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Taisun Enterprise Co., Ltd.

2020 Annual Report

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Taisun Enterprise Co., Ltd. website: http://www.taisun.com.tw

Market Observation Post System: http://mops.twse.com.tw

I. Company Spokesperson

Name: Liu Wei-Chen
Job title: Manager
Telephone: (02) 2506–4152
Email address: karl@taisun.com.tw
Acting spokesperson
Name: Peng Pi-Chen
Job title: Manager
Telephone: (02) 2506–4152
Email address: jessie@taisun.com.tw

II. Headquarters, Branches and Factories

Head Office Address: No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan
Telephone: (04) 8742211 (ext. 10)
Feed factory address: No.8, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan
Telephone: (04) 8744981, 8745002
Oil factory address: No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan
Telephone: (04) 8742211 (ext. 10)
Food factory address: No.788, Sec. 1, Yuanji Rd., Tianzhong Township, Changhua County 520, Taiwan
Telephone: (04) 8742211 (ext. 10)
Address of General Management Office: 10F., No.99, Sec. 2, Chang-An E. Rd., Taipei City 104, Taiwan
Telephone: (02) 25064152 (ext. 13)

III. Stock Transfer Agency

Name: Transfer Agency Department of Yuanta Securities Co., Ltd.
Address: B1, No. 210, Chengde Road Section 3, Taipei City
URL: http://www.yuanta.com.tw
Telephone: (02) 2586–5859

IV. Certified Public Accountant for the Annual Financial Report of the Most Recent Fiscal Year

Firm name: KPMG Taiwan
Accountant names: Kuo Yang Tseng, Chen Chung-Che
Address: 68th Floor, No. 7, Xinyi Road Section 5, Taipei City
URL: http://www.kpmg.com.tw
Telephone: (02) 8101–6666

V. The Company has no overseas listed trading of securities

VI. Company Website: http://www.taisun.com.tw

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Report to Shareholders

Dear shareholders, ladies, gentlemen, and distinguished guests, thank you for taking the time out of your busy schedules to come to attend Taisun's 2021 Annual Meeting of Shareholders.

In 2020, the COVID-19 outbreak brought economic activities around the world to a halt. However, thanks to remarkable epidemic prevention measures, Taiwan had an economic growth rate of 2.98%, exceeding all Organization for Economic Co-operation and Development (OECD) members. Facing the outbreak, Taisun embraced the challenges and has continued to deliver results. As we were highly recognized by international investors, we are now an MSCI mid and small-cap constituent. We consider this achievement as an affirmation of our business results. Owing to the efforts of all of our employees, the Company was able to maintain steady growth in 2020.

The net consolidated operating income of the Company in 2020 was NT$8,356,125,000, an increase of NT$355,541,000 compared with that in 2019; the net operating profit was NT$316,542,000, an increase of NT$156,335,000 compared with that in 2019; the net profit after tax was NT$851,541,000, an increase of NT$269,340,000 compared with that of the previous year.

In recent years, we have been doing our utmost to replace old equipment while building new production lines in order to provide a wider range of products for major modern channels. The Company continuously forms alliances with different industries to attract consumers in terms of products, channels and marketing techniques. At the same time, it also acts as an agent of high-quality products at home and abroad in order to expand its territories. Furthermore, we also develop new consumer groups by working exclusively with modern channels to create a win-win situation, further driving revenue and profitability.

At the same time we continue to enforce ESG (Environment, Social, Governance) while upholding the principle of "what is taken from society will be given back to society". Not only are we dedicated to the rights and interest of our shareholders, we also contribute to the sustainable development of society, environment and corporate governance. We do not just center on current business profitability, we also attach importance on the strengthening of the structure of the Company in order to further achieve the vision of sustainable operation.

After 70 years, with the support of all shareholders, Taisun has become more united. We understand our mission and do what we can to contribute to society. At Taisun, we strive to safeguard food safety. In the future, we will do our utmost to satisfy the needs of our customers in a bid to create delicious products, while demanding quality. With the support of all our customers, Taisun has been able to prosper and will carry on to protect the interests of all shareholders and rights of stakeholders. May Taisun Group continue to thrive and that all employees and their families be healthy and safe! At Taisun, we stay focused and on top of things!

At this Annual Meeting of Shareholders, I would like to express my sincere gratitude to all shareholders for their support. I hope everyone will continue to give Taisun Company their guidance and affirmation so that the Company will grow stronger. I wish you good health and all the best.

Thank you!

Chairman: Peter Chan

II. Company Profile

I. Date of establishment: October 26, 1950
Date of incorporation: October 21, 1960

II. Company History:

1986
1. Increased capital by NTD 404,122,880 to boost feed production capacity by 60 tons per hour while improving oil and fat extraction.
2. Launched Taisun Mixed Congee.

1987
1. Capital injection of NTD 36,066,940 to improve financial structure; capital surplus transfer to common stock of NTD 11,315,440; retained earnings transfer to capital of NTD 48,494,740; along with an operational rationalization merger with Yong Yu Food Industry Co., Ltd. that increased capital by NTD 100,000,000, total capital thus increased to NTD 600 million. Built a shrimp feed factory with maximum monthly output of 1,200 tons.
2. Launched Peanut Soup.

1988
1. Capital injection of NTD 51,300,000; capital surplus transfer to common stock of NTD 14,700,000; total capital increased to NTD 666 million. Added a second production line to the shrimp feed factory; Japanese-made equipment allowed maximum monthly output to reach 120 tons/day. Invested in a new production line for Taisun Mixed Congee. Purchased an additional 77,303 square meters (23,384.15 pings) of land for a second animal husbandry plant.
2. Became the first company to obtain food GMP certification.

1989
1. Capital injection of 13,400,000 shares, issuing shares at a premium of NTD 13 per share. Retained earnings transfer to capital of NTD 60,000,000. Used to set up additional auto production lines for Taisun Grass Jelly, introduced equipment to add more capacities for the beverages like Taisun Mixed Congee, Peanut Soup, Green Bean Soup, and Green Bean Paste, and invested in the bulk warehouse for the soybean powder of the oil plant, the pig house in the Beidou livestock farm, and the pollution control facilities of the plant and farm. Concluding his long years of accomplishment, former Chairman Mr. Chan Yu-Chu was elected Honorary Chairman and continued to bear responsibility for guiding our Company behind the scenes. Former Executive Vice Chairman Mr. Chan Jen-Tao was unanimously elected as Chairman by the Board of Directors.
2. Taisun Enterprise became a listed company.

1990
1. Capital injection of 20,000,000 shares, with each share issued at a premium of NTD 36. Retained earnings transfer to capital of NTD 137,600,000. Used for expansion of automatic production lines in food factories, additional wastewater treatment equipment and purchase of office buildings, set up of a shipping center, additional purchases of vending machines, and investment in the logistics industry.
2. Established a new corporate identification system.
3. The Taisun Cultural Foundation was established.

1991
1. Retained earnings transfer to capital of NTD 59,880,000, and capital surplus transfer to common stock of NTD 203,592,000. To improve financial structure and enrich working capital.
2. The Taisun Cultural Foundation won the “Group Award for the Association of Great Service Achievement” from the Ministry of Education.

1992
1. Retained earnings transfer to capital of NTD 160,717,920 and capital surplus transfer to common stock of NTD 160,717,920. To enrich working capital. Issued 30 million shares of Type A registered preferred stock at a premium of NTD 20 per share to repay bank loans and build frozen food and meat processing plants.
2. Launched Bing Jeon Black Tea.

1993
1. Capital surplus transfer to common stock of NTD 124,950,470. Capital after capital increase (including preferred stock) was NTD 2,207,458,310.
2. Started selling frozen prepared foods, and also began construction on associated factories.
3. A Japanese patent was acquired for the processing technique of the Taisun Grass Jelly.
4. The oil, food, and feed plants passed ISO-9002 certification.
5. Won a National Quality Award (NQA), the highest honor in quality management.
6. Initiated indirect investment in mainland China by establishing a 100%-owned subsidiary in Singapore.
7. Teamed up with Thailand Uni Food Co., Ltd. to establish a food and beverage factory in Thailand.

1994
1. Capital surplus transfer to common stock of NTD 175,049,530. Capital after capital increase (including preferred stock) was NTD 2,382,507,840.
2. The frozen food plant started production.

1995
1. Capital surplus transfer to common stock of NTD 166,600,630. Capital after capital increase (including preferred stock) was NTD 2,549,108,740.
2. Launched Taisun Pure Water

1996
1. Added a glass bottled beverage production line for food to produce YOGO lactic acid beverages.
2. The construction of the Kunshan and Zhangzhou plants in mainland China commenced.

1997
1. Capital surplus transfer to common stock of 89,964,340. Capital after capital increase (including preferred stock) was NTD 2,639,072,810.
2. Stepped into the construction industry with first case launched in the Taisun Great Century--Special Leader District.
3. The Kunshan plant and Zhangzhou plant in mainland China were completed and started production.
4. Investment was made in Central Union Oil Corp.

1998
1. Preferred stock of NTD 300 million entirely converted to common stock.
2. Retained earnings transfer to capital of NTD 116,953,640. Capital surplus transfer to common stock of NTD 116,953,640. Capital injection of NTD 360,000,000. Capital after capital increase was NTD 3,232,980,090.
3. Taisun Fruit Water was introduced to the market.
4. Central Union Oil Corp. began mass production.

1999
1. Production technology and equipment of soft-bag beverage Capri-Sun was introduced from Germany.
2. Investment was made in FamilyMart convenience store and in Taiwan-wide logistics.
3. The Taisun Cultural Foundation again won the “Group Award for Social Education Achievement.”

2000
1. Office automation system was launched.
2. Launched the second phase of construction for a district catering to high-profile individuals.
3. Raised NTD 450,000,000 through issuance of secured corporate bonds, with funds used to improve financial structure.

2000
1. Entered the refrigerated foods market and started mass production of chilled products.
2. PET production lines were established and passed GMP certification of the Industrial Development Bureau.
3. Kenneth Chan took over as General Manager.

2002
1. Obtained GMP certification for the production line of chilled snacks.

2003
1. Launched third phase of construction with commencement of the Shoufu Special District.
2. Internal manufacturing capability was improved and additional refrigerating equipment was installed.
3. Signed a five-year, NTD 1 billion syndicated loan with E.Sun Bank to improve financial structure.

2004
1. Capital surplus transfer to common stock of NTD 129,319 thousand. Capital after capital increase was NTD 3,362,299 thousand. Additionally merged with 100%-owned subsidiary Xintai Investment Co., Ltd., reducing capital by NTD 199,850 thousand. After the capital reduction, the capital amount was NTD 3,162,449 thousand.
2. Launched a series of refrigerated snack products.
3. Shares of Taiwan FamilyMart Co. Ltd. were bought in continuously to have more than 20% of shareholdings and substantial influence; the valuation method was changed to the equity method.

2005
1. Capital surplus transfer to common stock of NTD 63,249 thousand. Capital after capital increase was NTD 3,225,698 thousand. In addition, a merger with 100%-owned subsidiary Pintai Investment Co., Ltd. reduced capital by NTD 86,057 thousand. After the capital reduction, the capital amount was NTD 3,139,641 thousand.
2. The Fresh Grass Jelly House and newly bottled pure water were introduced to the market.
3. The modernization of traditional snacks was continued to put MIXED CONGEE – Black Glutinous Rice & Job's Tears – on the market.

2006
1. Capital surplus transfer to common stock of NTD 62,793 thousand. Capital after capital increase was NTD 3,202,434 thousand.
2. General Manager Kenneth Chan was honored with the "Outstanding Food Entrepreneur Award" by the Institute of Food Science and Technology.
3. A GMP Outstanding Certificate was acquired for the production line of oil products.
4. A new construction project was launched with the commencement of the New Era Special District.
5. The NT$1 billion syndication loan case was renegotiated with E.Sun Bank to extend the period to 100 years.

2007
1. Kenneth Chan took over the Chairman position and Tsou Hsin-Nan took over the General Manager position.
2. Taisun Enterprise (Zhangzhou) Foods Co., Ltd. marked the 10th anniversary of its establishment.
3. The IP, TP, and oil ISO22000 certificates were acquired in January 2007.
4. Nikomart signed an assets assignment agreement with FamilyMart.

2008
1. Pin-Tai Distribution merged with Jian Tai International and Pin Tai Company.
2. The aquatic products plant for production of floating ripened aqua feed was completed in Tianzhong.
3. The BSC Performance Management System was introduced to the entire company.
4. Taisun Pure Water was attached with the processed food trace code required by the Department of Health of the Executive Yuan.
5. The Fresh Grass Jelly House acquired the "New Product Award" from the Taiwan Association for Food Science and Technology.

2009
1. The professional aquatic products plant in Tianzhong was officially launched for production of floating aqua feed.
2. Taisun (Herbal) Co. Ltd. was founded, and the Taisun (Herbal) Refreshing Dessert Flagship Shop was launched on Xiamen's ZhongShan Road.
3. The Taisun Cultural Foundation won the "Social Education & Public Service Award" from the Ministry of Education in 2008.
4. New oil products Omega-3 Unsaturated Healthy Oil and Vitality Nuts Health Oil won a "New Product Commendation" from the Taiwan Association for Food Science and Technology.
5. The GMP Outstanding Certificate was acquired for the packaging line of oil products.
6. The Baidou farm acquired the traceability certificate for its livestock products.
7. Taisun joined the Total Brand Management (TBM) benchmarking academy boot camp.
8. Chairman Kenneth Chan was elected as the 8th Secretary of the National Industry Council.

9. New brand Taisun Biotech launches its first "Nattokinase" product.
10. The Fresh House introduced unique large-grain products, namely Black Sugar Mesona with Coconut and Green Been with Job's Tears and Coconut.

2010
1. Yufeng pioneered collaboration with Hilife to jointly launch bubble mixture tea and march into the premium wedding pastry market by introducing a combination of different teas and refreshments with its Three Tea Ceremony cake gift box.
2. Introduced the first environment-friendly bottled water – TWIST WATER – in Taiwan under technical cooperation with the Plastics Industry Development Center, and acquired the first Carbon Footprint Label Certificate (No. 001) in Taiwan for its bottled water. .
3. Launched the nation's first bottle of "Healthy and Good Blended Oil with the Essence of Nuts." Taisun's oil won the gold medal of the "2010 Reader's Digest Renowned Brand Award."
4. Taisun Biotech launched its HINA brand targeting the women's market, with products including One a Day Calcium Cookies and Body Oil Tablets.
5. Launched Taisun Nine Falling Winds Mullet Rice to penetrate the meat market, and obtained the Golden Diamond Award for Taiwan Top Ten Quality Mullet Roe in 2010.
6. Taisun's all-new official website came online.
7. Published the book "True Persistence" to share the management attitude and life philosophy of General manager Chan Jen-Tao.
8. The 60th Anniversary Thanksgiving Celebration Cocktail Party was held at the Grand Hotel.
9. Chairman Kenneth Chan was elected as the 7th Chairman of the Food and Food Industry Development Association.
10. Chairman Kenneth Chan was elected as the first vice chairman of the Association for Business Excellence.
11. Distribution of cash dividends of NTD 64,049 thousand and retained earnings transfer to capital of NTD 128,097 thousand. Capital after capital increase was NTD 3,330,531 thousand.

2011
1. Taisun's "TWIST WATER" was selected by the Food Bev Media in 2010 as one of the 20 most friendly containers in the future. It was the only honored brand from Taiwan.
2. Taisun's healthy oil again won the gold medal of the Reader's Digest Renowned Brand Award.
3. The GMP Outstanding Certificate was acquired for Taisun's packaging line of oil products.
4. Taisun mullet caviar won the Excellent Processed Aquatic Products Award from the Fisheries Department.
5. Yufeng Tea established its first mixed tea restaurant, "EMPERORLOVE Oriental Beauty Fashion Tea House," to enter the tea restaurant market.
6. Launched first functional tea beverage, "Tianshan snow lotus."
7. Launched first zero-calorie beverage, "Bing Jeon ZERO Beauty Tea."
8. Taisun Biotech's HINA brand launched Collagen Spatiotemporal Freezing, Retrospective Freezing of Time and Space, Nuannuan Siwu Iron Foaming Tablets, Aqua Collagen Drink, and Jingyan Beauty Drink.
9. Plasticizer incident: All Taisun products were submitted for inspection to confirm that they do not contain plasticizers.
10. The Taisun Pure Water was designated as the drinking water for the National Games in Changhua.
11. Distribution of cash dividends of NTD 116,568 thousand; retained earnings transfer to capital of NTD 99,916 thousand; capital after capital increase was NTD 3,430,447 thousand.

2012
1. "TWIST WATER" won the 20th Taiwan Excellence Award. It was the first bottled water that won the honor of this well-established award.
2. "TWIST WATER" won the "Excellence" award in the Food & Beverage Category of Business Next's 3rd Green Brand Investigation.
3. Taisun's "Good Oil" won the gold medal of the Reader's Digest Renowned Brand Award for three consecutive years.

4 HINA Nuannuan Siwu Iron Herbal Foaming Tablets won the National Quality Mark and double certification of the food GMP smile mark.

5. Jiujiangfeng mullet caviar won the Excellent Aquatic Products Award from the Department of Agriculture, of the Executive Yuan.
6. The Babao line obtained GMP certification.
7. Passed the US FDA PET hot filling line certification and became the first company in Taiwan that exported PET-bottled neutral green tea to the USA.
8. Undertook OEM for Itoen of Japan for sale in Taiwan of four items including green tea, 530 ml strong tea, and 975 ml.
9. Taisun Bing Jeon Black Tea (IP 450ml) was incorporated in the “Safe Food Tracing Platform” of the Industrial Development Bureau of the Ministry of Economic Affairs.
10. Signed an agreement with with mainland China's Hon Chuan regarding its aseptic PET filling line.
11. Launched new Big Straw brand products Ice Q Plum Green, and Konjac Milk.
12. Bing Jeon brand launched new Sakura Apple Tea product.
13. Taisun Biotech's HINA brand rolled out One a Day Calcium Healthy Wafer product.
14. Taisun (Herbal) Co. Ltd. opened its first store in the Qunguang region of Chengdu, Sichuan Province, on the mainland.
15. Launched PP-bottled Black Fungus with Longan Drink.
16. Launched a new Pearl Job’s Tears snack product (CAN330ml, PP290ml).
17. The Good Oil successfully entered the olive oil market with market share of 7%.
18. Held full product marketing activities for the first time with the Asian rock group Mayday, under the banner of "Drink Taisun and watch Mayday."
19. Yutai won the "Excellent Enterprise Award" of the Ministry of Economic Affairs' Micro and Small Enterprise Highlight Project.
20. Obtained the well-known "Taisun" trademark in China.

2013

1. General Manager Tsou Hsin-Nan retired and took on an advisor position. On the recommendation of the Compensation Committee, the Board of Directors appointed Chairman Kenneth Chan to serve concurrently as General Manager.
2. Chairman Kenneth Chan was elected as 18th chairman of the Feed Trade Union, 8th chairman of the Food Industry Development Association, and chairman of the Taiwan Advertisers Association (TAA).
3. SAP-ERP system was launched online for Taiwan consumer foods and bulk oils.
4. Cooperated with Taiwan Hon Chuan Group to develop aseptic filling lines; Mesona Tea, a brand new product, was development under cross-strait cooperation.
5. Promotion activities were held under cross-strait cooperation and two “The Power of Grass” concerts were organized for the first time.
6. Obtained FDA certification in producing green tea for Itoen of Japan, and passed the North American Costco quality system inspection. Obtained Itoen's export orders from the United States and Canada.
7. Jointly promoted "source management information service project in line with the global food industry" in cooperation with Weiquan after obtaining this project from the Science and Technology Program of the Industrial Development Bureau of the Ministry of Economic Affairs.
8. The feed plant in Yuanlin changed its market position to a blank feed plant; the Taisun Beidou farm cooperated with Shang Lee Food to introduce “Lean Pork” to the market.
9. Extra Virgin Olive Oil was launched under the Good Oil brand name with accompanying organic food certification.
10. Good Oil brand Sunflower Seed Oil acquired the national good food certificate, standing as the only sunflower oil containing phytol.

11. The “Bing Jeon Guava Green Tea” Fresh House made its debut and ranked as one of the Top 3 new tea beverages on the market.
12. The copper chlorophyll content of the pure grape seed oil that Taisun imported from Spain was detected by the Ministry of Health and Welfare as positive. The products were removed from the shelves and recalled from consumers. They were then sealed in the plant and the sale was stopped for further determination.
13. The Taisun Cultural Foundation was praised by the Ministry of Education as the “2013 Outstanding Education Foundation.”

2014
1. Taisun Enterprise adopted a brand new corporate identity.
2. Chairman Kenneth Chan was elected as the third president of the Chinese Excellent Management Association (CEMA).
3. Taisun's Mesona Tea brand invited Jam Hsiao to act as spokesperson for the whole year.
4. Launched a Mesona Monopoly app, stepping into the mobile market for the first time by combining a monopoly game and the concept of bonus points; the app broke through 50,00 downloads in a single month.
5. Signed a contract with the Ershui Rural Association for domestic fairy grass production, making this a source of fairy grass.
6. Introduced Oracle’s PLM R&D management compliance system to strengthen autonomous management systems and align with international standards. Further joined the Source Management Information Service Platform of the Food Industry Development Association.
7. Food and oil plants acquired SQF-LEVEL3 certification. Became the first food company in Taiwan to obtain the highest level certification of the international SQF food safety standard.
8. The pig house in the Beidou farm was completed with the environment control system. It passed the Carrefour CQL certification and the pork became a Carrefour commodity under strict selection.
9. Expanded scope of cooperation with Itoen of Japan, manufacturing FamilyMart's own-brand tea drinks under Itoen's supervision.
10. Launched RT-Mart's exclusive Milk Red Bean dessert products.
11. Launched SQF certified 100% Canola Oil.
12. Launched unique, environmentally-friendly, convenient, and patented “Pure Water with Inseparable Cap."
13. Bing Jeon Guava Green Tea won the 2014 Innovative Product Appraisal Award.

2015
1. Introduced electronic invoicing system to facilitate follow-up and tracing of food and ensure food safety in the future. Established as the first food company in Central Taiwan to introduce an electronic invoicing system.
2. Introduced robotic arms to improve the working environment of the refrigeration line and save the manpower needed to work at low temperature.
3. Rolled out Mesona Q Milk onto the market, taking natural herbs as the core of the brand to launch healthy herbal jelly products.
4. Launched Taiwan Peanut Soup product. All of the peanuts were planted in Taiwan to provide safe quality material, and no condiments were added. The material was simmered to reproduce the original flavor of Taiwanese peanut soup as it tasted in the old times.
5. GMP Certification was changed to TQF in the second half of 2015. Taisun supported the change and carried out the sequential certification procedure.
6. Biomass boilers were used in all of Taisun’s plants. It saved 1,461 kilograms of fuel oil in 2015 compared with the prior year and reduced CO2 emissions by 4,543 tons, thereby implementing carbon reduction measures.
7. The “Inseparable Cap” of Taisun Pure Water won the silver medal of the 2014 Innovative Product Appraisal Award.
8. Carried out a fairy grass contract with the Changhua Second Water Farmers Association, extending from five land leases to 30 land leases. Also extended co-cultivation cooperation to the Zhongpu area of Chiayi.

9. Issued the first CSR report and reviewed management actions based on GRI4, an international program indicator.

2016

1. The Beidou farm passed and was certified by Carrefour CQL.
2. An interim shareholders' meeting re-elected the full slate of directors, and appointed Peter Chan as Chairman, Chan Chin-Chia as Vice Chairman, and Fred Chan as General Manager. At the same time, an audit committee was set up.
3. Compensation Committee members changed, with Wu Chieh-Hsin, Tung Chun-Jen, and Liu Ming-Hsiung serving as committee members.
4. Chan Hao-Jun was reassigned as Chairman of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., to manage Taisun's operations on the mainland.
5. Taisun Enterprise (Zhangzhou) Foods Co., Ltd. and Hon Chuan (Zhangzhou) Packaging Co., Ltd. agreed on termination of their performance bond but still continued to cooperate.
6. In response to the amendment of the Labor Standards Act, Taisun held control meeting to address arrangement of the production line shift schedule, reduction of the personnel expenses, and impact on the Company.

2017

1. Taisun oil products (nine in total) obtained halal certification from the Taipei Mosque Foundation.
2. Taisun Enterprise became an RSPO Member of the Palm Oil Sustainable Production Association.
3. Launched seven new products. Among them, Cheers won the first place in sparkling water single product sales in June (Nielsen data).
4. TWIST WATER obtained carbon footprint verification.
5. Taisun Enterprise (Kunshan) Co. Ltd. saw income proceeds transferred to Taisun Enterprise (Zhangzhou) Foods Co., Ltd.
6. Held first institutional investor conference.
7. By resolution of the Board of Directors, a capital injection of NTD 1,466,630 thousand was undertaken.
8. The 2016 CSR Report won the Silver Award in the Traditional Group for the TCSA Sustainability Report Award.

2018

1. Capital injection of NTD 2,390,607 thousand issued at a premium of NTD 16.30 per share, increasing capital to NTD 5 billion.
2. A new product, Cha Street, is the first to launch a joint drink with hand-cranked stall chains to penetrate this market, launching Sunrise Chatai Signature Baked Milk, Comebuy Sweet Orange Jinxuan, and Shuixiang Cha Nong Lemon Little Perilla.
3. Taisun entered the functional beverage market for the first time, launching its new BUFF energy drink.
4. Launched new Woo Tang herbal jelly tea product, aiming at the sugar-free tea market with brand differentiation.
5. Repaid NTD 1.4 billion in bank loans, significantly improving debt solvency and strengthen the financial structure.
6. Dealt with real estate on Siming South Road for Taisun (Herbal) Co. Ltd., increasing operating revenues.
7. The PET production line of the Tianzhong food factory passed domestic organic agricultural processed product verification and USDA Organic Handing verification.
8. The Board of Directors passed a resolution to distribute a total of NT$11 million in employee remuneration for 2017.
9. The Annual Meeting of Shareholders approved distribution of a 2017 cash dividend of NT$0.4 per share.
10. To strengthen corporate governance, an extraordinary shareholders' meeting was convened to re-elect the full slate of directors. It elected four ordinary directors and three independent directors, increasing the proportion of independent directors in the board structure.
11. Taisun Enterprise (Zhangzhou) Foods Co., Ltd. made early repayment of USD 10 million in foreign debt in a syndicated bank loan.

2019

1. The Board of Directors passed a resolution to distribute a total of NT$24 million in employee remuneration for 2018.
2. The Annual Meeting of Shareholders decided to distribute cash dividends of NTD 0.8 per share for 2018.
3. Compensation Committee organization rules were revised so that starting from June 1 more than half of the members will be independent directors.
4. The oil office building was opened, and the efficiency of the oil laboratory and oil work space was improved; The grease factory added iron barrel equipment production line, increased production capacity, and replaced the plant's robotic arm; the oil factory added a metal barrel equipment production line, increased production capacity, and replaced the plant's robotic arm; the new water treatment equipment of the food factory opened and increased the activated carbon process, providing higher quality water quality; in addition, the boiler of the second plant was changed to natural gas facility operations, strengthening factory air pollution control equipment, and it completed the replacement of the sterilization kettle of the mixed congee line. All equipment investments have been successfully put into operation.

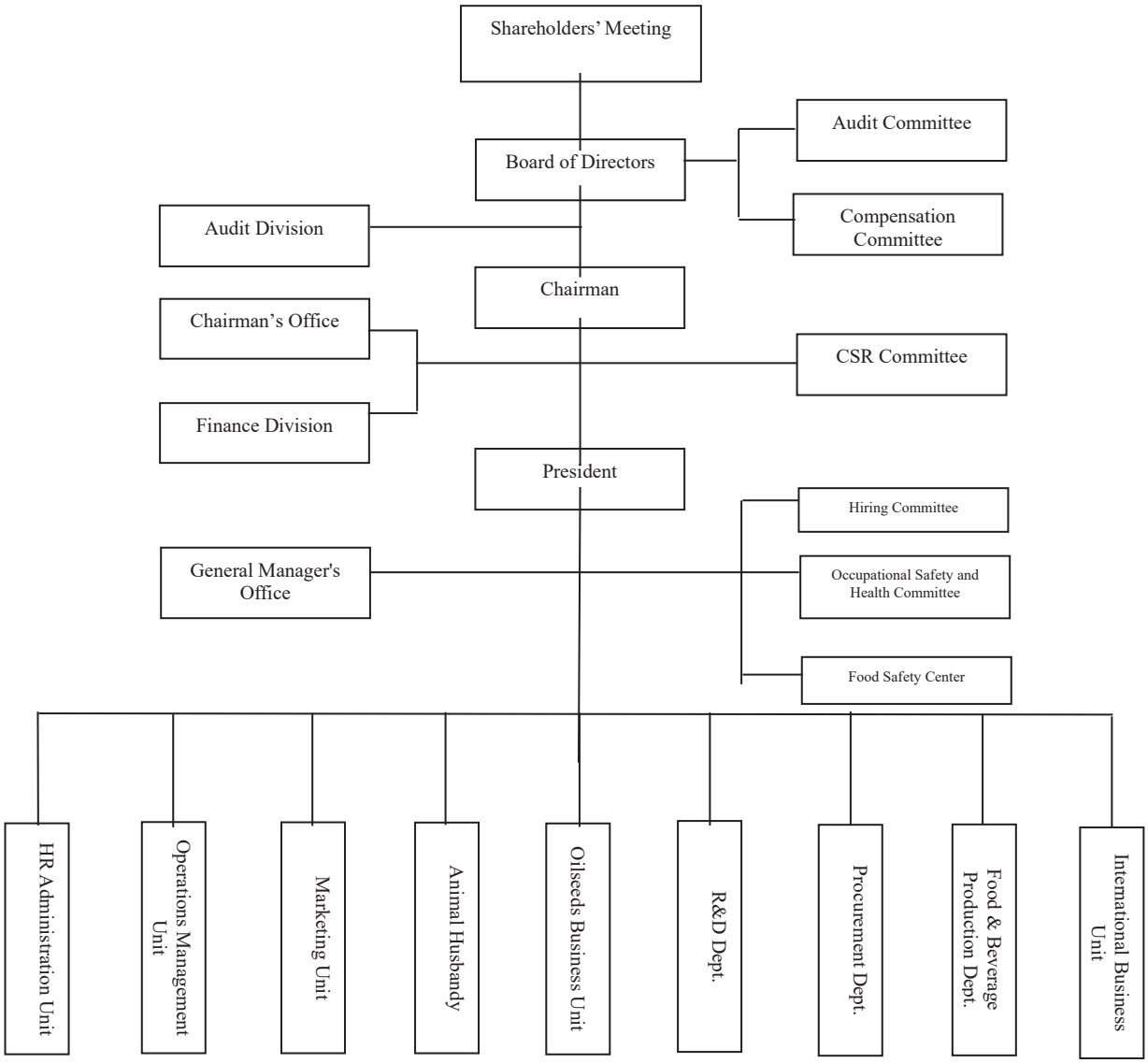
2020

1. In January, the COVID-19 Prevention Management Program was implemented and as a result, there were no positive cases throughout the year.
2. At the Annual Meeting of Shareholders it was decided to distribute cash dividends of NTD 0.9 per share for 2019 - the highest in 20 years.
3. Taisun was included in MSCI World Small Cap Index.
4. EAP Employee Assistance Program was introduced for the first time. It is a support system that integrates the Company's internal and external resources for our employees to promote workplace health and reduce risk to the organization.
5. New production lines were added for the oil business, and the establishment plan for new PE and iron and aluminum can production lines were initiated.
6. First sugar-free and additive-free congee product was launched to provide consumers with a healthy choice - Taisun Healthy Grain Congee.

III. Corporate Governance Report

I. Organization System

(I) Organization Chart



(II) Business of each major department

Unit name	Department business
Audit Division	Ensure the effective operation of internal control systems, follow the audit business of government agencies and laws and regulations, implement internal audit systems and improvement suggestions to strengthen corporate governance.
Compensation Committee	1. Formulate and regularly review the policies, systems, standards, and structures of the remuneration of directors, supervisors, and managers. 2. Consider the performance and risks related to remuneration and establish performance evaluation standards.
Audit Committee	Assist the Board of Directors in supervising the effective implementation of the Company's authority in compliance with Company Act, Securities and Exchange Act, and other relevant laws and regulations.
CSR Committee	Responsible for the promotion of corporate social responsibility policies, systems, related management policies and plans, and implementing long-term commitments with stakeholders.
Chairman's Office	Responsible for business development in the Group's new businesses, external public relations expansion, and custody of seals, certificates, and guarantees.
Financial Division	Preparation of the Board of Directors and shareholder meetings and financial risk management, cash management, investment and wealth management, financing scheduling and planning, announcements, and other services.
General Manager's Office	1. Strategic planning, new market development, new business opportunities, proposals and promotion of business policies and objectives. Planning of management meetings and follow-up of resolutions, promotion and supervision of management rules and regulations. 2. Supervision of communication with the outside world.
Human Resources Arbitration Committee	1. Implement and improve human resource development policies, and review major amendments to various human resource systems. 2. Adjudication of abnormal disputes and other appraisal of personnel rights and interests.
Occupational Safety and Health Committee	Plan, coordinate and suggest on matters in relation to occupational safety and health; improve the occupational safety and health management system via management functions such as planning, implementation, evaluation and improvement measures to achieve safety and health management objectives.
Food Safety Center	Promote the planning of systems, certifications in relation to food safety policies; carry out the Company's food safety management plans, food hygiene monitoring and supplier audits; and monitor the effectiveness and appropriateness of management system to ensure quality and food safety.
Oilseeds Business Unit	1. Responsible for the sales management of soybean processing related products. 2. Purchase management of bulk materials.
Animal Husbandy	1. Responsible for the production, new product development, formulation improvement, quality verification, sales and service of aquatic feed products. 2. Management and operation of breeding farms.
Marketing Unit	Responsible for the integration, distribution and coordination of food and oil brand management and marketing resources.
R&D Dept.	Responsible for the research and development and technological improvement of food and oil products.
Procurement Dept.	The formulation, implementation, and progress tracking and control of raw material procurement policies.
Food & Beverage Production Dept.	The functions of integrated production, quality assurance, and logistics are responsible for ensuring the operation of the food safety, total quality management (TQM), and food certification (SQF, FSSC22000) systems of food and fat products from the production management of food and oil to product logistics and delivery. This is done to comply with domestic regulations and international standards.
International Business Unit	Contact foreign customers for production orders and product export business, develop Company product exports and introduce international high-quality product sales business.
Operations Management Unit	Integrate management, accounting, and information functions, be responsible for implementing resource decision-making and operation management systems, regularly analyze profit and loss results and suggestions, and ensure the operation of the system.
HR Administration Unit	Responsible for planning and formulating the Group's human resources policy, handling the research and drafting of the personnel system and implementation of the organization, planning, job setting and revision, general affairs, public relations, legal affairs, and other related businesses.

II. Information on directors, supervisors, general managers, vice general managers, associates, supervisors of various departments and branches, and payment status

(I) Directors and supervisors

1. Director information

Information date: March 28, 2021

Title	Nationality or place of registration	Name	Gender	Election (inauguration) date	Term of office	Date of first appointment (Note 2)	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education) (Note 1)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks (Note 3)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding proportion			Job title	Name	Relationship	
Director	Republic of China	Shen Yang Investment Corporation Limited	-	2018/11/21	3 years	2016/04/25	2,630,570	0.53%	2,630,570	0.53%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Peter Chan	Male	2018/11/21	3 years	2007/06/13	3,669,023	0.73%	3,763,023	0.75%	4,191	0	25,038,000	5.01%	Note 2	Note 2	Senior Manager	Chan, Peng - Hsien	Brother	None
Director	Republic of China	Jing Xun Investment Industrial Corporation Limited	-	2018/11/21	3 years	2016/04/25	2,805,082	0.56%	10,446,082	2.09%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Fred Chan	Male	2018/11/21	3 years	2004/06/16	2,578,862	0.52%	6,459,862	1.29%	500,000	0.10%	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Dechen Enterprise Co., Ltd.	-	2018/11/21	3 years	1998/06/06	1,979,353	0.40%	1,979,353	0.40%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Chan Pei-Shan	Female	2018/11/21	3 years	1998/06/06	748,152	0.15%	748,152	0.15%	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Chan Hao-Jun	Male	2018/11/21	3 years	2004/06/16	2,774,738	0.55%	2,774,738	0.55%	314,551	0.06%	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Wu Chieh-Hsin	Male	2018/11/21	3 years	2016/4/25	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Sun Chu-Wei	Male	2018/11/21	3 years	2016/4/25	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Hsu Yung-Chang	Male	2018/11/21	3 years	2016/4/25	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None

Note 1: Directors who have worked in the CPAs' firm or affiliated companies: None.

Note 2: Directors' principal experience (education) and positions now concurrently held in the Company and in other companies, please refer to P.13 of the annual report.

Note 3: If the Chairman is the same person as the general manager or an equivalent position, or if they are spouses or relatives of one another: None.

Note 2: Directors' principal experience (education) and positions now concurrently held in the Company and in other companies.

Title	Name	Principal education	Experience	Positions now held concurrently in the Company and in other companies
Director	Peter Chan	California State University Fullerton, Bachelor Degree Entrepreneur Management Research Class, Department of Business Management, National Chengchi University	Director, Taisun Enterprise Co.,Ltd. Director, Pin-Tai Distribution Enterprise Co., Ltd. Chairman, Pioneer Traffic Co.Ltd.	Chairman of Taisun Enterprise Co., Ltd., Director of Pin-Tai Distribution Enterprise Co., Ltd., Chairman of Pioneer Traffic Co. Ltd., Chairman of Taisun Yuan Co., Ltd., Chairman of Taisun (Cayman) Investment Ltd. , Taisun Enterprise (Zhangzhou) Foods Co., Ltd. Supervisor, Chairman of Central Union Oil Corp., Ltd., Director of Taiwan FamilyMart Co., Ltd., Independent Director of GIGA-BYTE Technology Co., Ltd., Supervisor of Info-Tek Corporation, Chairman of Taiwan Vegetable Oil Manufacturers Association
Director	Fred Chan	Utah State University, Master Degree, Bachelor of Chemical Engineering, Tamkang University, Entrepreneur Management Research Class, Department of Business Management, National Chengchi University	Director, Taisun Enterprise Co.,Ltd. Director, Pin-Tai Distribution Enterprise Co., Ltd. Director, Pioneer Traffic Co.Ltd.	Director and General Manager of Taisun Enterprise Co., Ltd., Chairman of Pin-Tai Distribution Enterprise Co., Ltd., Director of Taiwan Niko Mart Co., Ltd., Director of Pioneer Traffic Co. Ltd., Director of Taisun Yuan Co., Ltd., Director of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Director of Central Union Oil Corp., Ltd., Director of Taiwan FamilyMart Co., Ltd., Director of CVS.Com Co., Ltd.
Director	Chan Hao-Jun	University of British Columbia, Canada, Bachelor Degree,	Supervisor, Taisun Enterprise Co.,Ltd. Supervisor, Pin-Tai Distribution Enterprise Co., Ltd. Supervisor, Pioneer Traffic Co.Ltd.	Director of Taisun Enterprise Co., Ltd., Supervisor of Pin-Tai Distribution Enterprise Co., Ltd., Supervisor of Pioneer Traffic Co. Ltd., Director of Taisun Yuan Co., Ltd., Chairman and General Manager of Taisun Enterprise (Zhangzhou) Foods Co., Ltd.
Director	Chan Pei-Shan	California State University, Long Beach Bachelor Degree	Supervisor, Taisun Enterprise Co.,Ltd. Chairman, Dechen Enterprise Co., Ltd.	Director and Executive assistant, Taisun Enterprise Co.,Ltd. Chairman, Dechen Enterprise Co., Ltd.
Independent Director	Wu Chieh-Hsin	Master of Business Administration, University of Manchester, Minnesota, USA; National Chengchi University Entrepreneur Management Research Class; Master of Advanced Management, School of Management, National Chiao Tung University, Master of Management, Graduate School of Management, National Taiwan University of Science and Technology	The 32nd Entrepreneurship Model of the Republic of China Evaluation Committee Member of the Institute of Design, National Yunlin University of Science and Technology Member of the Compensation Committee of GIGA-BYTE Technology Co., Ltd.	Independent Director and Member of the Compensation Committee, Taisun Enterprise Co., Ltd. Chairman, Super Dragon Technology Co., Ltd. Independent Director of Chyang Sheng Dyeing & Finishing Co., Ltd.
Independent Director	Sun Chu-Wei	Department of Accounting, Tamkang University, Bachelor Degree	Certified Public Accountant of the Republic of China Qualification of Patent Attorney of the Republic of China Teaching Assistant, Department of Accounting, Tamkang University. Auditor, RSM International Taiwan. Audit Dept. Deputy Chief, Deloitte & Touche Taiwan	Independent Director and Member of the Compensation Committee, Taisun Enterprise Co., Ltd. Independent Director of Chyang Sheng Dyeing & Finishing Co., Ltd. Independent Director of Min Aik Percision Managing Partner of Bai-chi CPA Firm. Member of the Public Relations Committee of CPA Associations R.O.C. (Taiwan)
Independent Director	Hsu Yung-Chang	Fu Jen Catholic University, Master Degree	Qualified as a lawyer in the Republic of China Corporate Counsel, Yageo Corporation	Independent Director and Member of the Compensation Committee, Taisun Enterprise Co., Ltd. Chairman Responsible Person of Yuan Hsin Law Firm

2. Principal shareholders of corporate shareholders

Information date: March 31, 2021

Corporate shareholder name (Note 1)	Corporate shareholder's major shareholder (Note 2)
Shen Yang Investment Corporation Limited	Chan Jen-Hsin, 97.60%

Corporate shareholder name (Note 1)	Corporate shareholder's major shareholder (Note 2)
Jing Xun Investment Industrial Corporation Limited	Fred Chan, 50%

Corporate shareholder name (Note 1)	Corporate shareholder's major shareholder (Note 2)
Dechen Enterprise Co., Ltd.	Chan Pei-Shan, 25%; Chan Hsin-Yu, 26%

Note 1: Directors and supervisors who are representatives of corporate shareholders should fill in the name of the corporate shareholder.
Note 2: Fill in the name of the major shareholder of the corporate shareholder (where its shareholding ratio accounts for the top ten) and its shareholding ratio. If the main shareholder is a juristic person, the Table 2 below should be filled in.
Note 3: When a juristic person shareholder is not a company organizer, the aforementioned name of the shareholder and shareholding ratio that should be disclosed is the name of the investor or donor and the ratio of capital or contribution.

3. If the major shareholder of corporate shareholder is a juristic person, its major shareholder: Not applicable.

4. Directors' professional qualifications and independence

December 31, 2021

Name (Note 1) / Condition		Have more than five years of work experience and the following professional qualifications			Meet conditions of independence (Note 2)												Number of independent directors concurrently serving in other public offering companies
		Lecturers or above in public and private colleges and universities in relevant disciplines required for business, legal affairs, finance, accounting, or corporate business	Judges, prosecutors, lawyers, accountants or other professional and technical personnel who have passed the national examinations required for corporate business and have certificates	Work experience required for business, legal affairs, finance, accounting, or corporate business	1	2	3	4	5	6	7	8	9	10	11	12	
Chairman	Representative of Shen Yang Investment Corporation Limited: Peter Chan			V			V	V	V	V	V	V	V	V	V		1
Director	Representative of Jing Xun Investment Industrial Corporation Limited: Fred Chan			V			V	V	V	V	V	V	V	V	V		0
Director	Representative of Dechen Enterprise Co., Ltd.: Chan Pei-Shan			V		V	V	V	V	V	V	V	V	V	V		0
Director	Chan Hao-Jun			V			V	V	V	V	V	V	V	V	V	V	0
Independent Director	Wu Chieh-Hsin			V	V	V	V	V	V	V	V	V	V	V	V	V	1
Independent Director	Sun Chu-Wei		V	V	V	V	V	V	V	V	V	V	V	V	V	V	2
Independent Director	Hsu Yung-Chang		V	V	V	V	V	V	V	V	V	V	V	V	V	V	0

Note: For directors and supervisors who meet the following conditions two years before their appointment and during their tenure, please type "✓" in the space below each condition code.

(1) Not an employee of the Company or its affiliates.

(2) Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings.

(4) Not a manager of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate blood relative within three degrees of kinship.

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings, or is designated as a representative in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(6) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the company's board of directors. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(8) Not a director, supervisor, or manager of a specific company or institution having financial or business dealings with the Company, or a shareholder holding 5% or more of shares.(However, if a specific company or institution holds more than 20% of the total issued shares of the company but not more than 50%, and the established independent director concurrently serves in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(9) Not an owner, partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, accounting services or consultation to the company or any affiliate of the Company for amounts exceeding NT$500,000 in the past two years. However, for members of the Compensation Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Business Mergers & Acquisitions Act, this limitation shall not apply.

(10) No relationship with other directors falling within a spousal relationship or second degree of kinship.

(11) Not exhibiting any of the circumstances specified under Article 30 of the Company Act.

(12) No provision to be elected by a government or juristic person or their representative under Article 27 of the Company Act.

