\$ -</u>

The Group acquired more equity of Nisshi Chain Co., Ltd. in 2022 for \$4,954 thousand in cash, increasing its shareholding from 67.29% to 85.28%. The book value for the purchase of the non-controlling interest is not different from the consideration paid.

The effects of the changes in shareholdings were as follows:

	December 31, 2022
Carrying amount of non-controlling interest on acquisition	\$ 4,954
Consideration paid to non-controlling interests	<u>(4,954)</u>
Capital surplus differences between consideration and carrying amounts subsidiaries acquired	<u>\$ -</u>

City Chain Food Ltd., of which the Group owns 100%, acquired more equity of Ma Cheng Co., Ltd. in 2022 for \$1 in cash, increasing its shareholding from 90% to 100%.

The effects of the changes in shareholdings were as follows:

	December 31, 2022
Carrying amount of non-controlling interest on acquisition	\$ (70)
Consideration paid to non-controlling interests	<u>-</u>
Capital surplus differences between consideration and carrying amounts subsidiaries acquired	<u>\$ (70)</u>

The Group acquired more equity of Oriental Best Foods Co., Ltd. in 2021 for \$20,000 thousand in cash, increasing its shareholding from 90.00% to 100.00%.

The effects of the changes in shareholdings were as follows:

	December 31, 2021
Carrying amount of non-controlling interest on acquisition	\$ 12,661
Consideration paid to non-controlling interests	<u>(20,000)</u>
	<u>(7,339)</u>
Capital surplus differences between consideration and carrying amounts subsidiaries acquired	<u>\$ -</u>

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

(j) Investments using the equity method

The Group's investments using the equity method at the end of the financial reporting period is as follows:

	December 31, 2022	December 31, 2021
Associates	<u><u>\$ 1,744,169</u></u>	<u><u>1,741,218</u></u>

(i) Associates

1) Associates which are material to the Group consisted of the followings:

<u>Name of Associate</u>	<u>Relationship with the Group</u>	<u>Main operating country</u>	<u>Shareholding ratio</u>	
			<u>December 31, 2022</u>	<u>December 31, 2021</u>
Advent Prosperity Real Estate Development Co. Ltd	Investment in associates	PRC	32.66 %	32.64 %

Advent Prosperity Real Estate Development Co. Ltd :

	December 31, 2022	December 31, 2021
Current assets	\$ 2,094,545	2,016,420
Non-current assets	560,618	618,161
Current liabilities	<u>(108,472)</u>	<u>(112,724)</u>
Net assets	<u><u>\$ 2,546,691</u></u>	<u><u>2,521,857</u></u>
Net assets attributable to non-controlling interests	<u><u>\$ -</u></u>	<u><u>-</u></u>
Net assets attributable to the Group	<u><u>\$ 2,546,691</u></u>	<u><u>2,521,857</u></u>
	For the years ended December 31,	
	2022	2021
Operating revenue	\$ 34,781	37,956
Profit (loss) from continuing operations	(14,598)	(15,302)
Other comprehensive income	<u>39,431</u>	<u>(13,627)</u>
Total comprehensive income	<u><u>\$ 24,833</u></u>	<u><u>(28,929)</u></u>
Comprehensive income (loss) attributable to non- controlling interests	<u><u>\$ -</u></u>	<u><u>-</u></u>
Comprehensive income attributable to the Group	<u><u>\$ 24,833</u></u>	<u><u>(28,929)</u></u>

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

	For the years ended December 31,	
	2022	2021
Share of net assets of associates as of January 1, 2022	\$ 1,109,945	1,122,829
Capital increase	-	-
Comprehensive income attributable to the Group	10,832	(12,884)
Dividends received from associates	-	-
Carrying amount	\$ 1,120,777	1,109,945
	December 31, 2022	December 31, 2021
Carrying amount of individually insignificant associates' equity	\$ 623,392	631,243
	For the years ended December 31,	For the years ended December 31,
	2022	2021
Attributable to the Group:		
Net income	\$ (23,565)	13,072
Other comprehensive (loss) income	16,914	(5,472)
Comprehensive income	\$ (6,651)	7,600

(k) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests	
		December 31, 2022	December 31, 2021
Dachan Food (Asia) Limited	PRC/Cayman Islands	47.81 %	47.96 %
KouChan Mill Co., Ltd.	Taiwan	45.00 %	45.00 %
Zhong Yi Food Co., Ltd.	Taiwan	35.00 %	35.00 %
Asia Nutrition Technologies (VN) Investment Corporation	Vietnam	34.90 %	34.90 %

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intercompany transactions were not eliminated in this information.

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

(i) Dachan Food (Asia) Limited's collective financial information

	December 31, 2022	December 31, 2021
Current assets	\$ 9,145,832	9,331,283
Non-current assets	6,585,781	5,607,177
Current liabilities	(4,134,652)	(3,727,523)
Non- current liabilities	(1,364,480)	(1,349,832)
Net assets	<u>\$ 10,232,481</u>	<u>9,861,105</u>
Non-controlling interests	<u>\$ 5,485,294</u>	<u>5,340,983</u>
	For the years ended December 31,	
	2022	2021
Sales revenue	<u>\$ 27,325,074</u>	<u>40,620,333</u>
Net income	\$ 417,322	666,778
Other comprehensive income	(25,805)	214,216
Comprehensive income	<u>\$ 391,517</u>	<u>880,994</u>
Profit, attributable to non-controlling interests	<u>\$ 337,039</u>	<u>512,403</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ (14,309)</u>	<u>254,563</u>
	For the years ended December 31,	
	2022	2021
Net cash flows from operating activities	\$ 1,475,201	2,042,403
Net cash flows from investing activities	(1,568,459)	734,868
Net cash flows from financing activities	(483,041)	(2,771,249)
Net increase (loss) in cash and cash equivalents	<u>\$ (576,299)</u>	<u>6,022</u>
Dividends paid to non-controlling interests	<u>\$ (206,694)</u>	<u>(191,832)</u>

(ii) KouChan Mill Co., Ltd.'s collective financial information

	December 31, 2022	December 31, 2021
Current assets	\$ 685,781	36,690
Non-current assets	734,345	719,467
Current liabilities	(545,402)	(191,353)
Non- current liabilities	(1,938)	(1,724)
Net assets	<u>\$ 872,786</u>	<u>563,080</u>
Ending balance of non-controlling interests	<u>\$ 392,754</u>	<u>393,694</u>

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

	For the years ended December 31,	
	2022	2021
Sales revenue	\$ <u>910,226</u>	<u>740,900</u>
Net income	\$ 9,936	53,268
Other comprehensive income	30	-
Comprehensive income	\$ <u>9,966</u>	<u>53,268</u>
Profit, attributable to non-controlling interests	\$ <u>4,471</u>	<u>23,970</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>4,485</u>	<u>23,970</u>

	For the years ended December 31,	
	2022	2021
Net cash flows from operating activities	\$ (59,445)	(670)
Net cash flows from investing activities	(16,298)	(29,189)
Net cash flows from financing activities	149,637	19,836
Net increase (loss) in cash and cash equivalents	\$ <u>73,894</u>	<u>(10,023)</u>

(iii) Zhong Yi Food Co., Ltd.'s collective financial information

	December 31,	December 31,
	2022	2021
Current assets	\$ 870,645	693,012
Non-current assets	2,283,782	1,565,628
Current liabilities	(1,388,419)	(1,187,481)
Non-current liabilities	(553,383)	(5,634)
Net assets	\$ <u>1,212,625</u>	<u>1,065,525</u>
Ending balance of non-controlling interests	\$ <u>424,475</u>	<u>372,990</u>

	For the years ended December 31,	
	2022	2021
Sales revenue	\$ <u>4,377,736</u>	<u>3,326,724</u>
Net income	\$ 147,100	(83,598)
Other comprehensive income	-	-
Comprehensive income	\$ <u>147,100</u>	<u>(83,598)</u>
Profit, attributable to non-controlling interests	\$ <u>51,485</u>	<u>(29,259)</u>
Comprehensive income, attributable to non-controlling interests	\$ <u>51,485</u>	<u>(29,259)</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	For the years ended December 31,	
	2022	2021
Net cash flows from operating activities	\$ 162,849	259,942
Net cash flows from investing activities	(892,482)	(375,451)
Net cash flows from financing activities	756,175	147,882
Net increase (loss) in cash and cash equivalents	<u>\$ 26,542</u>	<u>32,373</u>
 (iv) Asia Nutrition Technologies (VN) Investment Corporation's collective financial information		
	December 31,	December 31,
	2022	2021
Current assets	\$ 4,051,943	4,170,025
Non-current assets	1,785,178	1,701,283
Current liabilities	(2,992,385)	(3,416,726)
Non-current liabilities	(464,437)	(444,580)
Net assets	<u>\$ 2,380,299</u>	<u>2,010,002</u>
Ending balance of non-controlling interests	<u>\$ 830,724</u>	<u>701,491</u>
	For the years ended December 31,	
	2022	2021
Sales revenue	<u>\$ 19,510,969</u>	<u>16,462,321</u>
Net income	\$ 360,688	212,201
Other comprehensive income	158,629	(58,703)
Comprehensive income	<u>\$ 519,317</u>	<u>153,498</u>
Profit, attributable to non-controlling interests	<u>\$ 125,880</u>	<u>74,058</u>
Comprehensive income, attributable to non-controlling interests	<u>\$ 43,932</u>	<u>25,846</u>
	For the years ended December 31,	
	2022	2021
Net cash flows from operating activities	\$ (624,080)	730,875
Net cash flows from investing activities	(69,760)	(332,563)
Net cash flows from financing activities	(153,550)	(276,800)
Net increase (loss) in cash and cash equivalents	<u>\$ (847,390)</u>	<u>121,512</u>
Dividends paid to non-controlling interests	<u>\$ 52,009</u>	<u>96,588</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(l) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2022 and 2021, were as follows:

	Land	Buildings and Construction	Machinery and Equipment	Transportati on equipment	Other facilities	Leasehold improvements	Leased assets	Construction in progress	Accumulated depreciation	Total
Cost or deemed cost:										
January 1, 2022	\$ 5,248,006	6,144,778	16,094,884	660,075	4,198,408	802,548	394	3,242,419	-	36,391,512
Acquisitions	-	-	-	-	-	-	-	-	-	-
Additions	97,173	105,218	313,335	35,891	86,627	60,686	-	3,178,046	-	3,876,976
Transfers	-	1,214,595	587,586	25,772	904,042	16,936	-	(2,748,931)	-	-
Disposal	(352)	(277,988)	(426,629)	(46,397)	(182,532)	(33,862)	-	(12,418)	-	(980,178)
Effect of movements in exchange rates	-	61,879	224,603	12,588	8,084	5,320	-	18,274	-	330,748
December 31, 2022	<u>\$ 5,344,827</u>	<u>7,248,482</u>	<u>16,793,779</u>	<u>687,929</u>	<u>5,014,629</u>	<u>851,628</u>	<u>394</u>	<u>3,677,390</u>	<u>-</u>	<u>39,619,058</u>
January 1, 2021	\$ 4,918,993	5,786,361	15,437,742	631,884	3,811,445	785,252	394	2,504,570	-	33,876,641
Other additions	329,013	102,349	348,062	60,043	142,958	28,827	-	2,166,368	-	3,177,620
Transfers	-	357,871	665,189	12,933	339,081	14,516	-	(1,389,590)	-	-
Disposal	-	-	(239,625)	(40,383)	(81,325)	(24,311)	-	(32,035)	-	(417,679)
Effect of movements in exchange rates	-	(101,803)	(116,484)	(4,402)	(13,751)	(1,736)	-	(6,894)	-	(245,070)
December 31, 2021	<u>\$ 5,248,006</u>	<u>6,144,778</u>	<u>16,094,884</u>	<u>660,075</u>	<u>4,198,408</u>	<u>802,548</u>	<u>394</u>	<u>3,242,419</u>	<u>-</u>	<u>36,391,512</u>
Depreciation and impairment losses:										
January 1, 2022	\$ -	2,327,065	9,431,279	403,919	2,842,204	569,414	268	-	527,226	16,101,375
Depreciation for the year	-	249,088	933,915	76,901	511,732	63,121	48	-	-	1,834,805
Impairment loss (reversal)	-	-	-	-	-	-	-	-	(29,231)	(29,231)
轉入(轉出)	-	-	(3,387)	-	3,387	-	-	-	-	-
Disposal	-	(68,634)	(386,673)	(36,050)	(176,152)	(29,266)	-	-	-	(696,775)
Effect of movements in exchange rates	-	19,214	96,735	8,517	9,366	3,618	-	-	35,823	173,273
December 31, 2022	<u>\$ -</u>	<u>2,526,733</u>	<u>10,071,869</u>	<u>453,287</u>	<u>3,190,537</u>	<u>606,887</u>	<u>316</u>	<u>-</u>	<u>533,818</u>	<u>17,383,447</u>
January 1, 2021	\$ -	2,116,812	8,813,306	356,620	2,534,191	527,683	211	-	408,754	14,757,577
Depreciation for the year	-	219,908	838,648	81,495	391,841	66,003	57	-	-	1,597,952
Impairment loss (reversal)	-	-	-	-	-	-	-	-	126,211	126,211
Disposal	-	-	(167,986)	(31,336)	(75,645)	(23,098)	-	-	-	(298,065)
Effect of movements in exchange rates	-	(9,655)	(52,689)	(2,860)	(8,183)	(1,174)	-	-	(7,739)	(82,300)
December 31, 2021	<u>\$ -</u>	<u>2,327,065</u>	<u>9,431,279</u>	<u>403,919</u>	<u>2,842,204</u>	<u>569,414</u>	<u>268</u>	<u>-</u>	<u>527,226</u>	<u>16,101,375</u>
Carrying amount:										
December 31, 2022	<u>\$ 5,344,827</u>	<u>4,721,749</u>	<u>6,721,910</u>	<u>234,642</u>	<u>1,824,092</u>	<u>244,741</u>	<u>78</u>	<u>3,677,390</u>	<u>(533,818)</u>	<u>22,235,611</u>
January 1, 2021	<u>\$ 4,918,993</u>	<u>3,669,549</u>	<u>6,624,436</u>	<u>275,264</u>	<u>1,277,254</u>	<u>257,569</u>	<u>183</u>	<u>2,504,570</u>	<u>(408,754)</u>	<u>19,119,064</u>
December 31, 2021	<u>\$ 5,248,006</u>	<u>3,817,713</u>	<u>6,663,605</u>	<u>256,156</u>	<u>1,356,204</u>	<u>233,134</u>	<u>126</u>	<u>3,242,419</u>	<u>(527,226)</u>	<u>20,290,137</u>

(i) Reversal of impairment loss

Some business groups performed poorly during the year 2022, which led to the Group undergoing impairment tests using the recoverable amount method. After revaluation of the estimates used, impairment losses previously recognized of \$29,231 thousand were reversed. As of December 31, 2022, the Group's accumulative impairment losses for the business entity amounted to \$533,818 thousand.