(II) Information on the General Manager, Vice General Manager, associate managers, supervisors of various departments and branches

Information date: March 28, 2021

Job title	Country of citizenship	Name	Gender	Election (inauguration) date	Shares held		Shares held by spouse and minor children		Shares held in the names of others		Principal experience (education) (Note 1)	Other concurrent service currently Position in the Company	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks (Note 2)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
President	Republic of China	Fred Chan	Male	2016/04/25	6,459,862	1.29%	500,000	0.10%	0	0	Utah State University, Master Degree Director of Taisun Enterprise Co., Ltd., Director of Pin-Tai Distribution Enterprise Co., Ltd., Director of Pioneer Traffic Co. Ltd.	Chairman of Pin-Tai Distribution Enterprise Co., Ltd., Director of Taiwan Niko Mart Co., Ltd., Director of Pioneer Traffic Co. Ltd., Director of Taisun Yuan Co., Ltd., Director of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Director of Central Union Oil Corp., Ltd., Director of Taiwan FamilyMart Co., Ltd., Director of CVS.Com Co., Ltd.	None	None	None	None
Senior Vice General Manager	Republic of China	Tsai Cheng-Ta	Male	2013/11/08	0	0	0	0	0	0	Graduate Institute of Economics, Fu Jen Catholic University Golden Agri Resources (Tianjin) Company General Manager	None	None	None	None	None
Vice General Manager	Republic of China	Max Lei	Male	2013/11/08	298,226	0.06%	0	0	0	0	Department of Finance, National Taiwan University Executive Assistant to General Manager of the Taiwan Bifido	Director of Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	None	None	None	None
Accounting Supervisor	Republic of China	Yan Gu-Long	Male	2016/06/06	65,946	0.01%	0	0	0	0	Department of Statistics, Chenggong University	None	None	None	None	None
Audit Supervisor	Republic of China	Tsai Yi-Fang	Female	1999/04/27	2,837	0.00%	0	0	0	0	Department of Accounting, Fu Jen Catholic University	None	None	None	None	None
Corporate Governance Manager	Republic of China	Liu Wei-Chen	Male	2021/03/08	5,000	0.00%	2,121	0	0	0	M.B.A., Institute of Finance and Economics, National Taiwan University of Science and Technology	Director of Pioneer Traffic Co.Ltd., Director of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Director of Fwusow Industry Co, Ltd., Supervisor of Taisun Yuan Co., Ltd., Supervisor of Taiwan Niko Mart Co., Ltd., Supervisor of Central Union Oil Corp.	None	None	None	None

Note 1: Key managerial officers who have worked in the CPAs' firm or affiliated companies: None.

Note 2: If the general manager is the same person as the Chairman or an equivalent position, or if they are spouses or relatives of one another: None.

(III) Remuneration paid to directors, supervisors, general manager and vice general manager(s) in the most recent year

1. Remuneration to directors (including independent directors)

Information date: December 31, 2020; Unit: NTD thousand

Job title	Name	Directors' remuneration								The sum of A, B, C, and D in proportion to net income after taxation (Note 10)		Remuneration from concurrently serving as employee								Sum of A, B, C, D, E, F and G as percentage of income after tax (Note 10)		Remuneration received from investee companies outside of subsidiaries or from the parent company. (Note11)
		Remuneration (A) (Note 2)		Pension upon retirement (B)		Remuneration to directors (C) (Note 3)		Business execution expenses (D)(Note 4)				Wages, bonuses, and special allowances, etc. (E) (Note 5)		Pension upon retirement (F)		Employee remuneration (G) (Note 6)						
																The Company		Companies included into the financial statements (Note 7)				
		The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	Cash amount	Stock amount	Cash amount	Stock amount	The Company	Companies included into the financial statements (Note 7)	
Chairman	Shen Yang Investment Corporation Limited Representative: Peter Chan	6,889	8,689	0	0	34,431	34,431	1,728	1,830	5.06	5.28	9,542	12,770	0	19,750	2,954	0	2,954	0	6.53	9.45	None
Director	Jing Xun Investment Industrial Corporation Limited Representative: Fred Chan																					
Director	Dechen Enterprise Co., Ltd. Representative: Chan Pei-Shan																					
Director	Chan Hao-Jun																					
Independent Director	Wu Chieh-Hsin	2,255	2,255	0	0	0	0	0	0	0.26	0.26	0	0	0	0	0	0	0	0	0.26	0.26	None
Independent Director	Sun Chu-Wei																					
Independent Director	Hsu Yung-Chang																					

1. Please state the policies, systems, standards, and structure of independent directors' remuneration, and, according to the responsibilities, risks, time invested and other factors, describe the relevance to the remuneration amount: The remuneration to the Company's independent directors is reviewed and recommended by the Compensation Committee. It then is submitted to the Board of Directors for resolution. The independent directors only receive monthly fixed remuneration and traveling expenses for attending meetings. The independent directors do not participate in the remuneration distribution of the Company's profits.
2. Except as disclosed in the above table, the remuneration for the services provided for all companies in the financial report by the directors of the Company in the most recent year (such as consultants who are not employees): None.

Director's remuneration scale

Remuneration to each director of the Company	Director's name			
	The sum total of the above four items (A+B+C+D)		The sum total of the above seven items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial report (Note 9) H	The Company (Note 8)	All companies in the financial reports (Note 9) I
Below NTD 1,000,000	Wu Chieh-Hsin, Sun Chu-Wei, Hsu Yung-Chang, Chan Pei-Shan (representative of Dechen Enterprise Co., Ltd, Fred Chan (Representative of Jing Xun Investment Industrial Corporation Limited)	Wu Chieh-Hsin, Sun Chu-Wei, Hsu Yung-Chang, Chan Pei-Shan (representative of Dechen Enterprise Co., Ltd, Fred Chan (Representative of Jing Xun Investment Industrial Corporation Limited)	Wu Chieh-Hsin. Sun Chu-Wei, Hsu Yung-Chang	Wu Chieh-Hsin. Sun Chu-Wei, Hsu Yung-Chang
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	-	-	-	-
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)	-	-	Chan Pei-Shan (representative of Dechen Enterprise Co., Ltd.)	Chan Pei-Shan (representative of Dechen Enterprise Co., Ltd.)
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)	-	-	-	-
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	Shen Yang Investment Corporation Limited, Jing Xun Investment Industrial Corporation Limited, Dechen Enterprise Co., Ltd., Peter Chan (representative of Shen Yang Investment Corporation Limited), Chan Hao-Jun	Shen Yang Investment Corporation Limited, Jing Xun Investment Industrial Corporation Limited, Dechen Enterprise Co., Ltd., Peter Chan (representative of Shen Yang Investment Corporation Limited), Chan Hao-Jun	Shen Yang Investment Corporation Limited, Jing Xun Investment Industrial Corporation Limited, Dechen Enterprise Co., Ltd., Peter Chan (representative of Shen Yang Investment Corporation Limited), Fred Chan (representative of Jing Xun Investment Industrial Corporation Limited)	Shen Yang Investment Corporation Limited, Jing Xun Investment Industrial Corporation Limited, Dechen Enterprise Co., Ltd.
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	-	-	Chan Hao-Jun	Fred Chan (Representative of Jing Xun Investment Industrial Corporation Limited), Chan Hao-Jun
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)	-	-	-	Peter Chan (Representative of Shen Yang Investment Corporation Limited)
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)	-	-	-	-
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)	-	-	-	-
NTD 100,000,000 and higher	-	-	-	-
Total	10	10	10	10

Note 1: The names of directors should be listed separately (corporate shareholder names and representatives should be listed separately). The ordinary directors and independent directors are to be listed separately, and the payment amounts are to be disclosed in a summary manner. If a director is concurrently the general manager or vice general manager, fill in this form and the following table (3-1), or the following table (3-2-1) and (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, job bonus, severance payment, various bonuses, incentives, etc.).

Note 3: This is the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to a director's relevant business execution expenses in the most recent year (including carriage fees, special expenses, various allowances, dormitories, car allocation, etc.). When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. The Company provided Peter Chan with a car, and the related costs totaled NTD 0 thousand.

Note 5: Refers to the salary received by concurrent directors (including concurrent general manager, vice general manager, other managers and employees) in the most recent year, including salary, job bonus, severance payment, various awards, incentive payments, transportation fees, special expenses, various allowances, dormitories, car distribution, etc. are provided in kind. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 "shares-based payment", including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration. The Company provided Fred Chan with a car, and the related costs totaled NTD 906 thousand.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for concurrent directors (including concurrently serving as general manager, vice general manager, other managers and employees) in the most recent year. The amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached table 1-3 shall be filled in.

Note 7: The total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated report should be disclosed.

Note 8: The Company pays the total amount of remuneration to each director, and reveals the name of the director in the attribution level.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the directors should be disclosed in the attribution level.

Note 10: Net profit after tax refers to the net profit after tax in the most recent year. For those who have adopted International Financial Reporting Standards, the net profit after tax refers to the net profit after tax of the individual or individual financial report in the most recent year.

Note 11: a. This column should clearly indicate the amount of relevant remuneration received by the directors of the Company from the subsidiary company or the parent company. (If there is none, please fill in "None").
b. If the directors of the Company receive relevant remuneration from the out-of-subsidiary investment business or the parent company, they shall transfer the remuneration received by the Company directors to the out-of-subsidiary investment business or the parent company. Incorporate it into the I column of the remuneration grading table and change the name of the column to "Parent Company and All Reinvested Enterprises".
c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the Company as directors, supervisors or managers of non-subsidiary investment enterprises or parent company remuneration.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

2. Supervisor's remuneration: Not applicable

3. Remuneration of the general manager and vice general managers

Information date: December 31, 2020; Unit: NTD thousand

Job title	Name	Salary (A) (Note 2)		Pension upon retirement (B)		Bonus and special expense account, etc. (C) (Note 3)		Remuneration to employees (D) (Note 4)				The sum of A, B, C, and D in proportion to net income after taxation (%) (Note 8)		Remuneration received from investee companies outside of subsidiaries or from the parent company. (Note 9)
								The Company		Companies included into the financial statements (Note 5)				
		The Company	Companies included into the financial statements (Note 5)	The Company	Companies included into the financial statements (Note 5)	The Company	Companies included into the financial statements (Note 5)	Cash amount	Stock amount	Cash amount	Stock amount	The Company	Companies included into the financial statements (Note 5)	
General Manager	Fred Chan	9,240	11,640	0	0	6,189	7,017	2,504	0	2,504	0	2.11	2.49	None
Senior Vice General Manager	Tsai Cheng-Ta													
Vice General Manager	Max Lei													

＊Regardless of job title, all positions equivalent to general manager or vice general manager (for example: general manager, chief executive officer, director, etc.) should be disclosed.

Remuneration scale for general manager and vice general manager

Remuneration levels of the general manager and vice general managers of the company	Names of general manager and vice general managers	
	The Company (Note 7)	All companies in the financial report (Note 8) E
Below NTD 1,000,000	-	-
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	-	-
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)	-	-
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)	Max Lei	Max Lei
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	Fred Chan, Tsai Cheng-Ta	Tsai Cheng-Ta
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	-	Fred Chan
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)		
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)	-	-
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)	-	-
NTD 100,000,000 and higher	-	-
Total	3	3

Note 1: The names of the general manager and vice general managers should be listed separately, and the payment amounts should be disclosed in a summary manner. If a director is concurrently the general manager or vice general manager, please fill in this form and the above form (1-1), or (1-2-1) and (1-2-2).

Note 2: It is to fill in the salary of the general manager and vice general managers in the most recent year, post bonus, and severance payment.

Note 3: The amount of various bonuses, incentives, transportation fees, special expenses, various allowances, dormitories, car allocation, and other remunerations provided to the general manager and vice general managers in the most recent year are listed. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the general manager and vice general managers in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached table 1-3 shall be filled in. Net profit after tax refers to the net profit after tax in the most recent year. For those who have adopted the International Financial Reporting Standards, the net profit after tax is the net profit after tax of the parent company only financial reports or individual financial reports in the most recent year.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the general manager and vice general managers of the Company in the consolidated report should be disclosed.

Note 6: The Company pays the total amount of remuneration to each general manager and vice general manager, and reveals the names of the general manager and vice general managers in the attribution level.

Note 7: The total amount of remuneration paid to each general manager and vice general manager of the Company by all companies (including the Company) in the consolidated report shall be disclosed, and the names of the general manager and vice general managers shall be disclosed in the attribution level.

Note 8: Net profit after tax refers to the net profit after tax in the most recent year. For those who have adopted the International Financial Reporting Standards, the net profit after tax refers to the net profit after tax of the parent company only financial reports or individual financial reports in the most recent year.

Note 9: a. This column should clearly state the amount of relevant remuneration received by the general manager and vice general managers of the Company from the subsidiary company or the parent company. (If there is none, please fill in “None”).

b. If the general manager and vice general managers of the Company receive relevant remuneration from the subsidiary company or the parent company, the general manager and vice general managers of the Company shall transfer the remuneration received from the subsidiary company or the parent company. Incorporate it into column E of the remuneration scale table and change the column name to “Parent Company and All Reinvested Businesses.”

c. Remuneration refers to the when a general manager or vice general manager of the Company serves as a director, supervisor, or manager of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

4. Remuneration of the top five highest paid executives: Not applicable

(IV) The name of the manager who distributes employee remuneration and the distribution status

December 31, 2020

	Job title (Note 1)	Name (Note 1)	Stock amount	Cash amount (NTD thousand)	Total (NTD thousand)	Proportion of total amount to net profit after tax (%)
Manager	General Manager	Fred Chan	0	2,504	2,504	0.29
	Senior Vice General Manager	Tsai Cheng-Ta				
	Vice General Manager	Max Lei				

(V) Analysis of the total remuneration paid to the directors, supervisors, general manager and vice general managers of the Company in the last two years by the Company and all companies in the consolidated financial statements as a percentage of the net profit after tax of parent company only financial reports or individual financial reports; and explain the payment remuneration policies, standards and combinations, procedures for determining remuneration, and their correlation with business performance and future risks:

(1) The total remuneration paid to the directors, supervisors, general managers and vice general managers of the Company in the last two years accounts for the percentage of net profit after tax of parent company only financial reports or individual financial reports:

Year	The Company		All companies in the consolidated statements	
	2019	2020	2019	2020
Total remuneration	NTD 69,261 thousand	NTD 67,936 thousand	NTD 82,801 thousand	NTD 93,249 thousand
Percentage of net profit after tax	11.90%	7.98%	14.23%	10.96%

Note: The 2019 parent-only net profit after tax is calculated at NTD 582,073 thousand; 2020 parent-only net profit after tax is calculated at NTD 851,078 thousand

(2) The remuneration policies, standards and combinations, the procedures for setting remuneration, and the relevance to business performance and future risks:

1. The remuneration of the directors of the Company is drafted in accordance with Article 19-1 of the Company's Articles of Incorporation. The Chairman and directors of the Company are remunerated when performing their duties in the Company. The Board of Directors is authorized to consider the recommendations of the Company's Compensation Committee and follow the Chairman and the extent of individual directors' participation in the Company's operations and the value of their contributions agreed upon according to the industry's usual standards. In addition, if the Company has made a profit in the current year, according to the Company's Articles of Incorporation, less than 5% is allocated as directors' remuneration. The actual allocation ratio will be reviewed by the remuneration and will be submitted to the Board of Directors for a resolution. As for independent directors, their monthly fixed remuneration is determined by the Board of Directors, and they receive a fee for attending each board meeting; they do not participate in the distribution of remuneration when the Company makes a profit.
2. The remuneration to the Company's general manager, vice general manager and equivalent positions includes salary and bonus. The salary is determined based on industry standards, job title, rank, education, professional capabilities and responsibilities. The bonus is determined based on the performance evaluation of managerial officers. The performance evaluation includes financial indicators (such as the achievement rate of the Company's revenue, profit before tax and profit after tax) as well as non-financial indicators (such as significant deficiencies in legal compliance and operational risks of the their departments). The remuneration and bonus are approved in accordance with their contribution to the Company's overall operation, which are submitted to the Compensation Committee for review.
3. Employee remuneration policy, on the other hand is based on each employee's capabilities, contribution to the Company, performance, the market value of the employee's job position while taking into account the Company's future operational risks and business performances. There is no discrimination in the employee's age, gender, race, religion, political preference, marital status, or union. If the Company makes a profit in the current year, no less than 2% shall be allocated as employee remuneration in accordance with the Company's Articles of Incorporation. All employees who have served for two years can apply to join a shareholding trust. The overall remuneration to employees primarily consist of 3 components: basic fixed salary, bonus and benefits. The payment standards: basic fixed salary is determined based on the market rate of the position held by the employee; bonus is paid in connection with achievement of the employee and the Company's business performance, and annual recognition is given to the team or individuals with outstanding results; and the design of benefits for the employee to enjoy is based on the regulations of the law as well as the employee's needs.

III. Corporate governance operations

(I) Information on the operation of the Board of Directors

The Board of Directors met **13** times during **2020** and up to the date of publication of the annual report (A). The attendance of directors and supervisors is as follows:

Term	Job title	Name (Note 1)	Actual number of seats (B)	Number of delegates attending	Actual attendance rate (%) [B/A] (Note 2)	Remarks
21st term	Chairman	Shen Yang Investment Corporation Limited Representative: Peter Chan	13	0	100%	
	Director	Representative of Jing Xun Investment Industrial Corporation Limited: Fred Chan	13	0	100%	
	Director	Dechen Enterprise Co., Ltd. Representative: Chan Pei-Shan	13	0	100%	
	Director	Chan Hao-Jun	13	0	100%	
	Independent Director	Wu Chieh-Hsin	13	0	100%	
	Independent Director	Sun Chu-Wei	13	0	100%	
	Independent Director	Hsu Yung-Chang	12	1	92%	

Other matters to be recorded:

I. If the operation of the Board of Directors falls into one of the circumstances, the date and duration of the meeting, details of proposals, the opinions of all independent directors and how the Company deals with such opinions:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company established independent directors and established an audit committee on April 25, 2016. From 2021 to March 31, 2020, a total of nine board meetings were held to resolve the details of the matters shown on pages 58-60 of the annual report. All independent directors passed without objection the matters listed in Article 14-3 of the Securities and Exchange Act.

(II) In addition to the previous matters, other board meeting decisions that have been opposed or faced reservations by independent directors and have records or written statements: None.

II. Recusal of the Directors from motions involving their private interest, specify the names of the Directors, the content of the motions, the reason for recusal, and the participation in voting:

(I) The 14th meeting of the 21st Board was held on 2020/05/11; for the motion of the distribution of remuneration to directors for 2019 recommended by the Compensation Committee.

1. As the remuneration to directors involved a conflict of interest, the Chairman recused himself and the independent director Wu Chieh-Hsin acted as the chair. Regarding the remuneration of directors, the ordinary directors (Peter Chan, Fred Chan, Chan Pei-Shan, Chan Hao-Jun) who attended this time did not participate in the discussion or vote due to their interests. After the consultation of the Chairman, the motion was passed with no objection.

2. Motion recommended by the Compensation Committee for the distribution of remuneration to the appointed managerial officers for 2019. General Manager Fred Chan recused himself from discussion and voting due to a conflict of interest. After the consultation of the Chairman, the motion was passed with no objection.

(II) The 21st meeting of the 21st Board was held on 2020/01/27 for the motion of the year-end bonus to the appointed managerial officers for 2020. Director Fred Chan recused himself from discussion and voting due to a conflict of interest. After the consultation of the Chairman, the motion was passed with no objection.

(III) The 23rd meeting of the 21st Board was held on 2020/03/25 for the motion of the distribution of remuneration to directors for 2020. The discussion on the remuneration to directors involved a conflict of interest, and the independent director Wu Chieh-Hsin acted as the chair. Regarding the remuneration of ordinary directors, the ordinary directors (Peter Chan, Fred Chan, Chan Pei-Shan, Chan Hao-Jun) who attended this time did not participate in the discussion or vote due to their interests. After the consultation of the Chairman, the motion was passed with no objection.

III. TWSE / TPEx Listed Companies should disclose the evaluation cycle and period, assessment scope, method and evaluation content of the board's self (or peer) evaluation, and the implementation of the Board of Directors evaluation, please refer to page 23 of the annual report.

IV. The objective for fortifying the function of the Board in the current year and the most recent year (e.g., setting up an audit committee, improving information transparency, etc.) and the assessment of the status of implementation:

(I) The Company established an audit committee on April 25, 2016.

(II) In 2020 and as of the printing date of the annual report, and in accordance with the Company Act, Article 14-3 of Securities and Exchange Act, Article 14-5, etc., the Company's proposals shall be submitted to the audit committee for approval or the resolution of the Board of Directors. After the approval of the audit committee, it is sent to the Board of Directors for resolution and implementation. (It is not necessary to submit the proposal approved by the audit committee first, and then directly submit the resolution to the Board of Directors for implementation.)

(III) The Company cooperated with the competent authority to promote the new version of the corporate governance blueprint, and effectively performed the functions of the Board of Directors. On February 27, 2020, the 11th meeting of the 21st Board of Directors passed a resolution to formulate the Company's "Board Performance Evaluation Methods".

(IV) Passed by resolution of the Company's 21st Board at the 14th board meeting held on May 11, 2020.

1. Motion for the amendments to the Company's Corporate Governance Practices in line with the law. 2. Motion for the amendments to the Company's Corporat Social Responsibility Practices in line with the law.

3. Motion for the amendments to the Company's Code of Ethical Management in line with the law. 4. Motion for the implementation measures for the Company's whistleblower system in line with the corporate governance blueprint policy of the competent authority.

(V) Passed by resolution of the Company's 21st Board at the 20th board meeting held on December 24, 2020.

1. A dedicated unit to promote the ethical management policy has been established and its affairs in relation to promotions are reported to the Board of Directors each year.

2. Motion for the formulation of the Company's "Procedures for Ethical Management and Guidelines for Conduct" in line with the law.

3. Motion for the formulation of the Company's "Procedures for the Prevention of Insider Trading" in line with the law.

4. Motion for the amendments to the Company's "Self-Evaluation or Peer Evaluation of the Board of Directors" in line with the law.

(II) The implementation of the evaluation by the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Once a year	2020/01/01 - 2020/12/31	1. Board of Directors 2. Board members 3. Functional committees (including the Audit Committee and Compensation Committee)	Internal self-evaluation	(1) Board of Directors: Participation in the operation of the company; Improvement of the quality of the board of directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and Internal control. (2) Board members: Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; The director's professionalism and continuing education; and Internal control. (3) Functional committees: Participation in the operation of the company; Awareness of the duties of the functional committee; Improvement of quality of decisions made by the functional committee; Makeup and structure of the functional committee; and Internal control	(1) Overall evaluation result: In February 2021, the internal performance evaluation on board members, the Board of Directors and functional committees was completed in accordance with applicable laws and regulations. The evaluation results scored over 95 points according to the evaluation criteria, demonstrating the excellent achievements of the Company's Board of Directors and functional committees. (2) Refinement program: According to the Company's future operations and needs, we will continue to refine and enhance the Board of Directors and functional committees. By doing so, the Company's corporate governance can be implemented and the competence of the Board of Directors and functional committee improved. (3) The evaluation results were submitted to the Board of Directors' meeting held on March 25, 2021.

Note 1: The Board of Directors of the Company passed the "Board Performance Evaluation Methods" on February 27, 2020, stipulating that the Board of Directors shall perform internal evaluations at least once a year with regard to the performance evaluation of the Board of Directors, directors, audit committee and Compensation Committee. The internal performance evaluation results shall be completed before the end of the first quarter of the following year.

Note 2: In regard to the evaluation execution method, evaluation execution is the responsibility of the Agenda Working Group. The evaluation period is from January 1, 2020 to December 31, 2020, using internal questionnaires. It is based on directors' evaluation of the operation of the Board of Directors, directors' evaluation of their own participation, the audit committee's evaluation of committee operations, and the Compensation Committee's evaluation of committee operation. The Company's Agenda Working Group will analyze the previous measures, report the results to the Board of Directors, and propose ways to strengthen and improve the director's suggestions.

(III) The annual work focus of the audit committee:

The audit committee aims to assist the Board of Directors in fulfilling its supervisory duties and is responsible for the tasks entrusted to it by the Company Act, the Securities and Exchange Act and other relevant laws and regulations, and for implementing the quality and integrity of accounting, auditing, financial reporting processes, and financial control. The committee is composed of all three independent directors. Independent director Wu Chieh-Hsin serves as the convener, and the committee is held at least once a quarter.

1. The audit committee's powers and considerations mainly include:

(1) Establishing or amending the internal control system in accordance with the provisions of Article 14-1 of the Securities and Exchange Act.
(2) Evaluation of the effectiveness of the internal control system.
(3) In accordance with the provisions of Article 36-1 of the Securities and Exchange Act, to stipulate or amend the procedures for acquiring or disposing of assets, engaging in derivatives transactions, making loans to others, endorsing or providing guarantees for others, and procedure for major financial operations.
(4) Matters involving directors' own matters of interest.
(5) Transactions of major assets or derivatives.
(6) Significant capital loans, endorsements, or guarantees.
(7) Raising, issuing, or private placement of equity securities.
(8) Appointment, dismissal, or remuneration of certified public accountants.
(9) Assessment of qualifications and independence of certified public accountants.
(9) Appointment and removal of financial, accounting, or internal audit supervisors.
(10) Financial reports for Q1, Q2 and Q3 and the annual financial reports signed or sealed by the Chairman, managerial officers and Accounting Supervisor.
(11) Self-evaluation questionnaires for audit committee performance evaluations
(12) Other important matters specified by the Company or the competent authority.

Reviews of financial reports

The Board of Directors prepared the Company's 2020 annual business report, financial statements, and earnings distribution proposals, among which the financial statements were verified by KPMG Taiwan certified public accountants, and a verification report was issued. The above-mentioned business reports, financial statements, and profit distribution proposal have been checked by the audit committee and it was found that there are no discrepancies.

Assess the effectiveness of the internal control system

The audit committee evaluates the effectiveness of the Company’s internal control system policies and procedures (including control measures such as finance, operation, risk management, information security, outsourcing, compliance with laws and regulations). Furthermore, it reviews the Company's audit department, certified accountants, and management's regular reports and compliance with laws and regulations. The Audit Committee suggests that the Company’s risk management and internal control system are effective and that the Company has adopted necessary control mechanisms to monitor and address violations.

Appointment of a certified public accountant

(1) The audit committee is assigned the responsibility of supervising the independence of the certified public accounting firm to ensure the fairness of the financial statements.

In order to ensure the independence of the certified public accountant firm, the Audit Committee has developed an independence evaluation form in accordance with Article 47 of the Certified Public Accountant Act and Bulletin No. 10 of the Code of Professional Ethics for Accountants. Regarding the independence, professionalism, and competence of accountants, it assesses whether they are related parties, or have mutual business or financial interests with the Company. The Audit Committee, on March 25, 2021, and the Board of Directors, on March 25, 2021 both approved accountants Tseng Kuo-Yang and Chen Chung-Che of KPMG Taiwan as meeting the independence assessment standards and as qualified to serve as accountants for the Company's financial and tax matters.

(2) On March 25, 2021, the Audit Committee resolved to change the Company's CPAs for the audit of the financial reports from the first quarter of 2021 in line with the auditing standards and the internal operations of KPMG. The original CPAs were Tseng Kuo-Yang and Chen Chung-Che and the new CPAs are Huang Hsin-Ting and Tseng Kuo-Yang.

2. Information on the operations of the audit committee:

In 2020and as of the printing date of the annual report, the audit committee met 8 times (A), and the attendance of independent directors is as follows:

Term	Job title	Name	Actual attendance (B)	Number of delegates attending	Actual attendance rate (%) (B/A)	Remarks
2nd term	Independent Director	Wu Chieh-Hsin	8	0	100%	
	Independent Director	Sun Chu-Wei	8	0	100%	
	Independent Director	Hsu Yung-Chang	8	0	100%	

Other matters to be recorded:

I. If the operations of the audit committee falls under one of the following situations, the date, period, resolution of the proposal, the resolution of the audit committee, and the Company's handling of the audit committee's opinions shall be stated.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

In 2020 and as of the publication date of the annual report, a total of 6 audit committee meetings were held. The resolution are detailed on page 26 of the annual report. The audit committee passed without objection the matters listed in Artic 14-5 of the Securities and Exchange Act.

(II) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than 2/3 of the Directors: None.

II. For avoidance of conflict of interest by independent directors, the name of independent directors, details of proposals, reasons for avoidance and voting results shall be stated: None.

III. The communication between the Independent Directors and the Chief Internal Auditor and the CPAs (materiality, means, and result of communication on the financial position and operation of the Company should be covered):

1. In accordance with the 2020 audit plan approved by the Board of Directors, the Company prepares monthly "audit reports" and submits them to each audit committee for review, which has been completed on a monthly basis. It also follows the Regulations Governing Establishment of Internal Control Systems by Public Companies. After the audit report and tracking report are reviewed, they are delivered or notified to independent directors for review, and the audit conclusions and various declaration materials are provided for reference.
2. Each audit report must track its internal control deficiencies and the improvement of abnormal matters, and make a quarterly tracking report and submit it to each audit committee member.
3. The head of internal audit attends the audit committee and the Board of Directors on a quarterly basis to report on the audit business, and communicates with independent directors through the audit committee.
4. The communication between independent directors and the head of internal audit in 2020 is summarized as follows:

Date	Communication meeting	Communication matters	Communicate results
2020/03/26	Audit Committee	Tracking report of the audit results for the 4th quarter of 2019 2019 internal control self-assessment results	No comments at this meeting
2020/05/11	Audit Committee	Tracking report of the audit results for the 1st quarter of 2020	No comments at this meeting
2020/08/12	Audit Committee	Tracking report of the audit results for the 2nd quarter of 2020	No comments at this meeting
2020/11/11	Audit Committee	Tracking report of the audit results for the 3rd quarter of 2020	No comments at this meeting
2020/12/24	Audit Committee	2021 annual audit plan	No comments at this meeting

5. The Company submits the results of financial statements reviewed or audited by the CPAs to the Audit Committee and arranges for communication between the CPAs and independent directors at least once a year.

The communication between independent directors and accountants is summarized as follows:

Date	Communication matters	Communicate results
2020/01/20	1. Taisun Group 2019 matters of high concern 2. Taisun Group's key audit items in 2019 3. Future challenges	No comments at this meeting
2020/12/16	1. Annual audit scope 2. Key audit matters 3. Matters concerned by the competent authorities 4. Other matters requiring attention 5. Updates of important laws	No comments at this meeting

3. Important resolutions of the audit committee in 2020 and as of the printing date of the annual report:

Audit Committee	Proposal content	Resolution result	The Company's handling of the audit committee's opinions
The 8th meeting of the 2nd Committee 2020/03/26	1. Tracking report of the audit results for the 4th quarter of 2019 2. Accountant financial independence assessment report 3. Review the Company's 2019 annual business report, financial statements, and profit distribution statement 4. Motion for the review of the Company's internal control self-evaluation results 5. Motion for the adjustment of the Company's CPAs in line with the accounting firm's internal operation needs. 6. Motion for the change of the Company's 2017 plan for issuing new shares by capital injuction	After the consultation of the Chairman, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
The 9th meeting of the 2nd Committee 2020/04/09	1. Motions for the amendment to the Company's Procedures of the Acquisition or Disposal of Assets	After the consultation of the Chairman, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
The 10th meeting of the 2nd Committee 2020/05/11	1. Tracking report of the audit results for the 1st quarter of 2020 2 Review the Company's financial statements for the second quarter of 2019	After the consultation of the Chairman, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
The 11th meeting of the 2nd Committee 2020/06/11	1. Motion for the intention to add the acquisition of long-term equity investments	After consulting with all the members present, the motion was passed as the Chairman resolved to approve the resolution to lift the prohibition of competition between new directors.	Submitted to the Company's Board of Directors for resolution
The 12th meeting of the 2nd Committee 2020/08/12	1. Tracking report of the audit results for the 2nd quarter of 2020 2 Review the Company's financial statements for the second quarter of 2020 3. Motion for the application of capital loans and credit lines for Taisun Enterprise (Zhangzhou) Foods. 4. Motion for capital expenditure of equipment investment	After the consultation of the Chairman, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
The 13th meeting of the 2nd Committee 2020/11/11	1. Tracking report of the audit results for the 3rd quarter of 2020 2. Review of the Company's financial statements for the 3rd quarter of 2020 3. Motion for the application for endorsement/guarantee of Taisun (Cayman).	After the consultation of the Chairman, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
The 14th meeting of the 2nd Committee 2020/12/24	1. The Company's 2021 business plan 2. The Company's 2021 audit plan Provisional motion: The criteria for evaluating material amounts was established according to the "Q&A of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies". Accounts receivable that exceed 3 months of the normal credit period and are significant in amount shall be approved by the Audit Committee and submitted to the Board of Directors to for a resolution on whether they are for financing.	After the consultation of the Chairman, the motion was passed with no objection. Provisional motion: After the chairman consulted with all members present, the evaluation criteria for a significant amount was set at NT$10 million. It was determined that there was no capital loans based on accounts receivable that exceeded the normal credit terms of 3 months at the end of November.	Submitted to the Company's Board of Directors for resolution
The 15th meeting of the 2nd Committee 2021/03/25	1. Tracking report of the audit results for the 4th quarter of 2020 2. Motion for the review of the Company's 2019 business report and financial statements 3. Motion for the Company's 2020 profit distribution table 4. Motion for the amendments to the Company's Rules Governing the Scope of Powers of Independent Directors 5. Motion for the amendments to the Company's Audit Committee Charter 6. Motion for the review of the Company's internal control self-evaluation results 7. Motion for the adjustment of the Company's CPAs in line with the accounting firm's internal operation needs.	After the consultation of the Chairman, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution

(IV) The status of corporate governance operations and its differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies with reasons

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
I. Has the Company prepared and disclosed the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	✓		On December 10, 2015, the Company formulated the "Corporate Governance Best Practice Principles" with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies". The formulation and amendments of the "Corporate Governance Best Practice Principles" are approved by the Board of Directors and the full provisions disclosed on the Company's official website. For full text, please refer to Taisun's official website/investor area/corporate governance/important regulations: http://www.taisun.com.tw/investor/important-regulations/	None
II. The Company's shareholding structure and shareholders' equity				
(I) Has the Company established its internal operation procedure for responding to the suggestions, queries, disputes, and legal actions of the shareholders in accordance with the procedure?	✓		(I) The Company has established internal operating procedures in accordance with the Code of Practice for Corporate Governance to handle shareholder suggestions, doubts, disputes and litigation matters, and implemented them in accordance with the procedures. In addition, the Company's website has also set up an investor area and investor mailbox: taisunir@taisun.com.tw, and a dedicated person is responsible for responding to shareholders' opinions.	None
(II) Has the Company kept the list of the dominant shareholders that exercise de facto control of the Company and the parties that exercise ultimate control of these dominant shareholders under control?	✓		(II) The Company's stock agency keeps up to date on major shareholders and their ultimate controllers via the shareholder registry, and regularly reports changes in insider ownership. In addition, a dedicated unit for investor relations has been set up to maintain sound interaction with major shareholders.	None
(III) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	✓		(III) There are established methods to control the transaction management, endorsement guarantees, capital loans, etc. between the Company and its affiliated companies. In addition, according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies", there is a function for "Supervision and Management of Subsidiaries", to implement the risk control mechanisms for subsidiaries.	None
(IV) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	✓		(IV) The Company has formulated the "Procedures for the Prevention of Insider Trading" which is disclosed on the Company's website. Also, education and training on the applicable laws are performed at least once a year on current directors, managerial officers and employees. Education and training are arranged within three months of the appointment of new directors and managerial officers, while HR carries out education and training to new employees during pre-employment training.	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
III. The composition and responsibilities of the Board of Directors (I) Has the Board developed its policies in diversity relevant to the composition of the members and has it properly pursued these policies?	✓		This year on March 1 and 15, relevant education and training was performed on current directors, managerial officers and employees. The course included the confidentiality of material information, as well as causes of insider training, case studies of transactions and the Procedures for Ethical Management and Guidelines for Conduct and Guidelines for Conduct. The relevant laws and test questions are placed on the internal learning platform. The relevant laws and systems on the learning platform will be emailed by the HR Department and the Agenda Working Group for education and training record and the test is used for the acceptance of the effectiveness of the education and training. (I) The Company has formulated a policy for diversity of board members and specific management objectives: Article 20 (competencies for the Board of Directors as a whole) of the Company's "Corporate Governance Practices" stipulates: The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards: I. Basic requirements and values: Gender, age, nationality, and culture. II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: I. Ability to make operational judgments. II. Ability to perform accounting and financial analysis. III. Ability to conduct management administration. IV. Ability to conduct crisis management. V. Knowledge of the industry. VI. An international market perspective. VII. Ability to lead. VIII. Ability to make policy decisions.	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
			The board members are independent and diverse: In an effort to strengthen the Board of Directors' independence and diversity, the Company proactively implements the policy of diversifying the composition of the Board of Directors, and there are no limitations as to the gender, nationality or race. At present, independent directors account for 43% of the Board of Directors, while female directors account for 14%; and directors with legal and financial expertise account for 14%, while directors with business management expertise account for 71. Our Board of directors are fully equipped with professional backgrounds and industry experience. The Company aims to optimize decision making and ideas through different backgrounds and perspectives. The Company thinks highly of gender equality when it comes to the composition of the Board of Directors. The target for female directors is 20% or more and the Company expects to add one female director in the next 2 terms of Board of Directors to achieve the goal. (Note 1: Please refer to page 35 of the annual report)	
(II) Has the Company voluntarily established other functional committees further to the establishment of a Compensation Committee and auditing committee?	✓		(II) Not only have we established an Compensation Committee and Audit Committee, a CSR Committee, Human Resources Arbitration Committee, Pension Supervisory Committee, Employee Welfare Committee, Occupational Safety and Health Committee, Food Safety Center, Ethical Management Unit and Corporate Governance Unit have also been established.	None
(III) Has the company formulated the board's performance evaluation method and evaluation method, conducted performance evaluation annually and regularly, and reported the results of the performance evaluation to the board of directors, and applied it to individual directors' remuneration and nomination renewal?	✓		(III) In a bid to implement corporate governance and enhance the functions of the Board of Directors, the Company's Board of Directors approved the "Board Performance Evaluation Methods" on February 27, 2020. The evaluation scope includes the Board of Directors as a whole, board members, Audit Committee and Compensation Committee. The evaluation methods are: internal self-evaluation of the Board of Directors, internal self-evaluation of the board members, internal self-evaluation of the Audit Committee and internal self-evaluation of the Compensation Committee. The Company's Agenda Working Group is responsible for the execution of these evaluations at the end of the year, and the results will be reported to the Board of Directors. The 2020 performance evaluation results have been submitted to the Board of Directors on March 25, 2021. (please refer to page 23 of the annual report)	None
(IV) Does the Company assess the independence of CPAs on an annual basis?	✓		(IV) With reference to Article 47 of the Certified Public Accountant Act and the No.10 Bulletin of the Cod of Professional Ethics for Accountants, the Company's Accounting Departments carries out an evaluation on the independence of the CPAS once a year. The result has been submitted to the Audit Committee on March 25, 2021 and the board meeting on March 26, 2021 for approval. After evaluation, CPAs Tseng Kuo-Yang and Chen Chung-Che of KMPG proved to have met the independence criteria (Note 1) of the Company and were considered adequate to serve as the Company's CPAs. KMPG has issued a letter of declaration (Note 2: please see p.35-36 of the annual report).	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
IV. Is the TWSE / TPEx listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		On March 8, 2021, the Company's Board of Directors resolved to appoint manager Liu Wei-Chen as the Company's Corporate Governance Manager to protect shareholders' rights and interests and strengthen the functions of the Board of Directors. Manager Liu is equipped with over 3 years' experience serving as a manager in public companies dealing with stock and corporate governance affairs. Key responsibilities as a Corporate Governance Manager: I. Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law; II. Preparation of minutes of the board of directors meetings and shareholders meetings; III. Assistance in onboarding and continuing education of the directors; IV. Provision of information required for performance of duties by the directors; V. Assistance in the directors' compliance of law; and VI. Other matters described or established in the articles of incorporation or under contract. Expected execution for 2021: I. Business execution focus: 1. Assist independent and general directors to execute their duties, provide necessary information and arrange continuing education for directors. (1) Provide the board members with the latest amendments to the laws and regulations related to the Company's business filed as well as corporate governance at the time of appointment. These amphetamines shall be updated on a regular basis. (2) Review the confidentiality level of related information and provide necessary company information to the Board of Directors. Maintain smooth communication and engagement with directors and business managers . (3) According to the "Corporate Governance Practices", independent directors shall provide assistance in arranging meetings with the Internal Audit Supervisor or CPAs when necessary, in order to understand the Company's financial operations. (4) Assist in proposing annual education plans and arranging courses for independent directors and general directors according to the industrial characteristics and the director's education (experience) background. 2. Assist in board of directors and shareholders regarding matters of meeting procedures and legal compliance: (1) Report to the Board of Directors, independent directors and the Audit Committee on the state of the Company's corporate governance operations and ensure whether the shareholders' meeting and the Board of Directors' meeting are convened in accordance with relevant laws and corporate governance codes.	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
			(2) Assist and remind directors of the laws and regulations to be complied with when carrying out business or making formal resolutions for the board meeting, and make suggestions when the Board of Directors are about to make unlawful resolutions. (3) Responsible for reviewing the release of material information with respect to important resolutions of the Board of Directors to ensure the legality and correctness of the content in order to protect the equality of trading information for investors. 3. Notify the Board of Directors of the agenda of the board meeting 7 days in advance, convene the meeting ,and provide the meeting information. Directors must be reminded beforehand in the event of a conflict of interest, and the board meeting minutes must be completed within 20 days after the meeting. 4. Pre-register the date of the shareholders' meeting, and compiling of the meeting notice, meeting handbook and meeting minutes within the statutory period, as well as matters in relation to registration of changes and amendments to articles of incorporation or the election of directors. II. Continuing education: None as of the publication date of the annual report. Note: The Board of Directors resolved to pass the establishment of a Corporate Governance Manager on March 8, 2021.	
V. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social responsibility?	✓		The Company has spokespersons system, an email and corporate social responsibility sections on the website, employee complaint mailbox, 0800 special line, as well as procurement, quality assurance, finance and other specialized units and windows. We communicate with investors, banks, employees, consumers, suppliers, distributors, banks and other stakeholders, and appropriately respond to important corporate social responsibility issues of concern to stakeholders. (Note 3: please see pages 37-38 of the annual report). Stakeholder contact information and feedback: Phone: (02) 2506 4152 Ext 9203, Ms. Liu Fax: (02) 2506 4156; Mailbox: CSR@taisun.com.tw Website: http://www.taisun.com.tw	None
VI. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	✓		The Company appointed the Transfer Agency Department of Yuanta Securities Co., Ltd. to handle the affairs of the shareholders meeting.	None
VII. Information disclosure (I) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	✓		(I) The Company has a website (URL: http://www.taisun.com.tw) In the investor area, relevant financial business and corporate governance information have been disclosed in detail.	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
(II) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of ae spokesman system, and videotaping institutional investor conferences)?	✓		(II) The Company's official website has added English and Japanese web pages. In addition, in accordance with the "Corporate Governance Best Practice Principles", the Company has set up a dedicated unit to manage the collection of information and the work of disclosing information online. Furthermore, it implements the spokesperson system in accordance with regulations, with one spokesperson and one acting spokesperson. The Institutional investor conference process is also disclosed on the Company website: http://www.taisun.com.tw/investor/legal-person-info/	None
(III) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?		✓	(III) The Company regulates announcements according to laws and directives and declares them to the competent authority: 1. In March 2021, the Company announced its annual financial report for 2020 which was audited by the CPAs, approved by the Board of Directors and acknowledged by the Audit Committee. 2. Within forty-five days after the end of the first quarter, second quarter and third quarter of each fiscal year, announce and report the financial report reviewed by the accountant and submitted to the Board of Directors. 3. Before the tenth day of each month, announce and report the operating conditions of the previous month.	None
VIII. Does the Company have other important information helpful for understanding of the corporate governance operations (including but not limited to the rights and interests of employees, employee care, investor relations, supplier relationships, rights of stakeholders, continuing education for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, liability insurance for directors and supervisors taken out by the Company, etc.)	✓		(I) The Company has prepared a CSR report, and the non-financial information related to 2020 will be announced in the middle of the year. (II) Employee rights: The Company attaches great importance to labor-management harmony, strives to create a safe and healthy working environment, encourages life and work balance, and improves the quality of soft and hardware facilities such as meals, leisure time, dormitories, health checks and various benefits, so that employees can enjoy a complete welfare system while also contributing to work with peace of mind. (III) Investor Relations: The Company continues to maintain good interaction with investors. In addition to holding a Shareholders' Meeting in 2020, it also communicates with investors through letters and visits on a daily basis. Furthermore, it provides investors' feedback to the Company's senior management and related units for reference for improvement and adjustment. In the future, the Company will continue to strengthen investor relations and maintain good communication and exchanges with investors. (IV) Supplier relationships: The Company has established supplier management measures. From purchasing to leaving the factory, food safety is the priority consideration, and the source of raw materials in the supply chain is emphasized. Each raw material item needs to be inspected again before it enters the factory for manufacturing; and there are evaluation methods to decide whether to continue cooperation.	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	
			(V) Stakeholder communication: Providing diversified communication channels and information disclosure, maintaining good dialogue and communication with stakeholders, and collecting the issues that the stakeholders are concerned about, and checking whether the details of the implementation are made in response to the stakeholders. Please refer to the Company's Corporate Social Responsibility Report for stakeholder negotiation methods, issues of concern, and Taisun's responses. (VI) Implementation of customer policy: The Company has a dedicated 0800 consumer service line to actively handle complaints from consumers and customers (all outlets) to protect consumer rights. (VII) Directors and managers' continuing education status: The directors and managers of the Company have relevant professional knowledge, and according to actual needs, they can arrange courses for relevant laws and regulations. For 2020 continuing education, please refer to Note 4 on p.39 of the annual report. (VIII) Implementation of risk management policies and risk measurement standards: The Company's major proposals regarding operating policies, investments, endorsements, capital loans, and bank financing have been evaluated and analyzed by the responsible departments and implemented in accordance with the resolutions of the Board of Directors. The Audit Division also drafted its annual audit plan based on the risk assessment results and implemented it. We implement internal control mechanisms and control the implementation of various risk management measures. (IX) The Company has purchased liability insurance for all directors. The insurance period is from August 18, 2020 to August 18, 2021, and it will be submitted to the Board of Directors for approval on August 12, 2019. It is also disclosed in the corporate governance area of the Market Observation Post System.	

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary description	

IX. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year.

(Those who are not included in the evaluated company need not be filled in)

1. The Company will continue to improve corporate governance. For the items that have not scored in the "Corporate Governance Evaluation" indicator part in 2020, the explanation is as follows:

Item	Question type	Improve the status
1	Treat shareholders equally	Research and improvement.
2	Strengthen the structure and operation of the Board of Directors	1. Set the objective for diversification of members of the Board of Directors for 2021.. 2. The Board of Directors resolved to pass the establishment of a Corporate Governance Manager on March 8, 2021. 3. Remaining information is being researched and improved.
3	Improve information transparency	1. Provide information in English Material information has been released simultaneously in English since January 1, 2021. The 2021 annual report in English has been prepared for shareholders. The interim financial report is expected to be released in English in the first quarter of 2021. 2. Remaining information is being researched and improved
4	Implement corporate social responsibility	Research and improvement.

2. Priority enhancement projects for the Company's 2020 “Corporate Governance Evaluation” index have not yet seen improvements

Item	Question type	Priorities and measures to be strengthened
1	Improve information transparency	The annual report of the shareholders meeting, annual financial report and interim financial report will be prepared in English in 2021.
2	Strengthen the structure and operation of the Board of Directors	An external evaluation agency will be selected to perform the external evaluation in in 2021.

Note 1: The board members are independent and diverse:

Diversified items / Director's name	Country of citizenship	Gender	Age		Independent Director	Professional Background (Education)	Core items for diversity (top 5 items)								
			41 to 50	51 to 60			Accounting	Legal affairs	Environmental protection	Finance	Management	Leadership decision making	Industry knowledge	Crisis management	International market views
Peter Chan	Republic of China	Male		•		California State University Fullerton, Bachelor Degree					•	•	•	•	•
Fred Chan	Republic of China	Male		•		Utah State University, Master Degree					•	•	•	•	•
Chan Hao-Jun	Republic of China	Male	•			University of British Columbia, Canada, Bachelor Degree,					•	•	•	•	•
Chan Pei-Shan	Republic of China	Female	•			California State University, Long Beach Bachelor Degree					•	•	•	•	•
Wu Chieh-Hsin	Republic of China	Male	•		•	Institute of Business Administration, Minnesota State University, Princeton, Minnesota			•		•	•		•	•
Sun Chu-Wei	Republic of China	Male		•	•	Department of Accounting, Tamkang University, Bachelor Degree	•			•	•	•		•	
Hsu Yung-Chang	Republic of China	Male		•	•	Fu Jen University Master of Law		•			•	•		•	•

' Note 2: 2020 annual CPA independence and competency evaluation

Item	Evaluation result	Whether or not the independence criteria is met
1. Do accountants have direct or significant indirect financial interests in the Company?	No	Yes
2. Is there any financing or guarantee between the CPAs and the Company or the Directors of the Company?	No	Yes
3. Is there any close business relation and potential employment relation between the CPAs and the Company?	No	Yes
4. Whether accountants and their audit team members have held positions in the Company for the current or most recent two years as directors, managers or other positions with significant influence on the audit work.	No	Yes
5. Whether the CPAs have provided non-audit services to the Company that will directly influence the audit work.	No	Yes
6. Whether the CPAs have acted as intermediary of the stocks or other securities issued by the Company.	No	Yes
7. Whether accountants have acted as defenders of the Company or settled conflicts with other third parties on behalf of the Company.	No	Yes
8. Whether an accountant shares kinship with the directors, managers of the Company or those who have significant influence on the audit case.	No	Yes
9. Whether the accountant requires, has contracted, or has received any remuneration other than those specified.	No	Yes
10. The accountant has accepted the appointment of the Company as the auditing accountant for seven consecutive years.	No	Yes

Note 2: KPMG Taiwan Accounting Firm Declaration Letter
Recipient: Taisun Enterprise Co., Ltd.

安侯建業聯合會計師事務所
KPMG
台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)
Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 kpmg.com/tw

Subject: It is declared that this accountant has been entrusted to perform the audit and certification work of Taisun Enterprise Co., Ltd.'s 2020 financial statements and has met the relevant independence requirements of the accountant's professional ethics.

Explanation: The firm's independence standards include: All members' personal independence (financial benefits, financing guarantees, employment relationships, etc.), business relationships with customers, accountant rotation, and non-audit services and other policies and procedures. The important specifications and compliance matters are described as follows:

I. Important norms of independence

(I) The firm, its personnel, and other personnel subject to independence regulations (including those of allied firms) are required to maintain independence in accordance with the professional ethics of accountants.

(II) It is forbidden for anyone to engage (directly or indirectly) in insider trading, misuse of inside information or any conduct that may cause misrepresentation in the securities or capital markets. At the same time, a statement that the firm's staff have followed the independence policies and procedures is obtained every year.

(III) Regarding audit cases for the financial statements of TWSE, TPEx, and Emerging Market listed companies, if the hosting accountant, counter-signing accountant, quality control review accountant, and qualified subsidiary audit accountants have reached the time limit specified in the accountant's professional ethics or laws, a rotation is required.

(IV) To identify and evaluate situations that may affect independence in the services provided, take appropriate measures to eliminate the effect or reduce it to an acceptable level. If necessary, terminate the appointment of the case.

II. Supervision of independent policy compliance

(I) The accounting firm controls whether all members have completed their annual declaration of independence through an online system.

(II) Regular random checks are used to check individual members' compliance with independence, and through the personal investment declaration system, check whether personnel at the deputy manager level and above report personal investment changes in accordance with regulations.

(III) Supervise and spot check the accountant's status and the appropriateness of non-audit services, including the accountant's case certification period and pre-approval of non-audit services provided.

(IV) In case of a violation of the independence policy, the violating members (including partners) will be referred to the Risk and Independence Committee in accordance with the independence discipline policy. Appropriate punishments and actions shall be taken according to the severity and nature of the violation.

In summary, the accountant was entrusted to perform the auditing work of Taisun Enterprise Co., Ltd.'s financial statements for 2020, and has maintained a rigorous and fair attitude and a spirit of independence. There is no violation of the provisions of the Bulletin of Professional Ethics No. 10.

KPMG Taiwan

CPA:
Tseng Kuo-Yang
Chen Tsong-Che

March 11, 2021

Note 3: Stakeholder identity, issues of concern, communication channels

Stakeholder	Ranking of main concerns	Communication method/channel	Important communication notes in 2020
A. Investment lending: Shareholders/Banking Group	1. Compliance with food safety regulations 2. Operating and financial performance 3. Ethical management 4. Customer safety and health	· Annual Shareholders' Meeting · Announcements of major news · Dedicated person to receive shareholder email messages daily · Contact person: 02-2506-4152 Ext. 9350 Manager Liu of the Financial Division.	1. The 2020 Annual Meeting of Shareholders was held to pass a resolution on the 2019 profit distribution proposal and distribute a cash dividend of NTD 0.9 per share. 2. An institutional investor conference was held on November 26 2020. 3. Responded to several interviews with financial institutions and institutional investors.
B. Sales and purchasing: Distributor/Customer/Consumer	1. Compliance with food safety regulations 2. Customer safety and health 3. Product labeling and marketing compliance	· 4. Business visits to various channel vendors from time to time · Ad hoc consumer market surveys · Daily customer service line answering and processing · Online announcements of product and company information · Disclosure of product identification information. · Marketing campaign contact: 02-2506-4152 Ext. 9318 Ms. Wu. · Customer and consumer service line: 0800-079-080.	1. 21 market surveys were conducted, and 2,218 people participated in product opinion surveys. 2. There were 281 product complaints and 155 cases of abnormal improvement that were confirmed by the quality assurance system. Among them, the Tianzhong Production Department traced 123 cases and outsourced processing traced 32 cases, responding to consumer needs and improving quality. 3. In 2020, there were zero cases fined for violations of advertising laws.
C. Operations management: Governance group/Staff	1. Operating and financial performance 2. Customer safety and health 3. Labor-employment relationship 4. Market position	· Regular communication: Weekly department meeting/monthly supervisor meeting/monthly management meeting · Set up employee complaint mailbox · Ad hoc event handling/satisfaction survey · Contact person: 02-2506-4152 Ext. 9527 Chief Cai of the Human Resources Department.	1. In response to COVID-19, the outbreak prevention strategy was launched in January. 2. The Company employs mainly local workers, among them, 96.6% are Taiwanese workers and 3.4 foreigners. 3. In 2020, employee benefit expenses amounted to NTD 5,837,4880, for an average of NTD 9,107 per person. 4. There were no work injuries. A fine of NTD 70,000 was imposed for one overtime incident. 5. As it was the Company's 70th anniversary, under the epidemic prevention principle, 1 celebration event was held, and 2 employee trips organized in different areas; all activities carried out by different departments were reported in accordance with the epidemic prevention principle.
D. Process relationship: Supplier/Outsourced factory	1. Procurement management 2. Supplier and OEM management 3. Operating and financial performance 4. Customer safety and health	· Regularly visit and evaluate suppliers. · Item by item quality inspection each time raw materials enter the factory. · Ad hoc meetings to discuss product quality. · Contact person: 04-874-2211 Ext. 341 Ms. Lai, Quality Assurance Department.	1. In order to ensure stable supply of suppliers and that the quality meets standards, 50 vendors were evaluated in 2020, accounting for 32% of the total purchase amount of raw materials. 2. 61% of suppliers have attained the good safety and quality management system certification. Counseling will continue to be provided to improve the management standards of our partners. 3. In 2020, the acceptance rate is 93.3%. Raw materials that have been accepted will be screened once more prior to production use to strive for strict control of the quality. The material inspection pass rate is 99.9%.

Stakeholder	Ranking of main concerns	Communication method/channel	Important communication notes in 2020
E. Community interaction: Factory neighbors/ Public welfare or environmental groups	1. Local community relations 2. Air emission management 3. Customer safety and health	・ Daily dedicated line to answer community charity needs ・ Sponsor/improve public welfare needs from time to time ・ Volunteers are mobilized from time to time to contribute to charities ・ Participate in non-profit activities from time to time ・ Receive visits and engage in dialogues ad hoc ・ Contact person: 04-874-2211 Ext. 564 Mr. Yan, Public Relations Division.	1. In 2020, the Company supported 22 units, organized 29 related events, and donated 498 boxes of products./ 2. The factory was found to have violated environmental protection regulations for 4 incidents with a fine of NTD 178,000. 3. Long-term local activities to support the large-scale Tianzhong Marathon and Ershui Marathon, development of local tourism, product and volunteer sponsorship investment of at least 2 million to support local economic prosperity.
F. Legal management: Government/ Evaluation unit/ Experts and scholars	1. Customer safety and health 2. Product labeling and marketing compliance 3. Compliance with food safety regulations	・ Cooperate with government agencies for inspections from time to time ・ Participate in government agency policies or development meetings from time to time ・ Contact person: 04-874-2211 Ext. 315 Manager Lin, Quality Assurance Department.	1. A total of 571 independent outsourcing inspections of products, 21 inspections of water source and water quality, 181 inspections of oil products, 61 inspections of tea, 39 random inspections of beverages, 70 inspections of Baote tea beverages, and inspections of canned foods 62 times, 12 times for packaged drinking water and 21 times for snacks, with all qualified. 2. Food factories and oil and fat factories received one mandatory audit by the government and government-sponsored units and were qualified. A total of 7 food safety and quality audits by a third-party impartial unit were accepted and the audits were passed.
G. Control of public opinion: Media reporter/ Advertisers/ PR agency/ Netizens	1. Customer safety and health 2. Compliance with food safety regulations 3. Product labeling and marketing compliance 4. Ethical management	・ Release media news materials from time to time ・ Official website public response on days that major information emerges ・ Organize media briefings/meals from time to time ・ Official website, FB fan group message interaction ・ Contact person: 02-2506-4152 Ext. 9203 Ms. Liu of the Public Relations Department.	1. 15 media press releases, 2 media conferences, and occasional socializing. 2. Gifts given to media reporters during the Spring Festival and Mid-Autumn Festival. 3. Handle Taisun's official website and update Taisun information from time to time. A total of 340,000 netizens came to learn about Taisun's information, and 93%% of them were from Taiwan. They all participated in the activities. 4. Strengthened the fan group on Facebook - there are approximately 51,400 fans on Facebook (42% male and 58% female); 135 posts annually, reaching 2,511,130 users; and 477 users engaged in product recommendations or event ideas in private messages.
Note: Food safety-related figures are based on the confirmed figures in the 2020 Taisun Corporate Social Responsibility Report.			

Note 4: Directors' continuing education in 2020:

Name	Date of education	Theme	Organizer	Certificate No.
Peter Chan	2020/7/3 3 hours	A View of Global Corporate Sustainability Development - From Vision 2050 to Action 2020	Taiwan Corporate Governance Association	TCGA10902206
	2020/7/10 3 hours	[CGP-Advance] To Give or not to Give Information? Information Rights of Directors	Taiwan Corporate Governance Association	TCGA10902332
	2020/8/14 3 hours	Director Responsibility and Risk Management under the Latest Corporate Governance Blueprint	The Securities and Futures Market Development Foundation of the Republic of China	(109) Zhengji Director/Supervisor Renewal No. 01807 N120740141
Fred Chan	2020/7/21 3 hours	How Independent Directors Master the Key Defenses of Financial Reporting Risk and Case Studies	Taiwan Independent Director Association	(109) Du-Dong-Jing-Zi No. A0721045
	2020/8/12 3 hours	The Role of Independent Directors in the Battle between Corporate Governance and Management Rights	Taiwan Independent Director Association	(109) Du-Dong-Jing-Zi No. A0812036
Chan Hao-Jun	2020/6/1 6 hours	Common Deficiencies of Internal Audits in a Company, Legal Liability and Case Analysis	Accounting Research and Development Foundation of the Republic of China	(109) Huijiao (Ji) Zi No. 1027014
Chan Pei-Shan	2020/6/19 3 hours	Analysis of the Latest CSR Reporting Trends and Related Corporate Governance Practices	Accounting Research and Development Foundation of the Republic of China	(109) Huijiao (Gong) No. 1034011
	2020/6/29 3 hours	Business Strategy and Corporate Governance in View of the World's Unsustainable Risks from COVID-19	The Securities and Futures Market Development Foundation of the Republic of China	(109) Zhengji Director/Supervisor Renewal No. 00807 N220910583
Wu Chieh-Hsin	2020/7/22 3 hours	Corporate Governance and Sustainable Management Class	Taiwan Academy of Banking and Finance	(109) Jin-Zheng-Gong-Zhi-Zi No. 013032
	2020/9/22 3 hours	“Corporate Governance 3.0 - A Blueprint for Sustainable Development” Summit	TWSE/TPEx	No certificate No.
Hsu Yung-Chang	2020/9/22 3 hours	“Corporate Governance 3.0 - A Blueprint for Sustainable Development” Summit	TWSE/TPEx	No certificate No.
	2020/10/26 3 hours	Impact on the Rights and Obligations of Directors/Supervisors After the Amendments to the Latest Insurance Laws	The Securities and Futures Market Development Foundation of the Republic of China	(109) Zhengji Director/Supervisor Renewal No. 03242 E121650050
Sun Chu-Wei	2020/7/9 3 hours	Corporate Financial Statement Fraud Case Study	The Securities and Futures Market Development Foundation of the Republic of China	(109) Zhengji Director/Supervisor Renewal No. 00953 C120771316
	2020/7/9 3 hours	The New Version of Corporate Governance and the Exercise of Powers by the Board of Directors and Matters to be Followed	The Securities and Futures Market Development Foundation of the Republic of China	(109) Zhengji Director/Supervisor Renewal No. 00973 C120771316

Continuing training records for managerial officers in 2020:

Name	Continuing education date/time	Training theme	Hours
Max Lei	2020/9-2020/10	1. Management Seminar “Low Carbon Transformation Management and Governance Trend of Food Industry under Climate Change” 2020 Taisun Marketing Camp Training Course (Courses and Teambuilding Activities)	19 hours in total
Yan Gu-Long (Accounting Supervisor)	2020/11-2020/11	1. Policy Analysis and Internal Control Management Practices of “Assisting Companies to Enhance Their Ability to Prepare Financial Reports” by Competent Authorities 2.Latest Corporate Governance Policy Analysis and Establish “Corporate Governance Personnel” Audit Law Compliance Practice	12 hours total
Tsai Yi-Fang (Supervisor of Audit)	2020/04-2020/05	1. Auditing and Control Practices of “Cost Saving” and “Competitive Strategy” of Companies 2. Policy Analysis and Internal Audit and Control Practice for Companies to Enhance Their Ability to Prepare Financial Reports	12 hours total

(V) The Composition, Responsibilities and Operation of the Compensation Committee:

1. Information of Compensation Committee Members

Identity (Note 1)	Condition / Name	Have more than five years of work experience and the following professional qualifications			Meet conditions of independence (Note 2)										Number concurrently serving as members of the Compensation Committees of other publicly issued companies	Remarks
		Lecturers in public and private colleges and universities with relevant materials required for business, legal affairs, finance, accounting, or corporate business	Judges, prosecutors, lawyers, accountants or other professional and technical personnel who have passed the national examinations required for corporate business and have certificates	Have work experience required for business, legal affairs, finance, accounting, or corporate business	1	2	3	4	5	6	7	8	9	10		
Independent Director	Wu Chieh-Hsin			V	V	V	V	V	V	V	V	V	V	V	1	
Other	Tung Chun-Jen			V	V	V	V	V	V	V	V	V	V	V	0	
Other	Liu Ming-Hsiung			V	V	V	V	V	V	V	V	V	V	V	1	
Independent Director	Sun Chu-Wei		V	V	V	V	V	V	V	V	V	V	V	V	2	
Independent Director	Hsu Yung-Chang		V	V	V	V	V	V	V	V	V	V	V	V	0	

Note 1: Please enter as director, independent director, or other.

Note 2: If each member meets the following conditions two years before the election and during the tenure, please type "✓" in the space below each condition code.

(1) Not an employee of the Company or its affiliates.

(2) Not a director or supervisor of the Company or its affiliates. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of outstanding shares of the Company or ranking in the top ten in holdings.

(4) Not a manager of those listed in (1), or someone having a relationship with those listed in (2) or (3) including a spousal relationship, a second-degree kinship or closer, or an immediate blood relative within three degrees of kinship.

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings, or is designated as a representative in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(6) Not a director, supervisor, or employee of another company controlled by the same person with more than half of the shares with voting rights on the company's board of directors. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company, or the spouse thereof. (However, in the case of independent directors established and concurrently serving in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.) .

(8) Not a director, supervisor, or manager of a specific company or institution having financial or business dealings with the Company, or a shareholder holding 5% or more of shares.(However, if a specific company or institution holds more than 20% of the total issued shares of the company but not more than 50%, and the established independent director concurrently serves in the company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)

(9) Not an owner, partner, director, supervisor, manager, or spouse thereof of a company or institution that provides commercial, legal, financial, accounting services or consultation to the company or any affiliate of the Company for amounts exceeding NT$500,000 in the past two years. However, for members of the Compensation Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Business Mergers & Acquisitions Act, this limitation shall not apply. .

(10) The circumstances specified in Article 30 of the Company Act are not applicable.

2. Information on the function of the Compensation Committee

(1) There are five members of the Compensation Committee of the Company.

(2) The terms of the current members: From December 18, 2018 to November 20, 2021; during 2020 up until March 31, 2021 the Compensation Committee met 5 times (A). The qualifications and attendance of the members are as follows:

Term	Job title	Name	Actual attendance (B)	Number of delegates attending	Actual attendance rate (%) (B/A)	Remarks
The 4th Committee	Chairperson	Wu Chieh-Hsin	5	0	100%	
	Committee member	Tung Chun-Jen	4	1	80%	
	Committee member	Liu Ming-Hsiung	5	0	100%	
	Committee member	Sun Chu-Wei	5	0	100%	
	Committee member	Hsu Yung-Chang	5	0	100%	

Other matters to be recorded:

I. If the Board of Directors disapproves or amends the recommendations from the Compensation Committee, it shall state the date and duration of the meeting of the Board of Directors, details of proposals, the results of the resolutions of the Board of Directors and how the Company deals with the opinions of the Compensation Committee (if the salary and remuneration approved by the Board of Directors are higher than such amount recommended by the Compensation Committee, the Board of Directors shall state the difference and the reasons): There is no such situation; please refer to page 42 of the annual report.

II. If a specific member of the Compensation Committee has adverse or qualified opinions on the resolutions of the Compensation Committee on record or in written declaration, specify the meeting date, the session, the content of the motion, the opinions of all members, and the response to the opinions of the members: None.

3. Compensation Committee's powers:

(1) The functions of the Company's Compensation Committee are based on the attention of good managers, evaluating the remuneration policies and systems of directors, independent directors and managers of the Company, and meeting at least twice a year. Furthermore, it may hold meetings at any time as needed to make recommendations to the Board of Directors for its decision-making reference.

(2) The powers of the Company's Compensation Committee

A. Periodically review the Compensation Committee Charter and propose amendments.

B. Formulate and regularly review the Company's directors, independent directors and managers' annual and long-term performance targets and remuneration policies, systems, standards, and structures.

C. Regularly evaluate the achievement of the performance targets of the directors, independent directors, and managers of the Company, and evaluate and set the content and amounts of their individual salaries.

(3) When performing the official powers, the Compensation Committee shall follow the principles listed below:

A. Ensuring that the remuneration arrangements of the Company comply with applicable laws and regulations and are sufficient to recruit outstanding talent.

B. The performance evaluation and remuneration of directors, independent directors and managers should refer to the usual level of payment in the industry. It also considers the time invested by the individual, the responsibilities assumed by the individual, the status of achieving personal goals, the performance of other positions, and the salary remuneration given by the Company to those in the same position in recent years. It also evaluates the rationality of the relationship between individual performance and the Company's operating performance and future risks through the achievement of the Company's short-term and long-term business goals and the Company's financial status.

C. Directors and managers should not be guided to engage in behaviors that exceed the Company's risk appetite in pursuit of remuneration.

D. The ratio of dividends to the short-term performance of directors and managers and the payment time of part of the variable salary shall be determined in consideration of the characteristics of the industry and the nature of the Company's business.

E. Members of this committee shall not participate in discussion and voting on their personal salary and remuneration decisions.

The salary and remuneration mentioned in the preceding two paragraphs include cash remuneration, stock options, dividends, retirement benefits or severance payments, various allowances and other measures with substantial incentives. Its scope should be consistent with the remuneration of directors, independent directors and managers in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If the remuneration of directors and managers of a subsidiary of the Company is subject to the approval of the Company's Board of Directors according to the subsidiary's hierarchical responsibility, the Board of Directors shall make recommendations before submitting it to the board for discussion.

4. The Compensation Committee discusses the subject and resolution results and the Company's handling of members' opinions:

Compensation Committee	Proposal content	Compensation Committee resolution results	The Company's handling of the opinions of the Compensation Committee
4th meeting of the 4th Committee 2020/03/17	1. Self-evaluation of Performance Questionnaire of the Compensation Committee of Taisun Enterprise Co., Ltd. 2. Motion for total remuneration to directors and the distribution ratio for 2019	All members present agreed to pass	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
5th meeting of the 4th Committee 2020/04/28	1. 2019 analysis report on the self-evaluation of performance of the Compensation Committee	All members present agreed to pass	None
	2. Motion for the suggestions on the distribution of remuneration to directors and appointed managerial officers for 2019		Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
6th meeting of the 4th Committee 2021/01/19	1. Motion for year-end bonus for 2020 2. Motion for adjusting salaries for 2021	All members present agreed to pass	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
7th meeting of the 4th Committee 2021/03/17	1. Motion for the suggestions on the total remuneration to directors and distribution ratio for 2020. 2. Motion for the suggestions on the remuneration to the Corporate Governance Manager. 3. Amendments to the Compensation Committee Charter of Taisun Enterprise Co., Ltd.	All members present agreed to pass	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
8th meeting of the 4th Committee 2021/03/25	Motion for the suggestions on the total remuneration to directors and distribution ratio for 2020.	All members present agreed to pass	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution

(VI) Social responsibility situation and its differences and causes versus Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies:

Evaluation items	Operations status (Note 1)			Deviation from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and causes thereof
	Yes	No	Summary description (Note 2)	
I. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies? (Note 3)	✓		According to the operating needs of the Company, regular annual assessments shall be made in the executive meeting for discussion on matters of environmental preventive drills affecting operational performance (major disasters, possible incidents), social related prevention seminars (product risk, personnel risk, community risk), and governance (operational risk).	None
II. Has the Company set up a special (part-time) unit for promoting performance of corporate social responsibility, and allowed the Board of Directors to authorize high-level management to deal with and report the situation about social responsibility to the Board of Directors?	✓		The Company has set up a corporate social responsibility committee with seven committee members. The chairman of the board serves as the chairman, and all deputy directors and designated personnel are ex officio members. There are four groups covering the executive office and corporate governance, food safety, social commitment, and environmental sustainability. The directors of factories, finance, human resources, marketing, etc. are part-time members. It shall integrate corporate social responsibility into the Company's business strategy in a purposeful, systematic and organized way, cultivating and fulfilling corporate social responsibilities over the long term. It shall be expected to have capability of pushing tasks from top to bottom and regularly reporting the results to the Board of Directors.	None
III. Environmental issues (I) Has the Company established a suitable environmental management system based on its industrial characteristics?	✓		(I) At Taisun, we have established a CSR Environmental Sustainability Group which is made up of persons in charge of each factory and directors of environmental safety, energy, and public affairs units. The primary management framework of the Environmental Sustainability Team includes water, electricity, fuel and waste management, as well as environmental sustainability planning on carbon reduction, plastic reduction and recycling. The Team also establishes a blueprint for environmental sustainability, sets short, medium and long term objectives, and each annual objective with specific action plans will be gradually achieved. Meanwhile, efforts will be put in to meet SDGs in order to achieve coexistence and co-prosperity with the environment.	None
(II) Is the Company committed to improving the utilization efficiency of resources, and using the recycled materials that have a low impact on the environmental load?	✓		(II) We, at Taisun, strive for improving the utilization efficiency of resources. We also use raw material products that pose relatively low impact on the environment. In January 2020, the fuel for the heavy oil boilers at the factory was replaced with light cracking oil with lower emissions of suspended particulates and sulfur oxides, increasing the combustion efficiency by 8.7%. The emission tests all met the new standards of the EPA effective on July 1, 2020. In 2020, our food production line also started the empty bottle weight reduction test and has successfully reduced 2,338kg of plastic. Meanwhile, a new production line for metal packaging materials is in the process of planning to reduce the proportion of plastic packaging materials.	None

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operating status</th><th rowspan="2">Deviation from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to deal with climate-related issues?</td><td>✓</td><td></td><td>(III) At present, we are evaluating the actual disaster and risk prevention studies of climate change while also exploring potential future risks and opportunities, starting from the basic carbon inventory.</td><td>None</td></tr>
<tr><td>(IV) Does the Company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water management or other waste management?</td><td>✓</td><td></td><td>(IV) The Company's 2018-2019 waste output statistics:
Unit: Tons
<table>
<tr><th rowspan="2">Item</th><th colspan="2">2019</th><th colspan="2">2020</th></tr>
<tr><th>Non-resource</th><th>Resource</th><th>Non-resource</th><th>Resource</th></tr>
<tr><td>Food</td><td>29.7</td><td>802.7</td><td>42.5</td><td>999.5</td></tr>
<tr><td>Livestock</td><td>3.3</td><td>46.3</td><td>2.4</td><td>61.0</td></tr>
<tr><td>Total</td><td>33.0</td><td>849.0</td><td>44.9</td><td>1060.5</td></tr>
<tr><td>Percentage</td><td>4%</td><td>96%</td><td>4%</td><td>96%</td></tr>
<tr><td>Total weighting</td><td colspan="2">882.0</td><td colspan="2">1105.4</td></tr>
</table>
The Company's 2019-2020 environmental protection and harm reduction strategy goals are set:
<table>
<tr><th rowspan="2">Item</th><th rowspan="2">Goal</th><th colspan="2">2019</th><th colspan="2">2020</th></tr>
<tr><th>Food</th><th>Feed</th><th>Food</th><th>Feed</th></tr>
<tr><td>Power savings</td><td>-3% and above</td><td>-1.0%</td><td>-10.2%</td><td>+5.8%</td><td>+8.2%</td></tr>
<tr><td>Carbon reduction</td><td>-300 tons or above</td><td>-2,039 tons</td><td>-120 tons</td><td>+596 tons</td><td>-93 tons</td></tr>
<tr><td>Waste reduction (recovery rate)</td><td>90% and above</td><td>91.7%</td><td>93.4%</td><td>96.0%</td><td>96.2%</td></tr>
<tr><td>Plastic reduction</td><td>2,500kg or above</td><td>1,624kg</td><td>8,615kg</td><td>2,338kg</td><td>2,058kg</td></tr>
<tr><td>Progressive plan</td><td>Operating expenses</td><td>NTD 2,680,000</td><td>NTD 534,000</td><td>NTD 4,041,000</td><td>NTD 317,000</td></tr>
</table>
For other relevant energy saving and carbon reduction and greenhouse gas reduction strategies, please refer to the relevant information in the corporate social responsibility report on our website.</td><td>None</td></tr>
</table>

Evaluation items	Operating status			Deviation from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and causes thereof
	Yes	No	Summary description	
IV. Social issues (I) Has the Company developed the relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		(I) The Company abides by the laws and regulations on labor rights and gender equality in the places where it operates, supporting and respecting internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant, and the International Labor Organization-Declaration of Fundamental Principles and Rights at Work. It has formulated the "Taisun Enterprise Co., Ltd. Declaration on the Protection of Human Rights" to put an end to any violations and violations of human rights, treating and respecting all employees, contractors and temporary personnel, and interns with dignity. Taisun's business philosophy is "pragmatic, righteous, empathetic, and diligent." We welcome partners who agree and support this business philosophy to join Taisun. The recruitment policy is based on human rights equality. All candidates have equal opportunities oriented to the ability of the examinee, and not to be treated differently based on race, color, gender, religion, politics, nationality or social origin, or physical and mental disabilities. Taisun echoes the sustainable development goals of the United Nations: **Health and wellbeing** ◆Implementing occupational safety and health management to ensure a safe working environment, and promoting the physical and mental health of employees. ◆Continuously improving hardware facility standards and safety and health operating procedures, and actively constructing a safe and hygienic working environment to prevent occupational injuries and diseases, and to ensure labor safety and health. **Educational quality** ◆Supporting employee growth and career development. Providing training plans, training time and funding subsidies, and encouraging employees to take the initiative to make arrangements, keep pace with the times, improve the completeness of their capabilities, and develop suitable talent. **Gender equality** ◆Promoting gender equality measures to prevent gender violence. ◆Adopting the principle of equal employment and prohibiting any form of discrimination. **Reduce inequality** ◆ Recruitment that upholds the principles of fairness, justice and openness to recruit suitable talent, and the recruitment policy is based on the equality of human rights. All candidates have equal opportunities, oriented to the ability of the examinee, not to be treated differently based on race, color, gender, religion, politics, nationality or social origin, or physical and mental disabilities.	None

Evaluation items	Operating status			Deviation from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and causes thereof
	Yes	No	Summary description	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflects business performance or results in employee compensation?	✓		(II) In order to provide diverse welfare measures and welfare subsidies applicable to all employees, the "Taisun Enterprise Co., Ltd. Employee Welfare Committee" and "Pin-Tai Distribution Enterprise Co., Ltd. Employee Welfare Committee" were established in accordance with the law to handle various welfare items. In addition to the welfare measures that comply with the law, we also have other welfare measures going beyond the law to satisfy employees' personal and family care. To create a happy workplace environment, the Company allocates 0.05% of its total monthly sales to the welfare fund. Moreover, in order to take care of employees and beyond the legal leave system, in addition to the management of employee working hours, it also subsidizes lunches, arranges employee dormitories and guest houses, plans flexible working hours, and invites visually impaired masseurs to the Company to provide services to colleagues. Regarding employee remuneration policy, if the Company makes a profit in the current year, no less than 2% shall be allocated as employee remuneration in accordance with the Company's Articles of Incorporation. All employees who have served for two years can apply to join a shareholding trust and share in the operating performance. In addition to bonuses for immediate work results, year-end bonuses will be issued at the end of the year based on the results of the performance appraisal, and teams or individuals who hold an annual show to affirm the outstanding performance, and outstanding employees have the opportunity to be promoted and adjusted. When the overall performance is excellent, not only shareholders will receive dividends, but employees will also enjoy mid-year pay dividends to reward the hard work of the previous year. (please refer to p.90-93 of the annual report).	None
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	✓		(III) The Company provides employees with a safe and healthy working environment, from regular employee health inspections, safety education and publicity to safety work rules for on-site employees. There are standards and implementation, plus a complete salary and welfare system. It also handles employee retirement matters in accordance with the Labor Standards Act and Labor Pension Regulations. (please refer to page 93 of the annual report).	None
(IV) Does the Company establish an effective career development training program for employees?	✓		(IV) The Company has established "Education and Training Measures" to train practical talent for corporate development strategies (please refer to page 91-92 of the annual report).	None
(V) Regarding customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and does it formulate relevant consumer protection policies and appeal procedures?	✓		(V) The Company has set up a 24-hour free service line at 0800-079080, and it handles consumer complaints in accordance with the "Administrative Measures for Consumer Service Lines". This year, there were 281 product complaints, and 155 cases of abnormal improvement were confirmed by the quality assurance system. Among them, the Tianzhong Production Department traced 123 cases and outsourced processing traced 32 cases, all of which responded to consumer needs and improved quality while conducting monthly satisfaction surveys.	None

Evaluation items	Operating status			Deviation from Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and causes thereof
	Yes	No	Summary description	
(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?	✓		(VI) Before or during cooperation with suppliers, the Company will evaluate the possibility of continuing cooperation based on the results of the annual supplier quality evaluation plan, and agree to abide by the protection of the environment and society, the supplier's commitment to product responsibility, and labor conditions. **Supplier management: An evaluation plan is scheduled every year. In addition to attaching importance to the quality of suppliers' supply, the implementation of social responsibilities by suppliers is included in the evaluation items of operations and management.** At the same time, we actively counsel all suppliers to upgrade the food safety quality management system, improve the quality system management level, and achieve the concept of coexistence and common economic prosperity. **Regularly visit suppliers conducting evaluations:** 1. The vendors that performed the appraisal accounted for approximately 32% of the total purchase amount of raw materials. 2. The acceptance rate of raw materials entering the factory is 99.3%, and the acceptance rate of materials used is 99.9% 3. Actively counsel suppliers to upgrade the food safety quality management system, and the rate of suppliers obtaining international certification is 61%.	None
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of corporate social responsibility reports and other reports that disclose the company's non-financial information? Did the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?	✓		Since 2015, the Company has compiled an annual corporate social responsibility (CSR) report for the previous year, disclosing its promotion efforts toward corporate social responsibility. The report is based on “Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies” and the GRI standards set by the Global Reporting Initiative (GRI) as the main framework. It is supplemented by food manufacturing industry supplementary indicators and other strategic writing guidelines. Furthermore, we entrust KPMG Taiwan to review this report in accordance with Bulletin No. 1 of the Confirmation Standards issued by the Accounting Research and Development Foundation of the Republic of China”, Checking or Reading Confirmed Cases of Non-historical Financial Information” to carry out independent limited assurance. (The Accounting Research and Development Foundation refers to ISAE3000 in its formulation.) The Company’s corporate social responsibility related information disclosure websites are as follows: Our Company website: http://www.taisun.com.tw/corporate/ Market Observation Post System: http://mops.twse.com.tw	None
VI. If the Company has instituted the corporate social responsibility best practice principles in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies,” specify the implementation of these principles and the variation with the Corporate Social Responsibility Best Practice Principles for the TWSE/TPEx-listed Companies: **The Company has formulated “Corporate Social Responsibility Best Practice Principles” to promote the implementation of various social responsibility items, and there is no difference between it and the actual operation of Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies.**				

VII. Other important information to facilitate understanding of corporate social responsibility operations:

(I) Environmental aspect:

1. Wastewater discharge quality (in compliance with government regulations): We have formulated stringent standards for the inspection of treatment functions and discharge water concentration of each factory. In 2020, the BOD, COD and SS of wastewater discharged all met the government discharge water quality standards.

Status of wastewater management in food factories:

Item	National standard	Year	January	April	July	October	Average
BOD biological oxygen storage capacity	<30mg/L	2019	11.4	3.9	16.7	5.0	9.3
		2020	2.7	2.4	25.8	13.1	11.0
COD chemical oxygen storage capacity	<100mg/L	2019	34.6	11.1	38.9	16.7	25.3
		2020	12.4	4.8	92.2	38.6	37.0
SS aerosol	<30mg/L	2019	1.5	6.0	2.1	2.1	2.9
		2020	5.5	6.8	26.0	2.8	10.3

2. Environmental protection maintenance and investment:

(1) At our food factory, palm kernel shells have been used since 2014. We have also switched to wood pellet biomass fuels made from pruned roadside branches or recycled agricultural and forestry waste including driftwood in 2018. As a means to meet higher standards of air pollution emissions, we also began to use fuel made from pelletized log shaving to reduce the generation of slag and dioxins in 2020. By making efforts to recycle and reuse, we at the same time reduce CO_2 emissions which is beneficial to the environment. With the use of pure wood pellets for raw materials, we further improved the combustion rate. The slag output was significantly reduced by 65.57 tons, or 48%.

(2) In order to cooperate with the government to reduce the pollution from factory boiler flues, the aquatic feed factory installed a boiler scrubber in October 2017 to allow the emitted suspended particulates and sulfur oxides to comply with regulations. In addition, the boiler of the second plant of Taizhong Foods was also changed to use natural gas as fuel in September 2019, and the aquatic product plant also replaced the boiler fuel in November 2019. Regular inspections were carried out in December 2019, and the results met the new regulatory emission standards; the combustion efficiency was also increased from 83% to 91.7%. Furthermore, through the manufacturer's assistance in monthly testing of combustion efficiency and emission gas monitoring, this will greatly reduce the pollution caused by boiler combustion emissions. In line with the EPA’s stationary source emission standard amended on July 1, 2020, our food factory also began to use the light cracking oil of Formosa Plastics Group since March 2020. Although such method is only for short-term, it required no equipment replacement to meet the air pollution standard.

(II) Product side:

As a member of the food manufacturing industry, Taisun Enterprise strictly examines and selects raw material suppliers. In addition to being a legitimate business operator, a supplier must also meet Taisun's production requirements and have both reasonable prices and high coordination ability. The procurement process of raw materials must be reviewed and confirmed by relevant units such as R&D and quality assurance and grow together with suppliers through the method of supplier evaluation. It also reassesses or cancels partnerships for abnormal suppliers and implements supplier management policies.

1. In 2020, 50 manufacturers have actually implemented the evaluation (35 raw material manufacturers and 19 material manufacturers). This accounts for 32% of the total purchase amount of raw materials.
2. Taisun Enterprise actively counsels suppliers to upgrade the food safety quality management system. At present, the rate of suppliers obtaining ~~international~~ certification is 61%. We will continue to guide all suppliers to introduce international certification, improve the quality system management level of partners, and achieve the concept of coexistence and common economic prosperity.
3. In 2019, there were 11 cooperating OEMs. Due to product adjustments, there was 2 fewer OEM than in 2019. Commissioned outsourced factories have obtained 100% food safety related certification. We continue to promote outsourced factories to obtain food safety quality certification.
4. An evaluation plan is drawn up every year, and on-site inspection at the outsourced factory is used as reference information for follow-up cooperation. Of the 7 outsourced factories that performed on-site evaluations in 2020, 6 outsourced factories were rated as B-level and one outsourced factory reached A-level.
5. List of food safety certifications obtained by Taisun

Product category	International certification		National certification	Halal certification
	CERTIFIED BY SQF QUALITY SUPPLIER SGS 638439	Food Safety System Certification 22000	TQF 000000000	HALAL 清真 TAIPEI GRAND MOSQUE FOUNDATION TAIWAN
Canned snacks	100%	100%	95.81%	96.08%
Fresh house snacks & drinks	100%	100%	99.87%	60.07%
PET bottle tea beverages	76.17%	85.17%	89.93%	72.35%
Tetra Pak beverages		100%	100%	
Packaged drinking water			100%	
Oil products	74.66%	100%	47.48%	73.75%
Carbonated drinks		10.45%	91.39%	

(III) For other relevant non-financial important information, please refer to the relevant information of the corporate social responsibility report on our website (http://www.taisun.com.tw).

Note 1: If "Yes" is checked for the operation status, please explain the important policies, strategies, measures and implementation conditions adopted. If "No" is checked for the operation status, please explain the reason and explain the plan to adopt relevant policies, strategies and measures in the future.

Note 2: If the Company has prepared a corporate social responsibility report, the operation status may indicate the method of consulting the corporate social responsibility report and the index page instead.

(III) Make society healthy:

1. We sponsor health events and encourage our colleagues to take part:

Since sponsorship was made to the first “Tianzhong Marathon” in 2012, Taisun has been dedicated to supporting local events each year. The amount of sponsorship has grown year by year due to the growth in the number of participants and demand for materials. The number of participants from Taisun has even grown from 8 in the first year to over 100, leading to a trend of sports for our colleagues. Aside from the Tianzhong Marathon, we are also involved in many famous sports events and encourage our colleagues to take part in sports events that the Company sponsors (professional baseball, HBL and ABL), fully interacting with the local community.

2. Assuring food safety and national nutrition

(1) Make healthy commodities more common:

・ The raw material for making rice bran oil found in the market is mostly from Thailand - the world's largest rice producer. However, most of the originally packed rice bran oil is shipped from Thailand to Europe and then imported to Taiwan. In 2020, Taisun launched affordable rice bran oil, which is delivered directly from Thailand to Taiwan. With the reduced costs of shipping and secondary process, Taisun has successfully made the high-priced imported oil more affordable. At the same time, Taisun’s rice bran oil also provides consumers with a higher quality choice of domestic pure oil with nutritional elements including gluten and phytosterols.

・ Cheers sparkling water is a new alternative to sugary carbonated beverages, reaching the goal of making drinking water more common.

(2) Reduced-sugar product:

・ The new drinks launched by Cha Street in 2020 contain half amount of sugar from the previous products. Compared to the previous drink “Lemon Purple Shiso”, which has a sugar content of 11g per 100g, the new drink “Osmanthus Black Tea” launched in 2020 only has a sugar content of 5g per 100g, cutting the amount of sugar by more than half.

・ Taisun Healthy Grain Congee was the first sugar-free and additive-free congee product ever launched by Taisun.

3. Promote a positive social atmosphere

Not only are “safe, healthy and tasty” the basic ingredients to our products, these are also the direction of leading the culture of life. In 2020, we aimed to create a healthy society with products that give people peace of mind while at the same time enriching their lives with deliciousness. Events with strong local features are selected to promote healthy activities which also revitalize local development. Taisun is always taking part in events that promote health and have become a symbol in the community. With the continuous partnership with the CPBL, Cheers Sparkling Water has built the brand awareness and is well-received by people. In 2020, we teamed up with the Taiwan Street Dance Association (TWSDA) and sponsored 4 major street dance competitions. We are devoted to the care of the underprivileged and have initiated the project “nutrition care for school children in remote areas” with our Mixed Congee and other sweet desserts. BUFF sponsored the ABL to support Taiwan’s basketball team. Taisun’s Pure Water promoted the public welfare “Taisun for Taishan” to encourage healthy living as well as supporting basketball teams in schools.

4. Taisun Culture Foundation

At Taisun, we contribute to the Taisun Culture Foundation each year and have done so for a long time as we firmly believe the Foundation’s philosophy of “building positive beliefs to create a harmonious life”. Since the establishment, the Foundation has been dedicated to spiritual growth and life education by spreading positive values and beliefs and establishing goodness in society. We do our utmost to give back to society with our practical actions in order to create a sense of happiness and stability. The main tasks of the Foundation:

・ Spiritual growth service - practice the value the true, the good and the beautifu: organize seminars focusing on physical and mental health topics, and publish “Taisun Loves Families” magazine.

・ Life education service - touching lives with lives: life fighter storytelling, summer life education study for teachers, and Taisun Scholarship for little Tarzans.

・ Family education service - as the growth of parents benefits children, seminars for parents are organized, hoping that children’s health and happiness start from parents’ self-growth.

Note 3: The materiality principle refers to those who have a significant impact on the Company's investors and other stakeholders related to environmental, social and corporate governance issues.