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- (ii) In 2008, the Group acquired eight lots of land (0439-0000, etc.) for \$35,708 thousand in Xinpi Township Section, Xinpi Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (iii) In October 2009, the Group acquired three lots of land (212, etc.) for \$16,011 thousand in Shirong Section, Yanpu Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (iv) In October 2008, the Group acquired twenty-one lots of land (105-34, etc.) for \$45,971 thousand in Wuluo Section, Ligang Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (v) In April 2010, the Group acquired five lots of land (0889, etc.) for \$23,179 thousand in Pizitou Section, Guanmiao Township, Tainan County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group. As of July 2014, two lots of land (0889, 0893) totaling \$22,823 thousand has been transferred under the Group, which applied as an agriculture and livestock foundation.
- (vi) The Group acquired one lot of land (0440-0006) for \$3,247 thousand in Xinbei Township Section, Xinpi Township, Pingtung County in March 2011. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (vii) The Group acquired one lot of land (715-2) for \$1,114 thousand in Xinli Section, Xinpi Township, Pingtung County in 2013. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (viii) The Group acquired five lots of land (27-0, 27-1, 28-0, 29-0, 128-0) for \$7,734 thousand in Zhujia Xiaosuan, Zhujiajiao Section, Zhujiao Township, Liujiao Township, Chiayi County in June 2014. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (ix) The Group acquired one land lot (406) for \$1,480 thousand in Xinzhuang Xiaoduan, Yizhu Township, Chiayi County and fifteen land lots (195, etc.) for \$27,482 thousand in Duanpiqian Xiaoduan, Pizitou in February 2015. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.

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

- (x) The Group acquired one land lot (440-7) for \$3,617 thousand in Shitan Section, Xinpi Township, Pingtung County. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xi) The Group acquired two land lots (936, 936-1) in Linluo Township, Pingtung County for 9,841 thousand in January 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xii) The Group acquired one lot of land (221) in the front section of Piqian Xiaoduan, Pizitou Duanbi, Yizhu Township, Chiayi County for \$9,559 thousand in April 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xiii) The Group acquired two land lots (126-1, 127) in Zhujia Xiaoduan, Zhujiajiao Section, Zhujiao Section, Liujiao Township, Chiayi County for \$3,236 thousand in July 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xiv) The Group acquired three land lots (50, 51-2, 126) in Zhujia Xiaoduan, Zhujiajiao Section, Liujiao Township, Chiayi County for \$4,680 thousand in November 2016. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xv) The Group acquired four land lots (195, 195-6, 199, 199-4) in the front section of Pizitou Duanpi, Yizhu Township, Chiayi County for \$2,255 thousand in October 2017. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xvi) The Group acquired one land lot (635) in the front section of Pizitou Duanbi, Yizhu Township, Chiayi County for \$3,014 thousand in the fourth financial quarter of 2017. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xvii) The Group acquired twenty-two land lots (4303) in the Caohu Section and Fangbei Section of Fangyuan Township, Changhua County for \$85,862 thousand in December 2018. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.

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

- (xviii) The Group acquired one land lot (0195-1) in the front section of Duanpi, Pizitou, Chiayi County for \$688 thousand on January 3, 2019. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xix) The Group acquired three land lots (127, 128, 129) in the front section 0127, 0128, and 0129 of Pizitou Duanpi, Yizhu Township, Chiayi County for \$7,828 thousand on April 24, 2019. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xx) The Company acquired three land lots (2066) in the Houying section of Xigang District, Tainan City for \$33,082 thousand on March 24, 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 Group.
- (xxi) The Company acquired three land lots (3125) in the Datunliao section of Xiaying District, Tainan City for \$9,250 thousand on April 9, 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 Group.
- (xxii) The Company acquired sixteen land lots (2835) in the Guoyihou section of Liuying District, Tainan City for \$61,152 thousand on May 13, 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 Group.
- (xxiii) The Company acquired one land lot (0618-0001) in the Xinnan section of Zhuangwei Township, Yilan County for \$6,738 thousand on May 26, 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 Group.
- (xxiv) The Company acquired two land lots (562) in the Erjhen section of Guantian District, Tainan City for \$67,236 thousand on August 2, 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 Group.
- (xxv) The Company acquired three land lots (779) in the Fangzilin section of Dake District, Tainan City for \$10,255 thousand on August 3, 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 Group.

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

- (xxvi) The Company acquired three land lots (0318-00000) in the Fangbei section of Fangyuan Township, Changhua County for \$12,003 thousand on October 19, 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 Group.
- (xxvii) The Group acquired one land lot (465) in the front section of Pizitou Duanpi, Yizhu Township, Chiayi County for \$2,230 thousand on October 15, 2021. Since it is agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xxviii) The Group acquired two land lots (0052 and 0053) in Dingyi section, Dingyiziliao, Dongshi Township, Chiayi County for \$3,192 thousand on April 29, 2022. Since it is agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xxix) The Group acquired six land lots (0897) in the Shuiqilin section of Lioujia District, Tainan City for \$19,599 thousand on July 8, 2022. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xxx) The Group acquired one land lot (0569) in the Shangfu section of Dacheng Township, Changhua County for \$6,389 thousand on July 25, 2022. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xxxi) The Group acquired one lot of land (0092) in the Shuiqilin section of Lioujia District, Tainan City for \$649 thousand on November 15, 2022. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xxxii) The Group acquired one lot of land (0348) in the Fangbei section of Fangyuan Township, Changhua County for \$4,526 thousand on December 7, 2022. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xxxiii) The Group acquired one lot of land (1055) in the Jiadongjiao section of Ligang Township, Pingtung County for \$6,556 thousand on December 9, 2022. Since they are all agricultural land and cannot be transferred to the company, property rights are temporarily registered under the individual's name. However, an agreement has been obtained and security measures have been adopted to pledge the land to the Group.
- (xxxiv) The Group did not capitalize any interests incurred due to the construction of plant and equipment in the years 2022 and 2021.

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

(xxxv) For gain and loss on disposal, please refer to Note 6(ab).

(xxxvi) No collateral was pledged for short-term borrowings, long-term borrowings, or loan commitments in the years 2022 and 2021.

(m) Right-of-use assets

Information about leases for which the Group as a lessee is presented below:

	Land	Buildings and construction	Machinery and equipment	Transportation equipment	XXXX	Total
Cost:						
January 1, 2022	\$ 1,523,334	1,236,887	49	61,118	-	2,821,388
Addition	19,454	109,728	3,459	3,284	-	135,925
Disposal/Write-off	(50,983)	(86,503)	-	(533)	-	(138,019)
Effects of changes in foreign exchange rates	28,713	49,483	153	458	-	78,807
December 31, 2022	<u>\$ 1,520,518</u>	<u>1,309,595</u>	<u>3,661</u>	<u>64,327</u>	<u>-</u>	<u>2,898,101</u>
Effects of retrospective application	\$ 1,374,796	1,295,055	2,499	67,505	-	2,739,855
Addition	175,510	11,289	-	15,625	-	202,424
Disposal/Write-off	-	(56,105)	(2,371)	(21,872)	-	(80,348)
	(26,972)	(13,352)	(79)	(140)	-	(40,543)
December 31, 2021	<u>\$ 1,523,334</u>	<u>1,236,887</u>	<u>49</u>	<u>61,118</u>	<u>-</u>	<u>2,821,388</u>
Accumulated depreciation and impairment losses:						
January 1, 2022	\$ 128,103	411,023	1,512	38,123	7,636	586,397
Depreciation for the year	68,655	138,686	379	17,447	-	225,167
Disposal/Write-off	(4,713)	(51,021)	-	(533)	-	(56,267)
Effects of changes in foreign exchange rates	(25,443)	7,946	149	291	5,294	(11,763)
December 31, 2022	<u>\$ 240,795</u>	<u>635,013</u>	<u>1,893</u>	<u>54,031</u>	<u>53,647</u>	<u>985,379</u>
January 1, 2021	\$ 128,103	411,023	1,512	38,123	7,636	586,397
Depreciation	78,908	137,102	509	20,507	-	237,026
Disposal/Write-off	(2,009)	(7,498)	(610)	(21,711)	-	(31,828)
Reversal of impairment loss	-	-	-	-	41,327	41,327
Effects of changes in foreign exchange rates	(2,706)	(1,225)	(46)	(93)	(610)	(4,680)
December 31, 2021	<u>\$ 202,296</u>	<u>539,402</u>	<u>1,365</u>	<u>36,826</u>	<u>48,353</u>	<u>828,242</u>
Carrying amount:						
December 31, 2022	<u>\$ 1,279,723</u>	<u>674,582</u>	<u>1,768</u>	<u>10,296</u>	<u>(53,647)</u>	<u>1,912,722</u>
January 1, 2021	<u>\$ 1,246,693</u>	<u>884,032</u>	<u>987</u>	<u>29,382</u>	<u>(7,636)</u>	<u>2,153,458</u>
December 31, 2021	<u>\$ 1,321,038</u>	<u>697,485</u>	<u>(1,316)</u>	<u>24,292</u>	<u>(48,353)</u>	<u>1,993,146</u>

Some business groups performed poorly during the year 2022, which led to the Group undergoing impairment tests using the recoverable amount method. After revaluation of the estimates used, no impairment loss should be recognized. As of December 31, 2022, the Group's accumulative impairment losses for the business entity amounted to \$53,647 thousand.

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

(n) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as properties that are owned by the Group. The leases of investment properties contain an initial non-cancellable lease term of 3 to 11 years.

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

The details of investment properties are as follows:

	Owned property			Right-of-use assets	Total
	Land and improvements	Buildings and construction	Accumulated depreciation	Buildings and construction	
January 1, 2022	\$ 113,640	774,744	-	149,635	1,038,019
Effects of changes in foreign exchange rates	-	10,212	-	187	10,399
December 31, 2022	\$ 113,640	784,956	-	149,822	1,048,418
January 1, 2021	\$ 113,640	778,250	-	149,700	1,041,590
Effects of changes in foreign exchange rates	-	(3,506)	-	(65)	(3,571)
December 31, 2021	\$ 113,640	774,744	-	149,635	1,038,019
January 1, 2022	\$ -	235,907	36,000	73,262	345,169
Depreciation	-	22,129	-	22,837	44,966
Effects of changes in foreign exchange rates	-	2,640	-	(698)	1,942
December 31, 2022	\$ -	260,676	36,000	95,401	392,077
January 1, 2021	\$ -	214,796	36,000	50,472	301,268
Depreciation	-	21,928	-	22,825	44,753
Effects of changes in foreign exchange rates	-	(817)	-	(35)	(852)
December 31, 2021	\$ -	235,907	36,000	73,262	345,169
Carrying amount:					
December 31, 2022	\$ 113,640	524,280	(36,000)	54,421	656,341
January 1, 2021	\$ 113,640	563,454	(36,000)	99,228	740,322
December 31, 2021	\$ 113,640	538,837	(36,000)	76,373	692,850
Fair value:					
December 31, 2022				\$ 742,236	
December 31, 2021				\$ 756,964	

The fair value of investment properties (as measured or disclosed in the financial statements) was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. Fair value was measured using the market approach.

Investment properties include several commercial properties leased to others. The leases of investment properties contain an initial non-cancellable lease term of 2 to 9 years. Subsequent lease terms are negotiated with the lessee, and no contingent rent has been collected. For relevant information, please refer to Note 6(u).

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

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

As of December 31, 2022 and 2021, investment properties have not been pledged as collateral.

(o) Other non current assets - other

	December 31, 2022	December 31, 2021
Prepayments for land construction and business facilities	\$ 828,531	446,441
Tax credit	758,941	637,949
Guarantee deposits paid	329,063	189,029
Unamortized expenses	34,885	20,566
Other	157,103	116,937
	<u>\$ 2,108,523</u>	<u>1,410,922</u>

(p) Short-term borrowings

	December 31, 2022	December 31, 2021
Letters of credit	\$ 5,248,011	7,703,190
Unsecured bank loans	9,905,336	5,479,934
Total	<u>\$ 15,153,347</u>	<u>13,183,124</u>
Unused short-term credit lines	<u>\$ 9,759,525</u>	<u>8,806,514</u>
Range of interest rates	<u>1.58%~9.5%</u>	<u>0.55%~3.85%</u>

(i) Issuance and repayment of loans

	Total
January 1, 2022	\$ 13,183,124
New loans (Maturity date: February 2022 to November 2023)	94,250,554
Loans repaid	(92,616,931)
Effects of changes in foreign exchange rates	336,600
December 31, 2022	<u>\$ 15,153,347</u>
January 1, 2021	\$ 8,931,406
New loans (Maturity date: April 2021 to September 2022)	62,043,332
Loans repaid	(57,713,575)
Effects of changes in foreign exchange rates	(78,039)
December 31, 2021	<u>\$ 13,183,124</u>

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

(ii) Collateral for bank loans

For more information on promissory notes pledged for short-term borrowings, please refer to Note 9.

(q) Short-term notes and bills payable

December 31, 2022			
	Guarantee or acceptance institution	Range of interest rate(%)	Amount
Commercial paper payable	Mega Bills	1.358%~2.048%	\$ 970,000
"	Dah Chung Bills	1.838%~2.238%	370,000
"	Taiwan Finance Co.	2.238%	300,000
"	China Bills	1.658%~2.308%	720,000
"	Ta Ching Bills	2.088%~2.208%	400,000
"	International Bills	2.238%~2.338%	600,000
"	Taiwan Cooperative Bills	2.238%	300,000
Total			\$ 3,660,000
Unused credit			\$ 124,000

December 31, 2021			
	Guarantee or acceptance institution	Range of interest rate(%)	Amount
Commercial paper payable	Mega Bills	0.848%~1.168%	\$ 970,000
"	Dah Chung Bills	0.838%~1.168%	370,000
"	Taiwan Finance Co.	0.848%	200,000
"	China Bills	0.848%~1.18%	715,000
"	Ta Ching Bills	0.838%~0.95%	360,000
"	Taiwan Cooperative Bills	0.828%	300,000
Subtotal			2,915,000
Less: Discount on short-term notes and bills payable			(69)
Total			\$ 2,914,931
Unused credit			\$ 219,069

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

(i) Issuance and repayment of loans

	Total
January 1, 2022	\$ 2,914,931
New loans (Maturity date: January 2022 to March 2023)	30,226,069
Loans repaid	<u>(29,481,000)</u>
December 31, 2022	<u>\$ 3,660,000</u>
January 1, 2021	\$ 1,986,931
New loans (Maturity date: January 2021 to February 2022)	22,293,000
Loans repaid	<u>(21,365,000)</u>
December 31, 2021	<u>\$ 2,914,931</u>

(r) Long-term borrowings

The details were as follows:

	December 31, 2022	December 31, 2021
Unsecured bank loans	\$ 1,739,633	1,179,048
Government loans	109,354	159,506
Less: current portion	<u>(109,354)</u>	<u>(185,336)</u>
Total	<u>\$ 1,739,633</u>	<u>1,153,218</u>
Unused long-term credit lines	<u>\$ 521,753</u>	<u>212,690</u>
Range of interest rates	<u>0%~5.54%</u>	<u>0%~7.5%</u>

(i) Issuance and repayment

	Total
Balance at January 1, 2022	\$ 1,338,554
New loans (Maturity date: June 2023 to December 2027)	1,300,455
Loans repaid	(863,876)
Effect of changes in foreign exchange rates	<u>73,854</u>
Balance at December 31, 2022	<u>\$ 1,848,987</u>
Balance at January 1, 2021	\$ 2,227,527
New loans (Maturity date: July 2022 to November 2023)	2,088,309
Loans repaid	(2,971,552)
Effect of changes in foreign exchange rates	<u>(5,730)</u>
Balance at December 31, 2021	<u>\$ 1,338,554</u>

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

(ii) Collateral for long-term borrowings

For more information on the Group's promissory notes and commercial papers, please refer to Note 9.