The overall and individual ranking of the stakeholder related environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders in 2020

Impact scope of harm: A. Investment and lending B. Sale and purchase C. Operation Management D. Process relationship E. Community interaction F. Legal management G. Public opinion control

Classification	Sort	Issue	Governance	Environmental aspect	Social aspect	GRI Guidelines	Impact boundary	
							Within the organization	Outside the organization
Highly significant impact	1	Customer safety and health			✓	416	C	B D E F G
	2	Operating and financial performance	✓			201	C	A B D G
	3	Manage suppliers and outsourced factories	✓			416	C	D
	4	Product labeling and marketing compliance	✓		✓	417	C	B F
	5	Compliance with food safety regulations	✓			416	C	B D F
	6	Ethical management	✓		✓	205	C	A B F
	7	Indirect economic impact	✓	✓	✓	203	C	A D E F G
Other main topics	8	Follow-up traceability			✓	416	C	B D
	9	Market position			✓	202	C	F
	10	Labor-employment relationship			✓	401	C	F
	11	Procurement of raw materials for international standard certified products	✓			204	C	D F
	12	Water and discharge water management		✓		303	C	E F
	13	Waste management method		✓		306	C	E F
	14	Occupational safety and health			✓	403	C	F
	15	Social and economic law compliance	✓		✓	419	C	F
	16	Air emission management		✓		305	C	E F
	17	Voluntary establishment of food safety laboratories	✓			416	C	D
	18	Diversity and equality of employees			✓	405	C	F
	19	Environmental compliance		✓		307	C	E F

(VII) Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Evaluation items	Operating status (Note)			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
I. Formulation of the ethical management policy and program (I) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?	✓		(I) Based on the management philosophy of integrity, transparency and responsibility, the Company has formulated a policy based on honesty and integrity. The "Taisun Enterprise Co., Ltd. Code of Ethical Management" (these Principles became effective after being passed by the Board of Directors' meeting held on May 11, 2020) amended by resolution of the Board of Directors, and internal rules and regulations including the "Personnel Management Rules" clearly require employees to abide by honesty and integrity. The Company has also established a sound corporate governance and risk control mechanism to create a sustainable business environment, requiring the Board of Directors, management, and all colleagues to comply. In addition, the Company discloses the "Code of Ethical Management" and its related regulations on the MOPS and the Company's website.	None
(II) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) The "Taisun Enterprise Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct" passed by resolution of the Board of Directors on December 24, 2020 stipulates the prevention of unethical conduct, while also covering the items listed in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" published by the TWSE or other business activities with higher risk of unethical conduct within the Company's business scope so as to regulate relevant preventive measures. We also require relevant units to implement these Principles. In the event of an employee violating the principle of ethical management, it shall be reported in accordance with the "Regulations Governing the Implementation of the Reporting System". The matter will be examined by the Ethical Management Team, and according to the severity of the matter, the punishment will be announced. Acceptance unit: Corporate Governance Unit. In addition, the Company is civilian food manufacturing enterprise and pays special attention to Article 7, paragraph 2, subparagraph 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" that cites "Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services." The preventive measures and promotion points are summarized as follows: ● Regulatory compliance: In order to improve the management of food safety, establish national food product regulations in the database, and conduct product compliance inspections, and give immediate warning when a product does not comply with the regulations, all the complete information on the outer packaging label can be simultaneously queried regarding the product. It also has a traceability function to achieve the benefits of source management and rapid queries.	None

Evaluation items	Operating status (Note)			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
			● Quality certification: At present, it has a number of international certifications such as SQFLevel3 and FSSC22000, and uses internationally recognized standards to check consumer food safety. Furthermore, it uses USSEC certified soybeans to produce salad oil. While responding to international trends, it became a member of RSPO in 2017 to pay attention to the source of palm oil used in its products and protect original forests from destruction. In addition, it supports government policies with its continued participation in the promotion of domestic certifications such as TQF, health food, CAS, and campus food. Moreover, after obtaining the halal certification in 2015, it has continued to expand opportunities for the export halal market and actively strives for the Company's product image in food safety. In 2020, Taisun launched its first sugar-free and additive-free congee product. It is also the first canned porridge product in Taiwan to be awarded the highest grade 3-star Clean Label by the Anti Additive Association and the Tse-Yue's Double Clean Label. ● Supplier management: An evaluation plan is scheduled every year. In addition to attaching importance to the quality of the supplier's products, the supplier's implementation of social responsibility is included in the evaluation items of operation and management. At the same time, we actively counsel all suppliers to upgrade the food safety quality management system, improve the quality system management level, and achieve the concept of coexistence and common economic prosperity. ● Quality management system: A complete food safety and quality management system has been built, and the system is monitored by professionals and precise equipment. In compliance with legal requirements, 100% of the products are built with a paper tracking and tracing system. At the same time, all of them have passed external inspections, and the improvement of defects was in full compliance with the regulations. ● Food Safety Center: As a means to improve the Company's food safety organization, effectively control product quality and implement management at source, at Taisun, we have established the "Food Safety Center" to promote food safety policy-related systems and certifications. By carrying out the Company's food safety self-management plan, food hygiene monitoring and supplier audits, while also monitoring the effectiveness and suitability of the management system, we ensure our quality and food safety are worry-free. ● Occupational Safety and Health Committee: In an effort to prevent occupational hazards, maintain the quality of workplace, while at the same time ensuring the safety and health of our colleagues at work to further improve the safety and health management standards, we have established the "Occupational Safety and Health Committee" as required by Article 23 of the "Occupational Safety and Health Act" and Article 10 of the "Occupational Safety and Health Management Measures" to discuss, coordinate and recommend on matters associated with occupational safety and health. Through the management functions of planning, implementation, evaluation and improvement measures, our occupational safety and health management system is enhanced, achieving the objective of sound safety and health management.	

Evaluation items	Operating status (Note)			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
(III) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	✓		(III) In the "Taisun Enterprise Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct", the Company has established measures to prevent unethical conduct. There are also clear operating procedures, guidelines for conduct, disciplinary and complaint systems stipulated in the measures. Also, in order to ensure the implementation of ethical management, the HR Administration Unit has been designated as the dedicated unit responsible for the promotion and monitoring of the implementation of ethical management policy as well as the preventive measures. The HR Administration Unit periodically reviews and reports to the Board of Directors on the status of implementation, measures adopted and effectiveness of promotion.	None
II. Implementation of ethical management (I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	✓		(I) Before establishing a business relationship with others, the Company evaluates the legitimacy of the counterparty, fully understands the ethical management situation of the counterparty, and whether there has been a record of dishonest behavior. Ensure that its business operations are fair, transparent and it will not request, offer or accept bribes. We are in the process of implementing the signing of terms of Ethical Conduct for Suppliers for 2021.	None
(II) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	✓		(II) The HR Administration Unit has been appointed as dedicated unit for ethical management and is responsible for the formulation and supervision of the ethical management policy as well as the prevention plan. The Unit reports to the Board of Directors at least once a year on the ethical management policy and the prevention plan for unethical conduct and the supervision situation of the implementation. On March 25, 2021, the Company's Ethical Management Team reported to the Board of Directors on the performance, measures adopted, and effectiveness for 2020.	None
(III) Has the Company made policies for the prevention of the conflict of interest, and provided the channels for expressions, and has it properly implemented this system?	✓		(III) The "Taisun Enterprise Co., Ltd. Code of Ethical Management" and the "Taisun Enterprise Co., Ltd. Ethical Corporate management Best Practice Principles" set forth by the Company have clearly defined policies to prevent conflicts of interest and provide appropriate channels for presentation, and require relevant units of the Company to implement.	None
(IV) Does the Company have an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrust an accountant to perform the audit?	✓		(IV) The Company has established various accounting systems and internal control systems in order to implement ethical management. Furthermore, the audit unit is responsible for operations to assist the Board of Directors and managers to inspect, review and strengthen the promotion and implementation of the Company's internal control systems. The audit unit performs the audit work in accordance with the annual audit plan approved by the Board of Directors. The audit supervisor sends a written report to independent directors the following month after the audit project (or tracking project) is completed. Furthermore, it regularly reports to the audit committee and the Board of Directors on the implementation of the audit business and the results of the annual self-assessment of the internal control system.	None

Evaluation items	Operating status (Note)			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
(V) Has the Company provided internal and external training on topics of ethical corporate management at regular intervals?	✓		(V) The Company attaches great importance to ethical management and corporate social responsibility, and educates employees on a work culture of ethics and responsibility from the moment they take up their posts. In response to organizational development and personnel growth, regular internal and external training, benchmarking enterprise observations, and corporate culture promotion activities, etc. are held. Practical management and honesty and righteousness are deeply rooted in the work thinking and behavior of employees, to be the real backer of consumers. In 2019, internal and external education and training and awareness-raising courses in relation to ethical management issues were held (including courses related to ethical management, food safety and hygiene management and inspection, accounting system and internal control, etc.) totaling 1,005 persons and 1,115 person-hours.	None
III. Status of the Company's whistleblowing system				
(I) Has the Company established substantive systems for reporting and rewards for facilitating the reporting of unethical practices, and appointed designated persons for dealing with the persons being reported?	✓		(I) The Company has established and announced internal independent reporting mailboxes and special lines in accordance with the relevant provisions of Article 23 of the "Code of Ethical Management" of the whistleblowing system, and designated staff and units are responsible for reporting. Employee complaint and ethics reporting mailbox: taisunhr1999@taisun.com.tw Receiving unit: Human resources unit, unit supervisor Ethics Mailbox Link: http://www.taisun.com.tw/corporate/stakeholder/ Acceptance unit: Corporate Governance Unit	None
(II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	✓		(II) The standard operating procedures for the investigation of the reported matter must be properly kept, including the acceptance of the reported case, the investigation process, the investigation results and the records of related documents. The identity of the informant and the content of the report are sealed and kept confidential.	None
(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	✓		(III) The review process should be conducted in an undisclosed and confidential manner, so as to ensure the privacy rights of the informant. If it is not conducted in a confidential manner in accordance with regulations, the Company will report the matter and mete out punishment.	None
IV. Enhancing Information Disclosure Has the Company, on its website and on the Market Observation Post System, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?	✓		The Company has disclosed Code of Ethical Management related content on both the company Website and the Market Observation Post System.	None

Evaluation items	Operating status (Note)			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary description	
V. If the Company has instituted the corporate social responsibility best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," specify the implementation of these principles and the variation with the Corporate Social Responsibility Best Practice Principles for the TWSE/TPEx-listed Companies: The "Taisun Enterprise Co., Ltd. Code of Ethical Management" set by the Company are based on the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" issued by the Stock Exchange and are also required in operation of relevant units of the Company for required implementation. Furthermore, they should internalize the requirements of the Ethical Corporate Management Best Practice Principles into daily operation management. There is no major difference between actual operation and the code. Based on the provisions stipulated in Article 17 of the Company's Code of Ethical Management, the Company has set up a dedicated unit under the Board of Directors to improve the management of ethical management. The Unit is responsible for the formulation and supervision of the ethical management policy as well as the prevention plan. The "Code of Ethical Management" and the "Procedures for Ethical Management and Guidelines for Conduct" have been disclosed on the Company's website.				
VI. Other information that enables a better understanding of the Company's ethical corporate management: (e.g. review and amendments on the ethical corporate management best-practice principles established by itself): The Company always pays attention to the development of relevant standards for ethical management, and reviews and improves the Company's relevant policies to enhance the effectiveness of the Company's ethical management.				

(VIII) Inquiry methods of corporate governance codes and related regulations:

The Company has formulated a corporate governance Code of Practice, Ethical Corporate Management Best Practice Principles, Corporate Social Responsibility Best Practice Principles, and related regulations. All have been published on the Market Observation Post System (http://mops.twse.com.tw) and the Company's official website (http://www.taisun.com.tw) for investors to check, and we will continue to promote the operation of corporate governance.

(IX) Other important information to improve the operation of corporate governance: Please refer to the Company's Website: http://www.taisun.com.tw.

(X) Implementation of the internal control systems:

1. Statement of Internal Control System

Taisun Enterprise Co., Ltd.
Declaration of internal control systems

Date: March 25, 2021

The Company's internal control system for **2020**, based on the results of self-assessment, is hereby declared as follows:

I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the Company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the Company takes corrective action.

III. The Company judges the effectiveness of the internal control system in design and enforcement in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Criteria"). The Criteria are instituted for judging the effectiveness of the design and enforcement of internal control system. There are five components of effective internal control as specified in the Criteria with which the procedure for effective internal control are composed by five elements, namely, 1.Control Environment, 2. Risk Evaluation, 3. Control Operation, 4. Information and Communication, and 5. Monitoring. Each of the elements in turn contains certain audit items. Please refer to the "Criteria" for details.

IV. The Company has adopted the said Criteria to validate the effectiveness of its internal control system design and execution.

V. Based on the evaluation result of the preceding item, regarding the Company's Internal Control System on **December 31, 2020** (encompassing the supervision and management of subsidiaries), and including understanding of the effectiveness of operations and the degree to which the efficiency with which objectives are achieved, it is believed that the reporting is reliable, timely, transparent and in compliance with the relevant specifications and relevant laws and regulations, and the design and execution of the relevant Internal Control System are effective and it can reasonably ensure that the above goals are achieved.

VI. This Statement will be a major part of the Company's annual report and prospectus, and will be made publicly available. If there is any fraud, concealment or unlawful practice discovered in the content of the aforementioned information, the company shall be liable to legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VII. This Statement has been approved by the Company's Board of Directors at the meeting held on March 25, 2021, at which this Statement was unanimously endorsed by all 7 attending directors with zero dissention.

Taisun Enterprise Co., Ltd.

Chairman: Peter Chan signed

General Manager: Fred Chan signed

2. The special internal control audit report issued by the CPA, if any: None.

(XI) In the most recent year and up to the date of publication of the annual report, if the Company and its internal personnel have been punished according to law, and the punishment has been imposed on internal personnel by the Company for violation of the internal control systems, major defects and improvements: None.

(XII) Major decisions of the Shareholders Meeting and the Board in the most recent year to the day this report was printed:

1. Important resolutions of the 2020 shareholders meeting:

Date	Meeting type	Important resolutions	Implementation status
2020/5/21	Annual General Meeting	(1) Acknowledged the motion for 2019 business report and financial statements. (2) Acknowledged the motion for 2019 profit distribution. (3) Acknowledged the motion for the change of the Company's 2017 plan for issuing new shares by capital injuction. (4) Motion for passing the amendments to the Company's Articles of Incorporation. (5) Motion for passing the amendments to the Company's Rules of Procedure for Shareholders Meetings. (6) Motion for passing the amendments to the Company's Methods for the Election of Directors. (7) Motion for passing the amendments to the Company's Procedures of the Acquisition or Disposal of Assets.	(1) Relevant forms have been submitted to the competent authority for inspection and announcement in accordance with Company Act an other relevant laws and regulations. (2) The Company's net profit after tax in 2019 was NTD 582,073,235. According to the resolution of the shareholders meeting, the dividend per share was NTD 0.9. The ex-dividend date was set on June 15, 2020, and the payment was fully completed on July 10, 2020. (3) Changes to the plan are reported to the shareholders' meeting for ratification upon implementation in accordance with the plan. (4) Effective from the resolution of the shareholders' meeting. The registration was approved by the MEA on June 9, 2020 and has been announced on the Company's website. (5) Effective from the resolution of the shareholders' meeting and has been announced on the Company's website. (6) Effective after the resolution of the shareholders meeting. (7) Effective from the resolution of the shareholders' meeting and has been announced on the Company's website.

2. Important resolutions of the Board of Directors in 2020 and as of the printing date of the annual report:

Date	Term	Important resolutions
2020/02/27	21st term 11th meeting	1. Resolution passed for the motion for matters in relation to the Company's 2020 Annual Meeting of Shareholders. 2. Resolution passed for "Board Performance Evaluation Methods" of the Company.
2020/03/26	21st term 12th meeting	1. Resolution passed for the motion for the Company's 2019 distribution of remuneration to employees. 1. Resolution passed for the motion for the Company's 2019 distribution of remuneration to directors. 3. Resolution passed for the motion for the 2019 business report and financial statements. 4. Resolution passed for the motion for the 2019 profit distribution table. 5. Resolution passed for the motion for the result of the Company's internal control self-evaluation. 6. Resolution passed for the motion for the adjustment of the Company's CPAs in line with the accounting firm's internal operation needs. 6. Resolution passed for the motion for the change of the Company's 2017 plan for issuing new shares by capital injuction. 8. Resolution passed for the motion for the financing amount from Taiwan Cooperative Bank Xinyi Branch.

Date	Term	Important resolutions
2020/04/09	21st term 13th meeting	1. Resolution passed for the motion for the amendments to the Company's Articles of Incorporation. 2. Resolution passed for the motion for the amendments to the Company's Rules of Procedure for Shareholders Meetings. 3. Resolution passed for the motion for the amendments to the Company's Methods for the Election of Directors. 4. Resolution passed for the motion for the amendments to the Company's Procedures of the Acquisition or Disposal of Assets. 1. Resolution passed for the motion to approve the shareholders' proposal for the 2020 Annual Meeting of Shareholders. 1. Resolution passed for the motion for amending the Company's 2020 Annual Meeting of Shareholders agenda.
2020/05/11	21st term 14th meeting	1. Resolution passed for the Compensation Committee to recommend the 2019 distribution of remuneration to directors. 2. Resolution passed for the motion recommended by the Compensation Committee for the distribution of remuneration to the appointed managerial officers for 2019. 3. Resolution passed for the motion for the amendments to the Company's Corporate Governance Practices. 4. Resolution passed for the motion for the amendments to the Company's Corporate Social Responsibility Practices. 5. Resolution passed for the motion for the amendments to the Company's Ethical Corporate management Best Practice Principles. 6. Resolution passed for the motion to establish implementation measures for the Company's whistleblower system. 7. Resolution passed for the motion for the financing amount from Hua Nan Bank Savings Branch.
2020/05/21	21st term 15th meeting	1. Resolution passed for the motion of the Company's distribution of the 2019 cash dividend related matters.
2020/06/11	21st term 16th meeting	1. Resolution passed for the motion to add the acquisition of long-term equity investments.
2020/08/12	21st term 17th meeting	1. Resolution passed for the motion for the Taisun Enterprise (Zhangzhou) Foods application fund loan amount. 2. Resolution passed for the motion for capital expenditure of equipment investment. 3. Resolution passed for the motion for the financing amount from Bank of Taiwan Taichung Branch.
2020/10/08	21st term 18th meeting	1. Resolution passed for the motion for the capital reduction of Taisun (Cayman) Investment Ltd. to make up for losses.
2020/11/11	21st term 19th meeting	1. Resolution passed for the motion for Taisun (Cayman) Company's application for endorsement guarantee. 2. Resolution passed for the motion for the financing amount from Kaohsiung Bank Taipei Branch.
2020/12/24	21st term 20th meeting	1. Resolution passed for the motion for 2021 capital expenditure of equipment investment. 2. Resolution passed for the motion for the Company's 2021 business plan. 3. Resolution passed for the motion for the Company's 2021 audit plan. 4. Resolution passed for the motion for the donation to Taisun Foundation. 5. Resolution passed for the motion for the establishment of a dedicated unit to promote the ethical management policy. 6. Resolution passed for the motion for the establishment of the Company's “Procedures for Ethical Management and Guidelines for Conduct”. 7. Resolution passed for the motion for the formulation of the Company's “Procedures for the Prevention of Insider Trading”. 8. Resolution passed for the motion for the Company's “Board Performance Evaluation Methods”. 9. Resolution passed for the motion for the financing amount from Taipei Fubon Bank. Provisional motion: The criteria for evaluating material amounts was established according to the “Q&A of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”. Accounts receivable that exceed 3 months of the normal credit period and are significant in amount shall be approved by the Audit Committee and submitted to the Board of Directors to for a resolution on whether they are for financing. Resolutions were approved as resolved by the Audit Committee.

Date	Term	Important resolutions
2021/01/27	21st term 21st meeting	1. Resolution passed for the motion for 2020 year-end bonus for appointed managerial officers. 2. Resolution passed for the motion for the suggestions on salary adjustment. 3. Resolution passed for the motion for the financing amount from the First Bank Nanjing East Road branch.
2021/03/08	21st term 22nd meeting	1. Resolution passed for the motion for the amendments to the Company's Rules of Procedure for Shareholders Meetings. 2. Resolution passed for the motion for the amendments to the Company's Methods for the Election of Directors. 3. Resolution passed for the motion for matters in relation to the Company's 2021 Annual Meeting of Shareholders. 4. Resolution passed for the motion for the establishment of a dedicated corporate governance unit and manager.
2021/03/25	21st term 23rd meeting	1. Resolution passed for the motion for the Company's 2020 distribution of remuneration to employees. 2. Resolution passed for the motion for the Company's 2020 distribution of remuneration to directors. 3. Resolution passed for the motion for the 2020 business report and financial statements. 4. Resolution passed for the motion for the 2020 profit distribution table. 5. Resolution passed for the motion for the amendments to the Company's Regulations Governing Procedure for Board of Directors Meetings. 6. Resolution passed for the motion for the amendments to the Company's Rules Governing the Scope of Powers of Independent Directors. 7. Resolution passed for the motion for the amendments to the Company's Audit Committee Charter. 8. Resolution passed for the motion for the amendments to the Company's Compensation Committee Charter 9. Resolution passed for the motion for the self-assessment result of the Company's internal control. 10. Resolution passed for the adjustment of the Company's CPAs in line with the accounting firm’s internal operation needs operation needs. 11. Resolution passed for the motion for the financing amount from Taiwan Cooperative Bank Xinyi Branch.

(XIII) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition to or qualified opinions expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that have been noted in the records or declared in writing: None.

(XIV) In the most recent year and as of the date of publication of the annual report, resignations by the company chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor and R&D supervisor, etc.: None.

IV. Information on professional fees for CPAs

(I) When non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm total one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed:

CPA professional fee schedule of information (Please tick the matching grade or fill in the amount)

Accounting firm name	Accountant name		Review period	Remarks
KPMG Taiwan	Tseng Kuo-Yang	Chen Chung-Che	2019.01.01-2019.12.31	Note

Note 1: In line with the auditing standards and the internal operations of KPMG, the original CPAs Chih Shih-Chin and Chen Chung-Che will be changed to CPAs Tseng Kuo-Yang and Chen Chung-Che from 2020.

Currency unit: NTD thousand

Amount range	Fee item	Audit professional expense	Non-audit professional expense	Total
1	Below NTD 2,000 thousand		✓	
2	NTD 2,000 thousand (inclusive) to NTD 4,000 thousand			
3	NTD 4,000 thousand (inclusive) to NTD 6,000 thousand	✓		✓
4	NTD 6,000 thousand (inclusive) to NTD 8,000 thousand			
5	NTD 8,000 thousand (inclusive) to NTD 10,000 thousand			
6	NTD 10,000 thousand (inclusive) and higher			

CPA professional fee information (please enter the amount)

Currency unit: NTD thousand

Accounting firm name	Accountant name	Audit professional expense	Non-audit professional expense					Accountant review period	Remarks
			System design	Business registration	Human Resources	Other (Note 2)	Subtotal		
KPMG Taiwan	Tseng Kuo-Yang Chen Chung-Che	4,340	0	10	0	530	540	2020.01.01-2020.12.31	Services such as handling public fees for handling amendments and changes and posting services in 2020 and the 2020 CSR corporate social responsibility report confirmation services and non-executive employees' salary checklist service fees.

Note 1: If the Company changes accountants or accounting firms this year, please list the review period separately and explain the reason for the change in the remarks column, and in order to disclose the audit and non-audit public fees paid and other information.

Note 2: Please list the non-audit public expenses separately according to the service items. If the “other” of the non-audit public expenses reaches 25% of the total amount of the non-audit public expenses, the business content should be listed in the remarks column.

(II) Replacement of the CPAs firm and reduction in audit fees paid during the year of replacement compared with the previous year: None.

(III) If the audit fees are reduced by more than 15% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed: None.

V. Information on replacement of CPAs:

In line with the auditing standards and the internal operations of KPMG, the original CPAs Chih Shih-Chin and Chen Chung-Che will be changed to CPAs Tseng Kuo-Yang and Chen Chung-Che from 2020.

(I) About the former CPAs

<table>
<tr><td>Replacement date</td><td colspan="5">From 2020</td></tr>
<tr><td>Reason for replacement and description</td><td colspan="5">In line with the auditing standards and the internal operations of KPMG</td></tr>
<tr><td rowspan="3">Explanation for why appointing person or accountant was terminated or did not accept the appointment</td><td colspan="2">Party / Occurrence</td><td colspan="2">Accountant</td><td>Appointed person</td></tr>
<tr><td colspan="2">Voluntary termination of appointment</td><td colspan="3" rowspan="2">Not applicable</td></tr>
<tr><td colspan="2">No longer accept (continue) appointment</td></tr>
<tr><td>Opinions and reasons for the inspection report other than unqualified opinions issued within the latest two years</td><td colspan="5">None.</td></tr>
<tr><td rowspan="6">Whether there is any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="3">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="3">Disclosure of financial reports</td></tr>
<tr><td></td><td colspan="3">Check scope or steps</td></tr>
<tr><td></td><td colspan="3">Other</td></tr>
<tr><td>None</td><td colspan="4">V</td></tr>
<tr><td colspan="5">Explanation</td></tr>
<tr><td>Other disclosures
(Article 10, paragraph 6, item 1 (4) to item 1 (7) should be disclosed)</td><td colspan="5">Not applicable</td></tr>
</table>

(II) About the succeeding CPAs

Firm name	KPMG Taiwan
Accountant name	CPAs Tseng Kuo-Yang and Chen Chung-Che
Date of appointment	From 2020
Consultation in designated accounting method or accounting principles and comments on possible opinions of the CPA on the financial audit prior to the appointment, and the result.	Not applicable
Written opinions of the successor accountant on the dissenting opinions of the former accountant	Not applicable

(III) The former accountant's reply to Article 10, paragraph 6, item 1 and item 2 of item 3 of this Standard: Not applicable.

VI. Information on the chairman, General Manager, financial and accounting manager of the Company who has worked with the Company's external auditors or the affiliates to such auditors in the most recent year: None.

VII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent year and until the date of publication of the annual report:

(I) Changes:

Directors, supervisors, managers, and major shareholders' equity changes

Job title	Name	2020		Year 2021 ending **March 28**	
		Increase (decrease) in the number of shares held	Increase (decrease) of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) of pledged shares
Director	Shen Yang Investment Corporation Limited	0	0	0	0
	Representative: Peter Chan	68,000	0	0	0
Director	Jing Xun Investment Industrial Corporation Limited	0	0	7,641,000	9,528,000
	Representative: Fred Chan	31,000	0	3,850,000	0
Director	Dechen Enterprise Co., Ltd.	0	0	0	0
	Representative: Chan Pei-Shan	0	0	0	0
Director	Chan Hao-Jun	0	0	0	0
Independent Director	Wu Chieh-Hsin	0	0	0	0
Independent Director	Sun Chu-Wei	0	0	0	0
Independent Director	Hsu Yung-Chang	0	0	0	0
President	Fred Chan	31,000	0	3,850,000	0
Senior Vice General Manager	Tsai Cheng-Ta	0	0	0	0
Vice General Manager	Max Lei	52,000	0	0	0
Major shareholder	Long Bon International Co., Ltd.	32,121,000	32,935,000	0	5,886,000

(II) Information on equity transfers

Name (Note 1)	Reasons for equity transfer (Note 2)	Transaction date	Counterparty	The relationship between the counterparty of the transaction and the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares	Shares	Trading price
None	None	None	None	None	None	None

(III) Equity pledge information

Name (Note 1)	Reasons for pledge changes (Note 2)	Change date	Counterparty	The relationship between the counterparty of the transaction and the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares	Shares	Shareholding ratio	Pledge ratio	Pledge (redemption) amount
None	None	None	None	None	None	None	None	None

VIII. Information about the relationships of the ten largest shareholders

March 28, 2021; unit: shares

Name	Shares held personally		Shares held by spouse and minor children		Total holding of shares in the names of others		The Top 10 shareholders are related parties, spouse, kindred within the 2nd tier under the Civil Code to one another, the titles or names, and relation.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Shares	Shareholding ratio	Title (or name)	Relationship	
Long Bon International Industrial Co., Ltd.	123,030,000	24.61%	0	0	31,434,000	6.29%	Baosheng Investment	Subsidiary	
Baosheng Investment Co., Ltd.	31,434,000	6.29%	0	0	0	0	Long Bon International	Parent Company	
Ju-You Investment Co., Ltd.	25,038,000	5.01%	0	0	0	0	None	None	
Representative of Ju-You Investment Co., Ltd. Lee Yueh-Chuan	61,235	0.12%	0	0	0	0	None	None	
Hongya Investment Co., Ltd.	19,909,161	3.98%	0	0	0	0	None	None	
Representative of Hongya Investment Co., Ltd.: Chan Jen-Dao	2,621,007	0.52%	2,085,925	0.42%	0	0	None	None	
Wang Kuei-Tseng	19,804,628	3.96%	0	0	0	0	None	None	
Yuanta Commercial Bank, entrusted with the special property account of Taisun Enterprise Trust	11,534,869	2.31%	0	0	0	0	None	None	
Jing Xun Investment Industrial Corporation Limited	10,446,082	2.09%	0	0	0	0	None	None	
Representative of Jing Xun Investment Industrial Corporation Limited: Gao Li-Li	500,000	0.1%	6,459,862	1.29%	0	0	Fred Chan	Spouse	
Pin-Tai Distribution Enterprise Co., Ltd.	10,351,332	2.07%	0	0	0	0	None	None	
Supervisor of Pin-Tai Distribution Enterprise Co., Ltd.: Fred Chan	6,459,862	1.29%	500,000	0.1%	0	0	Gao Li-Li	Spouse	
Chiu, Hsien-Tao	9,000,000	1.80%	0	0	0	0	Kandlee Trading Co.,Ltd.	Representative	
Kandlee Trading Co., Ltd.	7,643,629	1.53%	0	0	0	0	Chiu, Hsien-Tao	Representative	
Representative of Kandlee Trading Co.,Ltd.: Chiu, Hsien-Tao	9,000,000	1.80%	0	0	0	0	None	None	

IX. Number of the shares in the same investees held by the Company and its directors, supervisors, managers and the enterprises directly or indirectly controlled by the Company, and calculation of the combined shareholding ratio

Comprehensive shareholding ratio

Unit: shares; %

Reinvestment business	The Company's investment		Directors, supervisors, managers, and direct or indirect control of investment in the business		Comprehensive investment	
	Number of shares	Shareholding proportion	Number of shares	Shareholding proportion	Number of shares	Shareholding proportion
Pin-Tai Distribution Enterprise Co., Ltd.	21,255,839	99.93 %	0	0 %	21,255,839	99.93 %
Taiwan Niko Mart Co., Ltd.	27,203,632	73.92 %	8,904,412	24.20 %	36,108,044	98.12 %
Pioneer Traffic Co.Ltd.	1,358,480	13.26 %	8,630,240	84.21 %	9,988,720	97.47 %
Taisun Yuan Co., Ltd.	500,000	100 %	0	0 %	500,000	100 %
Taisun (Cayman) Investment Ltd.	40,290,000	100 %	0	0 %	40,290,000	100 %
Central Union Oil Corp., Ltd.	20,000,000	33.33 %	0	0 %	20,000,000	33.33 %
Taiwan FamilyMart Co. Ltd.	50,136,417	22.46 %	20,000	0.01 %	50,156,417	22.47 %

IV. Fundraising Overview

I. Capital and Shares
(I) Sources of Capital
1. Outstanding shares

Unit: NTD; Shares; March 31, 2021

Year/Month	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Other
1993-06	NTD 10	300,000,000	3,000,000,000	220,745,831	2,207,458,310	Capital surplus transferred to common stock, NTD 124,950,470	None	
1994-07	NTD 10	300,000,000	3,000,000,000	238,250,784	2,382,507,840	Capital surplus transferred to common stock, NTD 175,049,530	None	7/22/1994 MoF Approval No. 32429
1995-11	NTD 10	300,000,000	3,000,000,000	254,910,847	2,549,108,470	Capital surplus transferred to common stock, NTD 166,600,630	None	10/6/1995 MoF Approval No. 53656
1997-06	NTD 10	300,000,000	3,000,000,000	263,907,281	2,639,072,810	Capital surplus transferred to common stock, NTD 89,964,340	None	7/3/1997 MoF Approval No. 52403
1998-07	NTD 18.5	392,000,000	3,920,000,000	323,298,009	3,232,980,090	Capital injection, NTD 360,000,000	None	4/10/1998 MoF Approval No. 29954
	NTD 10					Capital surplus transferred to common stock, NTD 116,953,640	None	6/19/1998 MoF Approval No. 53285
	NTD 10					Retained earnings transferred to capital, NTD 116,953,640	None	6/19/1998 MoF Approval No. 53285
2004-08	NTD 10	500,000,000	5,000,000,000	336,229,900	3,362,299,290	Capital surplus transferred to common stock, NTD 129,319,200	None	7/19/2004 FSC Approval No. 0930132148
2004-11	NTD 10	500,000,000	5,000,000,000	322,244,940	3,162,449,400	Capital reduction from merger, NTD 199,849,890	None	11/8/2004 TWSE No. 0930028439
2005-08	NTD 10	500,000,000	5,000,000,000	322,569,838	3,225,698,380	Capital surplus transferred to common stock, NTD 63,248,980	None	7/21/2005 FSC Approval No. 0940129697
2005-10	NTD 10	500,000,000	5,000,000,000	313,964,087	3,139,640,870	Capital reduction from merger, NTD 86,057,510	None	12/16/2005 MOEA No. 09401247040
2006-08	NTD 10	500,000,000	5,000,000,000	320,243,369	3,202,433,690	Capital surplus transferred to common stock, NTD 62,792,820	None	7/10/2006 FSC Approval No. 0950129435
2010-09	NTD 10	500,000,000	5,000,000,000	333,053,104	3,330,531,040	Retained earnings transferred to capital, NTD 128,097,350	None	7/6/2010 FSC Approval No. 0990034916
2011-09	NTD 10	500,000,000	5,000,000,000	343,044,697	3,430,446,970	Retained earnings transferred to capital, NTD 99,915,930	None	7/5/2011 FSC Approval No. 1000031055
2012-09	NTD 10	500,000,000	5,000,000,000	353,336,038	3,533,360,380	Retained earnings transferred to capital, NTD 102,913,410	None	7/2/2012 FSC Approval No. 1010029034
2018-02	NTD 16.3	500,000,000	5,000,000,000	499,999,038	4,999,990,380	Capital injection, NTD 1,466,630,000	None	11/8/2017 FSC Approval No. 1060041370

2. Type of Shares

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	499,999,038	500,000,962	1,000,000,000	Listed company shares

3. Relevant information about the issuance and raising of securities under the collective reporting system: None.

(II) Shareholder structure

March 28, 2021

Shareholder structure / Amount	Government agency	Financial institution	Other institution	Individual	Foreign institutions and foreign individuals (Note)	Total
Number of individuals	3	4	254	50,690	103	51,054
Number of shares held	8,891	70,438	298,325,828	184,583,328	17,010,553	499,999,038
Shareholding ratio	0.00%	0.01%	59.67%	36.92%	3.40%	100%

Note: The Company's investment in China: 1 shareholder holding 1 share.

(III) Distribution of Share Ownership

1. Common stock (denomination at NTD 10 per share)

March 28, 2021

Ownership range	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	40,007	3,002,301	0.60%
1,000 to 5,000	8,615	16,482,069	3.30%
5,001 to 10,000	1,206	9,017,463	1.80%
10,001 to 15,000	412	5,041,588	1.01%
15,001 to 20,000	225	4,095,330	0.82%
20,001 to 30,000	183	4,569,870	0.91%
30,001 to 50,000	115	4,419,131	0.88%
50,001 to 100,000	100	7,088,891	1.42%
100,001 to 200,000	59	8,496,976	1.70%
200,001 to 400,000	39	10,878,639	2.18%
400,001 to 600,000	19	9,052,599	1.81%
600,001 to 800,000	9	6,304,270	1.26%
800,001 to 1,000,000	7	6,216,284	1.24%
1,000,001 and up	58	405,333,627	81.07%
Total	51,054	499,999,038	100.00%

2. Preferred shares: The Company does not issue preferred shares.

(IV) List of major shareholders

March 28, 2021

Shares / Name of major shareholder	Number of shares held	Shareholding ratio
Long Bon International Industrial Co., Ltd.	123,030,000	24.61%
Baosheng Investment Co., Ltd.	31,434,000	6.29%
Ju-You Investment Co., Ltd.	25,038,000	5.01%
Hongya Investment Co., Ltd.	19,909,161	3.98%
Wang Kuei-Tseng	19,804,628	3.96%
Yuanta Commercial Bank, entrusted with the special property account of Taisun Enterprise Trust	11,534,869	2.31%
Jing Xun Investment Industrial Corporation Limited	10,446,082	2.09%
Pin-Tai Distribution Enterprise Co., Ltd.	10,351,332	2.07%
Chiu, Hsien-Tao	9,000,000	1.80%
Kandlee Trading Co., Ltd.	7,643,629	1.53%

(V) Per share data for market price, net worth, earnings, and dividends for the last two years

Unit: NTD/share

Item \ Year			2019	2020	Current year ended March 31, 2021 (Note 8)
Market price per share (Note 1)	High		23.55	28.45	26.05
	Low		17.10	18.00	30.75
	Average		19.96	22.95	27.87
Net worth per share (Note 2)	Before distribution		13.58	14.46	-
	After distribution		13.58	14.46	-
Earnings per share	Weighted average number of shares		486,393	486,393	-
	Earnings per share (Note 3)		1.20	1.75	-
Dividends per share	Cash dividends		0.9	1.40	-
	Stock dividends	Retained shares distribution	0	0	
		Capital reserve shares distribution	0	0	-
	Accumulated undistributed dividends (Note 4)		0	0	-
Return on investment analysis	Price/earnings ratio (Note 5)		16.63	13.11	-
	Price/dividends ratio (Note 6)		22.18	16.39	-
	Cash dividend yield (Note 7)		4.51%	6.10%	-

＊ When placing shares for transfer of earnings or capital surplus to common stock, this should also disclose the market price and cash dividend information retrospectively adjusted based on the number of shares issued.

Note 1: Listing the highest and lowest market prices of common stocks in each year, and calculating the average market price of each year according to the transaction value and volume of each year.

Note 2: Please fill in the list based on the number of issued shares at the end of the year and the distribution based on the resolution of the shareholders meeting in the following year.

Note 3: If there is a retrospective adjustment due to circumstances such as stock dividends, the earnings per share before and after adjustments should be shown.

Note 4: If the equity securities issuance conditions stipulate that the dividends not paid in the current year will be accumulated to the year with surplus, The accumulated unpaid dividends as of the current year shall be disclosed separately.

Note 5: Price/earnings ratio = average closing price per share for the year/earnings per share.

Note 6: Price/dividends ratio = average closing price per share for the year/cash dividend per share.

Note 7: Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 8: As of the publication date of the annual report, there is no accountant-reviewed financial information for the first quarter of 2021.

(VI) Company dividend policies and implementation status

1. Dividend policy stipulated in the Company's Articles of Incorporation:

The Company is well-developed in its operations with stable returns. In light of the anticipated capacity expansion and vertical development in the years ahead, the Company shall appropriate its earnings after taxation to cover carryforward loss in the first place, and 10% as legal reserve. The Company is not required to further appropriate for legal reserve if the amount is equivalent to its paid-in capital, and may proceed to the appropriation or reversal of special reserve for operation needs and in accordance with applicable laws. If there is still a balance, the Company will pool up the balance with the undistributed earnings carried forward from the previous year, and propose to appropriate 50% of this sum as stock dividends at the proposal of the Board and the approval of the Shareholders' Meeting. Cash dividend shall account for at least 30% of the total dividend paid out in the year and the remainder may be paid by stock dividends.

If the earnings per share falls below NT$0.1, the Board may retain the earnings and not be for distribution.

2. Dividend implementation status:

For the Company's 2020 earnings distribution, the board resolution on March 25, 2021 was as follows:

Ordinary stock dividends: A cash dividend of NTD 1.4 per share and stock dividend of NTD 0. After the resolution of the Annual Meeting of Shareholders is passed, the ex-dividend record date will be established separately.

(VII) Effects of the stock dividends proposed at the last shareholders' meeting on company performance and earnings per share:

The Company has made no allotment of stock dividends, so this is not applicable.

(VIII) Employee and director remuneration

1. The amount or scope of remuneration for employees and directors as stated in the Company's Articles of Incorporation:

The Company shall appropriate at least 2% of its earnings, if applicable, as remunerations to the employees and no more than 5% as remunerations to the Directors. If the Company has carryforward loss, the Company shall appropriate for covering such loss first.

The recipients of the aforementioned remunerations in stock or cash shall include the employees of the subsidiaries of the Company meeting specific conditions.

2. The calculation basis for the estimated amount of remuneration for employees and directors in the current period, the calculation basis for the number of shares of employee remuneration distributed by stocks, and the accounting treatment if the actual distribution amount is different from the estimated amount:

In accordance with the Company's Articles of Incorporation and the profitability of the Company as verified by accountants in 2020, it is proposed to appropriate NT$49,187,516 as employee remuneration and NT$34,431,261 as director remuneration; both will be distributed in cash. The aforementioned allocation ratio and amount have been approved by the company's Compensation Committee and the Board of Directors.

If there is a discrepancy between the actual distribution amount in the next year and the estimated amount, it shall be dealt with according to changes in accounting estimates, and the difference shall be recognized as the profit and loss of the following year.

3. Remuneration distribution approved by the Board of Directors:

(1) The amounts of employee remuneration and director remuneration paid in cash or stock. If there are discrepancies with the annual estimated amounts of recognized expenses, the number of discrepancies, reasons, and handling circumstances should be disclosed:

Year of remuneration: 2020
Board approval date: March 25, 2021 Units: shares; NTD

Employee remuneration				Director remuneration	Whether there is a difference with the estimated amount in the annual financial report of recognized expenses		
Cash amount	Stock amount	Number of shares	Total	Cash amount	Number of differences	Reason	Handling
49,187,516	0	0	49,187,516	34,431,261	No difference	Not applicable	Not applicable

Note: The above remuneration of the employees and directors does not differ from the remuneration amounts for employees and directors as recognized in the 2020 consolidated financial reports.

(2) The amount of stock dividends paid to employees as remuneration in proportion to the net after-tax income stated in the separate financial statements and to the total amount of remuneration to the employees: Not applicable.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

Year of remuneration: 2019 Board approval date: March 26, 2020							Units: shares; NTD
Employee remuneration				Director remuneration	Whether there is a difference with the estimated amount in the annual financial report of recognized expenses		
Cash amount	Stock amount	Number of shares	Total	Cash amount	Number of differences	Reason	Handling
37,382,826	0	0	37,382,826	30,585,949	No difference	Not applicable	Not applicable

Note: The amounts of the above board resolutions have been expensed in 2019, and there were no differences between the amounts of the expense accounts and the amounts proposed by the Board of Directors.

(IX) The Company's buybacks of its own shares:

In 2020 and as of the printing date of the annual report, the Company has not bought back its shares.

II. Issuance of corporate bonds: None.

III. Issuance of preferred stock: None.

IV. Issuance of overseas depository receipts: None.

V. Employee stock option certificates: None.

VI. Circumstances for restricting employee rights to new shares: None.

VII. Mergers and acquisitions or the transfer of shares of other companies to issue new shares

(I) In the most recent year and as of the printing date of the annual report, circumstances of completed mergers and acquisitions or transfer of shares issued by other companies: None.

(II) In the most recent year and as of the printing date of the annual report, the implementation status and basic information of new shares issued by other companies that have been approved by the Board of Directors: None.

VIII. Plan for capital investment and utilization:

(I) Plan content:

As of the quarter before the publication date of the annual report, previous issuances or private placement securities that have not been completed or those that have been completed within the last three years and whose plan benefits have not yet emerged:

On August 10, 2017, the Board of Directors of the Company approved a cash increase and issuance of new shares. It was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on November 8, 2017, with FSC Approval No. 1060041370 approved and entering into force.

1. Total funds required for this project: NTD 2,415,540 thousand.

2. Sources of funding in this instance:

(1) Issuance of domestic capital injuction and issuance of 146,663,000 new shares with par value per share of NTD 10 and issuance price per share of NTD 16.30. It is estimated that the total amount raised is to be NT$2,390,607 thousand.

(2) The remaining NTD 24,933 thousand will be supported by own funds or other means.