(s) Other payables

The details of other payables are as follows:

	December 31, 2022	December 31, 2021
Wage and employee benefits payable	\$ 1,525,184	1,377,110
Employee compensation payable	90,000	90,000
Board member remuneration payable	40,000	40,000
Interest payable	49,214	12,087
Construction payable	147,233	50,359
Dividends	562	10,509
Other expenses and accounts payable	<u>814,685</u>	<u>784,303</u>
Total	<u>\$ 2,666,878</u>	<u>2,364,368</u>

(t) Lease liabilities

The details of lease liabilities are as follows:

	December 31, 2022	December 31, 2021
Current	<u>\$ 188,329</u>	<u>191,053</u>
Non-current	<u>\$ 869,445</u>	<u>929,787</u>

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

The amounts recognized in profit or loss was as follows:

	For the years ended December 31,	
	2022	2021
Interest on lease liabilities	<u>\$ 37,607</u>	<u>32,189</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 212,654</u>	<u>235,849</u>
Income from sub-leasing right-of-use assets	<u>\$ (65,916)</u>	<u>(66,031)</u>
Expenses relating to short-term leases	<u>\$ 329,889</u>	<u>363,031</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 21,343</u>	<u>21,124</u>

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

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

	<u>2022</u>	<u>2021</u>
Total cash outflow for leases	<u>\$ 743,386</u>	<u>770,938</u>

(u) Operating lease

(i) Leases as lessor

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

A maturity analysis of lease payments showing the undiscounted lease payments to be received is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Less than one year	\$ 36,819	23,592
Between one and five years	120,552	68,936
Over five years	<u>37,072</u>	<u>54,306</u>
Total undiscounted lease payments	<u>\$ 194,443</u>	<u>146,834</u>

Rental income for the year 2022 and 2021 from investment properties totaled 26,822 thousand and 21,136 thousand, respectively.

(v) Employee benefits

(i) Defined benefit plans

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of the defined benefit obligations	\$ (65,006)	(65,693)
Fair value of planned assets	<u>180,943</u>	<u>169,253</u>
Net defined benefit (liabilities) assets	<u>\$ 115,937</u>	<u>103,560</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total employee benefit assets	\$ 119,376	108,490
Total employee benefit liabilities	<u>(3,439)</u>	<u>(4,930)</u>
Total	<u>\$ 115,937</u>	<u>103,560</u>

(Continued)

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

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

1) Composition of plan assets

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

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

The Group's Bank of Taiwan and Taiwan Cooperative Bank labor pension reserve account balance amounted to \$180,943 thousand and \$169,253 thousand as of December 31, 2022 and 2021. 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

The movement in present value of the defined benefit obligations for the Group were as follows:

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Defined benefit obligations at January 1	\$ 65,693	74,878
Current service costs and interest cost	1,825	1,706
Remeasurements loss (gain):		
— Actuarial (gain) loss arising from experience adjustments	1,194	(387)
— Actuarial (gain) loss arising from financial assumptions	(2,460)	(2,176)
Benefits paid	<u>(1,246)</u>	<u>(8,328)</u>
Defined benefit obligations at December 31	<u>\$ 65,006</u>	<u>65,693</u>

(Continued)

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

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	For the years ended December 31,	
	2022	2021
Fair value of planned assets at January 1	\$ 169,253	173,003
Interest income	1,192	522
Remeasurements loss (gain):		
— Return on plan assets excluding interest income	9,459	1,871
Contributions paid by the employer	2,285	2,185
Benefits paid	(1,246)	(8,328)
Fair value of planned assets at December 31	\$ 180,943	169,253

4) Expenses recognized in profit or loss

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

	For the years ended December 31,	
	2022	2021
Current service costs	\$ 1,365	1,482
Net interest of net liabilities for defined benefit obligations	(732)	(298)
Total (Management fee)	\$ 633	1,184

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

The Group's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2022 and 2021, was as follows:

	For the years ended December 31,	
	2022	2021
Accumulated amount at January 1	\$ (13,138)	(8,704)
Recognized during the period	(10,723)	(4,434)
Accumulated amount at December 31	\$ (23,861)	(13,138)

(Continued)

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

6) Actuarial assumptions

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.20%	0.70%
Future salary increase rate	1.00%~2.00%	1.00%~2.00%

For the year ended 2022, the expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$2,235 thousand.

The weighted average lifetime of the defined benefits plans ranges from 6.8~7.5 years.

7) Sensitivity analysis

The impact on the present value of the defined benefit assets given some changes in the actuarial assumptions shall be as follows:

	<u>Influences of defined benefit assets</u>	
	<u>Increased</u>	<u>Decreased</u>
December 31, 2022		
Discount rate (0.25% change)	\$ 981	(1,019)
Future salary increasing rate (0.25% change)	(871)	842
December 31, 2021		
Discount rate (0.25% change)	\$ 1,132	(1,090)
Future salary increasing rate (0.25% change)	(976)	944
	<u>Influences of defined benefit obligations</u>	
	<u>Increased</u>	<u>Decreased</u>
December 31, 2022		
Discount rate (0.1% change)	\$ (73)	74
Future salary increasing rate (0.1% change)	64	(63)
December 31, 2021		
Discount rate (0.1% change)	\$ (83)	84
Future salary increasing rate (0.1% change)	74	(73)

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.

(Continued)

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

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

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

Chinese employees must participate in the retirement pension plan run by the relevant Chinese municipal government; that is, in the relevant year, it must be based on the standard wages determined by the relevant Chinese authorities. In the year of 2022 and 2021, the rates ranged from 16% and 14%~16% for annual pension contributions. Except for the aforementioned contributions, the Group does not assume other major responsibilities for the retirement benefits of Chinese employees.

According to the Hong Kong Mandatory Provident Fund Schemes Ordinance, the Group also set up a mandatory provident fund scheme ("MPF Scheme") for employees hired under the Hong Kong Employment Ordinance. The MPF plan is a defined contribution retirement plan managed by an independent trustee. According to the MPF scheme, the Group and its employees contribute 6%~5% of the employee's relevant income to the plan, and the monthly relevant income of the contribution amount is limited to HK\$30,000. Contributions to the plan vest immediately.

In 2022 and 2021, contributions to the Employees' Provident Fund for Malaysian employees is 13% of the employee's salary.

The Group also purchases statutory social security and medical insurance for qualified employees in Vietnam. Contribution ratios in 2022 and 2021 were both 20.5%.

The pension costs incurred from the contributions amounted to \$328,106 thousand and \$295,492 thousand for the years ended December 31, 2022 and 2021, respectively.

(Continued)

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

(w) Income taxes

(i) The components of income tax in the years 2022 and 2021 were as follows:

	For the years ended December 31,	
	2022	2021
Current tax expense		
Current period	\$ 706,189	745,391
Adjustment for prior periods	(34,883)	(40,417)
	<u>671,306</u>	<u>704,974</u>
Deferred tax expense		
Origination and reversal of temporary differences	(46,094)	(24,228)
Adjustment in tax rate	1,359	(1,862)
Change in unrecognized deductible temporary differences	(50,990)	(54,189)
	<u>(95,725)</u>	<u>(80,279)</u>
Recognition of previously unrecognized tax losses	<u>\$ 575,581</u>	<u>624,695</u>

The amount of income tax recognized in other comprehensive income for 2022 and 2021 was as follows:

	For the years ended December 31,	
	2022	2021
Remeasurement from defined benefit plans	<u>\$ 2,047</u>	<u>633</u>

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

	For the years ended December 31,	
	2022	2021
Profit excluding income tax	\$ 3,425,707	2,886,718
Income tax using the Company's domestic tax rate	685,141	577,344
Effect of tax rates in foreign jurisdiction (not applicable for separate financial statements)	(42,622)	(128,438)
Non-deductible expenses	108,030	155,223
Tax-exempt income	(61,587)	(40,014)
Other permanent differences	(257,215)	(128,021)
Recognition of previously unrecognized tax losses	(50,990)	(54,189)
Current-year losses for which no deferred tax asset was recognized	225,918	274,879
Change in unrecognized temporary differences	1,359	(1,862)
Change in provision in prior periods	(34,883)	(40,417)
Additional tax on undistributed earnings	<u>2,430</u>	<u>10,190</u>
Total	<u>\$ 575,581</u>	<u>624,695</u>

(Continued)

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

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2022 and 2021. 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, 2022	December 31, 2021
Aggregate amount of temporary differences related to investments in subsidiaries	<u>\$ 6,620,482</u>	<u>5,875,907</u>
Unrecognized deferred tax liabilities	<u>\$ 1,371,730</u>	<u>1,224,060</u>

2) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2022	December 31, 2021
Tax effect of deductible temporary differences	<u>\$ 135,395</u>	<u>137,104</u>
The carryforward of unused tax losses	<u>392,620</u>	<u>350,045</u>
	<u>\$ 528,015</u>	<u>487,149</u>

The Group follows local tax regulations to offset net losses with taxable income during the first five to ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

(Continued)

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

3) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

Deferred Tax Liabilities:

	Defined benefit plans	Unrealized exchange gains and losses	Fair value gains	Other	Total
January 1, 2022	\$ 21,149	5,179	7,720	51,438	85,486
Recognized in profit and loss debit (credit)	131	(5,179)	15,314	10,270	20,536
Recognized in other comprehensive profit and loss debit (credit)	-	-	-	2,047	2,047
December 31, 2022	<u>\$ 21,280</u>	<u>-</u>	<u>23,034</u>	<u>63,755</u>	<u>108,069</u>
January 1, 2021	\$ 21,135	20,583	11,432	58,573	111,723
Recognized in profit and loss debit (credit)	14	(15,404)	(3,712)	(7,734)	(26,836)
Recognized in other comprehensive profit and loss debit (credit)	-	-	-	599	599
December 31, 2021	<u>\$ 21,149</u>	<u>5,179</u>	<u>7,720</u>	<u>51,438</u>	<u>85,486</u>

Deferred Tax Assets:

	Unrealized exchange gains and losses	Other	Total
January 1, 2022	\$ -	193,452	193,452
Recognized in profit and loss (debit) credit	9,109	57,522	66,631
December 31, 2022	<u>\$ 9,109</u>	<u>250,974</u>	<u>260,083</u>
January 1, 2021	\$ -	196,094	196,094
Recognized in profit and loss (debit) credit	-	(2,608)	(2,608)
Debit other comprehensive profit and loss	-	(34)	(34)
December 31, 2021	<u>\$ -</u>	<u>193,452</u>	<u>193,452</u>

- (iii) The Company's tax returns for the years through 2020 were assessed by the National Tax Administration. For domestic subsidiaries, the year up till which was assessed by the National Tax Administration is as follows:

Total Nutrition Tech. Co., Ltd.: 2020.

Huang-Ho Invest. Co., Ltd.: 2020.

City Chain Food Ltd.: 2020.

May Lan Lei Co., Ltd.: 2020.

Zhong Yi Food Co., Ltd : 2020.

Oriental Best Foods Co., Ltd.: 2020.

(Continued)

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

An Hsin Chiao Chu Co., Ltd.: 2020.

KouChan Mill Co., Ltd.: 2020.

Nissshi Chain Co., Ltd.: 2020.

Saboten Co., Ltd.: 2020.

Honolulu Chain Food & Beverage Co., Ltd.: 2020.

Great Wall Feed Tech (Holdings) Ltd.: 2020.

Neo Foods Co., Ltd.: 2020.

Wonder Biotek Co., Ltd.: 2020.

Xiang Cheng Co., Ltd.: 2020.

Food China Inc.: 2020.

(x) Capital and other equity

As of December 31, 2022 and 2021, 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, 894,767 thousand and 852,159 thousand ordinary shares were issued, respectively.

Reconciliation of shares outstanding for 2022 and 2021 was as follows:

(expressed in thousands)

	Ordinary shares	
	2022	2021
January 1, 2022	\$ 852,159	827,339
Capitalizing undistributed earnings	42,608	24,820
December 31, 2022	\$ 894,767	852,159

(i) Ordinary shares

A resolution was passed during the general meeting of shareholders held on June 17, 2022 to capitalize undistributed earnings of \$426,080 thousand. The Group has received approval from the Financial Supervisory Commission for this capital increase, with September 5, 2022 as the date of capital increase. The relevant statutory registration procedures have since been completed.

A resolution was passed during the general meeting of shareholders held on July 30, 2021 to capitalize undistributed earnings of \$248,202 thousand. The Group 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.

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

(ii) Capital surplus

The balances of capital surplus as of December 31, 2022 and 2021, were as follows:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Share capital	\$ 2,252	2,252
Treasury share transactions	1,851,672	1,781,586
Difference arising from subsidiary's share price and its carrying value	849,149	837,631
Stock options - fair value differences of associates and joint ventures under the equity method	66,918	66,918
Premium on convertible bonds	587,144	587,144
Other	<u>19,235</u>	<u>19,235</u>
	<u>\$ 3,376,370</u>	<u>3,294,766</u>

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

(iii) Retained earnings

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

1) Legal reserve

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

(Continued)

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

2) Special reserve

When the company first adopted the IFRSs as approved by the FSC, by application of the exemption under IFRSs No. 1, any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders equity were reclassified under “Investment property” on the conversion date. The fair value on the conversion date is used as the recognized cost and the amount of retained earnings increased to \$328,719 thousand. In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, for the amount that the company elects to transfer to retained earnings, the company shall set aside an equal amount of special reserve, provided that when, on the date of the adoption of the IFRSs, the increase in retained earnings due to the first-time adoption of the IFRSs is insufficient to set aside the amount specified above, the company may set aside only the amount of the increase in retained earnings resulting from the adoption of the IFRSs. Following this, the company stated an increase of \$42,994 thousand in special reserves. When the company subsequently uses, disposes of, or reclassifies the relevant assets, it may reverse to distributable earnings a proportional amount of the special reserve originally set aside. As of December 31, 2022 and 2021, special reserves amounted to \$42,994 thousand.

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

3) Earnings distribution

Cash dividends for the year 2021 and 2020 were decided by the resolution adopted at the board meeting held at March 25, 2022 and March 27, 2021, respectively. Stock dividends for the year 2021 and 2020 were decided by the resolution adopted at the general meeting of shareholders held at June 17, 2022 and July 30, 2021, respectively. The relevant dividend distributions to shareholders were as follows:

	<u>2021</u>		<u>2020</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	\$ 1.50	1,278,239	2.70	2,233,815
Stock	0.50	<u>426,080</u>	0.30	<u>248,202</u>
		<u>1,704,319</u>		<u>2,482,017</u>

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

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

(iv) Treasury shares

Company shares held by subsidiaries

In 2022 and 2021, subsidiaries of the company did not acquire any new company shares. The number of shares held by subsidiaries and their respective market price are as follows:

<u>Name of subsidiary</u>	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Market price</u>	<u>Shares owned (thousands)</u>	<u>Market price</u>	<u>Shares owned (thousands)</u>
Huang-Ho Invest. Co., Ltd.	\$ 969,196	21,278	1,082,120	20,264
City Chain Food Ltd.	1,265,463	27,782	1,412,905	26,459
Total	<u>\$ 2,234,659</u>	<u>49,060</u>	<u>2,495,025</u>	<u>46,723</u>

As of December 31, 2022 and 2021, the total value of company shares held by subsidiaries both amounted to \$219,132 thousand.

(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, 2022	\$ (920,308)	2,471,954	1,551,646
Exchange differences on foreign operations	22,886	-	22,886
Exchange differences on subsidiaries accounted for using equity method	34,290	-	34,290
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(312,812)	(312,812)
Balance at December 31, 2022	<u>\$ (863,132)</u>	<u>2,159,142</u>	<u>1,296,010</u>

(Continued)

GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated 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, 2021	\$ (801,744)	2,185,955	1,384,211
Exchange differences on foreign operations	(108,695)	-	(108,695)
Exchange differences on subsidiaries accounted for using equity method	(9,869)	-	(9,869)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	285,999	285,999
Balance at December 31, 2021	<u>\$ (920,308)</u>	<u>2,471,954</u>	<u>1,551,646</u>

(y) Employee compensation and directors' and supervisors' remuneration

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

For the years ended December 31, 2022 and 2021, the Company's estimation for its employee remuneration both amounted to \$90,000 thousand, and directors' and supervisors' remuneration amounted to \$40,000 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If the actual amounts differ from the estimated amounts, it shall be treated according to the changes in accounting estimates, and the impact of the change shall be recognized as the profit and loss in the next year. If the Board of Directors choose to distribute shares as employee compensation, calculations shall be done one day prior the date of their meeting. Related information would be available on the Market Observation Post System website.

The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2022 and 2021.

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

(z) Earnings per share

(i) Basic earnings per share

The details on the calculation of basic earnings per share as of December 31, 2022 and 2021 was based on the profit attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding. Calculations are as follows:

1) Profit attributable to ordinary shareholders of the Group

	For the years ended December 31,	
	2022	2021
Profit/(loss) attributable to ordinary shareholders of the Group	\$ 2,193,061	1,869,385

2) Weighted average number of ordinary shares

	For the years ended December 31,	
	2022	2021
Issued ordinary shares at January 1	\$ 852,159	827,339
Effect of treasury shares held	(49,060)	(49,060)
Effect of share dividends	42,608	67,428
Weighted average number of ordinary shares at December 31	\$ 845,707	845,707

3) Basic earnings per share

	For the years ended December 31,	
	2022	2021
Basic earnings per share	\$ 2.59	2.21

(ii) Weighted average number of ordinary shares

The details on the calculation of diluted earnings per share as of December 31, 2022 and 2021 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,	
	2022	2021
Profit/(loss) attributable to ordinary shareholders of the Company (diluted)	\$ 2,193,061	1,869,385

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

2) Weighted average number of ordinary shares (diluted)

	For the years ended December 31,	
	2022	2021
Weighted average number of ordinary shares (basic)	\$ 845,707	779,151
Effect of employee share bonus	1,976	1,718
Weighted average number of ordinary shares (diluted) at December 31	\$ 847,683	847,663

3) Diluted earnings per share

	For the years ended December 31,	
	2022	2021
Diluted earnings per share	\$ 2.59	2.21

(aa) Revenue from contracts with customers

		For the year ended December 31, 2022							
		Southeast						Total	
		Grains	Meat	Food	Restaurants	Asia	East Asia		Other
Primary geographical markets:									
Taiwan	\$	35,693,360	14,540,074	3,028,629	1,846,930	-	-	60,897	55,169,890
China		7,538,670	-	-	558,817	-	27,325,074	-	35,422,561
Vietnam		19,425,892	-	-	-	-	-	-	19,425,892
Other regions		266,565	-	-	-	3,012,378	-	-	3,278,943
		\$ 62,924,487	14,540,074	3,028,629	2,405,747	3,012,378	27,325,074	60,897	113,297,286
Major product line:									
Feed	\$	43,632,963	2,306,351	-	-	-	10,322,669	-	56,261,983
Oil		18,107,051	-	-	-	-	-	-	18,107,051
Meat		-	12,233,723	-	-	-	7,511,595	-	19,745,318
Consumables		-	-	3,028,629	2,405,747	-	9,490,810	-	14,925,186
Other		1,184,473	-	-	-	3,012,378	-	60,897	4,257,748
		\$ 62,924,487	14,540,074	3,028,629	2,405,747	3,012,378	27,325,074	60,897	113,297,286
		For the year ended December 31, 2021							
		Southeast						Total	
		Grains	Meat	Food	Restaurant	Asia	East Asia		Other
Primary geographical markets:									
Taiwan	\$	25,095,966	12,557,486	3,368,409	1,099,286	-	-	103,462	42,224,609
China		10,751,904	-	-	889,684	-	23,819,834	-	35,461,422
Vietnam		17,549,490	-	-	-	-	-	-	17,549,490
Other regions		3,562,705	-	-	-	2,639,616	-	-	6,202,321
		\$ 56,960,065	12,557,486	3,368,409	1,988,970	2,639,616	23,819,834	103,462	101,437,842
Major product line:									
Feed	\$	36,085,556	1,994,735	-	-	-	7,659,870	-	45,740,161
Oil		19,209,672	-	-	-	-	-	-	19,209,672
Meat		-	10,562,751	-	-	-	6,932,215	-	17,494,966
Consumables		-	-	3,368,409	1,988,970	-	9,227,749	-	14,585,128
Other		1,664,837	-	-	-	2,639,616	-	103,462	4,407,915
		\$ 56,960,065	12,557,486	3,368,409	1,988,970	2,639,616	23,819,834	103,462	101,437,842

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

(i) Contract balances

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ 1,691,269	1,582,488
Trade receivables	7,311,899	6,396,583
Less: allowance for impairment	<u>(495,525)</u>	<u>(444,500)</u>
Total	<u>\$ 8,507,643</u>	<u>7,534,571</u>
Contract liabilities-unearned revenue	<u>\$ 156,407</u>	<u>204,369</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, 2022 and 2021 that was included in the contract liability balance at the beginning of the period were \$204,369 thousand and \$284,410 thousand, respectively.

(ab) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Interest income	<u>\$ 117,268</u>	<u>86,153</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>2022</u>	<u>2021</u>
Foreign exchange gains (losses)	\$ (1,174,383)	339,482
Gains (Losses) on financial assets (liabilities) at fair value through profit or loss	1,361,261	29,776
Dividend income	114,571	111,467
Rent income	38,721	37,201
Gains (Losses) on disposals of property, plant and equipment	2,763	55,694
Reversal of impairment loss (Impairment loss) on property, plant and equipment	29,231	(126,211)
Impairment loss on right-of-use assets	-	(41,327)
Government subsidies	106,108	2,094
Other	<u>277,433</u>	<u>325,434</u>
	<u>\$ 755,705</u>	<u>733,610</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(iii) Finance costs

The details of finance costs were as follows:

	For the years ended December 31,	
	2022	2021
Interest expense: Borrowings	\$ 437,280	252,434
Interest expense: Rent liabilities	37,607	32,189
Total	\$ 474,887	284,623

(ac) Financial instruments

(i) 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, 2022 and 2021, the Group's maximum exposure to credit risk amounted to \$15,206,009 thousand and \$14,755,457 thousand, respectively.

2) Concentration of credit risk

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

(ii) 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, 2022							
Short term loans	\$ 15,153,347	15,204,582	15,204,582	-	-	-	-
Short term loans payable	3,660,000	3,660,000	3,660,000	-	-	-	-
Financial liabilities measured at fair value through other comprehensive income: current	20,150	20,150	20,150	-	-	-	-
Note and accounts payable	6,503,509	6,503,509	6,503,509	-	-	-	-
Other payables	1,011,694	1,011,694	1,011,694	-	-	-	-
Long term liabilities payable within one year or one operating cycle	109,354	109,354	-	109,354	-	-	-
Other current liabilities: other	96,140	96,140	96,140	-	-	-	-
Long term borrowings	1,739,633	1,845,963	-	-	-	1,845,963	-
Guarantee demand deposits	89,134	89,134	29,178	22,011	11,756	26,039	150
Rent liabilities	1,057,774	1,134,758	93,218	84,389	142,279	254,792	560,080
	\$ 29,440,735	29,675,284	26,618,471	215,754	154,035	2,126,794	560,230

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	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 loans	\$ 13,183,124	13,210,653	13,210,653	-	-	-	-
Short term loans payable	2,914,931	2,915,000	2,915,000	-	-	-	-
Financial liabilities measured at fair value through other comprehensive income: current	27,315	27,315	27,315	-	-	-	-
Note and accounts payable	5,941,951	5,491,951	5,491,951	-	-	-	-
Other payables	857,258	857,258	857,258	-	-	-	-
Long term liabilities payable within one year or one operating cycle	185,336	186,159	-	186,159	-	-	-
Other current liabilities: other	87,393	87,393	87,393	-	-	-	-
Long term borrowings	1,153,218	1,192,341	-	-	-	1,192,341	-
Guarantee demand deposits	90,603	90,604	31,956	2,708	22,495	32,802	643
Rent liabilities	1,120,840	1,301,374	99,762	84,213	143,565	286,205	687,629
	<u>\$ 25,561,969</u>	<u>25,360,048</u>	<u>22,721,288</u>	<u>273,080</u>	<u>166,060</u>	<u>1,511,348</u>	<u>688,272</u>

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2022			December 31, 2021			
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD	
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD	\$	228,934	30.732	7,035,712	401,713	27.815	11,173,500
CNY		42,048	4.409	185,409	17,899	4.341	77,708
JPY		945,955	0.230	218,635	-	-	-

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on long-term loans and short-term borrowings in foreign currencies. On December 31, 2022 and 2021, a strengthening (weakening) of 1% of the NTD against the USD and the RMB, ceteris paribus, would have increased (decreased) the net profit after tax by \$74,398 thousand and \$112,512 thousand, respectively. The analysis is performed on the same basis for both years.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For relevant information on foreign exchange gain (loss) (including realized and unrealized portions) in the years 2022 and 2021, please refer to Note 6(ab).

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(iv) Interest rate analysis

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

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

If the interest rate had increased / decreased by 1 basis points, ceteris paribus, the Group's net income would have increased / decreased by \$61,932 thousand and \$42,126 thousand in 2022 and 2021, respectively. This is mainly due to the Group's borrowing at variable rates and investment in variable-rate bills.

(v) Fair value of financial instruments

1) Fair value hierarchy

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

	December 31, 2022				Total
	Book value	Fair Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Financial assets measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	\$ 92,415	-	92,415	-	92,415
Non-derivative financial assets:					
current					
Stocks in listed companies	<u>2,364</u>	<u>2,364</u>	<u>-</u>	<u>-</u>	<u>2,364</u>
Subtotal	<u>\$ 94,779</u>	<u>2,364</u>	<u>92,415</u>	<u>-</u>	<u>94,779</u>

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	December 31, 2022				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through other comprehensive profit and loss					
Stocks in domestic listed companies	\$ 2,520,369	2,520,369	-	-	2,520,369
Stocks in unlisted companies	96,989	-	-	96,989	96,989
Other	373	-	373	-	373
Subtotal	\$ 2,617,731	2,520,369	373	96,989	2,617,731
Financial assets measured at amortized cost					
Cash and cash equivalents	5,145,691	-	-	-	-
Notes receivable	1,691,269	-	-	-	-
Trade receivable	6,816,374	-	-	-	-
Other current financial assets	372,256	-	-	-	-
Other non-current assets, others	1,088,004	-	-	-	-
Subtotal	\$ 15,113,594	-	-	-	-
Financial liabilities measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	\$ 20,150	-	20,150	-	20,150
Financial liabilities measured at amortized cost					
Long-term borrowings	\$ 1,848,987	-	-	-	-
Short-term borrowings	15,153,347	-	-	-	-
Short-term notes and bills payable	3,660,000	-	-	-	-
Notes payable	385,060	-	-	-	-
Trade payable	6,118,449	-	-	-	-
Other payables	1,011,694	-	-	-	-
Lease liabilities	1,057,774	-	-	-	-
Guarantee deposits received	89,134	-	-	-	-
Other current liabilities, others	96,140	-	-	-	-
Subtotal	\$ 29,420,585	-	-	-	-

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	December 31, 2021				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	\$ 4,693	-	4,693	-	4,693
Futures margin	2,573	-	2,573	-	2,573
Non-derivative financial assets:					
current					
Stocks in listed companies	439	439	-	-	439
Subtotal	<u>\$ 7,705</u>	<u>439</u>	<u>7,266</u>	<u>-</u>	<u>7,705</u>
Financial assets measured at fair value through other comprehensive profit and loss					
Stocks in domestic listed companies	\$ 2,833,181	2,833,181	-	-	2,833,181
Stocks in unlisted companies	100,369	-	-	100,369	100,369
Other	337	-	337	-	337
Subtotal	<u>\$ 2,933,887</u>	<u>2,833,181</u>	<u>337</u>	<u>100,369</u>	<u>2,933,887</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 6,083,001	-	-	-	-
Notes receivable	1,582,488	-	-	-	-
Trade receivable	5,952,083	-	-	-	-
Other current financial assets	303,641	-	-	-	-
Other non-current assets, others	826,978	-	-	-	-
Subtotal	<u>\$ 14,748,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value through profit and loss					
Derivative instruments not used for hedging					
Forward exchange contracts	<u>\$ 27,315</u>	<u>-</u>	<u>27,315</u>	<u>-</u>	<u>27,315</u>

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	December 31, 2021				
	Book value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Long-term borrowings	\$ 1,338,554	-	-	-	-
Short-term borrowings	13,183,124	-	-	-	-
Short-term notes and bills payable	2,914,931	-	-	-	-
Notes payable	695,453	-	-	-	-
Trade payable	5,246,498	-	-	-	-
Other payables	857,258	-	-	-	-
Lease liabilities	1,120,840	-	-	-	-
Guarantee deposits received	90,603	-	-	-	-
Other current liabilities, others	87,393	-	-	-	-
Subtotal	\$ 25,534,654	-	-	-	-

- 2) Valuation techniques for financial instruments measured at fair value
- a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment. Measurements of fair value of financial instruments without an active market are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

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

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

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

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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- Equity instruments without a quoted price: Fair value is estimated using comparable company valuation multiples. The main assumption is based on the surplus multiplier derived from the market price from comparable listed companies. This estimate has been adjusted for the discount effect by its lack of market liquidity.
- b) The fair value of derivative financial products is the amount that the Group is expecting to obtain or to pay if it terminates the contract on the reporting date as agreed. It typically includes the unrealized gains and losses of unsettled contracts in the current period. Most of the derivative financial products of the Group have quotations from financial institutions for reference.
- c) Non-financial instruments

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

3) Transfers between Level 1 and Level 2

There were no significant transfers between Level 1 and Level 2 in both 2022 and 2021.