3. Planned project and scheduled fund utilization progress

The total fund utilization plan of this project
Unit: NTD thousand

Project item	Scheduled completion date	Total funds required	Scheduled fund utilization progress										
			2018				2019				2020		
			Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3
Factory construction	2019 Quarter 3	471,110	4,253	15,258	46,478	70,033	156,850	103,369	74,869	-	-	-	-
Purchase machinery and equipment	2020 Quarter 3	461,500	26,300	55,400	45,000	72,975	63,975	14,850	30,000	30,000	-	-	123,000
Repay bank loans	2018 Quarter 1	1,482,930	1,482,930	-	-	-	-	-	-	-	-	-	-
Total		2,415,540	1,513,483	70,658	91,478	143,008	220,825	118,219	104,869	30,000	-	-	123,000

(II) Fund utilization progress

On February 6, 2018, the Company raised capital of NTD 2,390,607 thousand and has put it into use since the first quarter of 2018 as planned. As of December 31, 2019, the actual amount used totaled NTD 1,600,605 thousand; bank loans were fully repaid by the raised funds in accordance with the plan. In terms of the construction of plants and the purchase of machinery and equipment - in response to factors including: the raising awareness of environmental protection, some foreign markets (especially the U.S.) prohibit PET product packaging; and many downstream distributors have been progressively setting up their own shipping and logistics centers due to the change in the logistics pattern - on March 26, 2020, it was proposed for the Board of Directors to resolve the motion to change its fund utilization plan as a means to increase the benefit of fund utilization while protecting shareholders' rights and interests. Except for the amounts that are current due under the contract, the remaining funs will be used to repay the bank loans in accordance with the changed plan. After the adjustment, the construction of plants and equipment were estimated at NTD 54,192 thousand and NTD 77,359 thousand, respectively. the total of repayment of bank loans at NTD 2,305,430 thousand, resulting in a total amount of increase or decrease of individual items for the change of plan reaching 20% or more of the total amount of funds raised. Therefore, the plan was proposed to be changed in accordance with Article 9, Paragraph 1, Subparagraph 9 of the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”. The plan for the use before and after the change is as follows:

(1) Before the change

Unit: NTD thousand

Project item	Scheduled completion date	Total funds required	Scheduled fund utilization progress										
			2018				2019				2020		
			Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3
Factory construction	2019 Quarter 3	471,110	4,253	15,258	46,478	70,033	156,850	103,369	74,869	-	-	-	-
Purchase machinery and equipment	2020 Quarter 3	461,500	26,300	55,400	45,000	72,975	63,975	14,850	30,000	30,000	-	-	123,000
Repay bank loans	2018 Quarter 1	1,482,930	1,482,930	-	-	-	-	-	-	-	-	-	-
Total		2,415,540	1,513,483	70,658	91,478	143,008	220,825	118,219	104,869	30,000	-	-	123,000

(2) After the change

Unit: NTD thousand

Project item	Scheduled completion date	Total funds required	Scheduled fund utilization progress			
			As of the 4th quarter of 2019	2020		
				Quarter 1	Quarter 2	Quarter 3
Factory construction	2020 Quarter 2	54,192	48,482	3,318	2,392	0
Purchase machinery and equipment	2020 Quarter 3	77,359	69,193	1,987	5,436	743
Repay bank loans	2020 Quarter 1	2,305,430	1,482,930	822,500	0	0
Total		2,436,981	1,600,605	827,805	7,828	743

After the change of plan, the Company expected to make the final payment for the construction of the plant and the purchase of machines and equipment. The payment was expected to be made by the end of the 3rd quarter of 2020, in accordance with the contract currently in progress and the credit period. The repayment of bank loans was based on the bank loans currently on hand and was repaid by the end of March 2020.

(III) The progress of the implementation of funds

Unit: NTD thousand

Plan item	Implementation status		Q4 2020	As of December 31, 2020	Reasons for being ahead or behind schedule and plans for improvement
Factory construction	Expenditure amount	Scheduled	0	54,192	All expenses have been fully completed according to the plan after change.
		Actual	0	54,192	
	Implementation progress (%)	Scheduled	0.00%	100.00%	
		Actual	0.00%	100.00%	
Purchase machinery and equipment	Expenditure amount	Scheduled	0	77,359	
		Actual	743	77,359	
	Implementation progress (%)	Scheduled	0.00%	100.00%	
		Actual	0.96%	100.00%	
Repay bank loans	Expenditure amount	Scheduled	0	2,305,430	All expenses have been fully completed according to the plan after change.
		Actual	0	2,305,430	
	Implementation progress (%)	Scheduled	0.00%	100.00%	
		Actual	0.00%	100.00%	
Total	Expenditure amount	Scheduled	0	2,436,981	
		Actual	743	2,436,981	
	Implementation progress (%)	Scheduled	0.00%	100.00%	
		Actual	0.03%	100.00%	

(1) Estimated benefits from building factories and purchasing machinery and equipment

The Company's original plant construction plan includes building plant and purchasing machinery and equipment to meet market demand and long-term operational development needs, In addition to the amount of NTD 471,110 thousand needed to construct the factory, NTD 461,500 thousand in funds are still required to support the purchase of machinery and equipment. These funds are needed to add a PET production line, automatic warehouse, packaging line, and other buildings, and to replace some PET production line equipment. Adding a PET production line is expected to increase production capacity and thus profitability; adding an automatic storage and packaging line and retiring some PET production lines are expected to save costs. Subsequently, due to the raising awareness of environmental protection and the change in the logistics pattern, on March 26, 2020, it was proposed for the Board of Directors to pass the change of its fund utilization plan. The evaluation of benefits before and after the change is as follows:

1. Before the change

①Additional PET production line

Unit: 10,000 boxes; NTD thousand

Year	Item	Production volume	Sales volume	Sales value	Operating margin	Net operating profit
2020	PET production line	200	200	560,000	200,000	5,368
2021		240	240	672,000	240,000	6,978
2022		310	310	868,000	310,000	14,501
2023		400	400	1,120,000	400,000	22,141

Note 1: Depreciable life: 35 years for plant and 8 years for machinery and equipment.

Note 2: From 2013, it is expected that the net operating profit will increase by NTD 22,141 per year.

②Additional automatic storage and packaging lines and retirement of some PET production lines.

Unit: NTD thousand

Item	Save manpower	Reduce wear and tear	Net savings/year
PET production line retirement	207	84	291
Automatic storage	850	120	970
Mechanical arm	2,248	254	2,502
Autoclave replacement	630	1,580	2,210
Water treatment	338	1,500	1,838
Oil warehouse	1,500	60	1,560
Total	5,773	3,598	9,371

In summary, the original plant construction plan can not only increase the Company's operating profit by NTD 5,368 thousand, NTD 6,978 thousand, NTD 14,501 thousand and NTD 22,141 thousand for 2020 to 2023, the yearly operating profit will also be increased by NTD 22,141 each year thereafter. In addition, the total usable floor area of the factory planned to be built by the company this time is approximately 4,055 pings. If calculated based on the local rental price of NTD 350 per ping per month, it is conservatively estimated that annual rental costs can be reduced by about NTD 17,301,000 (4,055 pings x NTD 350 x 12 months).

2. After the change

Unit: NTD thousand

Item	Save manpower		Reduce wear and tear		Net savings/year	
	Before the change	After the change	Before the change	After the change	Before the change	After the change
PET production line retirement	207	-	84	-	291	-
Automatic storage	850	-	120	-	970	-
Mechanical arm	2,248	2,397	254	254	2,502	2,651
Autoclave replacement	630	756	1,580	1,580	2,210	2,336
Water treatment	338	345	1,500	1,603	1,838	1,948
Oil warehouse	1,500	1,500	60	1,648	1,560	3,148
Total	5,773	4,998	3,598	5,085	9,371	10,083

In summary, the overall plant construction plan after this change can save a total of NTD 10,083 thousand per year in manpower and depletion. In addition, the total usable floor area of the factory planned to be built by the company this time is approximately 4,055 pings. If calculated based on the local rental price of NTD 350 per ping per month, it is conservatively estimated that annual rental costs can be reduced by about NTD 17,301,000 (4,055 pings x NTD 350 x 12 months).

(2) Benefits of repayment of bank loans

1. After the change

Part of the company's financing plan is to use funds to repay bank loans of NTD 1,482,930 thousand. Taking the amount of bank borrowings to be repaid and loan interest rate calculations, it is estimated that interest expenses can be reduced in 2018 and in future years by approximately NTD 21,370 thousand and NTD 25,137 thousand. In addition to reducing the financial burden, this can also improve debt solvency, strengthen the financial structure, reduce dependence on bank borrowing, and increase the flexible movement of funds. This in turn will increase the Company's long-term competitiveness.

2. After the change

The Company’s original plan was to repay bank loans of NTD 1,482,930 thousand; based on the amount of bank loans to be repaid and the interest rate of the loans, the Company is expected to save interest expense of NTD 21,370 thousand and 25,137 thousand for 2018 and each year thereafter. After the change of plan, it is expected that the repayment of bank loans will be increased to NTD 822,500 thousand, among this, NTD 46,374 thousand will be paid by the Company's capital; based on the amount of bank loans to be repaid and the interest rate of the loans, the Company is expected to save interest expense of NTD 9,220 thousand and NTD 12,248 thousand in for 2020 and each year thereafter. Aside from reducing the financial burden, our solvency is at the same time improved, financial structure strengthened, dependence on bank loans reduced and capital flexibility increased, further increasing the Company's long-term competitiveness.

As of December 31, 2020, the Company was in the process of executing the changed plan. In terms of the Company's long-term development, there should be no material difference between the expected benefits and actual achievement. In addition, the bank loans that were expected to be repaid in this fundraising project totaled NTD 2,305,430 thousand, and this has been fully repaid. Compared with the originally expected interest rate, the interest rate of the repaid bank loans does not differ by much. Therefore, there is no material difference.

(IV) Implementation status:

Data deadline: 12/31/2020

Unit: NTD thousand

Market Observation Post System filing date	Plan item	Implementation status	Current quarter		Grand total		Reasons for being ahead or behind schedule and plans for improvement
			Scheduled	Actual	Scheduled	Actual	
2021/01/10	Repay bank loans	Expenditure amount	0	0	2,305,430	2,305,430	All expenditures completed as planned.
		Implementation progress (%)	0%	0%	100%	100%	
	Plant construction and purchases of machinery and equipment	Expenditure amount	0	743	131,551	131,551	All expenditures completed as planned
		Implementation progress (%)	0%	0.56%	100%	100%	

Note: The capital injection was completed on February 6, 2018.

(V) Benefits generated:

The bank loans that were expected to be repaid in this fundraising project totaled NTD2,305,430 thousand, and this has been fully repaid. Compared with the originally expected interest rate, the interest rate of the repaid bank loans does not differ by much. Therefore, its benefits should have already been demonstrated. The following table additionally shows current assets, current liabilities, total liabilities, interest expense, operating revenue, and other items, as well as earnings per share and financial structure analysis:

Unit: NTD thousand

Item \ Year		December 31, 2016 (Actual conditions before fundraising)	December 31, 2020 (Actual conditions after fundraising)
Current assets		2,590,501	2,874,130
Current liabilities		1,466,963	982,967
Total liabilities		3,351,978	1,808,572
Interest expense		41,550	11,354
Operating revenue		6,683,306	7,140,795
Earnings per share		0.36	1.75
Financial structure	Debt to assets ratio %	49.13	20.47
	Equity capital ratio %	50.87	79.53
Solvency	Current ratio %	176.59	292.39
	Quick ratio %	109.95	204.68

Note Financial analysis is for unconsolidated data.

V. Operations Overview

I. Business content

(I) Business scope

1. Business items

1 C105010 Edible Oil and Fat Manufacturing

2 C201010 Prepared Animal Feeds Manufacturing

3 A101020 Growing of Crops

4 A301030 Aquaculture

5 A401020 Raising of Iivestock and Poultry

6 F203030 Retail Sale of Alcohol

7 C104020 Bakery Food Manufacturing

8 C199010 Manufacture of Noodles, Couscous and Similar Farinaceous Products

9 F101040 Wholesale of Livestock and Poultry

10 F101050 Wholesale of Fishery Products

11 F102170 Wholesale of Foods and Groceries

12 C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food

13 C805030 Plastic Daily Necessities Manufacturing

14 F201010 Retail sale of Agricultural Products

15 A102060 Food Dealers

16 C102010 Manufacture of Dairy Products

17 C109010 Manufacture of Seasoning

18 F101130 Wholesale of Vegetables and Fruits

19 C199020 Edible Ice Manufacturing

20 F399010 Convenience Stores

21 F301020 Supermarkets

22 H701020 Industrial Factory Development and Rental

23 H701050 Investment, Development and Construction in Public Construction

24 C199040 Beans Processed Food Manufacturing

25 H701010 Housing and Building Development and Rental

26 C110010 Beverage Manufacturing

27 C111010 Tea Manufacturing

28 F102030 Wholesale of Tobacco and Alcohol

29 F102040 Wholesale of Nonalcoholic Beverages

30 F102050 Wholesale of Tea Leaves

31 F106020 Wholesale of Daily Commodities

32 F107030 Wholesale of Cleaning Supplies

33 F108040 Wholesale of Cosmetics

34 F203010 Retail Sale of Food, Grocery and Beverage

35 F203020 Retail Sale of Tobacco and Alcoholic Beverages

36 F206020 Retail Sale of daily commodities

37 F207030 Retail Sale of Cleaning Supplies

38 F208040 Retail Sale of Cosmetics

39 JZ99050 Agency Services

40 C113020 Alcohol Products Semi-Finished Manufacturing

41 C114010 Food Additives Manufacturing

42 F121010 Wholesale of food additives

43 F221010 Retail of food additives

44 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business Contributions:

Product type	Business contribution
Oil products	53%
Feed products	4%
Food products	38%
Other	5%

3. The Company's current product items:

Soy flour products: Soy flour, high protein soy flour, full-fat cooked soy flour.

Oil products: rice bran oil, sunflower oil, canola oil, soybean oil, palm oil, olive oil, grapeseed oil and blended oil series, targeting the business opportunity of "self-cooking" during the pandemic outbreak. As consumers now have demand for better quality oils, we have launched the top class and affordable "Taisun rice bran oil" to provide consumers with better choices.

Feed products: Milkfish, nile fish, sweetfish, striped bass, grouper, shrimp feed, and aquatic feed such as eels.

Food products: Sweet snack porridges led by our Grass Jelly and Mixed Congee products; Bing Jeon Black Teas that are popular among young people; Cheers sparkling water; Taishan pure water and TwistWater water products with environmentally friendly packaging; BUFF dual-effect energy drink; Woo Tang, Ten Valley Treasure, etc. Refrigerated products include grass honey, Bing Jeon Black Tea, and grape ice tea series products, as well as granular beverages such as the Big Straw series Cha Street products.

4. New products under development: To meet the needs of consumers, we are actively developing in the direction of innovation and health

(1) Bing Jeon series product development
(2) Cha Street series product development
(3) Cheers Sparkling Water series product development
(4) Research on sugar-free tea series products
(5) Development of healthy sugar-free porridge
(6) Development of new categories of cold storage lines
(7) Development of concentrated liquid products for beverage machines
(8) Research on special oils for business channels
(9) Research on differentiated consumer oil products

(II) Industry Overview

1. Industry status and development:

Oil products: As soybean oil is the most commonly used vegetable oil in Taiwan, Taisun imports soybeans from overseas, processes and refines the oil in Taiwan. The products made by us are soy flour and soybean oil. Soy flour is one of the primary raw materials for complete feeds and soybean oil is used for cooking. Currently there are roughly two main uses for the most part. One is for restaurant and food factory business, such as soybean oil and palm oil in 18-liter drums; and the other is for households, shipped in small packages. In recent years, people's health awareness has risen and it is an industry trend to introduce diversified edible oils with healthy concepts.

Feed products: The prices of bulk grains continues to rise and feed costs have risen, but they cannot be passed on completely; and so the profits of the feed industry have fallen. Therefore, it has become a trend to extend and increase value across the entire food production chain.

Food products: As the health awareness has increased, Taiwanese people now attach more importance on the raw materials used in products. Products that boast natural, no additives or high dairy content, and value-added are better received by consumers. In recent years, food safety incidents have also raised consumers' health and safety awareness. They thus show a greater willingness to put more money into goods that are produced by major manufacturers, offer certificates of origin, feature production certifications, or other third party certifications. These in turn become selection indicators that put consumers more at ease.

2. Relevance of the industry's upstream, midstream, and downstream:

Oil products: The main raw materials of soybean oil are soybeans, which are imported from the United States and Brazil. Once imported, oils and essential oils are extracted by affiliated companies. Other types of vegetable oils are imported from countries such as Australia, Spain, the United Kingdom Malaysia and Thailand. The main customers of the oil used in the bulk packaging business are food factories or chain food and beverage groups, or else it is sold to restaurants via distributors throughout the country. Household-use oil sold in smaller containers is sold by Pin-Tai Distribution Enterprise Co., Ltd. to mainly hypermarkets, supermarkets and supermarket chains.

Feed products: The main raw materials are wheat and soybean meal as well as fish meal. Almost all wheat and soybeans are imported from Australia, United States, or South America. After mixing the main raw materials and other subsidiary raw materials into aquatic feed, the company sells it directly in the domestic feed market.

Food products: Good products can only be made using good ingredients. The Company abides by the principle of source control, and the raw materials for current products mainly come from domestic sources while some are supplied from abroad. Several high-quality suppliers have had transactions with our Company for many years. Therefore, the quality and delivery times of their raw materials are stable. Sales are handled by subsidiary Pin-Tai Distribution Enterprise Co., Ltd.

3. Product development trends and competitive landscape:

Oil products: Following the impact of oil safety incidents, provide safe and healthy oils and establishing consumer trust are important issues. High quality oil with high nutritional value has become a market trend. With the high growth of high priced oils such as olive oil, rice bran oil and grapeseed oil, the Company will develop appropriate business strategies in response to market trends.

Feed products: Climate change and environmental protection issues have caused difficulties in feeding. Breeders mostly improve water quality and management to increase production efficiency. Only products and services that enable breeders to substantially reduce costs and increase profits will be favored by customers. In the future, integration of the food chain and creation of a win-win situation will be the goal of the joint efforts of feed manufacturers and farmers.

We at the same time encourage fishermen to reduce labor and plastic bag costs, while abiding by the CSR concept of environmental sustainability by switching from bagged feed to bulk feed. In 2020, we successfully reduced 2,058.28kg of plastic.

Food products: The domestic market is lively, new products are introduced, and major competing product manufacturers are investing in brand resources. As the production costs of raw materials increases year by year, beverage products are highly replaceable and have short life cycles. In the current situation where sales channels require continuous gross profit improvement, Taisun still insists on innovation, insight into consumer trends, and development of products that are natural and healthy and that keep up with and create new trends. In particular, as we abide by food safety regulations, we never slacken our efforts in ensuring product quality and monitoring the sources of raw materials and processes, and we continue to supply consumers with high-quality and trustworthy products.

(III) Technology and R&D Overview

1. Technical level of the business

The Company’s management systems and products have been verified through programs such as the National Quality Award (NQA), Taiwan Quality Food Association (TQF), the Hazard Analysis Critical Control Point (HACCP) designation, and the Foundation for Food Safety Certification (FSSC 22000). Its health food brands of oil products and hot-filled bottle low-acid tea beverages have obtained US FDA approval for export; it has obtained the certification of the food industry's hygiene management food safety systems, environmental protection packaging water carbon footprint verification, halal certification, and Anti-Additive Association.

In order to comply with international trends and customer requirements, the entire production lines of the food factory and the oil factory have obtained the SQF8.0 certification to strengthen source management. Furthermore, its products have more stringent food safety quality standards and have been certified by GFSI, Aligning with international standards and driving the business to produce and sell products globally. We continue to strive for verification and award certificates of related management systems, and with such rigorous management systems and verifications serving as the company’s product quality assurance, we will increase the Company's product power to win the trust of society and of customers.

2. Verification of the construction of the pig production traceability system:

A. The Beidou Livestock Farm obtained National Animal Husbandry Foundation production background verification in September 2009 and is is subject to verification each year. The production process of pig raising, vaccination, and feeding is made open and transparent to offer consumers our quality assurance. 2020/10/13 Re-accredited by the National Animal Industry Foundation.

B. Regarding Taisun brand pork verification, it passed Carrefour CQL international quality certification in 2014. Together with Shang Lee slaughtering and cutting technology, Carrefour's management in France verifies its validity every two years, and it has already been sold in the Carrefour Free Brand Market.
2020/9/15 we once again passed the CQL (audited by FSI).

C. 2020/11/28 Beidou Farm received the Excellent Meat Award by Changhua Meat Market.

D. 2020/12/4 Recognized as an excellent supplier by Carrefour (best partner for strictly selected pork).

3. Research and development

The Company continues to invest capital and manpower to develop new products and improve process technology. Furthermore, it seeks to master the source quality of formula raw materials. In response to future market demand, it promptly launches new products that meet hygiene, health and safety requirements, and that grasp the best profit opportunities.

4. Successfully developed technologies or products in the most recent year

Year	R&D results
2018	(1) Frozen food: IP sunrise baked milk, IP sweet orange drink, IP lemon perilla, and IP sunrise grass jelly milk tea. (2) Room temperature food: Red BUFF, Blue BUFF, Cheers Bee, Cheers Body, Woo Tang grass jelly herbal tea, and Leezen Grass Jelly. (3) BIB beverage machine concentrate: lemon flavored black tea, guava flavored green tea, and grape flavored iced tea.
2019	(1) Frozen food: IP purple sweet potato red beans, IP Korean strawberry cheese milk tea, IP replica double Q black tea, IP passion fruit shake, and IP peach bubble green tea. (2) Room temperature food: Strawberry black tea, Woo Tang grass tea, Cha Chi Chu four seasons drink, mature peach nectar drink (3) Sparkling water: Strawberry sparkling water, orange grapefruit sparkling water
2020	(1) Cool food: IP Summer Limited Edition Grass Jelly, IP Brown Sugar Fresh Milk Tea, IP Classic Milk Tea, IP Osmanthus Black Tea, IP Double Thai Milk, Grass Jelly Taro Milk Tea (2) Food temperature food: Strawberry Black Tea for Audit Consumers, Grape Black Tea or Audit Consumers, Lemon Black Tea for Audit Consumers, Barley Black Tea, Barley Green Tea, Lemon Water, Oatmeal with Chickpea, Mixed Congee Pumpkin & Quinoa (3) Sparkling Water: Lemon Sparkling Water, Mango Sparkling Water

5. Research and development expenses invested by the Company in the most recent year and up to the publication date of the annual report

Unit: NTD thousand

Year	2020	2021 as of March 31
Total cost	14,504	4,659

(IV) Long-term and short-term business development plans

1. Long-term business development plan

Oil products: Imported the international food safety and quality management system SQF (SafeQualityFood) and improved the oil product line to become a comprehensive and safe edible oil supplier. We upheld corporate social responsibility and our oil product specialization. Through innovative marketing methods, we are committed to promoting healthy oil knowledge, establishing a secure professional image in our oil products, and enhancing consumer preference and trust in the brand. We aspire to allow Taisun's edible oil enter every household in Taiwan and become a model of oil safety, and then to become the first choice of consumers, restaurants and food factories when buying edible oil.

Feed products: We imported the international food safety quality management system SQF (SafeQualityFood) in April 2016. We strive to establish a reliable feed image,with higher value towards the expanded aquatic feed market, enhancing our brand image, increasing market share, and actively cooperating with refrigeration factory operators to increase the price of fish to buy to create a win-win situation.

On June 16, 2020, Taiwan was removed from the list of food-and-mouth epidemic country, and in response to the import of U.S. pork in 2021, the Breeding Division of Taisun teamed up with Shanglee Foods. On October 22, 2020, Carrefour announced the introduction of the “block-chain technology” for its strictly selected pork sold in its stores. With its independence, traceability and transparency, coupled with the optimization of pasture, farming management, meat processing and storefront sales, a more comprehensive traceability is created. Since October 2020, Carrefour CQL pork farming management includes food inspection, water quality inspection, vaccine and medication tracking. Feeds for each stage is ensured that it meets the needs of different pig ages, and hormones or growth hormones are strictly banned. The source and composition for feeds or medicine used in the feeding process are known and traceable. Through scanning the QR code, consumers are enabled to learn about the information in relation to pork from the farm to the processing and slaughtering, allowing peach of mind when consuming meat.

Food products: The Company’s food products are mainly for the domestic market, and are actively customer-oriented towards natural health and development of high value-added products without additives or changes in innovative materials. We seen to expand brand market share, improving the Company's overall operating income and taking into account the optimal gross profit contribution. The business side is more actively deploying and integrating investment resources, improving the cost-effectiveness of the channel and further consolidating profits.

2. Short-term business development plan

Oil products: In response to consumer trends, we focus on the development of high-priced good oil and continue to expand the sales volume of Taisun rice bran oil, accumulate the image of the professional oil selected by chefs, and continue to study cooking oils with healthy concepts while maintaining the Company's leading position in the edible oil market.

Feed products: We proactively develop expanded feed market and strive for product diversification. CSR environmental sustainability-related plastic reduction issues include:

1. Reduce plastic packaging for raw materials and switch to bulk materials.
2. We at the same time encourage fishermen to reduce labor and plastic bag costs, while abiding by the CSR concept of environmental sustainability by switching from bagged feed to bulk feed.

Food products: The brands Cheers, Woo Tang, Taisun Bing Jeon, and Taisun Pure Water are the main brands of packaged water beverages. At the same time, our Cha Street brand cooperates with well-known domestic hand-shaken beverage manufacturers to provide the delicious hand-shaken taste that now can be sipped on on 24 hours a day, thus transforming competition into cooperation. And we continue to cultivate the energy drink market with the BUFF dual-effect beverage, bringing positive energy to consumers who need refreshment and a wide-awake outlook. Taking into account the trend of health consciousness and food safety awareness, Taisun has launched the Taisun Healthy Grain Congee - the first sugar-free, coloring-free and additive-free congee product available in the market, allowing consumers to eat with peace of mind and less burden. In addition to proactively developing new brands, we at the same time continue to innovate our classic brands: "Taisun Fruit Water" - in order to meet the demand of consumers' increased health awareness, the low-calorie refreshing lemonade was introduced; "Taisun Grass Jelly" - as we are committed to the young generation, we launched a limited edition of new product for the summer season, with 3 types of rich tastes of grass jelly, aiming to attract new consumers

II. Market, production, and sales overview

(I) Market analysis

1. Main goods (services) sold (provided) by region

Region / Product name	North	Central	South	East	Exported
Cooking oil	48%	37%	15%	(Included in South)	—
Soy flour	1%	96%	3%	—	—
Feed products	8%	16%	76%	(Included in South)	—
Food and beverages	57%	21%	5%	(Included in South)	**17%**

2. Market share

(1) Household oil products, 11.3%
(2) Food products (snacks), 48.9%

3. Future supply and demand conditions and market growth

(1) In respect to oil products, Taisun obtained international SQF certification in 2014, providing consumers with a safe choice to connect with international standards. We also became the first company to obtain halal certification in 2017 for our household oils, demonstrating values of mutual respect in a multicultural society. Taisun has been making a variety of oils for over 70 years and thanks to its expertise, Taisun has the most comprehensive production lines in the industry. At Taisun, we strive for food safety and are dedicated to promoting healthy oil knowledge, thus building ourselves a professional imagine also known as "Taisun - the all-around oil specialist", insisting on providing consumers with alternatives that they can rely on.

(2) Feed products:

In terms of the future supply and demand situation and growth of the market, we will research and develop feeds that pose no contamination on water quality with natural raw materials and the latest equipment and technology. We will also enhance the palatability and flavor of feeds, so that the fish can maintain their health and energy, which will allow them to fully consume feed nutrients. We will do our utmost to maintain the safety of feeds while also providing a friendly breeding environment to improve product value and stable revenue.

According to the survey of feed production in Taiwan by the Council of Agriculture Executive Yuan, the market share is approximately 4%-5%.

(3) The overall domestic food and beverage industry market is active as major competing brands also continue to develop new products and invest in their brands.

In terms of strengthening the market share of our existing brands, we aim to make our brands more efficient through advertising investment. We will concentrate on the management of existing brands such as Taisun Bing Jeon, Pure Water, Cheers, Mixed Congee, Grass Jelly, as well as Cha Street, BUFF, and Woo Tang. In 2020, our Bing Jeon brand continued the theme of "My Turn", the market share ranked the first. Our Taisun Pure Water has been promoting the public welfare idea of "Taisun for Taishan" since 2019 and has been sponsoring elementary schools, junior high schools and senior high schools in Taishan District by providing subsidies and making sports towels and jerseys, making a contribution when it comes to nurturing new sports talents in Taiwan. For the past 2 years, Taisun Mixed Congee touched the hearts of youngsters with the micro film "Have you Eaten", boosting the product's popularity while increasing the proportion of consumption of young families. For Taisun Grass Jelly, on the other hand, the online search volume hit a four-year high, successfully attracting new and existing customers to talk about and buy the brand.

BUFF dual-effect functional beverages grasp the rising trend of energy drinks. This is the first energy drink developed in Taiwan to add eye protection formula at the same time, so that red eyes that need refreshing can receive eye care at the same time. Cha Street is cooperating with well-known domestic hand-shaken beverage manufacturers to provide their delicious hand-shaken flavor to consumers around the clock. Transforming competition into cooperation, this should have lasting and favorable effect.

4. The Company's competitive niche

(1) Excellent management team and a corporate culture of honesty and integrity

The company’s management team upholds a corporate culture of honesty and integrity. In addition to superb performance in business management, social responsibility and research and development capabilities, it can actively collect information, analyze consumer preferences, fully grasp consumer trends, and quickly enter niche markets. Although our Company falls within a traditional industry, in recent years it has actively recruited outstanding talent in the market. It continues to carry out organizational reform and corporate culture reengineering, with focus, chain repair, and results as the themes of reforms, periodically stimulating our continuous learning and growth.

(2) Excellent partners

The Company has excellent partners in manufacturing, marketing, research and technology development. Through the horizontal and vertical integration of resources, the most effective economic investments are used to create the highest value.

(3) Consumer-oriented product development

The Company is consumer-oriented and provides safe and excellent food and oil products that meet consumer needs. We constantly observe the pulse of society, collect market-related information to analyze and judge consumer preference trends, and actively develop products that cater to consumers' potential demand. We do so in order to enhance consumers' trust in the company, and to deepen brand loyalty and popularity, and strive for innovation and sustainable operations.

(4) Sound and complete marketing channels

The company has a sound and well-populated sales channel network, including modern and traditional channels such as CVS, mass merchandising, supermarket stores, and distribution, with products all over the country. In addition, the catering industry and e-commerce platform channels are actively developed, the sales network is more comprehensive, and the channels are effectively integrated to improve operating efficiency and efficiency.

(5) Perfect quality management and system verification

The Company’s management systems and products have been verified through programs such as the National Quality Award (NQA), Taiwan Quality Food Association (TQF), the Hazard Analysis Critical Control Point (HACCP) designation, and the Foundation for Food Safety Certification (FSSC 22000). Its health food brands of oil products and hot-filled bottle low-acid tea beverages have obtained US FDA approval for export; environmental protection packaging water carbon footprint verification, halal certification, and Anti-Additive Association.

In order to comply with international trends and customer requirements, we are striving for laboratory certification preparation and verification of related management systems. The entire production line of the food factory and the oil factory has obtained SQF8.0 certification, strengthened source management and rigorous food safety quality standards, and has been certified by GFSI, which is in line with international standards and drives the company's product sales worldwide.

In regard to certification of Taisun brand pork, the Beidou Livestock Farm obtained National Animal Husbandry Foundation production background verification in September 2009 and is is subject to verification once a year. The production process of pig raising, vaccination, and feeding is made open and transparent to offer consumers our quality assurance. Furthermore, it passed Carrefour CQL international quality certification in 2014. Together with Shang Lee slaughtering and cutting technology, Carrefour's management in France verifies its validity every two years, and it has already been sold in the Carrefour Free Brand Market. With this rigorous management system and verification in place as the Company’s product quality assurance, it increases the Company's product power to win the trust of society and customers.

5. Development outlook advantages, disadvantages, and measures taken in response:

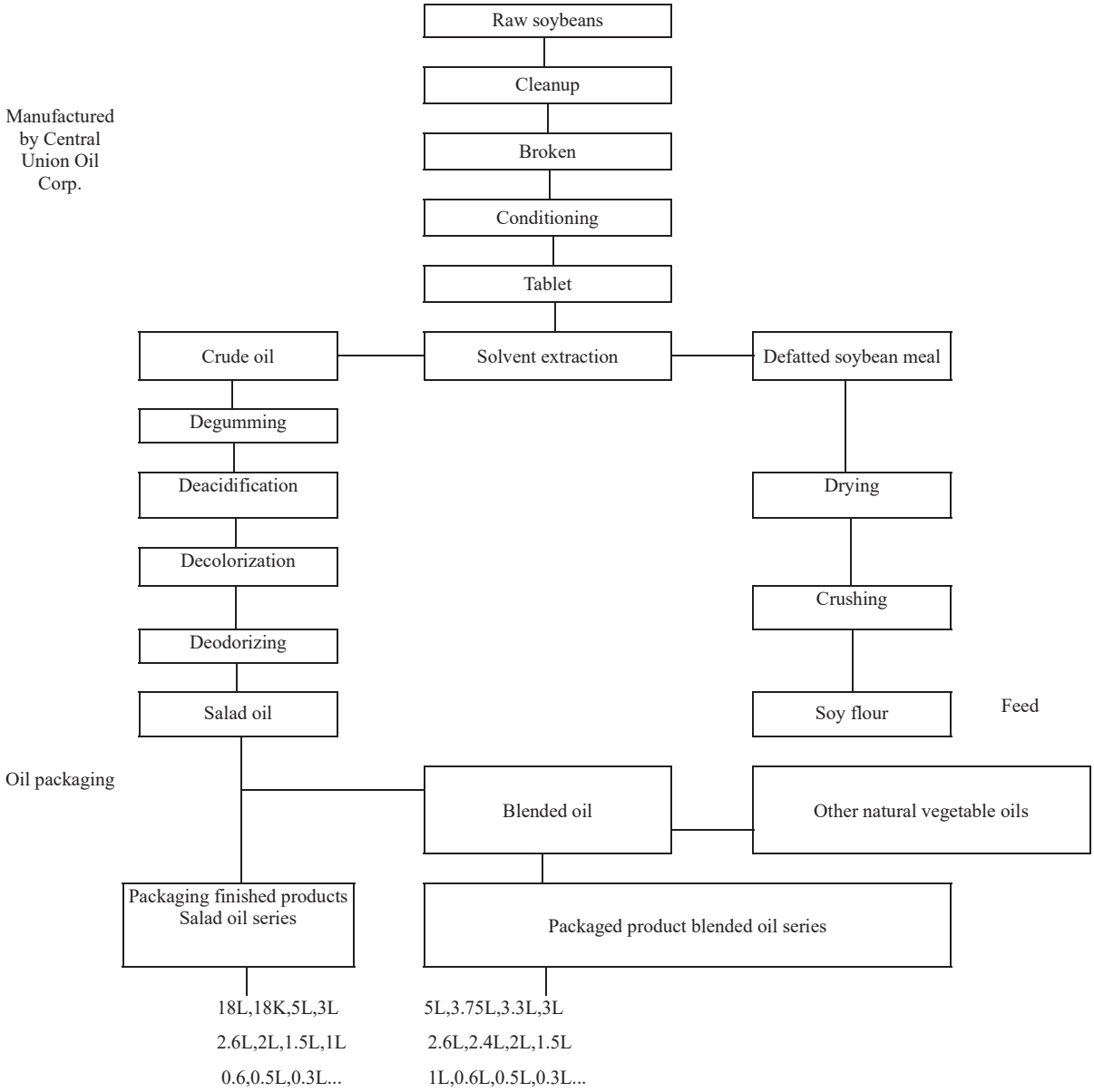
Industry	Advantages	Disadvantages	Measures taken in response
Oils	A. Our oil plant has obtained the highest third-tier level of international SQF certification in addition to earning halal certification. Food safety and quality lead the industry in line with international standards. B. Health awareness is rising, consumers are more accepting of the price of oil products, and they are willing to prudently choose good quality oils. C. Edible oil has stepped out of the bottom of the food safety valley, and its usage habits have changed as consumers' health awareness increases, making health-oriented, small packaging, and high-quality the mainstream of the oil market.	A. The main raw materials are imported from abroad, and the price of raw materials is easily affected by fluctuations in the international market and the cost is high B. The soybean processing industry is more easily affected by overall domestic supply and demand. C. The household oil market has matured, and overall sales growt has slowed down. D. The oil safety incident caused consumers to trust foreign brand oil products and it has not been easy to promote local brands.	A. Establish a professional procurement team, grasp the dynamics of international market information, and respond to the risk of price fluctuations. B. Grasp product import and export opportunities in response to changes in overall domestic supply and demand and international market conditions. C. Continue to research product innovation, bring health concepts into new products, enhance brand value, and strengthen marketing. D. Establish an image of peace of mind and trust with international food safety and quality certification.
Feed	A. The depreciation cost of the equipment of the feed factory is relatively low, and the manufacturing cost is relatively low, so it is quite competitive. B. The sales and R&D system primarily rely on undergraduate-level professionals who can be more integrated into customer management and solve customer husbandry and management problems. C. The Tianzhong plant is equipped with advanced twin-shaft extruder equipment, which can produce aquatic floating feed with highly competitive quality. D. A netless grinder was installed at the Tianzhong plant to grind the feed into fine powder for the fish, so that it can be fully absorbed in the intestines to enhance quality competitiveness E. The Taisun brand represents food that connects the feed end to the food pathway and creates value in the food chain. F. Introduce SAFESTART foreign safety training to improve personnel safety awareness and improve the safety environment G. Establish an energy committee group to effectively reduce energy costs	A. The factory is in the Central region, and is only relatively competitive in this region. However, the main aquatic product market is in the South, and it is not easy to compete with feed manufacturers in that region due to high transportation costs. B. The main raw materials wheat, soybeans and fishmeal are mostly imported from abroad, which are susceptible to fluctuations in the international market, and cost control is relatively difficult.	A. Transportation is concentrated in regional distribution, reducing the ratio of insufficient transportation volume to fill tonnage. B. In the off-season, flexible vacations will focus on production, and the M+ demand will be stocked in advance to share the solid cost, and the burden o stocking in the peak season will be reduced. C. Master the quotations of international wheat, rapeseed meal, domestic rice bran, flour, and fishmeal every week to track and aggregate trend analysis charts, and report and place orders to reduce purchase costs. D. Lease the aquatic feed warehouse for finished products in Pingtung to facilitate the distribution needs of Pingtung customers
Food and beverages	A. With more than 12 major brands, the quality is trusted by consumers, including Taisun Mixed Congee, Taisun Grass Jelly, Taisun Pure Water, Taisun Bing Jeon, Taisun TwistWater, Cheers, Woo Tang, Cha Chi Chu, Big Straw, BUFF, Cha Street, and so on. B. Possessing professional and exclusive technology and equipment in the field of highly technically proficient canned sweets and granular beverages. C. Proactively develop new products, new brands and replicate successful experiences in order to create food and beverage experiences that exceed consumer expectations. D. Adopt a centralized and more effective marketing communication method.	A. The scale of modern channels is expanding day by day, and the requirements for channel costs are constantly increasing. B. Food and beverage entry barriers are low and competition is fierce. C. Brand investment costs are high. D. The cost of packaging materials and raw materials is rising.	A. Integrate channels and brand investment resources and supporting facilities to improve cost-effectiveness and achieve profit targets. B. Persist in the development of new products that are natural and healthy with few additives, and ensure a safe and reliable source of raw materials. Enhance the sense of product value, and create differentiation. C. Closely monitor the cost trend of raw materials and respond as soon as possible to reduce adverse effects.

(II) 1. The purposes and production processes of our main products:

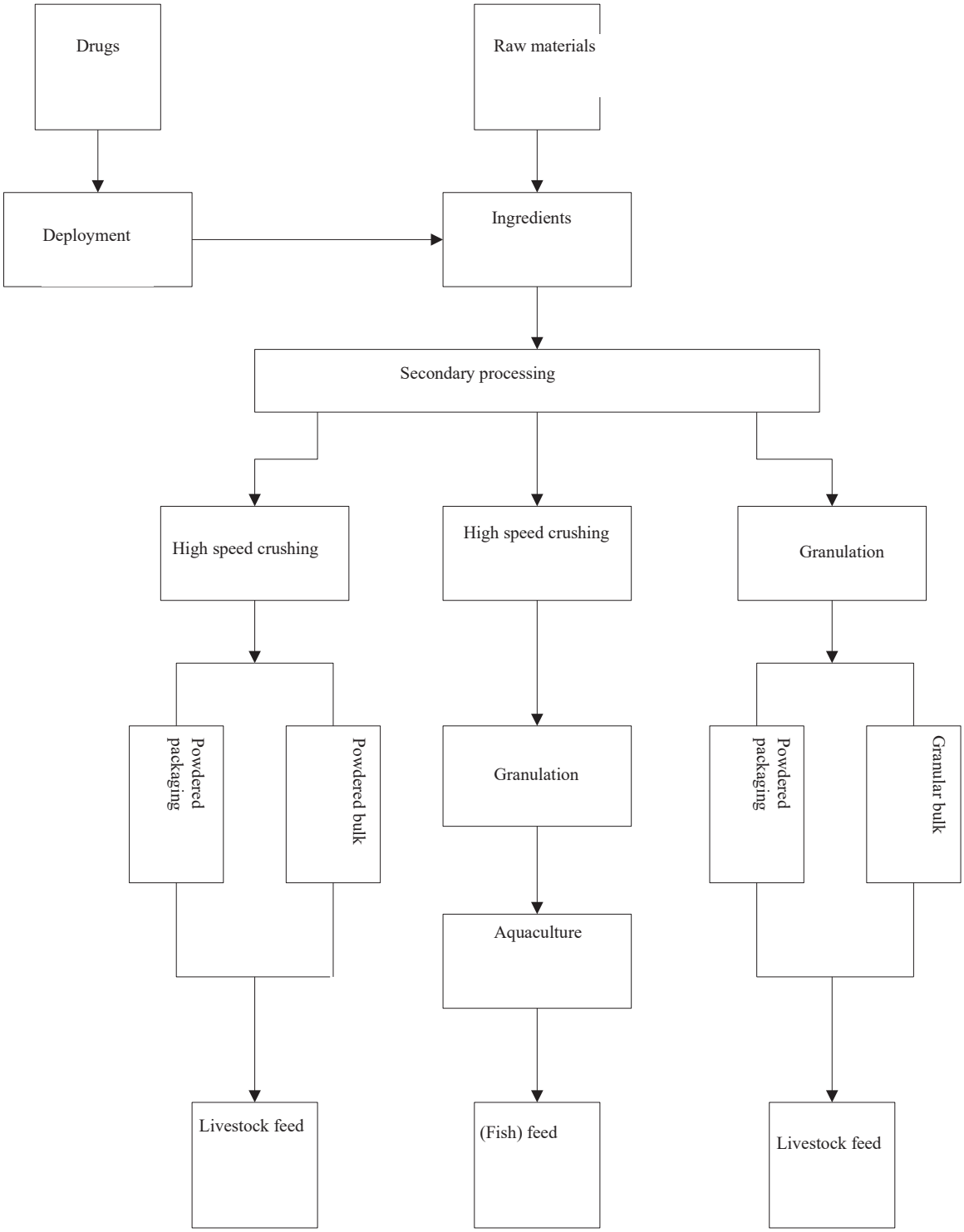
- Oil products: Soybean flour (for feed ingredients), salad oil (for household and restaurant cooking).
- Feed products: Various forms of aquatic feed.
- Food and beverages: Snacks that can be eaten when opened, and thirst quenching solutions in an open bottle.

2. Production processes of main products

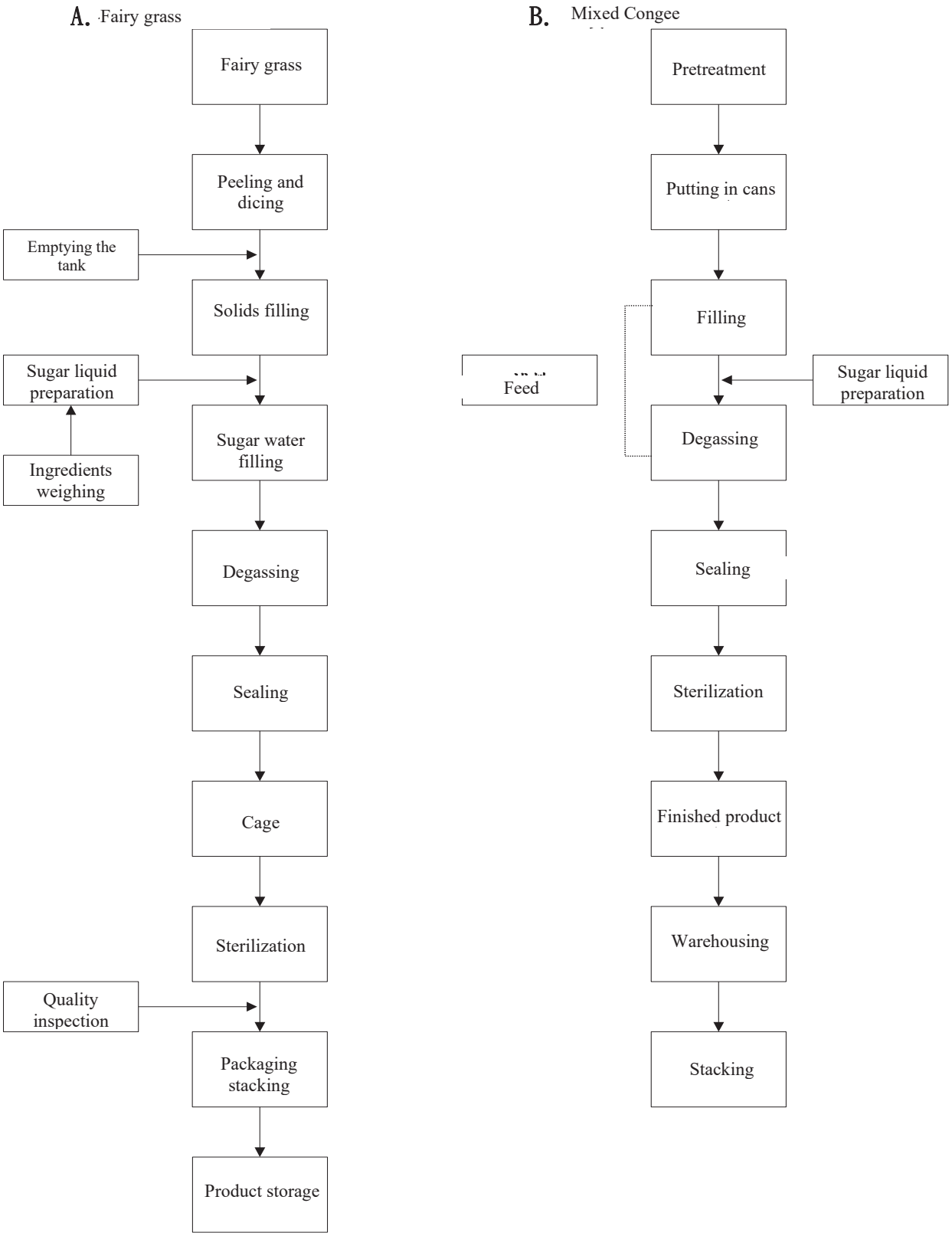
(1) Production process of the oil factory



(2) Flow chart of the feed plant production process



(3) Production process of main products of food factory



(III) Supply status of main raw materials

The main raw materials of the Company's food and beverage products include peanuts, red beans, dried longan, dried grass, sugar, mung beans, etc. The supply sources are mainly domestic and some are imported. The raw materials for oil products are bulk materials, mainly soybeans. The supply of soybeans is from the U.S. and Brazil and imported or jointly purchased. The raw materials for feed products are wheat and soy flour; wheat is supplied from the U.S, while soy flour is supplied from Taiwan. Since the Company's bulk material and raw material suppliers are mainly international large grain groups or well-known trading companies, these companies not only generally value their original reputations, but also have numerous locations around the world, so they can offer in-depth understanding of the quality of raw materials. Furthermore, they can consistently provide raw materials that meet specifications.

(IV) The names of customers who accounted for more than 10% of the total purchases (sales) in the most recent two years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease.

(1) Information on major suppliers

	2019				2020				2021 as of the previous quarter (Note 2)			
Item	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases in the current year as of the previous quarter (%)	Relationship with the issuer
1	100188	601,931	9.83	Non-related person	100194	531,116	8.34	Non-related person	—	—	—	—
2	100195	499,254	8.15	Non-related person	100188	459,612	7.22	Non-related person	—	—	—	—
3	101048	348,404	5.69	Non-related person	100189	421,864	6.62	Non-related person	—	—	—	—
4	Other	4,675,232	76.33		Other	4,955,884	77.82		—	—	—	—
	Net purchase	6,124,821	100		Net purchase	6,368,476	100		—	—	—	—

Note 1: List the names of suppliers with more than 10% of the total purchases in the last two years and their purchase amounts and proportions. However, if the name of the supplier cannot be disclosed due to contractual agreements or if the transaction party is an individual and a non-related person, this can be disclosed with a code name.
Note 2: As of the publication date of the annual report, no accountant-reviewed financial information is yet available for the first quarter of 2021.

Reasons for the increase or decrease of major purchasing customers from last year: The main suppliers all purchase soybeans, and the main system is through bidding. The main factors of change are due to the abundant supply of US West Coast goods and their relatively low quotations.

(2) Major sales customer data

	2019				2020				2021 as of the previous quarter (Note 2)			
Item	Name	Amount	Percentage of total annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of total annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of net sales for the year ended the previous quarter (%)	Relationship with the issuer
1	C0002	2,010,730	25.13	Related person	C0002	1,823,847	21.83	Related person	—	—	—	—
2	C1000-H002	633,729	7.92	Non-related person	C1000-H002	710,791	8.50	Non-related person	—	—	—	—
3	C0003	411,604	5.15	Related person	C0003	427,822	5.12	Related person	—	—	—	—
4	Other	4,944,521	61.80		Other	5,393,665	64.55		—	—	—	—
	Net sales	8,000,584	100		Net sales	8,356,125	100		—	—	—	—

Note 1: Note 1: List the names of customers with more than 10% of the total sales in the last two years and their sales amounts and proportions. However, if the name of the customer cannot be disclosed due to contractual agreements or if the transaction party is an individual and a non-related person, this can be disclosed with a code name.
Note 2: As of the publication date of the annual report, no accountant-reviewed financial information is yet available for the first quarter of 2021.

Reasons for the increase or decrease in major sales customers compared with last year: There is no significant difference between major sales customers compared with last year.

(V) Production value of main products in the last two years

Production value for the last two years

Units: Thousand containers, tons, NTD thousand

Year / Production value / Major products (or department)	2020			2019		
	Capacity	Yield	Output value	Capacity	Yield	Output value
Oil factory	240,000	227,343	3,808,427	240,000	232,913	3,755,633
Feed mill	36,000	17,519	334,291	36,000	18,955	340,399
Food factory	27,191	14,664	2,234,345	26,691	14,180	2,125,050
Service			401,772			370,716
Lease			2,317			3,597
Total			6,781,152			6,595,395

(VI) Sales volume value of main products in the last two years

Value of sales volume value for the last two years

Units: Thousand containers, tons, NTD thousand

Year / Value of sales volume / Major products (or department)	2020				2019			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Oil factory	241,260	4,410,951			227,303	4,297,073		
Feed mill	17,598	370,321			18,734	364,157		
Food factory	12,667	2,867,670	1,753	261,614	11,995	2,643,372	2,019	281,063
Service		439,210				406,213		
Lease		6,359				8,706		
Total		8,094,511		261,614		7,719,521		281,063

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

Year		2019	2020	Current year ended March 31, 2021
Number of employees	Employee	604	610	613
	Technical staff	128	140	150
	Managers	201	181	182
	Total	933	931	945
Average age		41.74	42.18	42.17
Average years of service		10.00	9.93	9.98
Education distribution ratio	PhD	0%	0%	0%
	Master	6.00%	6.44%	6.46%
	University	44.05%	43.29%	43.70%
	Senior High School	35.69%	34.80%	34.18%
	Below high school	14.26%	15.47%	15.66%

Note: Excluding contract personnel

IV. Environmental protection expenditure data

(I) The total amount of losses and sanctions incurred due to environmental pollution in the most recent year and as of the publication date of the annual report

Item \ Year	2020	2021 as of the printing date of the annual report
Type of condition	Waste Disposal Act Air Pollution Control Act	None
Sanctioning unit	Environmental Protection Bureau, Changhua County	None
Penalty amount	$178 ,000	$0

(II) Future measures to be made in response:

The Company's promotion and management of environmental pollution improvements:

1. Operation of environmental pollution improvements:

(1) At our food factory, palm kernel shells have been used since 2014. We have also switched to wood pellet biomass fuels made from pruned roadside branches or recycled agricultural and forestry waste including driftwood in 2018. As a means to meet higher standards of air pollution emissions, we also began to use fuel made from pelletized log shaving to reduce the generation of slag and dioxins in 2020. By making efforts to recycle and reuse, we at the same time reduce CO2 emissions which is beneficial to the environment. With the use of pure wood pellets for raw materials, we further improved the combustion rate. The slag output was significantly reduced by 65.57 tons, or 48%.

(2) In order to cooperate with the government to reduce the pollution from factory boiler flues, the aquatic feed factory installed a boiler scrubber in October 2017 to allow the emitted suspended particulates and sulfur oxides to comply with regulations. In addition, the boiler of the second plant of Taizhong Foods was also changed to use natural gas as fuel in September 2019, and the aquatic product plant also replaced the boiler fuel in November 2019. Regular inspections were carried out in December 2019, and the results met the new regulatory emission standards; the combustion efficiency was also increased from 83% to 91.7%. Furthermore, through the manufacturer's assistance in monthly testing of combustion efficiency and emission gas monitoring, this will greatly reduce the pollution caused by boiler combustion emissions. In line with the EPA’s stationary source emission standard amended on July 1, 2020, our food factory also began to use the light cracking oil of Formosa Plastics Group since March 2020. Although such method is only for short-term, it required no equipment replacement to meet the air pollution standard.
There are 3 qualified personnel in the production factory who have obtained the wastewater treatment certificate; 3 have obtained the air pollution prevention certificate; and 3 have obtained the waste disposal certificate, as the management of environmental protection operations in the plant.

2. Future improvements and practices:

(1) Promote energy-saving policies, implement various cost-saving projects, and take volume reduction and waste reduction as the phased goal, combined with the implementation of the 5S movement, to maintain the effective results of waste reduction and volume reduction.

(2) Promote the implementation of boiler efficiency improvement projects, with the main objective of improving efficiency and heat source recovery.

(3) Integrate the cooling water system of the factory area and plan the facilities for recycling and reuse.

(4) Continue to promote the weight reduction plan of product packaging materials and evaluate the feasibility of using environmentally friendly packaging materials.

3. Estimated environmental protection expenditures in the next two years:

Item \ Year	2020	2021
Equipment and operating costs	NTD 7.7 million	NTD 8.08 million
Packaging material environmental protection fees	NTD 42.87 million	NTD 45 million

4. Impact after improvement:

(1) Meet the Environmental Protection Administration's wastewater discharge water quality standards, and achieve the goal of zero pollution and zero environmental damage.
(2) Cooling water is recycled and reused to effectively use water resources.
(3) Reduce the amount of waste water produced and reduce the amount of discharge to save treatment costs.
(4) Reduce the use of product packaging materials, in line with the concept of environmental protection and energy saving.
(5) Boiler chimney emissions to comply with laws and regulations, effectively reducing air pollutants.
(6) To fulfill social responsibilities, enhance customers' trust in environmental protection and product quality, and further gain public recognition of the Company so as to increase product competitiveness and market share.

V. Labor relations

(I) The Company's various employee welfare measures, further education, training, retirement systems and their implementation, as well as the interaction between labor and management, and various employee rights protection measures

1. Employee benefits

(1) In order to provide diverse welfare measures and welfare subsidies applicable to all employees, we have established the Taisun Enterprise Co., Ltd. Employee Welfare Committee in accordance with the law, as well as the Employee Welfare Committee of Pin-Tai Distribution Enterprise Co., Ltd. to handle various welfare projects. In addition to the welfare measures that comply with the law, we also have other welfare measures going beyond these requirements, such as lunch subsidies, employee dormitories and guest houses, flexible working hours, relaxation time, massage booths, and employee stock ownership trusts, in addition to employee emergency relief measures, and Employee Assistance Programs (EAP), satisfying employees' personal and family care needs and creating a happy workplace environment.

(2) In order to provide a comprehensive welfare system applicable to all employees, and to meet the needs of employees' personal and family care, the Company established the Taisun Enterprise Co., Ltd. Employee Welfare Committee and the Employee Welfare Committee of Pin-Tai Distribution Enterprise Co., Ltd. We have set up the positions of committee members, director-general, and secretary in accordance with relevant regulations, have established a comprehensive welfare system for all employees, and have tried to take care of employees and their families. The Company allocates 0.05% of the total business to the welfare fund every month, and 0.015% of the employee's salary is invested in the welfare fund every month as well. Furthermore, in accordance with management measures we provide marriage ceremony stipends, funeral subsidies, childbirth subsidies, housing subsidies, hospitalization condolences, natural disaster condolences, education grants, departmental vitality activities, cultural and recreational activities, club activities, Senior Citizens' Day and New Year's Day gifts, and other special resolution subsidy projects.

(3) An Employee Stock Ownership Trust and Savings Association has been established to encourage employees to save long-term, improve financial management channels, and protect their future lives, and to invest in Company stocks as the main purpose. It has five members, and the members are elected by the general meeting to carry out conference affairs. Limited to regular employees who have served the Group for two years, they are allocated monthly from employee salaries, bonuses or other income. The Company's relative allocation ratio is adjusted annually according to the situation, at least 30% or more. Employees can still retain their membership after retirement. If they continue to serve the Company, they can continue to enjoy the Company's relative subsidy.

2. Talent cultivation and inheritance

High-quality and diversified human resources are the key cornerstones for the Company's continued growth and competitiveness. For potential external employees, we actively open up talent recruitment channels and introduce diverse talent. For the training and development of internal employees, we continue to cultivate talent of various grades and improve their quality. In the education and training section, we provide employees with diverse learning opportunities. We conduct annual surveys and analyses of training needs based on organizational strategies and departmental needs, and prepare budgets so that employees have complete education and training. The Company's mission, vision and core values are the main focus. From new employees to supervisors at all levels, we provide complete training plans and offer diversified learning programs such as strategy courses, management function courses, core function courses, professional function courses, general education courses, new personnel training courses, personal learning growth, etc., to effectively strengthen professional skills. While enhancing personal abilities and quality and stimulating potential, these initiatives are also helpful to the career development of employees as well. In 2020, 3,301 employees received internal training courses, with 4,880 hours of training; 145 employees received external training courses. The total training hours were 1,392.5 and online learning hours 391. A summary of the internal training:

- Senior and Intermediate Supervisor: A seminar on "Low Carbon Transformation Management and Governance Trend of Food Industry under Climate Change" was held to establish the concept of how companies should respond to the impact of climate change regarding operations, promote the climate-related financial disclosure, and triggering the management and governance thinking of climate risks in the food industry.
- Sales talent cultivation: From 2019, the Company has been promoting the "Elite Training Program" and has recruited a total of 16 people. After the assessment of the first first stage, 6 people exited the program and 5 passed were transferred to suitable positions; another 5 people were successfully and entered the second stage which was internship in 2020. During the second stage, not only were these interns learning to strengthen their professionalism, each intern was also set with a 3-month target. Other than observing

these interns regarding their learning and whether or not they are adapting to the workplace, we also carry out counseling and adjustment so that these interns are able to learn to interact across departments, communicate and coordinate, and perform independently in order to achieve departmental and individual project KPIs. We organize monthly feedback meetings between students and coaches, review students' learning status and task achievement status, while also strictly enforcing the exit mechanism so as to stimulate students' potential and boost their performance. When the internship completed, the couching group held a closure meeting, and the 5 interns passed the assessment. These 5 people were sent to various departments and a seminar with senior executives was held to encourage them to become sales of the future and pioneers of Taisun. Those who passed the assessment was appointed as sales managers for various channels effective on 6/1 and will be future examples of the department.

- Basic Level Supervisor: The "Problem Analysis and Solution" course was held to help supervisors build problem awareness and learn systematic problem analysis skills as well as solutions in their daily businesses. The "Deep Communication and Coaching" course was also held to improve supervisors' leadership and communication performance, achieving common values and language within the organization both vertically and horizontally.
- Enforcement of health and safety workplace education and training: This includes physical courses on "labor health and safety" for new employees, first aid training courses, workplace safety and protection education and training, and workplace hygiene management education and training. By enforcing occupational safety and health promotion, we aim to increase the awareness of employees in terms of workplace safety and knowledge of physical health.
- General education: The seminar "Low Carbon Plastic Reduction: Disposable Product Reduction and Green Backpacking Fun" was held to promote basic knowledge and easy plastic reduction actions. By doing this, we will cherish the limited resources on earth while at the same time reducing the amount of garbage, contributing what we can to the reduction of global warming.
- Enhanced diversified learning channels and online learning platforms; provided better platform functions and provided a more convenient and friendly operating interface.
- New employee training: Helped new employees quickly adapt through corporate culture, production line visits, quality awareness, labor health and safety, Personal Information (Protection) Management and other courses.

■The status of employee training in 2020

Number of internal training courses (number of courses)	Number of external training sessions (number of courses)	Online courses (number of courses)	Total training hours (hours)	Total number of trainees (persons)	Average training hours (hours)	Internal training		External		Online course	
						Total number of trainees (persons)	Total training hours (hours)	Total number of trainees (persons)	Total training hours (hours)	Total number of trainees (persons)	Total training hours (hours)
64	75	65	6,636.5	3,829	10.4	3,301	4,880	137	1,365.5	391	391

3. Retirement system and implementation

(1) In order to reward senior colleagues for successful retirement and guarantee their retirement benefits, at the end of each year the human resources unit provides a list of qualified persons for retirement in the subsequent year. After the unit supervisor consults the wishes of colleagues who meet the retirement conditions, the human resources unit and the unit supervisor will proceed with individual interviews and communication; and assist colleagues who have applied for retirement in attendance and vacation arrangements, and provide timely personnel care. We have issued applications for pensions for retired employees in accordance with the law, and held a farewell party for retirement, and awarded the "Taisun Achievement "medal to express our gratitude and blessings.

(2) In terms of pensions, the retirement method is established in accordance with the Labor Standards Act and the Labor Pension Act and the pension funds are allocated as follows:

(2.1) Labor retirement reserve (old pension system)

In order to supervise the various affairs of the Company's retirement reserve and the various operations of retirement management in accordance with the laws and regulations related to the labor retirement reserve, and to ensure the rights and interests of employees, the Company has a labor retirement reserve supervision committee. The retirement fund is withdrawn every month based on the monthly salary of all employees (including overtime pay) times 6%, deposited in the special account of the Labor Retirement Reserve Supervision Committee of the Bank of Taiwan, and regular pension reports are provided. Starting from 2015, the gap between the total pension of eligible employees and the balance of the special account will be estimated in accordance with the provisions of the Labor Standards Act. And before the end of March of the following year, the full amount will be allocated to the retirement reserve account to protect the rights and interests of colleagues in applying for retirement funds in the future.

(2.2) Labor pension withholding (new pension system)

For colleagues who choose the new pension regulations, their working years prior to the application of the regulations will be retained, and their retained working years' pension will be paid according to the standards of the labor retirement reserve. After the application of the new system, the Company will withdraw 6% of the monthly retirement pension according to the provisions of the regulations and pay it to the individual labor pension account established by the Labor Insurance Bureau. For every 3 months in 2020, the new labor retirement withdrawal payment amount was adjusted based on the average salary

of the previous three months. In order to ensure that employees' labor retirement withdrawal payment is more in line with the actual salary, superior to the regulatory requirement of twice a year.

4. Interaction between labor and management and various employee rights protection measures

The Company supports and implements relevant international norms and standards, as well as relevant laws and regulations on labor and gender equality in the places where it operates. Our management policies for promoting human rights and protecting labor rights are as follows:

(1) Protecting the rights and interests of employees: Regarding employees as the most important partners, all employees formally sign the "Employee Service Contract". In addition, employees are notified in advance prior to major operational changes that seriously affect the rights of employees, in compliance with government labor laws.

(2) Freedom of employment: forced labor and child labor are prohibited, and employees have the right to resign freely with reasonable notice.

(3) Eliminate unlawful discrimination to ensure equal employment: recruit suitable talent based on the principles of fairness, justice, and openness. The recruitment policy is based on equality of human rights. All candidates have equal opportunities and are based on the ability of candidates. There is no discrimination based on race, color, gender, religion, politics, nationality or social origin, or physical or mental disability.

(4) Respect for privacy: protect the legality of the collection and use of personal data, and use written documents to enable employees to understand, allow and agree to the purpose and category of the collection and processing of personal data, as well as the period, region, object and method of the Company's use of personal data, and the rights it can exercise.

(5) Compliance with basic salary requirements: Provide employees with minimum wages and benefits that meet or even exceed the minimum required by laws and regulations.

(6) Oppose bullying and harassment: do not force or coerce any unwilling person to perform labor services, and prohibit harassment, physical abuse, or threats.

(7) Provide a safe, hygienic, and healthy working environment: Continuously improve hardware facility standards and safety and health operating procedures, and actively construct a safe and hygienic working environment to prevent occupational injuries and diseases, and ensure labor safety and health.

(8) Create a happy workplace with work-life balance: use treatment of family members to promote health promotion activities and clubs to encourage colleagues to participate independently. Manage and analyze working hours and vacation status, reduce the risk of overwork, and implement the concept of "work-life balance".

(9) Support employee growth and career development: Provide training plans, training time and funding subsidies, encourage employees to take the initiative to make arrangements, keep pace with the times, improve the completeness of capabilities, and develop suitable talent.

(10) Encourage employees to participate in public welfare and increase the influence of public welfare: uphold the spirit of "good for one family, good for all families" to encourage colleagues to participate in public welfare activities such as assisting community development and caring for the disadvantaged, improving quality of life, and passing on the power of a positive and good society.

(11) In order to achieve the purpose of full communication, symmetry of information, communication and response, and effective problem solving with employees, there are labor-management meetings, irregular departmental meetings, and symposiums held at least once a quarter; there is also an employee care complaint and ethical reporting mailbox (taisunhr1999@taisun.com.tw). At the same time, in accordance with the rights granted to employees by the law, the Company does not interfere or intervene in the freedom of association of its employees.

5. Protective measures for working environment and personal safety of employees

(1) Occupational safety and health committee: In order to ensure labor safety and implement disaster prevention management, the Company establishes an occupational safety and health management unit in accordance with the Occupational Safety and Health Act and related regulations. It is responsible for the formulation, planning, supervision, and promotion of occupational safety and health management. Furthermore, it guides relevant departments to implement safety and health education and training, protection against dangerous equipment, emergency response procedures, disaster prevention drills, and work safety analysis. The Company has established an occupational safety and health committee in accordance with the law, with the person in charge of the plant as the chairperson. It is composed of a total of 14 persons, including heads of various units, occupational safety and health management personnel, and enterprise trade union representatives. The main management structure of occupational safety and health includes three major items: personnel management, equipment management, and environmental management. The main contents of personnel management are labor health, hygiene habits, education and training, qualification certification and business declarations. Equipment management focuses on dangerous equipment and facilities, protection against hazardous materials, protection against machinery and equipment, electric heating equipment, and autonomous inspections. Environmental management focuses on environmental protection projects such as work environment sanitation and air pollution, wastewater, noise, and waste.

(2) Hazard prevention and health promotion: implement various job safety promotion and inspections to strengthen the awareness of the hazards faced by plant colleagues and the correct attitude of safety protection. Handle health and safety seminars and publicity of hazardous work lists to strengthen the safety awareness of specific objects, and establish a safety education and training system to achieve the safety of all employees at work. Include the implementation of the 5S campaign in the unit performance appraisal to improve the working environment. Perform emergency response simulation exercises (fire fighting, water cutoff, and power outages) to improve the effectiveness of protections. Conduct regular monthly inspections of the environmental sanitation and public safety of foreign workers' dormitories to enhance the protection of foreign colleagues' housing rights. Formulate four major emerging hazard prevention plans in the workplace to increase the importance of labor safety and health care.

(3) Employee safety management results: continuous presence of factory doctors and factory nurses for on-site services, nursing staff labor health services, visually impaired massage services and health check-ups, etc., to improve the level of employee healthcare. In respect to employee safety management, we check and improve fire protection measures to comply with fire protection regulations, learn from industry TPM experience and transform it into internal improvement motivation, and beautify the environment to enhance employee compliance. According to the work attributes of employees, we provide regular education and training to ensure the personal safety of employees, such as firefighting first aid training, first aid personnel training, occupational safety and health training, plant safety training, etc. This covered a total 1,165 person-times and 1,353.5 hours.

(II) Losses incurred due to labor disputes in the last two years and as of the publication date of the annual report, the estimated amount and corresponding measures that may occur at present and in the future: None.

VI. Important contracts

Contract nature	Parties	Contract start and end dates	Primary content	Restriction clauses
Engineering contract	ShinChang Natural Gas Co.,Ltd.	2019.06.06 - 2022.06.05	Natural gas equipment installation engineering	Not to be transferred or loaned to a third party
Engineering contract	Simik Technology Inc.	2021.03.01- 2021.04.01	Equipment contract for tin can production line	As stipulated in the agreement
Repayment of long-term borrowings	Taishin Bank	2020.11.04- 2023.11.03	Guaranteed loan line of NT$800 million	As stipulated in the credit agreement
Repayment of long-term borrowings	Jih Sun International Bank	2020.07.23- 2023.07.23	Guaranteed loan line of NT$500 million	As stipulated in the credit agreement
Repayment of long-term borrowings	DBS Bank	2020.05.21- 2023.05.21	Credit line of NTD 300 million	None
Repayment of long-term borrowings	Taipei Fubon Bank	2021.02.15- 2024.02.15	Credit line of NTD 200 million	None

VI. Financial Overview

I. Condensed balance sheet and income statement for the most recent five years

(I) Condensed balance sheet and statement of comprehensive income data

1-1 Condensed balance sheet: International Financial Reporting Standards (consolidated statements)

Unit: NTD thousand

Item \ Year		Financial data for the last five years (Note 1)					Financial information for the year ended March 31, 2021 (Note 4)
		2020	2019	2018	2017	2016	
Current assets		3,218,671	3,561,612	3,311,667	2,798,150	3,134,401	No relevant information
Disposal of property, plant and equipment (Note 2)		1,798,417	1,714,062	1,680,695	1,787,703	1,867,941	
Intangible assets		4,411	7,045	11,035	25,062	35,913	
Other assets (Note 2)		4,218,766	3,946,628	3,803,605	2,871,098	2,844,591	
Total assets		9,240,265	9,229,347	8,807,002	7,482,013	7,882,846	
Current liabilities	Before distribution	1,375,246	1,698,218	2,016,635	1,836,438	2,415,600	
	After distribution	(Note 3)	2,148,217	2,416,634	2,036,438	—	
Non-current liabilities		833,417	925,956	387,658	1,823,586	1,991,079	
Total liabilities	Before distribution	2,208,663	2,624,174	2,404,293	3,660,024	4,406,679	
	After distribution	(Note 3)	3,074,173	2,804,292	3,860,024	—	
Shareholders Equity Attributable to Parent Company		7,026,465	6,599,888	6,397,441	3,816,696	3,470,662	
Share capital		4,999,990	4,999,990	4,999,990	3,558,323	3,533,360	
Additional paid-in capital		974,083	961,786	950,900	29,463	23,770	
Retained earnings	Before distribution	1,332,145	949,056	774,810	468,298	149,478	
	After distribution	(Note 3)	499,057	374,811	268,298	—	
Other equity interest		(75,877)	(107,068)	(124,383)	(35,512)	(32,070)	
Treasury shares		(203,876)	(203,876)	(203,876)	(203,876)	(203,876)	
Non-controlling interests		5,137	5,285	5,268	5,293	5,505	
Total equity	Before distribution	7,031,602	6,605,173	6,402,709	3,821,989	3,476,167	
	After distribution	(Note 3)	6,155,174	6,002,710	3,621,989	—	

Note 1: All annual consolidated financial reports have been verified by accountants.

Note 2: No asset revaluation was conducted in any of these years.

Note 3: The profit distribution proposal for 2020 has yet to be approved by the shareholders meeting.

Note 4: As of the publication date of the annual report, no accountant-reviewed financial information is yet available for the first quarter of 2021.

1-2 Condensed balance sheet: International Financial Reporting Standards (unconsolidated statements)

Unit: NTD thousand

Item \ Year		Financial data for the last five years (Note 1)					Financial information for the year ended March 31, 2021 (Note 4)
		2020	2019	2018	2017	2016	
Current assets		2,874,130	3,244,320	3,114,566	2,409,053	2,590,501	Not applicable
Disposal of property, plant and equipment (Note 2)		1,529,582	1,427,406	1,382,914	1,389,605	1,436,749	
Intangible assets		4,225	6,911	9,998	20,955	31,899	
Other assets (Note 2)		4,427,100	4,064,457	3,880,765	2,885,954	2,763,491	
Total assets		8,835,037	8,743,094	8,388,243	6,705,567	6,822,640	
Current liabilities	Before distribution	982,967	1,228,206	1,617,519	1,375,745	1,466,963	
	After distribution	(Note 3)	1,678,205	2,017,518	1,575,745	—	
Non-current liabilities		825,605	915,000	373,283	1,513,126	1,885,015	
Total liabilities	Before distribution	1,808,572	2,143,206	1,990,802	2,888,871	3,351,978	
	After distribution	(Note 3)	2,593,205	2,390,801	3,088,871	—	
Share capital		4,999,990	4,999,990	4,999,990	3,558,323	3,533,360	
Additional paid-in capital		974,083	961,786	950,900	29,463	23,770	
Retained earnings	Before distribution	1,332,145	949,056	774,810	468,298	149,478	
	After distribution	(Note 3)	499,057	374,811	268,298	—	
Other equity interest		(75,877)	(107,068)	(124,383)	(35,512)	(32,070)	
Treasury shares		(203,876)	(203,876)	(203,876)	(203,876)	(203,876)	
Total equity	Before distribution	7,026,465	6,599,888	6,397,441	3,816,696	3,470,662	
	After distribution	(Note 3)	6,149,889	5,997,442	3,616,696	—	

Note 1: Each year's unconsolidated financial report is verified by accountants.
Note 2: No asset revaluation was conducted in any of these years.
Note 3: The profit distribution proposal for 2020 has yet to be approved by the shareholders meeting.
Note 4: There is no unconsolidated financial report for the first quarter of 2021, so it is not applicable.

2-1 Condensed statement of comprehensive income: International Financial Reporting Standards (consolidated statements)

Unit: Except for earnings per share, all items in the table are NTD thousand

Item \ Year	Financial data for the last five years (Note 1)					Financial information for the year ended March 31, 2021 (Note 2)
	2020	2019	2018	2017	2016	
Operating revenue	8,356,125	8,000,584	7,901,670	7,681,801	8,110,827	No relevant information
Operating margin	1,640,499	1,455,470	1,432,073	1,331,657	1,426,208	
Operating income (loss)	316,542	160,207	90,336	(36,380)	150,101	
Non-operating revenue and expenditures	589,508	461,429	401,124	380,522	(1,946)	
Net profit (loss) before tax	906,050	621,636	491,460	344,142	148,155	
Net profit (loss) for the period from continuing operations	851,541	582,201	464,682	317,272	121,608	
Losses from discontinued business units	—	—	—	—	—	
Net profit (loss) for the current period	851,541	582,201	464,682	317,272	121,608	
Other comprehensive incomes in current period (net of taxation)	12,979	9,506	(30,038)	(1,587)	(54,477)	
Total comprehensive profit and loss for the current period	864,520	591,707	434,644	315,685	67,131	
Net profit attributable to owners of the parent company	851,078	582,073	464,443	316,971	121,361	
Net profit attributable to non-controlling interests	463	128	239	301	247	
Total comprehensive profit and loss attributable to the owners of the parent company	864,279	591,560	434,433	315,378	66,574	
Total comprehensive profit and loss attributable to non-controlling interests	241	147	211	307	557	
Earnings per share	1.75	1.2	0.98	0.93	0.36	

Note 1: All annual consolidated financial reports have been verified by accountants.

Note 2: As of the publication date of the annual report, no accountant-reviewed financial information is yet available for the first quarter of 2021.

2-2 Condensed statement of comprehensive income: International Financial Reporting Standards (unconsolidated statements)

Unit: Except for earnings per share, all items in the table are NTD thousand

Year / Item	Financial data for the last five years (Note 1)					Financial information for the year ended March 31, 2021 (Note 2)
	2020	2019	2018	2017	2016	
Operating revenue	7,140,795	6,837,543	6,813,636	6,423,969	6,683,306	Not applicable
Operating margin	1,157,324	1,008,828	998,402	870,928	885,067	
Operating income (loss)	235,850	117,174	65,305	(43,446)	119,446	
Non-operating revenue and expenditures	664,282	494,545	421,301	384,117	26,132	
Net profit (loss) before tax	900,132	611,719	486,606	340,671	145,578	
Net profit (loss) for the period from continuing operations	851,078	582,073	464,.443	316,971	121,361	
Losses from discontinued business units	—	—	—	—	—	
Net profit (loss) for the current period	851,078	582,073	464,443	316,971	121,361	
Other comprehensive incomes in current period (net of taxation)	13,201	9,487	(30,010)	(1,593)	(54,787)	
Total comprehensive profit and loss for the current period	864,279	591,560	434,433	315,378	66,574	
Earnings per share	1.75	1.2	0.98	0.93	0.36	

Note 1: Each year's unconsolidated financial report is verified by accountants.
Note 2: There is no unconsolidated financial report for the first quarter of 2021, so it is not applicable.

(III) Names and audit opinions of accountants in the last five years

Year	Name of CPA	Auditor opinion
2016	Chih Shih-Chin, Chen Chia-hsiu	Unqualified Opinion
2017	Chih Shih-Chin, Chen Chia-hsiu	Unqualified Opinion
2018	Chih Shih-Chin, Chen Chia-hsiu	Unqualified Opinion
2019	Chih Shih-Chin, Chen Tsong-Che	Unqualified Opinion
2020	Tseng Kuo-Yang, Chen Tsong-Che	Unqualified Opinion

In line with the auditing standards and the internal operations of KPMG, the original CPAs Chih Shih-Chin and Chen Chung-Che will be changed to CPAs Tseng Kuo-Yang and Chen Chung-Che from 2020.

II. Financial analysis for the last five years

(I) Financial analysis: International Financial Reporting Standards (consolidated statements)

Analysis item \ Year		Financial data for the last five years (Note 1)					The current year ends on March 31, 2021 (Note 2)
		2020	2019	2018	2017	2016	
Financial structure (%)	Debt to assets ratio	23.90	28.43	27.30	48.92	55.90	No relevant information
	Ratio of long-term funds to property, plant and equipment	437.04	439.06	403.71	315.5	292.39	
Solvency %	Current ratio	234.04	209.73	164.22	152.37	129.76	
	Quick ratio	167.54	156.06	122.4	92.78	85.43	
	Interest coverage ratio	63.88	33.22	14.09	7.4	3.61	
Management capacity	Turnover rate of accounts receivable (times)	7.48	7.53	7.55	7.12	7.74	
	Average cash collection days	48.79	48.47	48.34	51.26	47.16	
	Inventory turnover (times)	10.42	9.9	10.21	9.74	9.03	
	Payable turnover rate (times)	13.55	16.03	17.24	17.19	18.29	
	Average sales days	35.02	36.86	35.74	37.47	40.42	
	Property, plant and equipment turnover (times)	4.76	4.71	4.56	4.20	4.22	
	Total asset turnover (times)	0.90	0.89	0.97	1.00	1.04	
Profitability	Return on assets (%)	9.34	6.63	6.07	4.71	2.15	
	Return on equity (%)	12.49	8.96	9.09	8.70	3.53	
	Ratio of profit before tax to paid-in capital (%)	18.12	12.43	9.83	9.74	4.19	
	Net profit rate (%)	10.19	7.28	5.88	4.13	1.50	
	Earnings per share (NTD)	1.75	1.2	0.98	0.93	0.36	
Cash flow	Cash flow ratio (%)	29.77	21.27	20.83	3.98	(7.83)	
	Cash flow adequacy ratio (%)	33.08	25.23	7.87	84.98	(3.62)	
	Cash reinvestment ratio (%)	(0.30)	(0.42)	2.56	0.97	(2.61)	
Leverage	Operating leverage	2.59	4.04	6.5	(12.58)	4.17	
	Financial leverage	1.05	1.14	1.71	0.40	1.61	

Please explain the reasons for changes in each financial ratio in the last two years. (If the increase or decrease does not reach 20%, the analysis is exempted)
(1) Interest coverage ratio:Interest expense decreased due to the increase in profitability and adjustment of financing instruments in 2020.
(2) Return on assets/return on equity: Increase in profitability in 2020.
(3) Ratio of profit before tax to paid-in capital, net profit rate, and earnings per share: These are due to the increase in profit in 2020.
(4) Cash flow ratio: In 2020, net cash inflow from operating activities increased and liabilities decreased due to the adjustment of financing instruments.
(5) Cash flow adequacy ratio: This is due to an increase of 470 million in net cash flow from operating activities for the last five years compared to 2019.
(6) Cash re-investment ratio: Increase in other non-current assets in 2020.
(7) Operating leverage: Mainly due to the increase in operating profit in 2020.

Note 1: All annual consolidated financial reports have been verified by accountants.
Note 2: As of the publication date of the annual report, no accountant-reviewed financial information is yet available for the first quarter of 2021.

(II) Financial analysis: International Financial Reporting Standards (unconsolidated reports)

Analysis item \ Year			Financial data for the last five years (Note 1)					Current year ended March 31, 2021 (Note 2)
			2020	2019	2018	2017	2016	
Financial structure (%)	Debt to assets ratio		20.47	24.51	23.73	43.08	49.13	Not applicable
	Ratio of long-term funds to property, plant and equipment		513.35	526.47	489.60	383.55	372.76	
Solvency %	Current ratio		292.39	264.15	192.55	175.11	176.59	
	Quick ratio		204.68	193.63	143.47	98.51	109.95	
	Interest coverage ratio		80.28	36.47	20.91	9.75	4.5	
Management capacity	Turnover rate of accounts receivable (times)		6.62	6.73	6.71	6.11	6.45	
	Average cash collection days		55.12	54.22	54.37	59.76	56.63	
	Inventory turnover (times)		9.94	9.39	9.73	9.22	8.71	
	Payable turnover rate (times)		13.87	16.37	17.39	17.18	19.67	
	Average sales days		36.72	38.87	37.50	39.60	41.92	
	Fixed asset turnover (times)		4.83	4.87	4.92	4.55	4.58	
	Total asset turnover (times)		0.81	0.8	0.90	0.95	1.00	
Profitability	Return on assets (%)		9.79	6.96	6.41	5.16	2.33	
	Return on equity		12.49	8.96	9.09	8.70	3.53	
	Percentage of paid-in capital	Operating Income	4.72	2.34	1.31	(1.23)	3.38	
		Profit before tax	18.00	12.23	9.73	9.64	4.12	
	Net profit rate (%)		11.92	8.51	6.82	4.93	1.82	
	Earnings per share (NTD)		1.75	1.2	0.98	0.93	0.36	
Cash flow	Cash flow ratio (%)		9.34	21.55	25.41	10.34	(3.90)	
	Cash flow adequacy ratio (%)		29.65	26.92	34.04	89.92	16.67	
	Cash reinvestment ratio (%)		(2.12)	(1.53)	7.50	2.13	(0.86)	
Leverage	Operating leverage		2.64	4.18	6.98	(8.33)	3.95	
	Financial leverage		1.05	1.17	1.60	0.53	1.53	

Please explain the reasons for changes in each financial ratio in the last two years. (If the increase or decrease does not reach 20%, the analysis is exempted)
(1) Interest coverage ratio:Interest expense decreased due to the increase in profitability and adjustment of financing instruments in 2020.
(2) Return on assets/return on equity: Increase in profitability in 2020.
(3) Operating profit/pre-tax net profit to paid-in capital ratio, net profit ratio and earnings per share: This is due to the increase in profit in 2020.
(4) Cash flow ratio: Due to the adjustment of financing instruments, liabilities decreased in 2020.
(5) Cash reinvestment ratio: This was due to the fact that the distribution of cash dividends of 450 million in 2020 was more than the net cash inflow from operating activities this year.
(6) Operating leverage: Mainly due to the increase in operating profit in 2020.

Note 1: Each year's unconsolidated financial report is verified by accountants.
Note 2: There is no unconsolidated financial report for the first quarter of 2021, so it is not applicable.

III. Audit Committee Review Report of the most recent financial reports

Taisun Enterprise Co., Ltd.

Audit Committee's Audit Report

The Board of Directors have prepared and submitted the Company's 2019 business report, financial statements and profit distribution scheme. The financial statements have been audited and completed by Tseng Kuo-Yang and Chen Chung-Che, certified public accountants of KPMG, and an audit report has been issued accordingly. The above-mentioned business report, financial statements and profit distribution scheme have not been found to be inconsistent after the audit by this Audit Committee, therefore we have prepared the report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To

The Company's 2021 Annual Meeting of Shareholders

Taisun Enterprise Co., Ltd.

Convener of the Audit Committee:

Wu Chieh-Hsin

March 25, 2021

IV. The most recent annual consolidated financial reports and accountant's audit report: please refer to p.116 of the annual report.

V. The most recent annual unconsolidated financial reports and accountant's audit report: please refer to p.198 of the annual report.

VI. For the Company and its affiliated companies in the most recent year and as of the date of publication of the annual report, if any financial difficulties have occurred, the impact on the Company's financial status: None.

VII. Review Analysis and Risk Matters Pertaining to Financial Status and Financial Performance

I. Review and Analysis of Financial Status: Consolidated Statements

Unit: NTD thousand

Item \ Year	2020	2019	Difference	
			Amount	%
Current assets	3,218,671	3,561,612	(342,941)	(9.63)
Long-term investments	3,541,218	3,273,047	268,171	8.19
Property, plant and equipment	1,798,417	1,714,062	84,355	4.92
Investment real estate	616,818	617,829	(1,011)	(0.16)
Intangible assets	4,411	7,045	(2,634)	(37.39)
Other assets	60,730	55,752	4,978	8.93
Total assets	9,240,265	9,229,347	10,918	0.12
Current liabilities	1,375,246	1,698,218	(322,972)	(19.02)
Long-term liabilities	600,000	687,500	(87,500)	(12.73)
Other liabilities	233,417	238,456	(5,039)	(2.11)
Total liabilities	2,208,663	2,624,174	(415,511)	(15.83)
Share capital	4,999,990	4,999,990	—	—
Additional paid-in capital	974,083	961,786	12,297	1.28
Retained earnings	1,332,145	949,056	383,089	40.37
Other owners‘ equity	(75,877)	(107,068)	31,191	(29.13)
Treasury shares	(203,876)	(203,876)	—	—
Uncontrolled Equities	5,137	5,285	(148)	(2.80)
Total equity	7,031,602	6,605,173	426,429	6.46

(I) Main reasons for significant changes in assets, liabilities, and equity in the last two years (with change exceeding 20%):

1. Intangible assets: Mainly due to a decrease in computer software amortization.
2. Retained earnings: Mainly due to a 270 million increase in profit in 2020 compared to 2019.
3. Other equity: The increase was mainly due to the decrease in unrealized loss on financial assets.

(II) Impact: No significant impact.

(III) Future response plan: Not applicable.

Review and Analysis of Financial Status: Unconsolidated Statements

Unit: NTD thousand

Item \ Year	2020	2019	Difference	
			Amount	%
Current assets	2,874,130	3,244,320	(370,190)	(11.41)
Long-term investments	3,851,111	3,498,909	352,202	10.07
Property, plant and equipment	1,529,582	1,427,406	102,176	7.16
Investment real estate	537,438	538,817	(1,379)	(0.26)
Intangible assets	4,225	6,911	(2,686)	(38.87)
Other assets	38,551	26,731	11,820	44.22
Total assets	8,835,037	8,743,094	91,943	1.05
Current liabilities	982,967	1,228,206	(245,239)	(19.97)
Long-term liabilities	600,000	687,500	(87,500)	(12.73)
Other liabilities	225,605	227,500	(1,895)	(0.83)
Total liabilities	1,808,572	2,143,206	(334,634)	(15.61)
Share capital	4,999,990	4,999,990	—	—
Additional paid-in capital	974,083	961,786	12,297	1.28
Retained earnings	1,332,145	949,056	383,089	40.37
Other owners‘ equity	(75,877)	(107,068)	31,191	(29.13)
Treasury shares	(203,876)	(203,876)	—	—
Total equity	7,026,465	6,599,888	426,577	6.46

(I) Main reasons for significant changes in assets, liabilities, and equity in the last two years (with change exceeding 20%):

1. Intangible assets: Mainly due to a decrease in computer software amortization.
2. Other assets: Mainly due to the net defined benefit assets were mainly transferred from pension surpluses transferred to Bank of Taiwan's pension accounts in accordance with the actuarial report.
3. Current liabilities: Mainly due to an adjustment of borrowings and financing instruments.
4. Retained earnings: Mainly due to a 270 million increase in profit in 2020 compared to 2019.
5. Other equity: The increase was mainly due to the decrease in unrealized loss on financial assets.

(II) Impact: No significant impact.

(III) Future response plan: Not applicable.

II. Review and Analysis of Financial Performance: Consolidated Statements

Unit: NTD thousand

Item \ Year	2020	2019	Increase (decrease) amount	Percentage change %
Operating revenue	8,356,125	8,000,584	355,541	4.44
Operating costs	6,715,626	6,545,114	170,512	2.61
Operating margin	1,640,499	1,455,470	185,029	12.71
Operating expenses	1,323,957	1,295,263	28,694	2.22
Net operating income (loss)	316,542	160,207	156,335	97.58
Non-operating revenue and expenditures:	589,508	461,429	128,079	27.76
Profit before tax	906,050	621,636	284,414	45.75
Tax income (expense)	(54,509)	(39,435)	(15,074)	38.22
Net profit for the current period	851,541	582,201	269,340	46.26
Cumulative impact of changes in accounting principles	—	—	—	—
Net profit for the current period	851,541	582,201	269,340	46.26

(I) Main reasons for major changes in operating revenue, net operating profit, and pre-tax net profit in the last two years:

1. Operating revenue and operating cost: The overall results grew and gross profit increased due to adjustments of the sales structure for food and beverage products in both Taiwan and China, and proper cost controls, the overall performance has therefore improved and operating margin has increased.
2. Operating profit: Mainly due to adjustments of the sales structure for food and beverage products in both Taiwan and China, the continued adjustment of expenses related to inefficient channels in the China business, and the continued increase in profitability of the oil business.
3. Profit before tax: The above points are the main reasons for the growth of pre-tax net profit.
4. Income tax expense: Attributable to the increase in profit before tax.
5. Net profit for the period: Both the main business and invested businesses have grown steadily.

(II) Impact on the Company's future financial operations: No significant impact.

(III) Future response plan: Not applicable.