4) Reconciliation of Level 3 fair values

	Measured at fair value through other comprehensive income
January 1, 2022	\$ 100,369
Capital reduction	(4,107)
Effect of changes in foreign exchange rates	<u>727</u>
December 31, 2022	<u>\$ 96,989</u>
January 1, 2021	\$ 100,561
Effect of changes in foreign exchange rates	<u>(192)</u>
December 31, 2021	<u>\$ 100,369</u>

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

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

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

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

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial liabilities measured at fair value through profit or loss – equity investment without an active market	Market approach	<ul style="list-style-type: none"> · Discount due to lack of market liquidity (30% for both 2022.12.31 and 2021.12.31) · P/E Multiplier (19.82~51.17 and 9.14~34.22 for 2022.12.31 and 2021.12.31, respectively) 	<ul style="list-style-type: none"> · The higher the discount due to a lack of market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value

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

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	<u>Input</u>	<u>Changes</u>	<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2022				
Financial assets at fair value through profit or loss				
Equity investment without an active market	P/E Ratio	5%	8,091	(8,091)
December 31, 2021				
Financial assets at fair value through profit or loss				
Equity investment without an active market	P/E Ratio	5%	6,601	(6,601)

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.

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The book values of the Group's financial instruments not measured by fair value, such as cash and cash equivalents, notes receivable and trade receivables, other current financial assets, other receivables from related parties, other current assets, short-term borrowings, notes payable and trade payables, other payables, long-term liabilities, current portion, other current liabilities, others, long-term borrowings, and guarantee deposits received are reasonable approximations of their fair value. Financial assets measured by cost that do not have a market price in an active market and equity instruments that cannot be measured by fair value are measured by cost less accumulated impairment. As per regulations, information of their fair value does not need to be disclosed.

The fair value measurements for biological assets and investment properties have been categorized as Level 3 fair values. Due to the inability to completely grasp the relationship between significant unobservable inputs and fair value measurement, quantified information is not disclosed.

Please refer to Note 6(f) for the valuation process for biological assets and Note 6(n) for investment properties that have been categorized as Level 3 fair values.

The Group also performs transactions not applicable to the International Financial Reporting Standards Sections 42 NO. 32, but the Group 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 net settled after offsetting the financial assets and financial liabilities. Otherwise, the transaction 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.

The following tables present the aforesaid offsetting financial assets and financial liabilities:

December 31, 2022						
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 liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		
				Financial instruments (Note)	Cash collateral received	Net amount (e)=(c)-(d)
Forward exchange contracts	\$ 92,415	-	92,415	20,150	-	72,265

December 31, 2022						
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)		
				Financial instruments	Cash collateral received	Net amount (e)=(c)-(d)
Forward exchange contracts	\$ (20,150)	-	(20,150)	(20,150)	-	-

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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	\$ 4,693	-	4,693	4,693	-	-
Corn structured products	2,573	-	2,573	-	-	2,573
Total	\$ 7,266	-	7,266	4,693	-	2,573

December 31, 2021						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments	Cash collateral received	
Forward exchange contracts	\$ (27,315)	-	(27,315)	(4,693)	-	(22,622)

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

(ad) Financial risk management

(i) Overview

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

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

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

(ii) Structure of risk management

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

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

(iii) Credit risk

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

1) Trade and other receivables

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

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

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

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

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

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2) Investments

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

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

3) Guarantees

For more information on the Group's policy to provide financial guarantees as of December 31, 2022 and 2021, please refer to Note 13(a).

(iv) Liquidity risk

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

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

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities (other than trade payables) over the succeeding 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2022 and 2021, the Group's unused credit line amounted to \$10,405,278 thousand and \$9,238,273 thousand, respectively.

(v) Market risk

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

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Equity securities held by the Group mainly include financial assets whose fair value changes are included in profit and loss. Therefore, such assets are measured by fair value. Subsequently, the company will be exposed to the risk of price volatility in the equity securities market.

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

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

The fair value of bank financial products invested by the Group will fluctuate according to market interest rates, so the Group will be exposed to the risk of changes in market prices.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollar, US Dollar, Chinese Yuan, Japanese Yen, and European Euro. The currencies used in these transactions are denominated as NTD, USD, RMB, JPY, and EUR.

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

Loan interest is priced in the currency of its principal. Typically, the currency of the loan is the same as the currency of the cash flow generated by the operation of the Group, mainly denominated in NTD, but sometimes in USD, RMB, JPY, or EUR. 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 Group buys or sells foreign currencies at real-time exchange rates to ensure that the net exposure risk remains at an acceptable level when short-term imbalances occur.

2) Interest rate risk

On December 31, 2022 and 2021, the short-term and long-term borrowings of the Group consisted of debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term and long-term borrowings to change accordingly. For detailed interest rate analyses with respect to fluctuations in future cash flows, please refer to Note 6(ac).

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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3) Other market price risk

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

(ae) Capital management

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

The Group's debt-to-equity ratios at the end of the reporting period as of December 31, 2022 and 2021, are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total liabilities	\$ 33,445,295	28,992,521
Less: Cash and cash equivalents	<u>(5,145,691)</u>	<u>(6,083,001)</u>
Net debt	<u>\$ 28,299,604</u>	<u>22,909,520</u>
Total equity	<u>\$ 28,896,226</u>	<u>27,739,609</u>
Debt-to-equity ratio	<u>49.48 %</u>	<u>45.23 %</u>

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

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2022 and 2021, were as follows:

(i) For information on obtaining right-of-use assets by lease, please refer to Note 6(m) for details.

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

	<u>January 1, 2022</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>December 31, 2022</u>
			<u>Rent</u>	<u>Changes in exchange rates</u>	
Long-term borrowings	\$ 1,338,554	436,579	-	73,854	1,848,987
Short-term borrowings	13,183,124	1,633,623	-	336,600	15,153,347
Short term notes payable	2,914,931	745,069	-	-	3,660,000
Guarantee demand deposits	90,603	(1,469)	-	-	89,134
Rent liabilities	<u>1,120,840</u>	<u>(207,809)</u>	<u>54,173</u>	<u>90,570</u>	<u>1,057,774</u>
Total liabilities from financing activities	<u>\$ 18,648,052</u>	<u>2,605,993</u>	<u>54,173</u>	<u>501,024</u>	<u>21,809,242</u>

(Continued)

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

	<u>January 1, 2021</u>	<u>Cash flow</u>	<u>Non-cash changes</u>		<u>December 31, 2021</u>
			<u>Rent</u>	<u>Changes in exchange rates</u>	
Long-term borrowings	\$ 2,227,527	(883,243)	-	(5,730)	1,338,554
Short-term borrowings	8,931,406	4,329,757	-	(78,039)	13,183,124
Short term notes payable	1,986,931	928,000	-	-	2,914,931
Guarantee demand deposits	83,332	7,271	-	-	90,603
Rent liabilities	1,272,051	(184,776)	33,565	-	1,120,840
Total liabilities from financing activities	<u>\$ 14,501,247</u>	<u>4,197,009</u>	<u>33,565</u>	<u>(83,769)</u>	<u>18,648,052</u>

(7) Related-party transactions:

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Advent Prosperity Real Estate Development Co., Ltd	Associate
Dachan Liangyou Food (Shanghai) Co., Ltd.	Associate
Dachan Liangyou Food (Tianjin) Co., Ltd.	Associate
Tianjin Hai Rei Food Limited	Associate
Gallant Dachan Seafood Co., Ltd.	Associate
Rupp & Dachan Foods (Tianjin) Co., Ltd.	Associate
San Inn Abattoir Co.	Associate
Marubeni Corporation	Other related party
Marubeni (Dallian) Co., Ltd.	Other related party
Kou Feng Industrial Co., Ltd.	Other related party
TTET Union Corporation	Other related party
Beijing Giant Holding Co., Ltd.	Other related party
Beijing Hengtaifeng Catering Co.,Ltd.	Other related party
DaCheng Land Development Ltd.	Other related party
Mengcun Hui Autonomous County Construction Investment Co., Ltd.	Other related party
BGI Genomics Co., Ltd	Other related party
Better Me Food Technology (Beijing) Co.,Ltd.	Other related party (Key management personnel)
Beijing Sisters Kitchen Food and Beverage Management Co.	Other related party (Key management personnel)
Beijing Daxiao Nutrition Food Science and Technology Co., Ltd.	Other related party (Key management personnel)

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(b) Significant transactions with related parties

(i) Sales

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

	For the years ended December 31,	
	2022	2021
Associates	\$ 86,687	58,198
Other related parties	488,419	687,065
	\$ 575,106	745,263

The sales prices and trading conditions listed above are not significantly different from general customer sales.

(ii) Purchases

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

	For the years ended December 31,	
	2022	2021
Associates	\$ 739,291	500,339
Other related parties	477,627	591,998
	\$ 1,216,918	1,092,337

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Account	Relationship	December 31, 2022	December 31, 2021
Notes receivable	Associates	\$ 6,252	5,826
Trade receivables	Other related parties	26,172	60,767
Other receivables (Other current financial assets)	Associates	13,812	16,045
Other receivables (Other current financial assets)	Other related parties	11,933	15,477
		\$ 58,169	98,115

Receivables from related parties are uncollateralized, and no provision for bad debt expense is needed after assessment.

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

(iv) Payables to Related Parties

The payables to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Trade payables	Associates	\$ 36,375	34,446
Trade payables	Other related parties	73,045	15,457
Other payables (Other current liabilities, others)	Associates	4,898	1,882
Other payables (Other current liabilities, others)	Other related parties	-	13,782
		<u>\$ 114,318</u>	<u>65,567</u>

(v) Borrowings from Related Parties

The borrowings from related parties were as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Mengcun Hui Autonomous County Construction Investment Co., Ltd.	\$ 187,842	182,936
Other related parties	5,008	4,698
	<u>\$ 192,850</u>	<u>187,634</u>

The Group's borrowings from related parties are without interest.

(vi) Guarantee

The Group provided guarantees for loans for other related parties during the years ended December 31, 2022 and 2021, with a quota of \$308,630 thousand and \$305,004 thousand, respectively.

(vii) Processing fee

Processing fees in 2021 and 2020 are as follows:

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Other related parties	<u>\$ 369,657</u>	<u>261,664</u>

The Group commissioned TTET Union Corporation to process soybeans and soybean crude oil in 2022 and 2021. The processing fee of soybeans was \$996~\$1,397 and \$810~\$1,175 per metric ton, respectively. Processing of soybean crude oil was charged \$931~\$1,077 and \$833~\$929 per metric ton, respectively.

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

(viii) Leases

The Group leased its buildings used for production and its premises to its associates in January 2015, and signed a 15-year lease contract. Rental income for 2022 and 2021 amounted to \$13,086 thousand and \$13,777 thousand (tax included). As of December 31, 2022 and 2021, there were no outstanding payments.

The Group leased its buildings used for production and its premises to other related parties in January 2015. Rental income for 2022 and 2021 amounted to \$9,459 thousand and \$11,877 thousand (tax included). As of December 31, 2022 and 2021, outstanding payments amounted to \$489 thousand and \$931 thousand, respectively. The outstanding payments are listed under other current financial assets. For more information, please refer to Note 7(b)iii.

(ix) Management services

Management services for the years 2022 and 2021 comprised:

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Associate	\$ 20,393	14,282
Other related party	4,465	3,302
	<u>\$ 24,858</u>	<u>17,584</u>

(x) Property transaction

In the third quarter of 2021, the Group purchased land located at the Guolian Section in Yangmei District from an other related party, Kou Feng Industrial Co., Ltd.. The land was 587.12 square meters, totaling \$15,399 thousand. As of December 31, 2022, the transfer of land ownership and all payments have been completed.

The Group made no property transactions with related parties in 2022.

(c) Key management personnel compensation

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Short term employee benefits	\$ 128,307	154,988
Post-employment benefits	1,507	1,574
	<u>\$ 129,814</u>	<u>156,562</u>

In 2022 and 2021, the Group recognized costs of \$4,804 thousand and \$5,533 thousand for 2 and 3 cars for the use of key management personnel, respectively.