Review and Analysis of Financial Performance: Unconsolidated Statements

Unit: NTD thousand

Item \ Year	2020	2019	Increase (decrease) amount	Percentage change %
Operating revenue	7,140,795	6,837,543	303,252	4.44
Operating costs	5,983,471	5,828,715	154,756	2.66
Operating margin	1,157,324	1,008,828	148,496	14.72
Operating expenses	921,474	891,654	29,820	3.34
Net operating income (loss)	235,850	117,174	118,676	101.28
Non-operating revenue and expenditures:	664,282	494,545	169,737	34.32
Net profit (loss) before tax	900,132	611,719	288,413	47.15
Tax income (expense)	(49,054)	(29,646)	(19,408)	65.47
Net profit (loss) for the current period	851,078	582,073	269,005	46.21
Cumulative impact of changes in accounting principles	—	-	-	-
Net profit (loss) for the current period	851,078	582,073	269,005	46.21

(I) Main reasons for major changes in operating revenue, net operating profit, and pre-tax net profit in the last two years:

1. Operating revenue and operating cost: The overall results grew and gross profit increased due to adjustments of the sales structure for food and beverage products, and proper cost controls in 2020, the overall performance has therefore improved and operating margin has increased.
2. Net operating profit: Mainly due to the increase in operating gross profit and adequate control of expenses.
3. Profit before tax: Profit before tax increased due to an increase in operating profit as well as equity method recognition of increased reinvestment and the increase in exchange gain.
4. Income tax expense: Attributable to the increase in profit before tax.
5. Net profit for the period: Both the main business and invested businesses have grown steadily.

(II) Expected sales volume, and basis:

The Company's business operates in a mature industry that provides necessities for people’s livelihoods. Sales volume will increase in line with population growth and economic growth. Based on expected future economic development and consumer demand, and considering the development trend of the food category, planned sales volumes for next year are estimated as follows:

1. The oil business includes oil products and soybean powder and the sales volume is expected to be 254 thousand tons.
2. The food business includes normal temperature and cold storage items, with an estimated sales volume of 15.55 million cases.
3. The aquatic business includes general and extruded materials, and the estimated sales volume is 21 thousand tons.

(III) Impact on the Company's future financial operations: No significant impact.

(IV) Future response plan: Not applicable.

III. Cash flow review and analysis

(I) Analysis of changes in cash flow this year

Beginning cash balance (1)	Annual net cash flow from operating activities (2)	Annual cash outflow (3)	Cash surplus (deficit) amount (1)+(2)-(3)	Contingency plans for insufficient cash position	
				Investment plan	Financial management plan
1,147,024	409,369	783,939	772,454	-	-

(1) Operating activities: The net cash inflow of NTD 400 million was mainly due to a pre-tax profit of NTD 900 million and a decrease in inventories for NTD 170 million, as well as gains of NTD 500 million and prepayments of NTD 100 million in 2020.
(2) Investment activities: The net cash inflow of NTD 190 million was mainly due to the NTD 360 million dividends received, inflow of other financial assets of NTD 60 million, acquisition of plant and equipment of NTD 160 million and outflow of stock investment of NTD 70 million.
(3) Financing activities: The net cash inflow of NTD 900 million was mainly due to cash dividends of NTD 440 million and repayment of long-term loans of NTD 400 million in 2020 from 2019.

(II) The Company's contingency plans for insufficient cash position and liquidity analysis

1. Contingency plans for insufficient cash position: No cash shortage this year
2. Liquidity analysis for the last two years.

Item \ Year	2020	2019	Percent increase (decrease) %
Cash flow ratio	29.77 %	21.27 %	39.96%
Cash flow adequacy ratio	33.08 %	25.23 %	31.11%
Cash reinvestment ratio	(0.30 %)	(0.42 %)	(28.57%)

Change analysis
Cash flow ratio: In 2020, net cash inflow from operating activities increased and liabilities decreased due to the adjustment of financing instruments.
Cash flow adequacy ratio: This is due to an increase of 470 million in net cash flow from operating activities for the last five years compared to 2019.
Cash re-investment ratio: Increase in other non-current assets in 2020.

(III) Cash liquidity analysis for the coming one year

Unit: NTD thousand

Beginning cash balance (1)	Annual net cash flow from operating activities (2)	Estimated annual cash outflow (3)	Estimated cash surplus (deficit) amount (1)+(2)-(3)	Contingency plans for projected insufficient cash position	
				Investment plan	Financial management plan
772,454	721,031	962,453	531,032	-	-

(1) Net cash flow from operating activities: The Company has made steady profits in recent years. After incorporating cash business activities in the coming year and deducting related operating expenses, it is estimated that net income from all bus activities will be NTD 721,031 thousand.
(2) Estimated annual cash outflow: The amount expected to be invested in the acquisition of additional equipment in the coming year, besides the payment of necessary expenses and cash dividends.
(3) Contingency plans for projected insufficient cash position and liquidity analysis: None.

IV. The impact of major capital expenditures on financial operations in recent years:

(I) The uses of major capital expenditures and sources of funds: Please refer to p.72 of the annual report.

(II) Expected benefits: Please refer to p.75 of the annual report.

V. The reinvestment policy in the most recent year, the main reason for its profit or loss, and improvement plan and investment plan for the coming year

Unit: NTD thousand

Invested company name	Main business items	Current profit and loss of invested company	Investment gains and losses recognized in the current period	The main reason for profit or loss	Improvement program	Future investment plan
Pin-Tai Distribution Enterprise Co., Ltd.	Wholesale and retail of oil and fat food products	35,042	25,707	Operational fitness adjustment to reduce inefficient general expenses	None	Continuing investment
Central Union Oil Corp., Ltd.	Bean product manufacturing, processing, and sales	118,982	39,661	Reach economies of scale	None	Continuing investment
Taiwan Niko Mart Co., Ltd.	Operating chain supermarkets	4,172	420	Recognize investment gains and losses	None	None
Taisun (Cayman) Investment Ltd.	Investment	63,969	63,969	Recognize investment benefits	None	Continuing investment
Pioneer Traffic Co.Ltd.	Logistics delivery	14,171	1,555	Select industry partners for continued profit	None	Continuing investment
Taisun Yuan Co., Ltd.	Investment management	1,443	1,443	Recognize investment benefits	None	Continuing investment
Taiwan FamilyMart Co. Ltd.	Operation and investment of chain convenience stores	2,129,633	478,457	Reach economies of scale and see continued growth performance	None	Continuing investment

VI. Risk analysis and assessment

(I) The effect upon the Company's profits (or losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

Item	2020 (NTD thousand)
Interest expense	14,409
Exchange benefits (consolidated)	1,044

1. Interest rate risk: The Company's interest rate hedging policy is mainly based on variable interest rates. Considering that the current overall market interest rate is low, it has not engaged in interest rate hedging transactions. As the Company's overall bank loan balance is not high at present, interest rate risk is controlled within a reasonable range and there is no significant impact on the overall net profit after tax.

2. Exchange rate risk: The Company's main raw materials are imported from abroad. Therefore, changes in exchange rates have a certain impact on the company. The company uses foreign exchange options and forward foreign exchange contracts to avoid exchange rate risks. The length of the contract period is determined by the maturity date and future cash flow of the company's existing foreign currency debt. Therefore, the possible conversion gains and losses of the hedged debt will be offset by the gains and losses incurred when the hedging instrument contract expires.

3. The impact of inflation on the Company's profit and loss and future countermeasures:

The global economy has been severely affected since the pandemic outbreak, especially sea and air transports around the world. Many global major central banks were forced to provide money with an aim to save the markets. Such act at the same time caused long-term price increases for bulk materials such as soybeans and corn. This in turn creates a hidden worry as to future inflation. However, under the government's commitment to stable financial order and maintaining price stability, the domestic inflation rate remains within a certain level. In addition, the Company has continued to achieve low production costs in recent years. In the future, the Company will use product innovation and differentiation strategies to increase the added value of products, and additionally continue to work to reduce costs to reduce the negative impact of inflation on Company operations.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

The Company has not engaged in high-risk, high-leverage investments. If there are funds to to be lent to others, endorsements, or derivatives transactions, all will be handled in accordance with relevant laws and Company regulations.

1. Engagement in high-risk investments or highly leveraged investments

The Company is mainly engaged in the food industry, and the board of directors strictly controls and strictly prohibits high-risk investments or highly leveraged investments.

2. Loans to other parties, endorsements, guarantees

(1) In response to actual operating needs, the Company has followed the relevant laws and regulations of the Securities and Futures Bureau to set up its Procedures For Endorsement & Guarantee to be handled in accordance with the law, At the same time, the company's audit unit is established based on the Regulations Governing Establishment of Internal Control Systems by Public Companies as issued by the Securities and Futures Bureau. Relevant systems are in place to conduct regular internal audit operations and submit audit reports to the audit committee.

(2) Due to operational needs, Taisun Enterprise (Zhangzhou) Foods Co. applied for a loan of USD 3 million from the Company in 2020 and was approved by the board of directors. As of March 31, 2021, the maximum limit of funds lent to others was NTD 1,405,293 thousand. The announced balance of funds lent to others was NTD 85,593 thousand and the actual expenditure amount was NTD 57,062 thousand.

As of March 31, 2021, the maximum limit of the Company's endorsements and guarantees was NTD 3,513,233 thousand. The announced endorsement and guarantee balance was NTD 0 thousand, and the actual expenditure amount was zero NTD. Future response measures will still be strictly controlled in accordance with relevant operating system regulations and actual operational needs.

3. Derivatives transactions:

(1) Transaction policy:

This is based on the "Procedures for the Acquisition or Disposal of Assets" stipulated by the company to engage in derivative commodity transactions based on operational needs.

(2) Main reasons for profits/losses and response measures to be taken in the future:

The Company engages in derivative commodity transactions in order to avoid the exchange rate fluctuation risk of foreign currency loans connected to the purchase of raw materials. Because they are all linked to import costs, the risk is controlled. (However, hedge accounting is not applied.) In the future, we will continue to undertake hedging at the right time in response to import demand.

(III) Future research and development plan and estimated R&D expenses:

1. Research and development plan for the next upcoming year

(1) Research on Bing Jeon tea beverage series products.
(2) Research on hand-shaken drink stand series.
(3) Research of canned health congee series products.
(4) Research of Cheers series.
(5) Development research on sugar free tea series products.

(6) Research on refrigerated non-dairy milk, grain drink series products.
(7) Research on aluminum can line series products.
(8) Development of beverage concentrate product series.
(9) No. 1 can business channel product research.
(10) Development research of business use oil products.
(11) Development research of differentiated consumer oil.

2. Current progress of the research and development plan:
(1) Bing Jeon Cool Lemon Tea will be trailed in February and is expected to be launched in June.
(2) The flavor for Bing Jeon Seasonal Spring Tea is under development.
(3) The flavor for Bing Jeon Orange Grapefruit Jinxuan for adult consumers is under development and is expected to be launched in June.
(4) Refrigerated Tea Stall IP Hai-Shen Fresh Milk Tea will be trailed in February, and is expected to be launched in April.
(5) The flavor for Refrigerated Tea Stall IP Hua-Da Yi-Shou Fresh Milk Tea is under development, and is expected to be launched in May.
(6) The trial for Refrigerated IP Big Straw Agar Winter Melon & Lemon QQ has completed, and is expected to be launched in April.
(7) The flavor for Refrigerated PE Low in Sugar Latte and Low in Sugar Fresh Milk Tea is under development
(8) Refrigerated PE Original and Unsweetened Almond Milk are under trial, and is expected to be launched in May.
(9) The trial for Cheers+ Fruit Vinegar Bubble Drink has completed, and is expected to be launched in April.
(10) Room Temperature PET Sea Salt Lychee will be trailed in February, and is expected to be launched in July.
(11) ST Bitter Tea Oil has completed the first batch of production, and is expected to be launched in March.

3. Estimated research and development expenses: It is expected that another NTD 20,138 thousand is required for investment in 2021.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company's operating policies are governed by laws and regulations, and we always pay attention to important domestic and foreign policies and changes in laws. We provide these for management reference, consult relevant experts when necessary, and take appropriate response measures. In the most recent year and as of the printing date of the annual report, the Company has not been affected by major domestic and foreign policy and legal changes that affect its financial operations.

(V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response.

Since projects operated by our Company fall within mature industries, they have seen no major technological breakthroughs in recent years and there is currently no major impact on the company's financial operations.

(VI) Effect on the Company's crisis management of changes in the company's corporate image, and measures to be taken in response.

The Company has always adhered to the philosophy of upstanding management, and externally we attach importance to integrity with customers. We strictly require employees to be self-disciplined internally and abide by the Company's internal regulations, and through various communication channels they should uphold the principles of open information and financial transparency. In this way, we enhance shareholders' understanding of the Company and recognition and support of the Company's business strategy. Furthermore, in case of emergencies, emergency response measures will be initiated according to powers and responsibilities to quickly resolve the corporate crisis. We will make preparations to prevent and control any potential risks that may be faced. As of the printing date of the annual report, the Company has not experienced any changes in its corporate image requiring it to manage a corporate crisis.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.

In the most recent year and as of the printing date of the annual report, the Company has no plans for mergers and acquisitions.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.

Regarding capital expenditures invested by the Company, this mainly went to water treatment equipment, oil and fat warehouses and production lines, robotic arms, sterilization kettles for mixed congee, and so on. These expenditures are expected to increase production capacity and reduce operating costs. As the company's business revenues are stable, cash flow from operations is sufficient to cover short-term capital investment expenditures. In the future, we will always evaluate changes in the industry to update equipment investments for the sake of meeting business needs and reducing operational risks.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

The sources of the Company's purchases and sales targets have been disclosed in the previous chapters. In view of the future growth trends of the Company's industry, we will appropriately diversify, distributing future sales targets and purchase sources in order to maintain balanced and stable operating results, and the Company's continuous efforts shall strive toward these goals.

(X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

The composition of the Company's directors is stable and there have been no massive transfers of equity. Therefore, there is no major risk or impact on the Company.

(XI) Effect upon and risk to Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

The Company has a professional management team, and the Company's various management and operating advantages will not compromise due to changes in management rights.

(XII) Litigious and non-litigious matters:

The Company currently has the following major litigious and non-litigious disputes still under litigation:

(1) Events concerning the return of investment funds and other matters to Ichiya Co., Ltd. of Japan (hereinafter referred to as Ichiya): Ichiya lost in all matters in the first and second instance, but a successor has filed a third-instance appeal; Taisun Company has also sought legal counsel to deal with the matter. The case has not yet been determined in the third trial.

(2) Default in payment of rent by Fu-Hong Logistics Co., Ltd.: Fu-Hong Logistics Co., Ltd. lost the first trial of this case, and is currently pending appeal by the company.

(XIII) Other important risks, and mitigation measures being or to be taken.

The Company has established an information security risk management framework and formulated an information security policy and specific management plan:

1. Information security risk management

(1) Information security management system:

The Company responds requirements of internal and external factors concerning cyber attacks, regulatory compliance, manufacturer cooperation regulations, internal and external risk control audits, and so on. In January 2018, based on ISO27001 and considering the Company's operating characteristics, it developed consistent and appropriate information security system documents and control measures covering information-related management links. This includes policies, organizations, personnel, physical environment, network security, operation management, access control, development and maintenance, information security incidents, disaster drills, etc.

(2) Information security policy:

❶ Ensure the continuous operation of business activities and provide stable use of information services.

❷ Ensure the confidentiality, integrity and availability of the information assets in custody, and protect the privacy of personnel data.

❸ Establish an information business continuity operation plan, and implement information business activities that meet the requirements of relevant laws and regulations.

(3) Information security organization and operations:

❶ The Company's information security authority is the information department. There is also an information security management committee composed of personnel above the head level of the information department. The chief information security committee is responsible for coordinating information security work. The Information security working group is responsible for planning, implementing and promoting information security management issues and promoting information security awareness. The information security audit team is responsible for evaluating the implementation of the information security management system, The emergency handling team is responsible for the task grouping to revise and implement various disaster recovery procedures.

❷ The information security audit team conducts self-inspection every year to confirm the effectiveness of the system. The Company's audit department performs information security audits every year. If there is any deficiency, it is required to propose relevant improvement plans and report to the board of directors, and regularly track the improvement results to reduce internal information security risks.

(4) Information security management plan:

❶ The Company's information security management regulations have stipulated the following management measures:

Type	Explanation	Related management measures
Authorization management	Management measures for personnel accounts, authorization management, and system operation behavior	Personnel account authorization management and review Regular inventory of personnel account permissions
Access control	Control measures for personnel access to internal and external systems and data transmission	Internal/external access control measures
External threats	Channels of infection and preventive measures	Host/computer update measures Firewall protection Virus protection and malware detection
System availability	System availability and handling measures when service is interrupted	System/network availability status monitoring and notification mechanism Contingency measures for service interruption Local/remote backup mechanism Regular disaster recovery drills
Personnel training	Personnel information security awareness training measures	Information security advocacy education required for newly reporting personnel Regular company-wide information security advocacy Social engineering walkthroughs

❷ The Company conducts electronic equipment insurance for Company operating assets such as ERP system mainframes, network equipment, etc., and uses monitoring operations to avoid theft or malicious damage.

❸ Given that information security insurance is a new type of insurance, and considering the comprehensive effects of issues such as insurance coverage, claim coverage, claim appraisal, and appraisal agency qualifications, after an assessment information security insurance will not be purchased for the moment. However, in response to the challenges faced by information security, the following strategies have been adopted: Every year in accordance with the company's information security policy, we continue to pay attention to the changing trends of the information environment and formulate information security protection mechanisms and plans. We perform social contact security and information security incident drills every year to strengthen the awareness of information security crisis among employees of the Company and the ability of handling personnel to respond in order to prevent such incidents in advance.

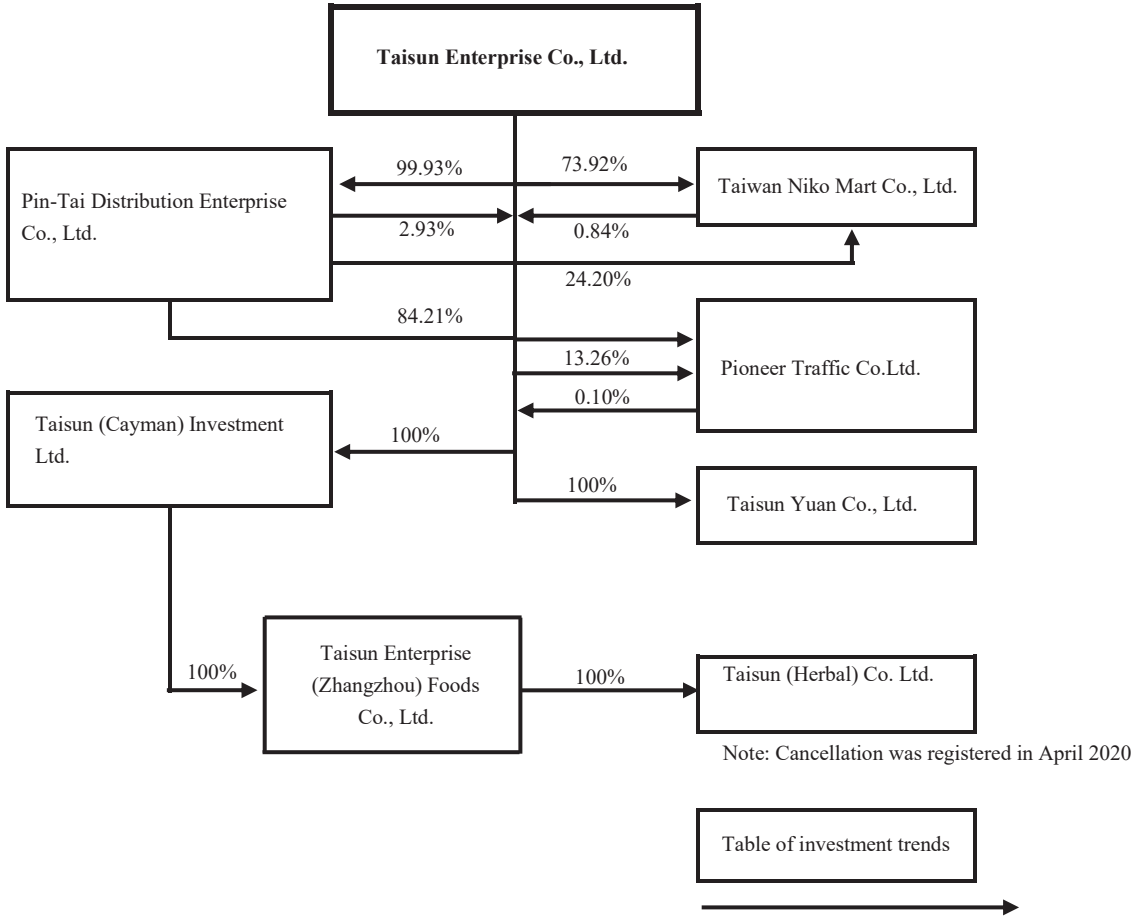
VII. Other important matters: None.

VIII. Special Items of Record

A. Information on Affiliated Companies

(1) Consolidated financial statements of affiliated companies

1. Organization chart of affiliated companies



2. Basic information of affiliated companies: Units: New Taiwan Dollar, USD, RMB thousand

Enterprise Name	Date Established	Address	Paid-in capital	Main business or production items
Pin-Tai Distribution Enterprise Co., Ltd.	1988.02.11	No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan	212,711	Wholesale and retail of oil and fat food products
TAIWAN NIKO MART CO.,LTD	1990.06.01	10F-1., No.99, Sec. 2, Chang-An E. Rd., Taipei City 104, Taiwan	368,000	Operating chain supermarkets
Pioneer Traffic Co.Ltd.	1984.09.01	No. 28 Shalun Li, Xingong 1st Road, Tianzhong Town, Changhua County	102,480	Logistics delivery
TAISUN YUAN CO., LTD	2018.03.30	Floor 11, No. 99, Chang'an East Road Section 2, Taipei City	5,000	Investment management
Taisun (Cayman) Investment Ltd.	1998.08.05	HUNT LANBUILDING,P.O.BOX2804,GEORGE TOWN,GRAND CAYMAM,CAYMANISLANDS	USD 40,290	Investment
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	1997.06.28	Zhongmin Avenue, Jiaomei Development Zone, Longhai City, Fujian Province	USD 27,500	Production and sales of food, beverages, snacks, etc.
Taisun (Herbal) Co. Ltd.	2009.07.09	No. 1-118, Siming South Road, Siming District, Xiamen City, Fujian Province	CNY 65,500	Sale of food, beverages, snacks, etc.

Note 1: All related companies should be disclosed regardless of size.
Note 2: If a given affiliate has a factory and the sales value of the factory's products exceeds 10% of the operating revenue of the controlling company, the name of the factory, date of establishment, address, and main production items of the factory should be additionally disclosed.
Note 3: If the affiliate is a foreign company, the company name and address can be given in English and the date of establishment expressed according to the Western calendar. Paid-in capital may be expressed in foreign currency. (However, the exchange rate as of the statement date should be added; **USD:NTD = 1:28.508; CNY:NTD = 1:4.3592**).

3. Shareholders representing both the holding company and subordinates: None

4. Industries covered in the business operations of affiliated companies overall: Taisun Enterprise Co., Ltd. and its affiliated companies are primarily engaged in food production and sales (manufacturing), delivery of commodities (logistics), and convenience stores (retail operations).

5. Information on directors, supervisors, and general managers of affiliated enterprises:

Units: NT$ thousand, shares, %

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding proportion
Pin-Tai Distribution Enterprise Co., Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Fred Chan)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Peter Chan)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Kai-Ming Chan)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chiang Wei-Feng)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chen Hsien Wen)	21,255,839	99.93%
	Supervisor	Chan Hao-Jun	0	0%
TAIWAN NIKO MART CO.,LTD	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Hsin Chung)	27,203,632	73.92%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Fred Chan)	27,203,632	73.92%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Lin Li-Wan)	27,203,632	73.92%
	Supervisor	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Liu Wei-Chen)	8,904,412	24.20%
Pioneer Traffic Co.Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Peter Chan)	1,358,480	13.26%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Cho Yu Heng)	1,358,480	13.26%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Fred Chan)	1,358,480	13.26%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan, Peng - Hsien)	1,358,480	13.26%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Liu Wei-Chen)	1,358,480	13.26%
	Supervisor	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Chan Hao-Jun)	8,630,240	84.21%
	General manager	Peter Chan	0	0%
TAISUN YUAN CO., LTD	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Peter Chan)	500,000	100%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Fred Chan)	500,000	100%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Hao-Jun)	500,000	100%
	Supervisor	Taisun Enterprise Co., Ltd. (Corporate representative: Liu Wei-Chen)	500,000	100%

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding proportion
Taisun (Cayman) Investment Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Peter Chan)	40,290,000	100%
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	Chairman	Taisun (Cayman) Investment Ltd. (Corporate representative: Chan Hao-Jun)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Fred Chan)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Max Lei)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Lin Li-Wan)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Liu Wei-Chen)	-	100%
	Supervisor	Taisun (Cayman) Investment Ltd. (Corporate representative: Peter Chan)	-	100%
	General manager	Chan Hao-Jun	-	0%
Taisun (Herbal) Co. Ltd.	Manager	Taisun Enterprise (Zhangzhou) Foods Co., Ltd. (Corporate representative: Chan Hao-Jun) Note: Cancellation was registered in April 2020.	-	100%

(2) Overview of operations of affiliated enterprises:

Unit: NT$ thousand

Enterprise Name	Capital	Total assets	Total liabilities	Book value	Operating revenue	Operating Income (loss)	Current profit and loss (after tax)	Earnings per share (NTD; after tax)
Pin-Tai Distribution Enterprise Co., Ltd.	212,711	1,043,202	596,828	446,374	2,068,777	17,607	35,041	1.65
TAIWAN NIKO MART CO.,LTD	368,000	124,969	3,841	121,128	-	(1,199)	4,172	0.11
Pioneer Traffic Co.Ltd.	102,480	212,308	92,908	119,400	439,210	8,391	14,171	1.38
TAISUN YUAN CO., LTD	5,000	11,068	122	10,946	-	(4,011)	1,443	2.89
Taisun (Cayman) Investment Ltd.	1,299,114	175,484	71	175,413	-	(441)	63,969	-
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	783,970	327,212	233,030	94,182	493,610	51,767	60,067	-
Taisun (Herbal) Co. Ltd.	285,528	-	-	-	-	-	37	-

Note 1: All related companies should be disclosed regardless of size.
Note 2: If the affiliate is a foreign company, the relevant figures should be converted at the exchange rate on the reporting date and expressed in New Taiwan Dollars.

B. The status of private placements of securities in the most recent year and as of the printing date of the annual report:

(1) Data on private placements of securities: the Company has not yet handled private placements of securities

(2) Implementation status of private placements of securities in the most recent year and as of the date of publication of the annual report: the Company has not yet handled private placements of securities

C. Subsidiary holdings or disposals of the Company's stock in the most recent year and as of the printing date of the annual report:

Units: NTD thousands; USD thousands; shares; %

Subsidiary name (Note 1)	Paid-in capital	Sources of funds	Company shareholding ratio	Date of acquisition or disposal	Number and amount of shares acquired (Note 2)	Number and amount of shares disposed of (Note 2)	Investment profit and loss	Number and amount of shares held as of the publication date of the annual report (Note 3)	Pledges created	The Company's endorsement guarantee amounts on behalf of subsidiaries	The Company's loan amounts to subsidiaries
Pin-Tai Distribution Enterprise Co., Ltd.	212,711	Share capital	99.93%	-	0	0	0	10,351,332 shares	None	0	0
TAIWAN NIKO MART CO.,LTD	368,000	Share capital	73.92%	-	0	0	0	2,960,186 shares	None	0	0
Pioneer Traffic Co.Ltd.	102,480	Share capital	13.26%	-	0	0	0	368,524 shares	None	0	0
TAISUN YUAN CO., LTD	5,000	Share capital	100%	-	0	0	0	0	None	0	0
Taisun (Cayman) Investment Ltd.	1,299,114	Share capital	100%	-	0	0	0	0	None	0	0
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	783,970	Share capital	100%	-	0	0	0	0	None	0	USD 3,000 thousand

Note 1: Please list separately by subsidiary.
Note 2: The amount referred to refers to the amount actually acquired or disposed of.
Note 3: Holdings and disposals should be listed separately.
Note 4: Further explain their impact on the Company's financial performance and financial status.

D. Other necessary supplementary explanations: None

E. Other disclosures:

During the most recent fiscal year or the current fiscal year up to the date of printing of annual report, if any occurrence of any event which has a material impact on shareholders' equity or securities prices stipulated by Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act: None.

Stock Code:1218

TAISUN ENTERPRISE CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2020 and 2019

Address: No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan (R.O.C.)

Telephone: 886-4-874-2211

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.

Representation Letter

The entities that are required to be included in the combined financial statements of Taisun Enterprise Co., Ltd. as of and for the year ended December 31, 2020 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, Taisun Enterprise Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Taisun Enterprise Co., Ltd.
Chairman: CHAN, YI-HUNG
Date: March 25, 2021

安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 home.kpmg/tw

Independent Auditors' Report

To the Board of Directors of Taisun Enterprise Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Taisun Enterprise Co., Ltd. ("the Company"), and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, 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, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards (" IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee (" IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (" the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

   Please refer to Note 4(r) "Revenue" and Note 6(v) "Revenue from Contracts with Customers" for details on revenue recognition.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Description of key audit matter:

The Group engages in the manufacturing and sales of cooking oil, food, beverages and aquafeeds. Revenue recognition on the sales of the Group' s products is the timing of the transfer of control of the product depending on the individual terms with the customers, as well as the terms of acceptance and return of goods based on the sale contracts between the Group and its customers. There is risk of misstatement when the timing of revenue recognition is earlier than the transfers of control. It may result in inappropriate revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters.

Our audit procedures include:

Understanding and evaluating the design, operation and implantation of the effectiveness of internal control on revenue recognition; understanding the major types of revenue, contract terms and transaction terms to determine the appropriateness timing of revenue recognition; also random sampling of major customers and reviewing their contracts and sales orders to evaluate revenue recognition; random sampling of transaction records of sales within the balance sheet date and obtaining the related transaction documents to evaluate the appropriateness of timing of revenue recognition.

We also assessed whether the Group's disclosure of information on revenue recognition was appropriate.

2. Accounts receivable evaluation

Please refer to Note 4(g) for accounting policy about accounts receivable evaluation, Note 5(a) for estimation of accounts receivable evaluation, and Note 6(d) for impairment evaluation of notes receivable, accounts receivable and other receivables.

Description of key audit matter:

Since the Group' s accounts receivable stands a significant ratio in the total asset of the consolidated statement of financial position, and the collectability of accounts receivable is subjected to the subjective judgement the management, the impairment of accounts receivable is deemed to be one of our key audit matters.

Our audit procedures include:

Assessing the appropriateness of accounts receivable and acquiring the estimations and historical trend of collection from relevant authorities; obtaining the aging analysis of accounts receivable and examining relevant documents to verify the accuracy of the aging period; understanding the long overdue accounts receivable of major customers to identify whether signs of impairment loss exist in order to assess the appropriateness of provision for doubtful accounts; and evaluating the reasonableness of the judgement of the managements based on the subsequent collection of accounts receivable.

We also assessed whether the Group's disclosure of information on account receivables was appropriate.

3. Inventory valuation

Please refer to Note 4(h) for consolidated financial statement for accounting policies on measuring inventory, and for assumptions used and uncertainties of inventory, please refer to Note 5(b). For inventory falling price loss and loss on obsolescence, please refer to Note 6(f).

Description of key audit matter:

The inventory of the Group is key asset for the company's operations.The inventory is evaluated whether the product is sluggish due to the fluctuations of the market. Therefore, the inventory evaluation test is one our key audit matters.

Our audit procedures include:

Testing the accuracy of the inventory aging report by sampling the nature of the inventory; evaluating the rationality of the management's judgement on the proportion of slow moving inventories; examining the latest sales price of inventory to determine whether the sales promotion rate is reasonable; assessing whether the allowance on inventory recognized by the management is reasonable.

We also assessed whether the Group's disclosure of information on inventory allowances was appropriate.

Other Matter

We did not audit the financial statements of associates. Those statements were audited by other auditors, and our opinion, insofar as it relates to the amounts included for those associates, is based solely on the report of the other auditors. The financial statements of these associates reflect the total assets constituting 36.46% and 34.79% of the consolidated total assets at December 31, 2020 and 2019, respectively, and the related share of profit of associates accounted for using the equity method constituting 57.23% and 70.77% of the consolidated total profit before tax for the years then ended, respectively.

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, 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 with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards (" 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit.

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 Kuo-Yang Tseng and Chung-Che Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and 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 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.

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

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 772,454	9	1,147,024	12
1110	Current financial assets at fair value through profit or loss (Note 6(b))	82,776	1	74,467	1
1150	Notes receivable, net (Note 6(d))	137,198	1	125,217	1
1160	Notes receivable due from related parties, net (Notes 6(d) and 7)	2,700	-	2,318	-
1170	Accounts receivable, net (Note 6(d))	654,035	7	613,317	7
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	367,324	4	332,721	4
1200	Other receivables, net (Note 6(e))	6,970	-	6,127	-
1220	Total current tax assets	1,502	-	-	-
1310	Inventories, manufacturing business	572,498	6	680,300	7
1400	Current biological assets	21,827	-	14,589	-
1421	Prepayments to suppliers	287,762	3	181,663	2
1429	Other prepayments	32,495	-	34,777	-
1460	Non-current assets classified as held for sale, net (Note 6(g))	-	-	6,562	-
1476	Other current financial assets (Notes 6(a) and 8)	272,796	3	329,225	4
1479	Other current assets, others	6,334	-	13,305	-
	Total current assets	3,218,671	34	3,561,612	38
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	172,581	2	61,616	1
1550	Investments accounted for using equity method (Notes 6(h) and 8)	3,368,637	37	3,211,431	35
1600	Property, plant and equipment (Note 6(i))	1,798,417	20	1,714,062	19
1755	Right-of-use assets (Note 6(j))	13,091	-	15,629	-
1760	Investment property, net (Note 6(k))	616,818	7	617,829	7
1780	Intangible assets	4,411	-	7,045	-
1830	Non-current biological assets	6,710	-	6,691	-
1840	Deferred tax assets (Note 6(s))	7,659	-	21,895	-
1915	Prepayments for business facilities	-	-	1,981	-
1975	Net defined benefit asset, non-current (Note 6(r))	21,760	-	-	-
1980	Other non-current financial assets	11,510	-	9,556	-
	Total non-current assets	6,021,594	66	5,667,735	62
	Total assets	**$ 9,240,265**	**100**	**9,229,347**	**100**

		December 31, 2020		December 31, 2019	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(l))	$ 148,027	2	277,609	3
2110	Short-term notes and bills payable (Note 6(m))	20,000	-	261,000	3
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	853	-	1,451	-
2130	Current contract liabilities (Note 6(v))	39,800	-	45,162	-
2150	Notes payable	1,857	-	5,373	-
2170	Accounts payable (Notes 6(n) and 7)	526,122	6	457,543	6
2200	Other payables (Notes 6(r) and (w))	465,552	5	404,415	5
2230	Current tax liabilities (Note 6(s))	29,772	-	32,513	-
2280	Current lease liabilities (Note 6(q))	1,634	-	2,202	-
2322	Long-term borrowings, current portion (Note 6(o))	-	-	75,000	1
2399	Other current liabilities, others (Note 7)	141,629	2	135,950	1
	Total current liabilities	1,375,246	15	1,698,218	19
	Non-Current liabilities:				
2540	Long-term borrowings (Note 6(o))	600,000	7	687,500	7
2570	Deferred tax liabilities (Note 6(s))	222,537	2	222,537	2
2580	Non-current lease liabilities (Note 6(q))	-	-	1,634	-
2640	Net defined benefit liability, non-current (Note 6(r))	5,576	-	7,745	-
2670	Other non-current liabilities, others	5,304	-	6,540	-
	Total non-current liabilities	833,417	9	925,956	9
	Total liabilities	2,208,663	24	2,624,174	28
	Equity attributable to owners of parent (Note 6(t)):				
3110	Ordinary share	4,999,990	54	4,999,990	54
3200	Capital surplus	974,083	11	961,786	10
	Retained earnings:				
3310	Legal reserve	126,621	1	69,197	1
3320	Special reserve	240,776	3	240,776	3
3350	Unappropriated retained earnings	964,748	10	639,083	7
3400	Other equity interest	(75,877)	(1)	(107,068)	(1)
3500	Treasury shares	(203,876)	(2)	(203,876)	(2)
	Total equity attributable to owners of parent:	7,026,465	76	6,599,888	72
36XX	Non-controlling interests	5,137	-	5,285	-
	Total equity	7,031,602	76	6,605,173	72
	Total liabilities and equity	**$ 9,240,265**	**100**	**9,229,347**	**100**

See accompanying notes to consolidated financial statements.

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

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(v) and 7)**	$ 8,356,125	100	8,000,584	100
5000	**Operating costs (Notes 6(f) and 7)**	6,715,645	80	6,545,893	82
5910	Less:Unrealized profit (loss) from sales	702	-	721	-
5920	Add:Realized profit (loss) on from sales	721	-	1,500	-
	Gross profit from operations	1,640,499	20	1,455,470	18
	Operating expenses (Notes 6(d), (r), (w) and 7):				
6100	Selling expenses	914,278	11	895,650	11
6200	Administrative expenses	410,072	5	399,766	5
6450	Expected credit gain	(393)	-	(153)	-
	Total operating expenses	1,323,957	16	1,295,263	16
	Net operating income	316,542	4	160,207	2
	Non-operating income and expenses:				
7020	Other gains and losses, net (Note 6(x))	74,482	1	29,135	-
7050	Finance costs, net (Note 6(x))	(14,409)	-	(19,291)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method, net (Note 6(h))	518,573	6	439,965	5
7100	Total interest income	10,862	-	11,620	-
	Total non-operating income and expenses	589,508	7	461,429	5
7900	**Profit from continuing operations before tax**	906,050	11	621,636	7
7950	Less: Income tax expenses ((Note 6(s))	54,509	1	39,435	-
	Profit	851,541	10	582,201	7
8300	**Other comprehensive income (Note 6(r) and (t)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	(Losses) gains on remeasurements of defined benefit plans	(12,888)	-	7,654	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	38,568	-	10,631	-
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(9,873)	-	(5,401)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		15,807	-	12,884	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(2,828)	-	(2,734)	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	(644)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(2,828)	-	(3,378)	-
8300	**Other comprehensive income, net**	12,979	-	9,506	-
8500	**Total comprehensive income**	**$ 864,520**	**10**	**591,707**	**7**
	Profit, attributable to:				
8610	Owners of parent	$ 851,078	10	582,073	7
8620	Non-controlling interests	463	-	128	-
	Profit	**$ 851,541**	**10**	**582,201**	**7**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 864,279	10	591,560	7
8720	Non-controlling interests	241	-	147	-
	Total comprehensive income	**$ 864,520**	**10**	**591,707**	**7**
	Basic earnings per share (Note 6(u))				
9750	**Basic earnings per share**	**$**	**1.75**		**1.20**
9850	**Diluted earnings per share**	**$**	**1.74**		**1.19**

See accompanying notes to consolidated financial statements.

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

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Share capital		Retained earnings				Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2019	$ 4,999,990	950,900	22,752	240,776	511,282	774,810	(25,664)	(98,719)	(124,383)	(203,876)	6,397,441	5,268	6,402,709
Profit	-	-	-	-	582,073	582,073	-	-	-	-	582,073	128	582,201
Other comprehensive income	-	-	-	-	4,662	4,662	(3,378)	8,203	4,825	-	9,487	19	9,506
Total comprehensive income	-	-	-	-	586,735	586,735	(3,378)	8,203	4,825	-	591,560	147	591,707
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	46,445	-	(46,445)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(399,999)	(399,999)	-	-	-	-	(399,999)	-	(399,999)
Other changes in capital surplus:													
Adjustments of capital surplus for the Company's cash dividends distributed to subsidiaries	-	10,886	-	-	-	-	-	-	-	-	10,886	-	10,886
Cash dividends contributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(130)	(130)
Disposal of investments in equity instruments designated at fair value through other comprehensive income by affiliates through the equity method	-	-	-	-	(12,490)	(12,490)	-	12,490	12,490	-	-	-	-
Balance at December 31, 2019	4,999,990	961,786	69,197	240,776	639,083	949,056	(29,042)	(78,026)	(107,068)	(203,876)	6,599,888	5,285	6,605,173
Profit	-	-	-	-	851,078	851,078	-	-	-	-	851,078	463	851,541
Other comprehensive income	-	-	-	-	(17,404)	(17,404)	(2,828)	33,433	30,605	-	13,201	(222)	12,979
Total comprehensive income	-	-	-	-	833,674	833,674	(2,828)	33,433	30,605	-	864,279	241	864,520
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	57,424	-	(57,424)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(449,999)	(449,999)	-	-	-	-	(449,999)	-	(449,999)
Other changes in capital surplus:													
Adjustments of capital surplus for the Company's cash dividends distributed to subsidiaries	-	12,297	-	-	-	-	-	-	-	-	12,297	-	12,297
Cash dividends contributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(389)	(389)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(586)	(586)	-	586	586	-	-	-	-
Balance at December 31, 2020	**$ 4,999,990**	**974,083**	**126,621**	**240,776**	**964,748**	**1,332,145**	**(31,870)**	**(44,007)**	**(75,877)**	**(203,876)**	**7,026,465**	**5,137**	**7,031,602**

See accompanying notes to consolidated financial statements.

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

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	$ 906,050	621,636
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	93,813	88,693
Amortization expense	2,819	4,700
Expected credit gains	(393)	(153)
Net gains on financial assets or liabilities at fair value through profit or loss	(8,291)	(3,731)
Interest expense	14,409	19,291
Interest income	(10,862)	(11,620)
Dividend income	(6,845)	(5,792)
Shares of profit of associates and joint ventures accounted for using equity method	(518,573)	(439,965)
Gains on disposal of property, plan and equipment	(1,166)	(383)
Gains on disposal of non-current assets classified as held-for-sale	(7,016)	(9,420)
Gain on disposal of investments	(3,755)	-
Unrealized profit from sales	702	721
Realized profit on from sales	(721)	(1,500)
Others	6,000	-
Total adjustments to reconcile profit (loss)	(439,879)	(359,159)
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(3,354)	(14,261)
Increase in notes receivable	(11,981)	(2,230)
Increase in notes receivable due from related parties	(382)	(2,318)
Increase in accounts receivable	(40,328)	(55,993)
(Increase) decrease in accounts receivable due from related parties	(34,603)	37,671
(Increase) decrease in other receivables	(820)	195
Decrease (increase) in inventories	108,024	(68,039)
Increase in biological assets	(9,614)	(3,422)
Increase in prepayments	(103,796)	(1,330)
Decrease in other current assets	753	3,698
Increase in defined benefit assets - non-current	(36,279)	-
Increase in financial liabilities at fair value through profit or loss	2,738	2,938
(Decrease) increase in contract liabilities	(5,657)	6,512
Decrease in notes payable	(3,516)	(63,899)
Increase in accounts payable	68,474	173,693
Increase in other payables	56,637	111,176
Increase in other current liabilities	5,502	13,580
Decrease in net defined benefit liabilities	(538)	(28,183)
Total changes in operating assets and liabilities, net	(8,740)	109,788
Total adjustments	(448,619)	(249,371)
Cash inflow generated from operations	457,431	372,265
Interest received	10,862	11,620
Interest paid	(14,409)	(19,291)
Income taxes paid	(44,515)	(3,401)
Net cash flows from operating activities	409,369	361,193

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

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(74,388)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,314	-
Acquisition of investments accounted for using equity method	-	(12,565)
Proceeds from disposal of investments accounted for using equity method	4,883	-
Proceeds from capital reduction through financial assets at fair value through other comprehensive income	-	5
Proceeds from disposal of non-current assets classified as held-for-sale	12,465	54,312
Acquisition of property, plant and equipment	(175,442)	(124,362)
Proceeds from disposal of property, plant and equipment	12,959	6,029
Acquisition of intangible assets	(186)	-
Increase in other financial assets	(268,354)	(328,082)
Decrease in other financial assets	324,591	-
Increase in prepayments for business facilities	(4,658)	2,312
Dividends received	357,229	317,053
Net cash flows used in investing activities	190,413	(85,298)
Cash flows from (used in) financing activities:		
Increase in short-term loans	6,631,515	7,240,850
Decrease in short-term loans	(6,761,098)	(7,070,241)
Increase in short-term notes and bills payable	2,751,000	4,464,000
Decrease in short-term notes and bills payable	(2,992,000)	(5,023,000)
Proceeds from long-term debt	600,000	650,000
Repayments of long-term debt	(762,500)	(260,248)
Payment of lease liabilities	(2,202)	(2,086)
Increase in other non-current liabilities	(1,244)	(2,460)
Cash dividends paid	(437,702)	(400,129)
Net cash flows used in financing activities	(974,231)	(403,314)
Effect of exchange rate changes on cash and cash equivalents	(121)	(5,104)
Net decrease in cash and cash equivalents	(374,570)	(132,523)
Cash and cash equivalents at beginning of period	1,147,024	1,279,547
Cash and cash equivalents at end of period	**$ 772,454**	**1,147,024**

See accompanying notes to consolidated financial statements.

(1) Company history

Taisun Enterprise Corporation (the "Company") was established on October 21, 1960 in Taiwan, the Republic of China, with the approval of the Ministry of Economic Affairs. Its registered office is located at No. 6, Xinggong Rd., Tianzhong Township, Changhua County.

The consolidated financial statements of the Company as of December 31, 2020 and 2019 comprised the Company and its subsidiaries (together referred to as "the Group").

The major business activities of the Company and its subsidiaries (the "Group") are the manufacturing and sales of cooking oil, food, beverages and aquafeeds.