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

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Certificate of deposit (Other current assets, others)	Natural gas, fertilizers, lease premium, operation bonds, etc.	\$ <u>9,770</u>	<u>4,144</u>

(9) Significant Commitments and contingencies:

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Acquisition of property, plant and equipment (unpaid)	\$ <u>4,638,221</u>	<u>4,460,498</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Outstanding standby letter of credit (USD)	USD <u>62,154</u>	<u>115,822</u>
Outstanding standby letter of credit (JPY)	JPY <u>76,940</u>	<u>977,240</u>
Outstanding standby letter of credit (EUR)	EUR <u>188</u>	<u>97</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Outstanding promissory notes (TWD)	\$ <u>12,640,405</u>	<u>10,675,000</u>
Outstanding promissory notes (USD)	<u>299,000</u>	<u>408,500</u>
Outstanding promissory notes (JPY)	<u>-</u>	<u>967,400</u>

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(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					
		2022			2021		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		2,981,976	2,625,114	5,607,090	2,729,837	2,715,325	5,445,162
Labor and health insurance		226,930	181,844	408,774	186,756	194,286	381,042
Pension		157,942	170,797	328,739	134,204	162,472	296,676
Others		103,353	78,527	181,880	85,865	85,360	171,225
Depreciation		1,637,533	467,405	2,104,938	1,384,726	501,823	1,886,549
Depletion		-	-	-	-	-	-
Amortization		9,397	21,145	30,542	27,074	19,391	46,465

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

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

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

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	Great Wall Enterprise Co., Ltd.	City Chain Food Ltd.	Other receivables : related parties	Yes	100,000	100,000	25,000	2%-2.22%	2	-	Business financing	-	None	-	4,170,575	8,341,150
0	"	Mei Lan Lei Co., Ltd.	"	Yes	1,600,000	1,600,000	1,269,481	2%-2.22%	2	-	"	-	"	-	4,170,575	8,341,150
0	"	Total Nutrition Tech. Co., Ltd.	"	Yes	50,000	50,000	-	2%-2.22%	2	-	"	-	"	-	4,170,575	8,341,150
0	"	Huang-Ho Invest. Co., Ltd.	"	Yes	50,000	50,000	-	2%-2.22%	2	-	"	-	"	-	4,170,575	8,341,150
0	"	Oriental Best Foods Co., Ltd.	"	Yes	100,000	100,000	80,000	2%-2.22%	2	-	"	-	"	-	4,170,575	8,341,150
0	"	Great Wall International (Holdings) Ltd.	"	Yes	483,225	460,650	307,100	0%	2	-	"	-	"	-	4,170,575	8,341,150
0	"	Neo Foods Co., Ltd.	"	Yes	150,000	150,000	-	2%-2.22%	2	-	"	-	"	-	4,170,575	8,341,150
1	Great Wall International (Holdings) Ltd.	Great Wall Milling Co., Ltd.	"	Yes	8,376	7,985	7,985	0%	2	-	"	-	"	-	3,342,884	3,342,884
1	"	Great Wall Grains International Ltd.	"	Yes	322,150	307,100	-	0%	2	-	"	-	"	-	3,342,884	3,342,884
1	"	Great Wall FeedTech (Holdings) Ltd.	"	Yes	920	893	893	0%	2	-	"	-	"	-	3,342,884	3,342,884
1	"	Tianjin Food Investment Co., Ltd.	"	Yes	294,210	277,311	277,311	2%	2	-	"	-	"	-	3,342,884	3,342,884
2	Dachan Food (Asia) Limited	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	1,514,105	1,443,370	1,443,370	0%	2	-	"	-	"	-	3,648,876	3,648,876
2	"	Miyasun-Great Wall Foods (Dalian) Co., Ltd.	"	Yes	112,753	107,485	107,485	0%	2	-	"	-	"	-	3,648,876	3,648,876
2	"	Great Wall Agri (Yingkou) Co., Ltd.	"	Yes	515,440	491,360	491,360	0%	2	-	"	-	"	-	3,648,876	3,648,876
2	"	Dachan Food (Hebei) Co., Ltd.	"	Yes	267,828	-	-	0%	2	-	"	-	"	-	3,648,876	3,648,876
3	Route 66 Fast Food Ltd.	Beijing Universal Chain Food Co., Ltd.	"	Yes	60,525	58,246	58,246	0%	2	-	"	-	"	-	258,690	258,690
3	"	Tai Ji Food Co., Ltd.	"	Yes	46,584	44,586	44,586	0%	2	-	"	-	"	-	258,690	258,690
3	"	Tianjin Food Invest Co., Ltd.	"	Yes	16,706	16,315	16,315	0%	2	-	"	-	"	-	258,690	258,690
3	"	Beijing Duhshaoyueh Restaurant Co., Ltd.	"	Yes	9,267	9,213	9,213	0%	2	-	"	-	"	-	258,690	258,690
4	City Chain Food Ltd.	Tai Ji Food Co., Ltd.	"	Yes	35,437	33,781	33,781	0%	2	-	"	-	"	-	692,689	692,689
4	"	Tianjin Food Invest Co., Ltd.	"	Yes	219,148	212,145	212,145	0%	2	-	"	-	"	-	692,689	692,689

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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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.	Route 66 Fast Food Ltd.	Other receivables related parties	Yes	20,555	20,237	20,237	0%	2	-	Business financing	-	None	-	692,689	692,689
4	"	Ma Cheng Co., Ltd.	"	Yes	5,000	-	-	2%-2.22%	2	-	"	-	"	-	692,689	692,689
4	"	Great Wall Enterprise Co., Ltd.	"	Yes	50,000	50,000	-	2%-2.22%	2	-	"	-	"	-	692,689	692,689
5	Dachan Aquaculture Limited (DAL)	PT. Misaja Mitra (MM)	"	Yes	57,939	55,232	55,232	0%	2	-	"	-	"	-	301,694	301,694
5	"	PT. Mustika Minanusa Aurora (MMA)	"	Yes	16,108	15,355	15,355	0%	2	-	"	-	"	-	301,694	301,694
6	Greatwall Northeast Asia Corporation (NAC)	Dachan Wanda (Tianjin) Co., Ltd.	"	Yes	708,730	675,620	675,620	0%	2	-	"	-	"	-	3,558,653	3,558,653
6	"	Great Wall Agri (Tieling) Co., Ltd.	"	Yes	225,750	220,472	220,472	0%	2	-	"	-	"	-	3,558,653	3,558,653
6	"	Liaoning Great Wall Agri-Industrial Co., Ltd.	"	Yes	361,201	352,755	352,755	0%	2	-	"	-	"	-	3,558,653	3,558,653
6	"	Bengbu Dachan Food Co., Ltd.	"	Yes	316,051	308,661	308,661	0%	2	-	"	-	"	-	3,558,653	3,558,653
7	Total Nutrition Tech. Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	347,935	269,485	269,485	2%-4.5%	2	-	"	-	"	-	326,749	326,749
7	"	Oriental Best Foods Co., Ltd.	"	Yes	50,000	50,000	-	2%-2.22%	2	-	"	-	"	-	326,749	326,749
8	Taixu & Dachan Foods Co., Ltd.	Taixu & Dachan Foods (Bengbu) Co., Ltd.	"	Yes	89,985	52,913	52,913	0%	2	-	"	-	"	-	216,702	216,702
9	Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	150,000	150,000	-	2%-2.22%	2	-	"	-	"	-	749,675	749,675
9	"	Wonder Biotek Co., Ltd.	"	Yes	50,000	50,000	-	2%-2.22%	2	-	"	-	"	-	749,675	749,675
10	Neo Foods Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	50,000	-	-	2%-2.22%	2	-	"	-	"	-	44,486	44,486
11	TNT Biotechnology Co., Ltd.	Great Wall International (Holdings) Ltd.	"	Yes	27,383	26,104	26,104	0%	2	-	"	-	"	-	124,102	124,102
12	Great Wall Grains International Limited (GWGI)	Great Wall International (Holdings) Ltd.	"	Yes	64,430	-	-	0%	2	-	"	-	"	-	409,165	409,165
13	Wonder Biotek Co., Ltd.	Great Wall Enterprise Co., Ltd.	"	Yes	40,000	40,000	40,000	2%-2.22%	2	-	"	-	"	-	46,184	46,184
14	Dachan Wanda (Tianjin) Co., Ltd.	Tianjin Chaochan Trade Co., Ltd.	"	Yes	4,850	4,850	4,850	4.35%	2	-	"	-	"	-	531,375	531,375

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.

Note 5: For Great Wall Grains International Ltd. and foreign subsidiaries which the Company directly and indirectly hold 100% of the shares, the total amount of loans must not exceed twice of the Company's net worth, and the duration must not exceed 10 years.

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ 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	8,345,620	386,580	368,520	86,080	-	4.42 %	16,714,418	Y		
1	"	Seafood International Inc.	2	8,345,620	322,150	307,100	237,450	-	3.68 %	16,714,418	Y		
1	"	Great Wall Grains International, Ltd.	2	8,345,620	1,610,750	1,535,500	30,710	-	18.40 %	16,714,418	Y		
1	"	Dachan Liangyou Food (Shanghai) Co., Ltd.	6	8,345,620	316,051	308,630	200,610	-	3.70 %	16,714,418			Y
2	Liaoning Great Wall Agri-Industrial Co., Ltd.	1. Dachan Food (Hebei) Co., Ltd. 2. Dachan Wanda (Tianjin) Co., Ltd.	4	697,747	37,926	37,036	7,495	-	2.65 %	1,395,494			Y
2	"	Great Wall Agri (Hei Long Jiang) Co., Ltd.	4	697,747	22,575	22,045	8,429	-	1.58 %	1,395,494			Y
3	Dachan Food (Asia) Limited	Bengbu Dachan Food Co., Ltd.	4	4,561,095	2,031,754	1,984,050	657,977	-	21.75 %	9,122,190	Y		Y

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

- For those with business dealings.
- When the investing company owns more than 50% of shares with voting rights of the invested company.
- When the invested company owns more than 50% of shares with voting rights of the investing company.
- When the investing company owns more than 90% of shares with voting rights of the invested company.
- For those in the same industry who are contractually obligated to endorse each other due to projects.
- For companies that are endorsed and guaranteed by each investor based on their shareholding ratio due to joint ventures.
- For companies in the same industry engaged in pre-sale house sales contracts who are contractually obligated to provide guarantees and endorsements in accordance with the Consumer Protection Act.

Note 2: The total amount of endorsement guarantees 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.

Note 4: The total amount of guarantees and endorsements backed by Dachan Food (Asia) Limited and its subsidiaries must not exceed Dachan Food (Asia) Limited's total net worth. Dachan Food (Asia) Limited's guarantees and endorsements for a single entity must not exceed 50% of its own net worth.

Note 5: The total amount of guarantees and endorsements backed by Liaoning Great Wall Agri-Industrial Co., Ltd. must not exceed its own net worth. Liaoning Great Wall Agri-Industrial Co., Ltd.'s guarantees and endorsements for a single entity must not exceed 50% of its own net worth.

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Great Wall Enterprise Co., Ltd.	Ordinary shares: Lien Hwa Industrial Holdings Corp.	Juridical person	Financial assets measured at fair value through profit or loss: current	47,177	2,364	0.32	2,364	0.32 %	
	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	2,173,791	9.64	2,173,791	9.64 %	
	Ordinary shares: China Trade and Development Co.	-	"	20,004	199	0.03	199	0.03 %	
	Ordinary shares: Da Chiang International Co., Ltd.	Board of Directors	"	7,889,655	56,615	3.94	56,615	3.94 %	
	Ordinary shares: ZHONG ZHENG CO.,LTD.	-	"	92,352	923	2.59	923	2.59 %	
	Ordinary shares: Yo-Ho Beach Resort Co., Ltd.	-	"	1,848,000	16,800	1.81	16,800	1.81 %	

(Continued)

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

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Great Wall Enterprise Co., Ltd.	Ordinary shares: Deyong Biological Technology Co., Ltd.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	76,698	47	3.70	47	3.70 %	
	Ordinary shares: Yahsen Frozen Foods Co., Ltd.	Board of Directors	"	40,425	-	0.08	-	0.08 %	
	Ordinary shares: Hsin Tung Yang Co. Ltd.	-	"	137,000	1,480	0.16	1,480	0.16 %	
Huang-Ho Invest. Co., Ltd.	Great Wall Enterprise Co., Ltd.	The Company	Treasury shares	21,277,638	121,687	2.50	969,196	2.50 %	
	Ordinary shares: Da Chiang International Co., Ltd.	Board of Directors	Financial assets measured at fair value through other comprehensive profit or loss: non-current	1,724,138	12,500	0.86	12,500	0.86 %	
	Ordinary shares: TTET Union Co.	Board of Directors	"	2,457,997	346,578	1.54	346,578	1.54 %	
City Chain Food Ltd.	Great Wall Enterprise Co., Ltd.	The Company	Treasury shares	27,781,834	128,909	3.10	1,265,463	3.10 %	
Oriental Best Foods Co., Ltd.	Cashbox Partyworld Co., Ltd.	-	Financial assets measured at fair value through other comprehensive profit or loss: non-current	84,800	1,055	-	1,055	- %	
Route 66 Fast Food Ltd.	Beijing Hengfengtai Catering Management Co., Ltd.	-	"	-	7,370	9.09	7,370	9.09 %	
Great Wall Food (Hong Kong) Co., Ltd.	Dynasty Club	-	"	-	373	-	373	- %	

Note 1: For those with an open market price, it refers to the average closing price as of the date on the balance sheet.

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Bengbu Dachan Food Co., Ltd.	Property, plant and equipment	2022.03.23	796,912	Amount paid: 420,937	The Fourth Construction Co., Ltd. of ChinaElectronics System Engineering					Contract	To increase their food processing capabilities		
Bengbu Dachan Food Co., Ltd.	Property, plant and equipment	2022.05.31	629,793	Amount paid: 420,937	The Fourth Construction Co., Ltd. of ChinaElectronics System Engineering					Contract	To increase their electronic slaughtering capabilities		

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

(Continued)

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

- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Parent-subsi-dary relationship	Purchase	5,078,449	17 %	2 months	-	-	(773,299)	(38)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Parent-subsi-dary relationship	Sale	2,705,290	10 %	Same as regular customers	-	-	353,532	8 %	
Great Wall Enterprise Co., Ltd.	TTET Union Corporation	Other related party	Purchase	127,109	- %	Same as regular customers	-	-	(41,065)	(2)%	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Parent-subsi-dary relationship	Purchase	509,418	2 %	Same as regular customers	-	-	(40,623)	(2)%	
Great Wall Enterprise Co., Ltd.	FoodChina Company	Parent-subsi-dary relationship	Purchase	2,045,682	7 %	Same as regular customers	-	-	(54,967)	(3)%	
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Parent-subsi-dary relationship	Sale	2,569,985	9 %	2 months	-	-	-	- %	
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Parent-subsi-dary relationship	Sale	1,376,542	5 %	270 days	-	-	608,823	13 %	
Great Wall Enterprise Co., Ltd.	Total Nutrition Tech. Co., Ltd.	Parent-subsi-dary relationship	Sale	379,691	1 %	Same as regular customers	-	-	55,528	1 %	
Great Wall Enterprise Co., Ltd.	Great Wall Grains International, Ltd.	Parent-subsi-dary relationship	Purchase	3,151,062	11 %	Same as regular customers	-	-	(20,991)	(1)%	

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	Parent-subsi-dary relationship	353,532 (Note1, 3)	15.78 %	-	-	44,037	-
Mei Lan Lei Co., Ltd.	Great Wall Enterprise Co., Ltd.	Parent-subsi-dary relationship	773,299 (Note1, 3)	13.59 %	-	-	522,960	-
Great Wall Enterprise Co., Ltd.	Zhong Yi Food Co., Ltd.	Parent-subsi-dary relationship	608,823 (Note1, 3)	14.33 %	-	-	-	-
Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	Parent-subsi-dary relationship	1,324,840 (Note2, 3)	- %	-	-	-	-
Total Nutrition Co., Ltd.	Great Wall Enterprise Co., Ltd.	Parent-subsi-dary relationship	271,510 (Note2, 3)	- %	-	-	-	-
Great Wall Enterprise Co., Ltd.	Great Wall International (Holdings) Ltd.	Parent-subsi-dary relationship	278,140 (Note2, 3)	- %	-	-	-	-

Note 1: Refers to trade receivables and notes receivables.

Note 2: Refers to other receivables due from related parties.

Note 3: Transactions between the parent company and its subsidiaries have been written off.

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

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

(x) Business relationships and significant intercompany transactions:

Significant intercompany transactions between the parent company and its subsidiaries have been written off.

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Great Wall Enterprise Co., Ltd.	Mei Lan Lei Co., Ltd.	1	Sales revenue	2,569,985	Adjusted according to market price and company policies	3%
0	"	"	1	Cost of sales	5,078,449		4%
0	"	"	1	Trades' current account receivable	1,324,840		1%
0	"	"	1	Other receivables	47,730		-%
0	"	"	1	Trade payables	334,847		-%
0	"	"	1	Notes payable	438,452		1%
0	"	"	1	Rental income	2,929		-%
0	"	"	1	Finance income	5,427		-%
0	"	FoodChina Inc.	1	Sales revenue	2,705,290		2%
0	"	"	1	Cost of sales	2,045,682		2%
0	"	"	1	Trade receivables	353,532		1%
0	"	"	1	Trade payables	54,967		-%
0	"	"	1	Other receivables	50		-%
0	"	"	1	Rental income	2,287		-%
0	"	"	1	Other income	299		-%
0	"	City Chain Food Ltd.	1	Sales revenue	9,069	Same as regular trading terms	-%
0	"	"	1	Trade receivables	1,941		-%
0	"	"	1	Other receivables	30		-%
0	"	"	1	Other payables	18		-%
0	"	"	1	Trades' current account receivable	25,000		-%
0	"	"	1	Finance income	17		-%
0	"	"	1	Rental income	4,388		-%
0	"	"	1	Other income	77		-%
0	"	"	1	Finance costs	3		-%
0	"	KouChan Mill Co., Ltd.	1	Cost of sales	37,357	Same as regular trading terms	-%
0	"	"	1	Trade payables	6,863		-%
0	"	"	1	Service income	7,272		-%
0	"	Total Nutrition Tech. Co., Ltd.	1	Sales revenue	379,691	Same as regular trading terms	-%
0	"	"	1	Cost of sales	509,418	3,000/metric ton on top of the cost	-%
0	"	"	1	Trade receivables	55,528		-%
0	"	"	1	Other receivables	809		-%
0	"	"	1	Trade payables	37,247		-%
0	"	"	1	Notes payable	3,376		-%
0	"	"	1	Rental income	8,360		-%
0	"	"	1	Finance costs	3,808		-%
0	"	"	1	Other income	1,508		-%
0	"	An Hsin Chiao Chu Co., Ltd.	1	Sales revenue	16,115	Same as regular trading terms	-%
0	"	"	1	Cost of sales	418		-%
0	"	"	1	Trade receivables	3,197		-%
0	"	"	1	Other income	241		-%
0	"	"	1	Rental income	147		-%
0	"	Zhong Yi Food Co., Ltd.	1	Sales revenue	1,376,542	Same as regular trading terms	1%
0	"	"	1	Cost of sales	396	Same as regular trading terms	-%
0	"	"	1	Trade payables	559		-%
0	"	"	1	Trade receivables	608,823		1%
0	"	"	1	Other payables	10		-%
0	"	"	1	Other income	3,979		-%
0	"	Oriental Best Foods Co., Ltd.	1	Sales revenue	78,357	Same as regular trading terms	-%
0	"	"	1	Cost of sales	8,963		-%
0	"	"	1	Trades' current account receivable	80,000		-%
0	"	"	1	Trade receivables	2,573		-%
0	"	"	1	Other receivables	163		-%
0	"	"	1	Trade payables	989		-%
0	"	"	1	Finance income	1,179		-%
0	"	"	1	Other payables	317		-%
0	"	Saboten Co., Ltd.	1	Sales revenue	6,201	Same as regular trading terms	-%

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

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Great Wall Enterprise Co., Ltd.	Saboten Co., Ltd.	1	Other payables	31		-%
0	"	"	1	Trade receivables	980		-%
0	"	Honolulu Chain Food & Beverage Co., Ltd.	1	Sales revenue	233	Same as regular trading terms	-%
0	"	"	1	Cost of sales	128		-%
0	"	"	1	Rental income	77		-%
0	"	Wonder Biotek Co., Ltd.	1	Rental income	23		-%
0	"	"	1	Other income	420		-%
0	"	"	1	Trade receivables	8		-%
0	"	"	1	Trade payables	1,607		-%
0	"	"	1	Trades' current account payable	40,000		-%
0	"	Huang Ho Invest Co., Ltd.	1	Other income	42		-%
0	"	Neo Foods Co., Ltd.	1	Rental income	1		-%
0	"	"	1	Finance costs	423		-%
0	"	"	1	Other income	1		-%
0	"	Great Wall Grains International Ltd.	1	Cost of sales	3,151,062		2%
0	"	"	1	Trade payables	20,991		-%
0	"	Great Wall International (Holdings) co., Ltd.	1	Trades' current account receivable	278,140		-%

Note 1: Numbers are classified as follows:

1. Parent company: 0
2. Subsidiaries are numbered in numerical order from 1.

Note 2: Nature of relationship is classified as follows:

1. Parent company to its subsidiaries.
2. Subsidiary to its parent company.
3. Subsidiary to subsidiary.

Note 3: Transactions between the parent company and its subsidiaries have been written off.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (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, 2022			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	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 %	812,279	100.00 %	35,567	35,567	
	Huang-Ho Invest. Co., Ltd.	"	Investments	314,395	314,395	14,500,000	100.00 %	349,391	100.00 %	13,050	13,050	
	Great Wall International (Holdings) Ltd.	Hong Kong	Holdings	2,678,728	2,678,728	90,490,813	100.00 %	8,358,129	100.00 %	727,706	727,706	
	City Chain Food Ltd.	Taiwan	Fast Food Restaurants	856,496	856,496	167,823,438	100.00 %	452,551	100.00 %	(83,783)	(83,783)	
	Mei Lan Lei Co., Ltd.	"	Production, sale, and research of feed	120,010	120,010	48,000,000	100.00 %	1,878,616	100.00 %	116,325	116,325	
	KouChan Mill Co., Ltd.	"	Flour production and sales	373,799	373,799	33,550,000	55.00 %	480,032	55.00 %	9,936	5,465	
	Oriental Best Foods Co., Ltd.	"	Food processing and sale	161,405	161,405	80,067	100.00 %	182,628	100.00 %	(32,074)	(32,074)	
	An Hsin Chiao Chu Co., Ltd.	"	Sale of fresh meat	55,000	55,000	5,500,000	100.00 %	4,161	100.00 %	(1,882)	(1,882)	
	Neo Foods Co., Ltd.	"	Food manufacturing and sale	150,000	50,000	15,000,000	100.00 %	111,283	100.00 %	(22,160)	(22,160)	
	Great Wall FeedTech Enterprise Co., Ltd.	"	Production, sale, and research of feed	37,274	37,274	340,000	100.00 %	5,453	100.00 %	(54)	(54)	
	Wonder Biotek Co., Ltd.	"	Medicine production and sales	300,000	200,000	30,000,000	100.00 %	115,459	100.00 %	(44,317)	(44,317)	
	Zhong Yi Food Co., Ltd.	"	Egg production and sale	780,000	780,000	78,000,000	65.00 %	788,149	65.00 %	147,100	95,615	
	San Inn Abattoir Co.	"	Abattoir	66,469	66,469	1,116,000	40.00 %	77,098	40.00 %	18,118	7,247	
	Gomo Pet Food Co., Ltd.	"	Pet food manufacturing and sales	50,000	-	5,000,000	100.00 %	50,060	100.00 %	60	60	
City Chain Food Ltd.	Nisshi Chain Co., Ltd.	"	Bakery	68,459	68,459	4,364,652	67.29 %	11,152	67.29 %	3,018	2,031	
	Saboten Co., Ltd.	"	Japanese restaurants	39,000	39,000	2,000,000	50.00 %	78,899	50.00 %	54,511	27,256	
	Route 66 Fast Food Ltd.	Hong Kong	Investment holdings	USD 31,555,384	USD 31,555,384	28,404,247	100.00 %	129,345	100.00 %	(103,750)	(103,750)	
	Saboten (China) Limited	"	Investment holdings	USD 1,250,000	USD 1,250,000	1,550,000	50.00 %	60,699	50.00 %	8,899	4,450	
	DaChan Shin Yeh Ltd.	"	Chinese and western fast food	USD 700,000	USD 700,000	700,000	40.00 %	18,848	40.00 %	3,417	1,367	
	Honolulu Chain Food & Beverage Co., Ltd.	Taiwan	Chinese food and dining	11,000	11,000	11,000,000	55.00 %	56	55.00 %	(2,207)	(1,214)	
	Xiang Cheng Co., Ltd.	"	Chinese food and dining	5,000	5,000	500,000	50.00 %	2,921	50.00 %	(2,011)	(1,005)	
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 %	310,254	100.00 %	(20,905)	(20,905)	

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Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of ownership	Carrying value				
KouChan Mill Co., Ltd.	Nisshi Chain Co., Ltd.	Taiwan	Bakery	4,954	-	2,121,959	32.71 %	5,421	32.71 %	3,018	438	
Great Wall International (Holdings) Ltd.	Asia Nutrition Technologies Corporation Co., Ltd.	Hong Kong	Investment holdings	USD 7,391,940	USD 7,391,940	6,690,472	100.00 %	1,372,726	100.00 %	62,994	62,994	
	Greatwall Food Investment (H.K.) Co., Ltd.	"	Investment holdings	HKD 62,500,000	HKD 62,500,000	5,422,000	100.00 %	(1,904)	100.00 %	(200)	(200)	
	Greatwall Food (H.K.) Co., Ltd.	"	Food wholesale	HKD 500,000	HKD 500,000	50,000	100.00 %	(19,940)	100.00 %	(2,427)	(2,427)	
	FoodChina Inc.	"	Investment holdings	USD 10,129,532	USD 9,499,532	34,830,000	94.39 %	483,106	88.70 %	94,874	89,550	
	Tianjin Food Invest Co., Ltd.	"	Investment holdings	USD 9,729,433	USD 9,729,433	9,500,000	78.40 %	828,611	78.40 %	6,485	5,085	
	Waverley Star Ltd.	"	Investment holdings	USD 29,160,858	USD 29,160,858	29,160,858	100.00 %	3,365,582	100.00 %	154,242	154,242	
	Great Wall FeedTech (Holdings) Ltd.	"	Investment holdings	USD 10,630,000	USD 10,630,000	8,260,000	100.00 %	448,044	100.00 %	22,132	22,132	
	Clydebridge Ltd.	"	Investment holdings	USD 3,544,000	USD 3,544,000	3,544,000	94.66 %	428,684	94.66 %	137,960	130,592	
	Gallant Dachan Seafood Co., Ltd.	Vietnam	Aquaculture processing and sales	USD 3,500,000	USD 2,500,000	3,500,000	50.00 %	157,408	50.00 %	88,387	44,193	
	Dachan (Asia-Pacific) Limited	Hong Kong	Investment holdings	USD 11,200,000	USD 11,200,000	11,200,000	70.00 %	137,326	75.17 %	(17,887)	(12,521)	
	Fresh Aqua Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	44,706	100.00 %	22,592	22,592	
	Great Wall Grains International Limited	"	Commodity trading	USD 1,000,000	USD 1,000,000	1,000,000	100.00 %	204,582	100.00 %	56,089	56,089	
	Global Seafood Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	28,912	100.00 %	20,442	20,442	
	Pacific Harvest Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	8,901	100.00 %	18,530	18,530	
	Seafood International Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	65,448	100.00 %	38,005	38,005	
	Universal Food Limited	"	Aquaculture trading	USD 1,282	USD 1,282	1,282	100.00 %	78,817	100.00 %	44,002	44,002	
	Myint Dachan Company Limited	Myanmar	Production and sale of feed	USD 10,494,097	USD 10,494,097	10,494,097	51.00 %	-	51.00 %	-	-	
	Asia Nutrition Technologies (VN) Investment Co., Ltd.	Vietnam	Production and sale of feed	USD 52,355,513	USD 52,355,513	4,988,973	65.51 %	1,394,567	65.51 %	341,887	223,970	
	Marksville Corp.	Malaysia	Production and sale of feed	USD 5,887,240	USD 5,887,240	1	100.00 %	161,054	100.00 %	6,423	6,423	
Waverly Star Ltd.	Dachan Food (Asia) Ltd.	Hong Kong	Investment holdings	USD 29,160,858	USD 29,160,858	375,899,946	36.99 %	3,374,298	36.99 %	417,324	154,368	
Asia Nutrition Technologies Corporation	Dachan Food (Asia) Ltd.	"	Investment holdings	USD 5,759,421	USD 5,759,421	152,924,906	15.05 %	1,372,890	15.05 %	417,324	62,807	
Great Wall Feedtech (Holdings) Ltd.	Dachan Food (Asia) Ltd.	"	Investment holdings	USD 108,567	USD -	1,482,000	0.15 %	3,334	0.15 %	417,324	-	
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Dachan (Asia-Pacific) Ltd.	"	Investment holdings	USD 800,000	USD 800,000	800,000	5.00 %	9,809	5.37 %	(17,887)	(894)	
Dachan Food (Asia)	Food China Inc.	"	Investment holdings	USD 300,000	USD 300,000	400,000	1.08 %	9,213	1.08 %	94,874	-	
Asia Nutrition Technologies (VN) Investment Co., Ltd.	Taiwan International Gene Co., Ltd.	Vietnam	Sale of swine for breeding purposes	USD 900,000	USD 900,000	900,000	30.00 %	27,639	30.00 %	-	-	
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 %	(24,250)	79.03 %	(98)	(77)	
TNT Biotechnology Co., Ltd.	TNT Huabang Holdings Limited	Hong Kong	Investment holdings	USD 1,385,160	USD 1,385,160	1,110,000	100.00 %	35,980	100.00 %	(256)	(256)	

(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, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Great Wall Food (Tianjin) Co., Ltd. 2.(2)	Production and sale of flour related products	USD 8,278	(2)	53,136	-	-	53,136	(5,159)	78.40%	78.40%	(4,045)	930,190	-
Miyasun-Great Wall Foods (Dalian) Co., Ltd. 2.(1)	Production and sale of processed chicken products	USD 9,872	(2)	-	-	-	-	43,970	52.19%	52.19%	22,882	173,972	-
Great Wall Foods (Dalian) Co., Ltd. 2.(1)	Production and sale of chicken and feed	USD 26,600	(2)	315,908	-	-	315,908	215,099	31.31%	31.31%	66,035	618,215	-
Liaoning Great Wall Agri-Industrial Co., Ltd. 2.(1)	Production and sale of feed	USD 19,201	(2)	229,600	-	-	229,600	50,611	52.19%	52.19%	26,338	726,216	-
Great Wall Agri (Hei Long Jiang) Co., Ltd. 2.(1)	Production and sale of feed	USD 6,563	(2)	-	-	-	-	771	52.19%	52.19%	401	247,295	-
Great Wall Agri (Yingkou) Co., Ltd. 2.(1)	Production and sale of feed	USD 17,886	(2)	57,813	-	-	57,813	(53,993)	52.19%	52.19%	(28,098)	11,388	-

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Great Wall Agri (Tieling) Co., Ltd. 2.(1)	Production and sale of chicken and feed	USD 14,151	(2)	84,655	-	-	84,655	31,597	52.19%	52.19%	16,443	640,859	-
Dachan Wanda (Tianjin) Co., Ltd. 2.(1)	Production and sale of chicken and feed	RMB 579,060	(2)	-	-	-	-	(179,450)	52.19%	52.19%	(93,386)	691,319	-
Dongbei (Beijing) Consultant Co., Ltd. 2.(1)	Management consulting services	USD 500	(2)	-	-	-	-	(2,717)	52.19%	52.19%	(1,414)	(10,365)	-
Beijing FoodChina Online Information & Technology Ltd. 2.(2)	Feed trading, animal products wholesale, and feed and agricultural products retail	RMB 182	(2)	-	-	-	-	390	94.95%	94.95%	369	751	-
Dongbei Agri (Changchun) Co., Ltd. 2.(1)	Production and sale of feed	USD 1,111	(2)	19,483	-	-	19,483	(4,805)	52.19%	52.19%	(2,500)	101,153	-
Great Wall Gourmet (Shanghai) Co., Ltd. 2.(1)	Production and sale of chicken, pork, and frozen processed foods	USD 6,940	(2)	82,000	-	-	82,000	6,324	52.19%	52.19%	3,291	74,511	-
DaChan Showa Foods (Tianjin) Co., Ltd. 2.(2)	Production and sale of flour related products	USD 8,950	(2)	26,158	-	-	26,158	25,396	55.00%	55.00%	13,968	183,817	-
Dachan (Hunan) Feed Technologies Co., Ltd. 2.(1)	Production and sale of feed	USD 2,234	(2)	-	-	-	-	(6,729)	52.19%	52.19%	(3,502)	25,705	-
Dachan Food (Hebei) Co., Ltd. 2.(1)	Production and sale of feed	USD 53,767	(2)	-	-	-	-	(21,695)	52.19%	52.19%	(11,290)	29,912	-
Dachan Liangyou Food (Shanghai) Co., Ltd. 2.(1)	Production and sale of flour related products	RMB 200,000	(2)	-	-	-	-	(104,026)	43.00%	43.00%	(44,731)	231,423	-
Great Wall Agrotech Huludao Co., Ltd. 2.(1)	Production and sale of feed	USD 3,800	(2)	-	-	-	-	(7,890)	52.19%	52.19%	(4,106)	47,250	-
Great Wall FeedTech (Tianjin) Co., Ltd. 2.(1), (2)	Production and sale of feed	USD 14,536	(2)	-	-	-	-	30,574	100.00%	100.00%	30,574	663,345	-
Shanghai Universal Chain Food Co., Ltd. 2.(3)	Italian food and dining, bakery, and restaurant management services	USD 3,100	(2)	101,680	-	-	101,680	(33,843)	100.00%	100.00%	(33,843)	129,824	-
Great Wall Yung Huo Food (Beijing) Co., Ltd. 2.(3)	Chinese fast food chains	RMB 15,954	(2)	44,647	-	-	44,647	(45)	79.03%	79.03%	(35)	(14,527)	-
Nanjing Tengcheng Enterprise Management Co., Ltd. 2.(2)	Restaurant management	RMB 21,006	(2)	37,902	-	-	37,902	7,061	100.00%	100.00%	7,061	77,646	-
Beijing Universal Chain Food Co., Ltd. 2.(2)	Italian food and dining and bakery	USD 5,580	(2)	115,697	-	-	115,697	(10,976)	100.00%	100.00%	(10,976)	56,250	-
Saboten Catering Operation (Beijing) Co., Ltd. 2.(2)	Japanese food and dining and restaurant management services	USD 2,500	(2)	46,938	-	-	46,938	12,634	50.00%	50.00%	6,317	60,542	72,018
Shanghai Xunshi Foods Co., Ltd. 2.(3)	Chinese fast food chains	USD 278	(2)	-	-	-	-	-	100.00%	100.00%	-	(8,212)	-
Beijing Dingfenggang Catering Co., Ltd. 2.(3)	Chinese fast food chains	RMB 3,000	(2)	29,641	-	-	29,641	(5,495)	75.00%	75.00%	(4,121)	(981)	-
Beijing Duhsiao Yueh Restaurant Co., Ltd. 2.(2)	Chinese fast food chains	RMB 19,000	(2)	51,707	-	-	51,707	(23,137)	70.00%	70.00%	(16,196)	17,165	-
Tianjin Fast Food Co., Ltd. 2.(3)	Food processing	USD 5,800	(2)	175,676	-	-	175,676	1,348	100.00%	100.00%	1,348	(38,258)	-
TNT Biotechnology (Tianjin) Co., Ltd. 2.(1), (2)	Feed	USD 11,602	(2)	303,344	-	-	303,344	(20,246)	100.00%	100.00%	(20,246)	271,160	-

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Notes to the Consolidated Financial Statements

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Shanghai All-Household Restaurant Management Co., Ltd. 2.(3)	Chinese and western fast food chains	RMB 10,000	(2)	-	-	-	-	(6,288)	50.00%	50.00%	(3,144)	20,615	-
Taixu & DaChan Foods (Dalian) Co., Ltd. 2.(1)	Production and sale of pork	USD 21,595	(2)	-	-	-	-	7,493	20.88%	20.88%	1,560	62,580	-
Shangdong Dachan Biotechnology Co., Ltd. 2.(1)	Production and sale of feed	USD 3,000	(2)	-	-	-	-	488	52.19%	52.19%	254	(36,465)	-
Dongbei (Beijing) Consultant Co., Ltd. 2.(1)	Management consulting services	USD 500	(2)	-	-	-	-	(2,717)	52.19%	52.19%	(1,414)	(10,365)	-
Zhenglanqi Dachan Eco-Ranch Co., Ltd. 2.(1)	Food services: Raising and selling of animals	RMB 100	(2)	-	-	-	-	(9,498)	52.19%	52.19%	(4,943)	(61,773)	-
Bengbu Dachan Food Co., Ltd. 2.(1)	Production and sale of chicken and feed	RMB 296,860	(2)	-	-	-	-	194,197	52.19%	52.19%	101,060	879,287	-
Tianjin Dachan Prospect Research and Development Co., Ltd. 2.(1)	Research	RMB 100	(2)	-	-	-	-	(9,816)	52.19%	52.19%	(5,108)	(35,485)	-
Tianjin Chao Cheng Food Trade Co., Ltd. 2.(1)	Food trading	RMB 1,000	(2)	-	-	-	-	(9,021)	28.70%	28.70%	(2,582)	388	-
TIAN JIN SUPER PIG AST Co., Ltd. 2.(1)	Production and sale of pork	RMB 100	(2)	-	-	-	-	(13)	52.19%	52.19%	(7)	(73,478)	-
DaChan Livestock Development Co., Ltd. 2.(1)	Construction and leasing of poultry farms	RMB 1,000	(2)	-	-	-	-	(1,609)	20.88%	20.82%	(335)	1,124	-
Dachan Agricultural Technologies (Sichuan) Co., Ltd. 2.(1)	Sale of feed	RMB 20,000	(2)	-	-	-	-	13,572	52.19%	52.19%	7,063	43,910	-
Taixu & DaChan Foods (Dalian) Co., Ltd. 2.(1)	Production and sale of pork	RMB 40,000	(2)	-	-	-	-	44,926	20.88%	20.88%	9,352	69,082	-
Tai Ji Food Co., Ltd. 2.(3)	Processing and sale of food	USD 4,150	(2)	48,993	-	-	48,993	(9,508)	100.00%	100.00%	(9,508)	(88,606)	-
Advent Prosperity Real Estate Development Co. Ltd. 2.(1), (2)	Real Estate	RMB 435,500	(2)	-	-	-	-	(14,594)	32.66%	32.66%	(6,574)	1,120,777	-
Dachan Shinyeh Catering Management (Beijing) Co., Ltd. 2.(3)	Chinese and western fast food chains	USD 1,670	(2)	20,792	-	-	20,792	506	40.00%	40.00%	202	2,706	-
Shanghai Guangcheng Catering Co., Ltd. 2.(3)	Chinese food and dining	RMB 4,884	(2)	-	-	-	-	(117,241)	20.68%	20.68%	(24,246)	63,828	-
Hepeer Catering Management (Beijing) Co., Ltd. 2.(3)	Chinese food and dining	RMB 6,000	(2)	-	-	-	-	(9)	20.00%	20.00%	(2)	2,912	-
TianJin Hai Rei Food Limited 2.(3)	Food processing	RMB 4,994	(2)	-	-	-	-	619	20.88%	20.88%	248	3,059	-
Rupp & DaChan Foods (Tianjin) Co., Ltd. 2.(3)	Feed research	RMB 35,000	(2)	-	-	-	-	(8,089)	20.88%	20.88%	(3,239)	45,579	-

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

(ii) Limitation on investment in Mainland China:

(In USD)

	Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
	(USD 69,142,584) 2,123,369	(USD 240,735,856) 7,392,998	12,511,725

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.

Note 4: Investment income (losses) should include the following information:

1. If the invested entity is still under preparation, resulting in no investment income or losses, it should be disclosed.
2. There are three types of basis used for recognizing investment income and loss, which should be disclosed:
 - (1) Audit reports prepared by international CPA firms that have a cooperative relationship with an ROC CPA firm.
 - (2) Audit reports prepared by the Taiwan CPA which audited the parent company.
 - (3) Financial reports prepared by the invested company that have not been audited by any CPA.

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

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Fu-Chu Investment Co., Ltd.		76,880,528	8.59 %

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

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

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

(14) Segment information:

The Group has six reportable segments as follow. The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different technology and marketing strategies. The chief operating decision maker of the Group reviews the internal management reports of each strategic operating unit at least quarterly. In 2022, the basis of segmentation of the Group is different from the last annual financial statements. The changes resulted from the restructuring of the divisions within the Group.

- (a) Grain Segment: Vertically integrated production and sales of feed, flour, fermented soybean meal, pork, and laying hens.
- (b) Meat Segment: Vertically integrated production and sales of white broilers, native chickens, and ducks in Taiwan.
- (c) Food segment: Department of manufacturing and sales of processed food.
- (d) Catering and shopping malls segment: Department of catering services and shopping mall operations.
- (e) Southeast Asia Segment: Production and sales of aquatic products and feed in Southeast Asia.
- (f) East Asia Segment: A listed entity listed based in Hong Kong.

Other operating activities include investments in various industries and management consulting services. These departments did not meet any quantitative thresholds to be reportable segments in 2022 and 2021.

The Group's operating segment information and reconciliation are as follows:

	For the years ended December 31, 2022								Total
	Grain Segment	Meat Segment	Food Segment	Catering and shopping malls Segment	Southeast Asia Segment	East Asia Segment	Other Segment	Reconciliati on and elimination	
Revenue from external customers	62,924,487	14,540,074	3,028,629	2,405,747	3,012,378	27,325,074	60,897	-	113,297,286
Intersegment revenues	13,779,305	1,430,962	1,390,282	6,698	-	-	-	(16,607,247)	-
Interest revenue	56,939	505	527	1,068	4,480	64,593	14	(10,858)	117,268
Total revenue	<u>\$ 76,760,731</u>	<u>15,971,541</u>	<u>4,419,438</u>	<u>2,413,513</u>	<u>3,016,858</u>	<u>27,389,667</u>	<u>60,911</u>	<u>(16,618,105)</u>	<u>113,414,554</u>
Interest expenses	\$ (346,464)	(60,180)	(3,897)	(1,911)	(24,836)	(49,540)	-	11,941	(474,887)
Depreciation and amortization	(990,184)	(239,507)	(36,165)	(231,597)	(63,770)	(574,257)	-	-	(2,135,480)
Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	(30,583)	(30,583)
Reportable segment profit before tax	<u>\$ 1,927,587</u>	<u>637,093</u>	<u>(280,961)</u>	<u>(61,376)</u>	<u>385,437</u>	<u>619,331</u>	<u>185,625</u>	<u>12,971</u>	<u>3,425,707</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	For the years ended December 31, 2021								Total
	Grain Segment	Meat Segment	Food Segment	Catering and shopping malls Segment	Southeast Asia Segment	East Asia Segment	Other Segment	Reconciliati on and elimination	
Revenue from external customers	\$ 38,145,680	12,557,486	3,368,409	1,988,970	4,679,882	40,593,953	103,462	-	101,437,842
Intersegment revenues	9,111,621	1,525,887	736,072	7,275	-	41,443	-	(11,422,298)	-
Interest revenue	89,350	83	27	1,503	378	-	101	(5,289)	86,153
Total revenue	<u>\$ 47,346,651</u>	<u>14,083,456</u>	<u>4,104,508</u>	<u>1,997,748</u>	<u>4,680,260</u>	<u>40,635,396</u>	<u>103,563</u>	<u>(11,427,587)</u>	<u>101,523,995</u>
Interest expenses	\$ (196,586)	(18,221)	(3,038)	(6,049)	(67,405)	-	(111)	6,787	(284,623)
Depreciation and amortization	(1,218,317)	(109,860)	(42,974)	(233,481)	(77,906)	(4,673)	(245,803)	-	(1,933,014)
Share of profit (loss) of associates and joint ventures accounted for using equity method	-	-	-	-	-	-	-	6,186	6,186
Reportable segment profit before tax	<u>\$ 1,017,242</u>	<u>477,133</u>	<u>(1,781)</u>	<u>(18,629)</u>	<u>345,065</u>	<u>781,905</u>	<u>436,891</u>	<u>(151,108)</u>	<u>2,886,718</u>

- (a) The material reconciling items of the above reportable segment are as below:

Name of product	For the years ended December 31,	
	2022	2021
Feed	\$ 56,261,983	45,740,161
Grain and Oil	18,107,051	19,209,672
Meat	19,745,318	17,494,966
Consumables	14,925,186	14,585,128
Other	4,257,748	4,407,915
Total	<u>\$ 113,297,286</u>	<u>101,437,842</u>

- (b) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

Revenue from external customers:

Geographical region	For the years ended December 31,	
	2022	2021
Taiwan	\$ 55,169,890	42,224,609
China	35,422,561	35,461,422
Vietnam	19,425,892	17,549,490
Other (<10%)	3,278,943	6,202,321
Total operating income	<u>\$ 113,297,286</u>	<u>101,437,842</u>

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GREAT WALL ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Non-current assets:

Geographical region	For the years ended December 31,	
	2022	2021
Taiwan	\$ 16,701,537	15,207,172
China	7,655,150	6,874,502
Vietnam	2,177,362	1,565,100
Other (<10%)	33,035	685,567
Total non-current assets	\$ 26,567,084	24,332,341

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including financial instruments, investments using the equity method, deferred tax assets, and defined benefit assets.

(c) Major customers

The Group did not have customers whose revenue accounted for more than 10% of the revenue stated in the income statement in 2022 and 2021.