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

The consolidated financial statements were authorized for issuance by the Board of Directors on March 25, 2021.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its consolidated financial statements:

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

(Continued)

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 16 "Property, Plant and Equipmentt－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated in Note 3, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(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

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value;

3) The net defined benefit liability is recognized as the present value of the defined benefit obligation, less the fair value of plan assets and evaluation on the impact of upper limit in Note 6(s).

(Continued)

(ii) Functional and presentation currency

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

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. 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.

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.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized income arising from investment accounted for using equity method is eliminated against the Company invested in its subsidiaries. The accounting treatment for unrealized loss is the same as that for unrealized income only when there is no indication of impairment.

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.

(ii) List of subsidiaries included in the consolidated financial statements

Investor Company	Subsidiary	Nature of business	Shareholding ratio		Notes
			December 31, 2020	December 31, 2019	
The Company	PIN-TAI DISTRIBUTION, ENTERPRISE CO., LTD.	Wholesaler of cooking oil and food	99.93 %	99.93 %	A subsidiary that the Company directly holds more than 50% of its shares.
The Group	TAIWAN NIKOMART CO., LTD.	Operating Chained Convenience Stores	98.12 %	98.12 %	A subsidiary that the Group directly (indirectly) holds more than 50% of its shares.
The Group	PIONEER TRAFFIC CO., LTD.	Logistics	97.42 %	97.42 %	A subsidiary that the Group directly holds more than 50% of its shares.
The Company	TAISUN YUAN CO., LTD.	Investment Management	100.00 %	100.00 %	A subsidiary that the Company directly holds more than 50% of its shares.

(Continued)

Investor Company	Subsidiary	Nature of business	Shareholding ratio December 31, 2020	Shareholding ratio December 31, 2019	Notes
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Investment	100.00 %	100.00 %	A subsidiary that the Company directly holds more than 50% of its shares.
TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Produce and sell food, beverage, snacks and canned products	100.00 %	100.00 %	A subsidiary that TAISUN (CAYMAN) directly holds more than 50% of its shares.
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	TAISUN (HERBAL) LTD.	Beverage	- %	100.00 %	A subsidiary that TAISUN ENTERPRISE (ZHANGZHOU) directly holds more than 50% of its shares.

Note: Completed the cancellation in April 2020.

(iii) Subsidiaries excluded from consolidation：None.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the 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 denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences related to an investment in equity securities designated as at fair value through other comprehensive income, which is recognized in other comprehensive income.

(ii) Foreign operations

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

(Continued)

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 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 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, the exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

An asset is classified as current when：

(i) It is expected to be realized, or intended to be sold or consumed, during 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 and 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.

All other assets are classified as non-current.

A liability is classified as current when:

(i) It is expected to be settled within the Group’s normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) The liability 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 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 assets that are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in their fair value.

Time deposits are accounted under cash and cash equivalents if they are in accord with the definition aforementioned definition, and are held for the purpose of meeting short-term cash commitment rather than for investment or other purpose.

(Continued)

(g) Financial instruments

Account receivables 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 issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(Continued)

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.

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. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. 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) 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 accounts receivable, other receivables, leases receivable, guarantee deposits paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (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.

(Continued)

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'.

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.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 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.

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 365 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.

(Continued)

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. 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.

5) 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.

The Group enters into transactions whereby it transfers the assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(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.

3) Treasury shares

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

(Continued)

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 or cancelled, or expire. 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.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on 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 expenses. The replacement cost of raw material is its net realizable value.

(Continued)

(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) Non-current assets held-for-sale

Non-current assets that are expected highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held-for-sale. Immediately before classification as held-for-sale or held-for-distribution to owners, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value, less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to assets not within the scope of IAS 36 – *Impairment of Assets*. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held-for-sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held-for-sale are to be depreciated or amortized, they are no longer depreciated or amortized.

(k) Investment in associates

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

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

The Group's shares of profit or loss and other comprehensive income of investments accounted for using equity method are included, after adjustments to align the said investees' accounting policies with those of the Group, in the consolidated financial statements from the date on which significant influence commences until the date that significant influence ceases.

Gains and losses resulting from the 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 interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(Continued)

(l) 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.

(m) 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) 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.

(iii) 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:

(1)Buildings	1～56 years
(2)Machinery	2～16 years
(3)Instrument equipment	2～15 years
(4)Other equipment	2～16 years

(Continued)

The major components of the houses and buildings of the Group mainly comprised of main buildings, mechanical and electrical equipments and other equipments. And they are depreciated according to their residual life of 26~56 years, 15~26 years and 3~13 years respectively.

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

(n) Lease

(i) Identifying a lease

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

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3) the customer has the right to direct the use of the asset throughout the period of use only if either:

- the customer has the right to direct how, and for what purpose, the asset is used throughout the period of use; or
- the relevant decisions about how, and for what purpose, the asset is used are predetermined and:
  - ─ the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
  - ─ the customer designed the asset in a way that predetermines how, and for what purpose, it will be used throughout the period of use.

(ii) As a lessee

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

(Continued)

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:

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

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 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
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

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 its 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.

(Continued)

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 the right-of-use assets and lease liabilities for short-term leases of its equipments that have a lease term of 12 months or less and leases of its low-value assets. 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, not with reference to the underlying asset. 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.

(o) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses. Regarding investments using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment, and the impairment loss of such investments is not allocated to goodwill and any assets, but as part of the carrying amount of investment using the equity method.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

(Continued)

The estimated useful lives for current and comparative periods are as follows:

1) Computer software cost 3~5 years

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

(p) Impairment – non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and employee benefits) 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 CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

(q) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The group' s estimated obligations for dismantling, moving and lease improvements after initial acquisition or subsequent use for a period of time are recognized as costs and liabilities of the asset.

(Continued)

(r) Revenue

(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

The Group manufactures cooking oils, foods and beverages, as well as aquafeeds, and sells them to distributors. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group often offers volume discounts to its customers based on aggregate sales its products over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the credit term of its sales is consistent with the industry.

The Group sells cooking oils and foods, and pays slotting fees, logistics fees and product display fees, etc. to customers according to the sales and its contracts. Since the payment cannot been exchanged for distinguishable goods or services, it is redeemed as deduction of sales price and income.

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.

(Continued)

2) Customer loyalty program

The Group operates a customer loyalty program to its retail customers. Retail customers obtain points for purchases made, which entitle them to discount on future purchases. The Group considers that the points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed, and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. The Group has recognized contract liability at the time of sale on the basis of the principle mentioned above. Revenue from the award points is recognized when the points are redeemed or when they expire.

3) Management services

The Group provides business transportation 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.

4) Financing 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 the payment made 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.

(s) 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 the 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 the 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.

(Continued)

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.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as related services are 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.

(t) 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.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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

(Continued)

(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 reserve, 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.

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

(u) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Group. The basic earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Group divided by weighted-average number of ordinary shares outstanding. The diluted earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Group, divided by weighted-average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as convertible bonds and employee stock options.

(v) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur 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 assess its performance. Each operating segment consists of standalone financial information.

(Continued)

(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. It recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment and COVID 19 within the next financial year are as follows:

(a) Impairment of trade receivable

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding possible future credit losses) discounted at the financial asset's original effective interest rate. When the actual future cash flows are less than expected, a material impairment loss may arise. Please refer to Notes 6(d) for further description of the impairment of trade receivable.

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to Note 6(f) for further description of the valuation of inventories.

The Group 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:

Please refer to notes listed as below for assumptions used in measuring fair value.

(a) Note 6(k) , Investment property

(b) Note 6(y) , Financial instruments

(Continued)

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand and petty cash	$ 917	1,044
Check deposits	30,969	51,332
Cash in banks	671,689	671,013
Time deposits	56,886	226,494
Cash equivalents	11,993	197,141
Cash and cash equivalents	**$ 772,454**	**1,147,024**

The deposit accounts of $125,980 thousand and $211,812 thousand, which did not meet the definition of cash and cash equivalents and were not restricted, were classified as other financial assets–current for the years ended December 31, 2020 and 2019, respectively.

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

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

	December 31, 2020	December 31, 2019
Assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ 1,369	109
Non-derivative financial assets		
Stocks listed on domestic markets	51,072	44,718
Beneficiary certificates openfunds	30,335	29,640
Total	**$ 82,776**	**74,467**
Liabilities mandatorily measured at fair value through profit or loss:		
Non-derivative financial liabilities		
Forward exchange contracts	**$ 853**	**1,451**

(i) Please refer to Note 6(y) for re-measurement at fair value recognized in profit or loss.

(ii) The aforesaid financial assets were not pledged as collateral.

(Continued)

(iii) Derivative instruments not used for hedging

	December 31, 2020		
	Contract amount (In thousands)	Exercise price	Exercisr date
Buy option	USD 4,000	27.450~28.055(USD/NTD)	2021.01.19~2021.06.08
Sell option	USD 4,000	27.450~28.055(USD/NTD)	2021.01.19~2021.06.08

	December 31, 2019		
	Contract amount (In thousands)	Exercise price	Exercisr date
Buy option	USD 3,000	30.155~30.78(USD/NTD)	2020.01.08~2020.02.05
Sell option	USD 3,000	30.155~30.78(USD/NTD)	2020.01.08~2020.02.05

(c) Non-current financial assets at fair value through other comprehensive income

	December 31, 2020	December 31, 2019
Equity instruments at fair value through other comprehensive income-non current:		
Shares of stock of listed companies	$ 151,744	45,860
Shares of stock of unlisted companies	2,714	3,055
Shares of stock of overseas unlisted companies	18,123	12,701
Total	**$ 172,581**	**61,616**

(i) The Group intends to hold its equity investments for long-term strategic purposes, rather than for transaction purposes. Therefore, the investments are measured at FVOCI.

(ii) On December 31, 2020, the value of the Group at the time of liquidation was $1,314 thousand and accumulated losses amounted to $586 thousand, the Group transferred the accumulated losses from other equity to retained earnings.

(iii) Please refer to Note 6(z) for credit risk and market risk.

(iv) The aforesaid financial assets were not pledged as collateral.

(Continued)

(d) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	$ 137,198	125,217
Notes receivable from related parties	2,700	2,318
Accounts receivable	661,594	620,475
Accounts receivable from related parties	390,134	355,531
Overdue receivables	12,059	24,616
Less：Allowance for impairment	(42,428)	(54,584)
	$ 1,161,257	**1,073,573**

The Group applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information, including overall economic environment and related industrial information.

The loss allowance provision in food, logistics and bulk materials segments was determined as follow:

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 1,052,013	0~0.69%	7,142
Overdue 0 to 90 days	28,624	0~0.82%	235
Overdue 91 to 180 days	240	0~1.67%	4
Overdue 181 to 270 days	-	6.93~19.76%	-
Overdue 271 to 360 days	-	15.79~41.67%	-
Over 365 days past due	713	100%	713
Total	**$ 1,081,590**		**8,094**

	December 31, 2019		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 965,448	0~0.72%	6,631
Overdue 0 to 90 days	37,454	0.47~0.84%	292
Overdue 91 to 180 days	3	2.47~18.4%	-
Overdue 181 to 270 days	-	8.87~33.56%	-
Overdue 271 to 360 days	2	20.00~53.49%	-
Over 365 days past due	870	100%	870
Total	**$ 1,003,777**		**7,793**

(Continued)

The loss allowance provision in aquafeed segment was determined as follow:

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 85,324	0.13%	107
Overdue 0 to 90 days	2,607	2.71%	71
Overdue 91 to 180 days	9	13.80%	1
Overdue 181 to 270 days	-	16.09%	-
Overdue 271 to 360 days	-	38.84%	-
Over 365 days past due	10,708	100%	10,708
Total	**$ 98,648**		**10,887**

	December 31, 2019		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 75,416	0.16%	120
Overdue 0 to 90 days	2,200	3.42%	75
Overdue 91 to 180 days	97	17.48%	17
Overdue 181 to 270 days	111	20.37%	23
Overdue 271 to 360 days	-	46.67%	-
Over 365 days past due	10,906	100%	10,906
Total	**$ 88,730**		**11,141**

The loss allowance provision at 100% expected loss rate was determined as follow:

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 23,447**	100%	**23,447**

	December 31, 2019		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 35,650**	100%	**35,650**

(Continued)

The movement in the allowance for notes and accounts receivable was as follow:

	For the years ended December 31	
	2020	2019
Balance on January 1	$ 54,584	276,538
Impairment losses reversed	(393)	(153)
Amounts written off	(11,767)	(221,772)
Foreign exchange losses	4	(29)
Balance on December 31	**$ 42,428**	**54,584**

As of December 31, 2020 and 2019, the financial assets mentioned above were not pledged as collateral.

(e) Other receivables

	December 31, 2020	December 31, 2019
Other receivables	$ 12,370	14,082
Less: Allowance for impairment	(5,400)	(7,955)
	$ 6,970	**6,127**

There were no receivables that were past due but not impaired.

Please refer to Note 6(y) for the Group's notes and accounts receivable exposed to credit risk and currency risk.

The aforesaid financial assets were not pledged as collateral.

(f) Inventories

	December 31, 2020	December 31, 2019
Raw materials	$ 156,116	298,154
Materials	25,352	21,100
Work in process	104,650	113,665
Finished goods	254,654	221,285
Merchandise	31,726	26,096
	$ 572,498	**680,300**

(Continued)

Other gains or losses from inventories except for cost of goods sold recognized as expenses in the current period:

	For the Years Ended December 31	
	2020	2019
Operating cost		
Inventory falling price loss (gain) from price recovery of inventory	(1,738)	6,047
Revenue from sale of scraps	(4,864)	(5,013)
(Gain) losses on physical inventory	(4,283)	1,275
Losses on disposal	7,976	7,787
Operating expenses	25,712	30,072
	$ 22,803	**40,168**

For the year ended December 31, 2020, the Group recognized a gain from the reversal of allowance for inventory valuation loss resulting from destocking. Such gain was deducted from cost of goods sold. For the year ended December 31, 2019, the Group recognized a inventory valuation loss due to the decreasing value from the carrying amount to the net realizable value, resulting in the amount of cost of goods sold to be converted.

As of December 31, 2020 and 2019, the aforesaid inventories were not pledged as collateral.

(g) Non-current assets held-for-sale

(i) A resolution was made during the board meeting held on November 11, 2016 for the disposal of the real estate of TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD., a subsidiary of the Group, to a nonrelated party. The commencement of the related transactions had been executed, with the amounts as follows:

	December 31, 2020	December 31, 2019
Property, plant and equipment	**$ -**	**6,562**

1) On November 24 2019, the Group entered into an agreement to sell its real estate and the deposit of RMB100 thousand (NTD432 thousand), which was recorded under other current liabilities. In April 2020, the real estate had transferred to the buyer, resulting in the disposition benefit of RMB1,637 thousand (NTD7,016 thousand) by the Group. Please refer to note 6(x). As of December 31, 2020, the entire amount have been fully paid.

2) The remaining two parking spaces of the Group did not meet the requirements for available for immediate sale. These assets were transferred to investment property for a total of NTD1,309 thousand as of December 31, 2020.

(Continued)

(ii) In August 2017, the Group decided to sell its real estate via internal resolution. On January 17, 2019, a resolution was made during the board meeting to sell the real estate to a non-related party at a price of NTD55,000 thousand (tax included). On January 25, 2019, both parties entered into an agreement concerning the above property; and the title deed had been transferred to the buyer in March 2019, resulting in the disposition benefit of NTD$9,420 thousand to be recognized by the Group. Please refer to note 6(x). As of the year 2019, the entire amount have been fully paid.

(h) Investments accounted for using equity method

(i) Subsidiaries that have material non-controlling interest were as follow:

Name of Affiliates	Nature of Relationship with the Group	Main operation /location	Proportion of shareholding and voting rights	
			December 31, 2020	December 31, 2019
TAIWAN FAMILYMART CO., LTD.	Operate chained convenience stores, explore selling paints for the Group	Taiwan	22.47 %	22.48 %

TAIWAN FAMILYMART CO., LTD. is one of the listed companies in Taiwan, with its fair value reflected as below:

	December 31, 2020	December 31, 2019
$	**13,140,981**	**10,963,110**

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 differences in accounting principles between the Company and its subsidiaries as at the acquisition date. The intra-group transactions were not eliminated in this information.

Information regarding TAIWAN FAMILYMART CO., LTD. and its subsidiaries

	December 31, 2020	December 31, 2019
Current assets	$ 19,032,433	17,983,536
Non-current assets	42,441,957	39,228,791
Current liabilities	(30,440,441)	(29,230,003)
Non-current liabilities	(24,047,151)	(21,686,146)
Net assets	**$ 6,986,798**	**6,296,178**
Net assets attributable to non-controlling interests	**$ 381,607**	**318,439**
Net assets attributable to investee	**$ 6,605,191**	**5,977,739**

(Continued)

	2020	2019
Operating revenue	**$ 85,365,675**	**77,729,697**
Net income	$ 2,240,930	1,912,770
Other comprehensive income	(55,649)	(25,571)
Total comprehensive income	**$ 2,185,281**	**1,887,199**
Comprehensive income attributable to non-contralling interests	**$ 106,899**	**80,601**
Comprehensive income attributable to investee	**$ 2,078,382**	**1,806,598**

	2020	2019
Shares of net assets attributable to investee on January 1	$ 1,343,649	1,227,113
Comprehensive income attributable to the Group	467,128	418,510
Retained earnings attributable to the Group	-	(12,490)
Add: shsares aquired	-	1,528
Less: shares sold	(494)	-
Dividends from affiliated enterprise	(326,134)	(291,012)
subtotal	1,484,149	1,343,649
Add: investment property	20,000	20,016
Add: trademark	129,713	129,820
Add: goodwill	1,457,345	1,457,857
Book value of net assets attributable to the Group on December 31	**$ 3,091,207**	**2,951,342**

(ii) Associates

The Group's financial information for investments accounted for using the equity method that were individually insignificant is as follows:

	December 31, 2020	December 31, 2019
Carry amounts of individually insignificant associates' equity	**$ 277,430**	**260,089**

	For the Years Ended December 31	
	2020	2019
Attributable to the Group:		
Net gain	$ 39,925	28,569
Other comprehensive income	1,647	(670)
Comprehensive income	**$ 41,572**	**27,899**

(Continued)

(iii) Pledge to secure

As of December 31, 2020, the deals of the investment accounted for using equity method were pledged as collateral for long-term borrowings and credit lines, please refer to Note 8.As of December 31, 2019, the investments accounted for using equity method were not pledged as collateral.

(i) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group as of December 31, 2020 and 2019 were as follows:

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2020	$ 1,146,539	924,075	986,265	106,224	215,227	90,337	3,468,667
Additions	5,360	4,698	20,008	7,496	10,192	127,688	175,442
Disposals	-	(11,389)	(48,881)	(14,338)	(124,819)	-	(199,427)
Transfer in	-	30,564	44,941	6,639	14,127	-	96,271
Transfer out	-	-	-	-	-	(89,632)	(89,632)
Effect of movement in exchange rate	-	1,172	2,091	70	108	-	3,441
Balance on December 31, 2020	**$ 1,151,899**	**949,120**	**1,004,424**	**106,091**	**114,835**	**128,393**	**3,454,762**
Balance on January 1, 2019	$ 1,146,539	915,584	1,036,056	98,542	246,464	29,229	3,472,414
Additions	-	1,295	7,664	14,361	713	100,329	124,362
Disposals	-	-	(74,466)	(7,189)	(30,669)	-	(112,324)
Transfer in	-	12,061	27,060	835	100	-	40,056
Transfer out	-	-	-	-	(835)	(39,221)	(40,056)
Effect of movement in exchange rate	-	(4,865)	(10,049)	(325)	(546)	-	(15,785)
Balance on December 31, 2019	**$ 1,146,539**	**924,075**	**986,265**	**106,224**	**215,227**	**90,337**	**3,468,667**
Depreciation and impairment loss:							
Balance on January 1, 2020	$ -	658,373	831,637	59,539	205,056	-	1,754,605
Depreciation for the period	-	27,031	43,851	10,531	5,098	-	86,511
Disposals	-	(10,830)	(47,683)	(6,433)	(122,688)	-	(187,634)
Reclassifications	-	-	(885)	-	885	-	-
Effect of movement in exchange rate	-	832	1,853	72	106	-	2,863
Balance on December 31, 2020	**$ -**	**675,406**	**828,773**	**63,709**	**88,457**	**-**	**1,656,345**
Balance on January 1, 2019	$ -	635,166	875,034	52,663	228,856	-	1,791,719
Depreciation for the period	-	26,361	41,192	9,664	4,840	-	82,057
Disposals	-	-	(73,933)	(3,332)	(29,413)	-	(106,678)
Reclassifications	-	-	(2,128)	835	1,293	-	-
Effect of movement in exchange rate	-	(3,154)	(8,528)	(291)	(520)	-	(12,493)
Balance on December 31, 2019	**$ -**	**658,373**	**831,637**	**59,539**	**205,056**	**-**	**1,754,605**
Carrying amounts:							
Balance on December 31, 2020	**$ 1,151,899**	**273,714**	**175,651**	**42,382**	**26,378**	**128,393**	**1,798,417**
Balance on January 1, 2019	**$ 1,146,539**	**280,418**	**161,022**	**45,879**	**17,608**	**29,229**	**1,680,695**
Balance on December 31, 2019	**$ 1,146,539**	**265,702**	**154,628**	**46,685**	**10,171**	**90,337**	**1,714,062**

(Continued)

(i) Since the law in Taiwan does not allow a legal person or an entity to acquire any agricultural land beginning 2016, the title deed of the 15 pieces of agricultural land, amounting to NTD$50,749 thousand, located at parcel no.185 and 186 in the Daxin Section of Beidou Township, Changhua County, had been transferred to a natural person. However, the Company still keeps the original certificate of ownership of the real estate for security purpose.

(ii) Please refer to Note 6(x) for the disposal of profit and loss.

(iii) As of December 31, 2020 and 2019, there were no interest capitalization of the Group.

(iv) As of December 31, 2020 and 2019, the aforementioned land, houses and buildings were not provided as collateral guarantees.

(j) Right-of-use assets

The movements in the cost and depreciation of the leased land and buildings were as follows:

		Land	Buildings	Total
Cost:				
Balance on January 1, 2020	$	21,589	5,922	27,511
Effect of movement in exchange rate		187	-	187
Balance on December 31, 2020	**$**	**21,776**	**5,922**	**27,698**
Balance on January 1, 2019	$	22,361	5,922	28,283
Effect of movement in exchange rate		(772)	-	(772)
Balance on December 31, 2019	**$**	**21,589**	**5,922**	**27,511**
Accumulated depreciation:				
Balance on January 1, 2020	$	9,773	2,109	11,882
Depreciation for the period		434	2,199	2,633
Effect of movement in exchange rate		92	-	92
Balance on December 31, 2020	**$**	**10,299**	**4,308**	**14,607**
Balance on January 1, 2019	$	9,669	-	9,669
Depreciation for the period		453	2,109	2,562
Effect of changes in foreign exchange rate		(349)	-	(349)
Balance on December 31, 2019	**$**	**9,773**	**2,109**	**11,882**
Carrying amounts:				
Balance on December 31, 2020	**$**	**11,477**	**1,614**	**13,091**
Balance on January 1, 2019	**$**	**12,692**	**5,922**	**18,614**
Balance on December 31, 2019	**$**	**11,816**	**3,813**	**15,629**

(Continued)

(k) Investment property

The following are the investment property, including properties, owned by the Group, with leases containing an initial noncancellable lease term of 5 to 10 years. Some leases provide the lessees with options to extend at the end of the term:

	Land and improvements	Buildings	Total
Cost or deemed cost:			
Balance on January 1, 2020	$ 566,062	153,809	719,871
Reclassifications	-	1,309	1,309
Balance on December 31, 2020	**$ 566,062**	**155,118**	**721,180**
Balance on January 1, 2019	$ 566,062	153,809	719,871
Balance on December 31, 2019	**$ 566,062**	**153,809**	**719,871**
Depreciation and impairment loss:			
Balance on January 1, 2020	$ -	102,042	102,042
Depreciation for the year	-	2,312	2,312
Effect of movement in exchange rate	-	8	8
Balance on December 31, 2020	**$ -**	**104,362**	**104,362**
Balance on January 1, 2019	$ -	100,188	100,188
Depreciation for the year	-	1,854	1,854
Balance on December 31, 2019	**$ -**	**102,042**	**102,042**
Carrying amounts:			
Balance on December 31, 2020	**$ 566,062**	**50,756**	**616,818**
Balance on January 1, 2019	**$ 566,062**	**53,621**	**619,683**
Balance on December 31, 2019	**$ 566,062**	**51,767**	**617,829**
Fair value:			
Balance on December 31, 2020			**$ 961,447**
Balance on December 31, 2019			**$ 957,392**

(i) Investment property comprises a number of commercial properties that were leased to third parties. The subsequent lease term of each lease contract was negotiated with the lessee, and no contingent rent is charged.

(ii) The fair value of investment properties was based on recent transaction price of similar location and areas on the website of the Department of Land Administration M.O.I. and the website of real estate trading. Under the valuation techniques for financial instruments measured at fair value, the inputs were categorized at level 2.

(iii) As of December 31, 2020 and 2019, the investment properties were not pledged as collateral.

(Continued)

(l) Short-term borrowings

	December 31, 2020	December 31, 2019
Letter of credit	$ 108,027	122,609
Unsecured bank loans	40,000	155,000
Total	**$ 148,027**	**277,609**
Unused credit lines	**$ 2,492,721**	**3,323,661**
Interest rates	**0.77%~1.59%**	**0.95%~2.82%**

Please refer to Note 6(z) for details on financial risk.

(m) Short-term notes and bills

	December 31, 2020	December 31, 2019
Commercial paper payables	**$ 20,000**	**261,000**
Unused credit lines	**$ 1,150,000**	**909,000**
Interest rates	**1.31%**	**0.7%~1.39%**

Please refer to Note 6(z) for details on financial risk.

(n) Account payable

	December 31, 2020	December 31, 2019
Payables to suppliers	**$ 526,122**	**457,543**

(o) Long-term borrowings

	December 31, 2020			
	Currency	Interest rate	Year due	Amount
Secured bank loans	NTD	1%	2023	$ 600,000
Less: Current portion				-
Total				**$ 600,000**
Unused credit line				**$ 700,000**

	December 31, 2019			
	Currency	Interest rate	Year due	Amount
Unsecured bank loans	NTD	1.43%~1.55%	2020~2022	$ 762,500
Less: Current portion				(75,000)
Total				**$ 687,500**
Unused credit line				**$ 87,500**

(Continued)

(i) Collateral for bank loans

Please refer to Note 8 for details on related assets pledged as collateral.

(ii) Please refer to Note 6(z) for details on financial risk.

(p) Operating leases

Leases as lessor

The Group leases out its investment property. 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(k) for more related information on operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2020	December 31, 2019
Less than one year	$ 10,907	9,136
One to two years	7,729	4,847
Two to three years	4,201	3,575
Three to four years	1,405	1,580
Four to five years	1,060	526
More than five years	291	526
Total undiscounted lease payments	**$ 25,593**	**20,190**

For the years ended December 31, 2020 and 2019, the rental revenues from investment properties amounted to $9,039 thousand and $11,313 thousand, respectively.

(q) Lease liabilities

The Group's lease liabilities were as follows：

	December 31, 2020	December 31, 2019
Current	**$ 1,634**	**2,202**
Non-current	**$ -**	**1,634**

Please refer to Note 6(x) for maturity analysis.

(Continued)

The amounts recognized in profit or loss were as follow:

	For the Year Ended December 31, 2020	For the year ended December 31, 2019
Interest on lease liabilities	$ 41	74
Expenses relating to short-term leases	$ 580	1,569
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 33	63

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

	For the Year Ended December 31, 2020	For the Year Ended December 31, 2019
Total cash outflow for leases	$ 2,856	3,792

(i) Real estate leases

The Group leases house and buildings for its warehouses. The leases of warehouses typically run for a period of 3 years.

(ii) Other leases

The Group also leases office equipment with contract terms of one year, and these leases are short-term and/or leases of low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(r) Employee benefits

(i) Defined benefit plans

The reconciliation of fair value of the defined benefit plans and plan assets was as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligation	$ 238,431	288,539
Fair value of plan assets	(254,615)	(280,794)
Net defined benefit liabilities	$ (16,184)	7,745
Net defined benefit assets	$ (21,760)	-
Net defined benefit liabilities	5,576	7,745
	$ (16,184)	7,745

(Continued)

Employee benefit liabilities are listed as follows:

	December 31, 2020	December 31, 2019
Compensated absences liability	$ 12,744	12,744

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for its 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 six months prior to retirement.

1) Composition of plan assets

The Group sets aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. Such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Under these regulations, the minimum earnings from these pension funds shall not be less than the earnings from two-year time deposits with the interest rates offered by local banks.

The Group's contributions to the pension funds were deposited with Bank of Taiwan amounting to $254,615 thousand as of the reporting date. 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 movements in the present value of the defined benefit obligations for the years ended December 31, 2020 and 2019 were as follows:

	For the Years Ended December 31	
	2020	2019
Defined benefit obligations on January 1	$ 288,539	305,756
Current service costs and interest	5,297	6,513
Remeasurements of the net defined benefit liability		
—Actuarial loss (gain) due to experience adjustments	12,328	(2,094)
—Actuarial losses from changes in financial assumption	8,860	3,223
Liabilities from the settlement	(18,223)	-
Benefits paid by the plan	(58,370)	(24,859)
Defined benefit obligation on December 31	$ 238,431	288,539

(Continued)

3) Movements on the defined benefit plan assets

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

	For the Years Ended December 31	
	2020	2019
Fair value of plan assets on January 1	$ 280,794	262,174
Interest revenue	2,771	2,955
Remeasurements of the net defined benefit liability		
—Return on plan assets (not including current interest cost)	8,300	8,783
Contributed amount	9,270	18,241
Benefits paid by the plan	(39,730)	(11,359)
Settlement	(6,790)	-
Fair value of plan asset on December 31	**$ 254,615**	**280,794**

4) Expenses recognized in profit and loss

The Group's pension expenses recognized in profit or loss for the years ended December 31, 2020 and 2019 were as follows:

	For the Years Ended December 31	
	2020	2019
Current service costs	$ 2,567	3,184
Net interests on net defined benefit liability	(41)	374
Prior service cost and gain or loss from the settlement	417	-
	$ 2,943	**3,558**
Operating costs	$ 900	1,147
Selling expenses	518	785
General and administrative expenses	1,525	1,626
	$ 2,943	**3,558**

(Continued)

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

The Group's net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2020 and 2019 were as follows:

	For the Years Ended December 31	
	2020	2019
Cumulative amount on January 1	$ 103,940	111,594
Recognized during the year	12,888	(7,654)
Cumulative amount on December 31	**$ 116,828**	**103,940**

6) Actuarial assumptions

The key actuarial assumptions at the reporting date are as follows:

	2020.12.31	2019.12.31
Discount rate	0.500%~0.625%	1.000 %
Future salary increase rate	1.000 %	1.000 %

Based on the actuarial report, the Group is expected to make a contribution payment of $7,444 thousand to the defined benefit plans for the one year period after the reporting date of 2020.

The weighted average duration of the defined benefit plans is between 10.09~12.64 years.

7) Sensitivity analysis

In determining the present value of the defined benefit obligation, the Group' s management makes judgments and estimates in determining certain actuarial assumptions on the balance sheet date, which includes discount rate and future salary increase rate. Changes in actuarial assumptions may have significant impact on the amount of the defined benefit obligation.

(Continued)

As of December 31, 2020 and 2019, the changes in the principal actuarial assumptions that will have an impact on the present value of the defined benefit obligation were as follows:

	Impact on the present value of defined benefit obligation	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2020		
Discount rates	$ (5,431)	5,609
Future salary increase rates	5,456	(5,311)
December 31, 2019		
Discount rates	(6,394)	6,611
Future salary increase rates	6,455	(6,277)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in the defined benefit obligation as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as that of the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

(ii) Defined contribution plans

The Group contributes an amount at the rate of the employees' monthly wages to the Labor Pension personal account with the Bureau of Labor Insurance and Council of Labor Affairs in the R.O.C. and related social insurance institutions in accordance with the provisions of the Labor Pension Act and pension regulations in other business area. The Group's contributions to the Bureau of Labor Insurance for the employees' pension benefits, as well as to the labor and social security bureau, require no further payment of additional legal or constructive obligations.

As of December 31, 2020 and 2019, the Group' s employee benefits retirement expenses amounted to $19,584 thousand and $17,805 thousand, respectively.

(Continued)

(s) Income tax

(i) The income tax expense for the years ended December 31, 2020 and 2019 are as follows:

	For the Years Ended December 31	
	2020	2019
Current income tax expense		
Current period incurred	$ 43,121	30,285
Undistributed earnings additional tax	183	3,515
Prior years income tax adjustment	(3,031)	112
Land value increment taxes	-	523
	40,273	34,435
Deferred tax expense		
Origin and reversal of temporary difference	14,236	5,000
Income tax expense from continuing operations	**$ 54,509**	**39,435**

(ii) The income tax on pre-tax financial income was reconciled with the income tax expense for the years ended December 31, 2020 and 2019 as follows:

	For the Years Ended December 31	
	2020	2019
Profit excluding income tax	$ 906,050	621,636
Income tax using the Company's domestic tax rate	$ 181,210	124,327
Effect tax rates in foreign jurisdiction	4,682	3,160
Non-deductible expenses	513	2,515
Gains from equity method	(103,715)	(87,993)
Dividends revenue	(3,821)	(3,270)
Changes in unrecognized temporary differences	(16,205)	(4,657)
Undistributed earnings	183	3,515
Land value increment tax	-	523
Prior years income tax adjustment	(3,031)	112
Others	(5,307)	1,203
Total	**$ 54,509**	**39,435**

(Continued)

(iii) Deferred tax assets

1) Unrecognized deferred tax assets

	December 31, 2020	December 31, 2019
Pension expenses	$ 1,115	2,052
Tax-losses carryforward	75,895	11,529
Allowance losses	5,850	8,390
Losses on investment using equity method	88,672	88,672
Others	3,891	4,538
	$ 175,423	**216,181**

The above-meneioned defferred income tax assets were not recognized because the Group is not likely to have sufficient taxable income for use in the future.

As of December 31, 2020, the Group did not recognize its prior years' loss carry-foward as deferred tax assets. The expiry years thereof are as follows:

Remaining creditable amount	Remaining creditable tax amount	Year of expriration
$ 258,741	64,685	2021
642	161	2022
53,515	10,703	2023
430	86	2024
452	90	2025
293	59	2026
553	111	2027
$ 314,626	**75,895**	

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2020 and 2019 were as follows:

	Inventory valuation loss	Investment loss	Loss deduction	Unrealized gross profit	Other	Total
Deferred tax assets:						
Balance on January 1, 2020	$ 2,309	9,168	9,567	750	101	21,895
Recognize as profit or loss	-	(9,168)	(4,967)	-	(101)	(14,236)
Balance on December 31, 2020	**$ 2,309**	**-**	**4,600**	**750**	**-**	**7,659**
Balance on January 1, 2019	$ 2,309	9,168	14,567	750	101	26,895
Recognize as profit or loss	-	-	(5,000)	-	-	(5,000)
Balance on December 31, 2019	**$ 2,309**	**9,168**	**9,567**	**750**	**101**	**21,895**

(Continued)

(iv) Deferred tax liabilities

	December 31, 2020	December 31, 2019
Land value increment tax	$ 222,537	222,537

For the years ended December 31, 2020 and 2019, there is no change on the Group's defferred tax liabilities.

(v) Status of approval of income tax

Company	Year
The Company	2018
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	2018
TAIWAN NIKOMART CO., LTD.	2019
PIONEER TRAFFIC CO., LTD.	2018

(t) Share capital and other equity

As of December 31, 2020 and 2019, the authorized capital of the Company consisted of 800,000 thousand shares, at a par value of $10 per share, with the outstanding shares amounting to $4,999,990 thousand. The capital that arose from the abovementioned shares had all been retrieved.

(i) Capital surplus

The components of the capital surplus are as follows:

	December 31, 2020	December 31, 2019
Treasury shares transactions	$ 38,837	26,540
Changes in equity of associates accounted for using equity method	17	17
Surplus from issuance of ordinary shares	915,977	915,977
Surplus from issuance of ordinary shares-employee stock options	4,132	4,132
Expired employee stock options	1,561	1,561
Other	13,559	13,559
	$ 974,083	961,786

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 the par value should not exceed 10% of the total common stock outstanding.

(Continued)

(ii) Retained earnings

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while the Company still have significant expansion of production capacity and vertical development plans in the next few years. The Company's articles of incorporation stipulate that the 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 at least 50% of the remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. However, more than 30% of the total dividend distribution in the current year shall be distributed in cash dividends, and the rest shall be distributed in the form of stock dividends.

If the common stock dividends per share is less than NTD 0.1, the Board of Directors have the right not to distribute it.

1) Legal reserve

When a company incurs profit, the shareholders shall decide on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash of up to 25% of the actual share capital.

2) Special reserve

The Company applied for exemptions during its first-time adoption of IFRSs, resulting in its retained earnings to increase by $240,776 thousand, incurred from unrealized revaluation increments, exchange differences on translation of foreign financial statements, and fair value of investment property being used as the cost on initial recognition at the transition date. In accordance with Permit No.1010012865 as issued by the Financial Supervisory Commission on April 6, 2012, a special reverse equals to the contra account of other shareholders' equity is appropriated from current and prior period earnings. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of December 31, 2020 and 2019, the Company recognized the special reserve related to all IFRSs adjustments amounting to $240,776 thousand for both years. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On May 21, 2020, and May 23, 2019, the Company's shareholder's meeting resolved to appropriate the 2019 and 2018 earnings as follows:

	2019	2018
Common stock dividends per share		
Cash	$ 449,999	399,999

(Continued)

For information on earnings distribution, decided by the board of directors, which was approved during the shareholders' meeting, please visit the public information observatory for further information.

(iii) Treasury stock (held by the subsidiaries)

Before the amendment of the Company Law in 2001, the Company's subsidiaries purchased the Company's stock in the open market for investment purposes. Stock held by subsidiaries are deemed as treasury stocks.

The numbers of shares, book value and market price held by the Company's subsidiaries are as follows:

Subsidiaries	Begining shares	Add	Less	Ending shares
2020				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
PIONEER TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**
2019				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
PIONEER TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**

	December 31, 2020	December 31, 2019
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	$ 154,637	154,637
TAIWAN NIKOMART CO., LTD.	44,880	44,880
PIONEER TRAFFIC CO., LTD.	4,359	4,359
	$ 203,876	**203,876**

The stock prices of the Company as of December 31, 2020 and 2019 were NTD 27.60 and NTD 22.10 respectively.

(Continued)

(iv) Other equity interest (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2020	$ (29,042)	(78,026)	(107,068)
Exchange differences on foreign operation	(2,828)	-	(2,828)
Unrealized gain from equity instrument investment measured at fair value through other comprehensive income	-	38,499	38,499
Changes in other comprehensive income (loss) of associates accounted for using equity methods	-	(5,066)	(5,066)
Disposal of investments in equity instruments designatedat at fair value through other comprehensive income	-	586	586
Balance on December 31, 2020	**$ (31,870)**	**(44,007)**	**(75,877)**
Balance on January 1, 2019	$ (25,664)	(98,719)	(124,383)
Exchange differences on foreign operation	(2,734)	-	(2,734)
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	10,631	10,631
Changes in other comprehensive income (loss) of associates accounted for using equity methods	(644)	(2,428)	(3,072)
Disposal of investments in equity instruments designatedat at fair value through other comprehensive income by affiliates through the equity method	-	12,490	12,490
Balance on December 31, 2019	**$ (29,042)**	**(78,026)**	**(107,068)**

(u) Earnings per share

The Group's earnings per share are calculated as follows:

	For the Years Ended December 31	
	2020	2019
Basic earnings per share		
Profit from continuing operation attributable to the Company	**$ 851,078**	**582,073**
Weighted average number of ordinary shares	499,999	499,999
Less: impact of treasury stock	13,606	13,606
Adjusted weighted average number of ordinary shares	**486,393**	**486,393**
Earnings per share	**$ 1.75**	**1.20**
Diluted earnings per share		
Profit from continuing operation attributable to the Company(after adjusting the effect of diluted ordinary shares)	**$ 851,078**	**582,073**
Adjusted weighted average number of ordinary shares	486,393	486,393
The impact of employee stock compensation	2,202	2,000
Adjusted weighted average number of ordinary shares (after adjusting the effect of diluted ordinary shares)	**488,595**	**488,393**
Earnings per share	**$ 1.74**	**1.19**

(Continued)

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Years Ended December 31, 2020				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	$ 4,718,701	-	493,610	-	5,212,311
Bulk materials and aquafeeds	-	2,698,245	-	-	2,698,245
Service revenue	-	-	-	439,210	439,210
Revenue from investment properties	-	-	-	6,359	6,359
	$ 4,718,701	**2,698,245**	**493,610**	**445,569**	**8,356,125**

	For the Years Ended December 31, 2019				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	$ 4,340,613	-	502,433	-	4,843,046
Bulk materials and aquafeeds	-	2,742,619	-	-	2,742,619
Service revenue	-	-	-	406,213	406,213
Revenue from investment properties	-	-	-	8,706	8,706
	$ 4,340,613	**2,742,619**	**502,433**	**414,919**	**8,000,584**

(ii) Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable	$ 137,198	125,217	122,987
Notes receivable-related parties	2,700	2,318	-
Accounts receivable	661,594	620,475	566,740
Accounts receivable-related parties	390,134	355,531	390,677
Receivables	12,059	24,616	246,746
Less: loss allowance	(42,428)	(54,584)	(276,538)
Total	**$ 1,161,257**	**1,073,573**	**1,050,612**
Contract liabilities-sales	**$ 39,800**	**45,162**	**40,262**

For details on notes receivable, accounts receivable and loss allowance, please refer to Note 6(d).

(Continued)

The amount of revenue recognized for years ended December 31, 2020 and 2019, which were included in the contract liabilities balance at the beginning of the period, were $27,179 thousand and $27,408 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received.

(w) Remunerations to employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 2% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

For the years ended December 31, 2020 and 2019, the Company accrued and recognized its employee remuneration amounting to $49,188 thousand and $37,383 thousand, respectively; as well as its remuneration to directors and supervisors amounting to $34,431 thousand and $30,586 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or lost in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the shareholders' meeting.

The related information can be accessed from the Market Observation Post System website.

The remunerations to employees and directors mentioned above were consistent with the estimated amounts reflected in the 2020 and 2019 consolidated financial statements.

(Continued)

(x) Non-operating income and expenses

(i) Other gains and losses

The details of other gain and losses were as follows:

	For the Years Ended December 31	
	2020	2019
Dividend income	$ 6,845	5,792
Rental revenue	4,903	2,905
Foreign exchange gain (loss)	1,044	(30,315)
Gains on disposal of property, plant and equipment	1,166	383
Gains on disposal of non-current assets held for sale	7,016	9,420
Gains on disposail of investments	3,755	-
Gains on financial assets at FVTPL	8,291	3,731
Directors' remunerations	6,159	5,171
Dilivey service income	13,539	12,165
Other gains and losses	21,764	19,883
	$ 74,482	**29,135**

(ii) Finance costs

The details of finance costs were as follows:

	For the Years Ended December 31	
	2020	2019
Interest expense		
Bank borrowing	$ 14,368	12,345
Lease liability	41	34
	$ 14,409	**19,291**

(y) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(Continued)

2) Concentration of credit risk

Apart from the Group's most significant customer, CENTRAL UNION OIL CORP., the Group has no exposure to credit risk of any individual counterparty or any group of counterparties with similar credit characteristics. Those related parties which have transactions with the Group are regarded as group of counterparties with similar credit characteristics. As at December 31, 2020 and 2019, the Group reviewed the concentrations of credit risk arising from CENTRAL UNION OIL CORP. and other counterparties, and it was below 22.35% and 23.92%, respectively, of the accounts receivable.

3) Accounts receivable of credit risk

For credit risk exposure of notes and accounts receivables, please refer to note 6(d). Other financial assets at amortized cost includes other receivables and time deposits, etc.

All of these financial assets are considered to be low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Please refer to Note 4(g) for the decision made by Group as to whether or not its credit risk is to be low risk, and for the movement of allowance for loss, please refer to Note 6(e).

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
December 31, 2020						
Non-derivative financial liabilities						
Lease liabilities	$ 1,634	1,644	954	690	-	-
Unsecured bank loans (USD)	108,027	108,706	108,706	-	-	-
Unsecured bank loans (NTD)	40,000	40,231	40,231	-	-	-
Secured bank loans (NTD)	600,000	615,000	3,000	3,000	6,000	603,000
Short-term notes and bills payable	20,000	20,000	20,000	-	-	-
Non-interest bearing liabilities	998,835	998,835	998,835	-	-	-
	$ 1,768,496	**1,784,416**	**1,171,726**	**3,690**	**6,000**	**603,000**
December 31, 2019						
Non-derivative financial liabilities						
Lease liabilities	$ 3,836	3,887	1,121	1,121	1,645	-
Unsecured bank loans (USD)	122,609	124,305	124,305	-	-	-
Unsecured bank loans (NTD)	917,500	949,400	199,077	42,898	47,740	659,685
Short-term notes and bills payable	261,000	261,000	261,000	-	-	-
Non-interest bearing liabilities	873,871	873,871	873,871	-	-	-
	$ 2,178,816	**2,212,463**	**1,459,374**	**44,019**	**49,385**	**659,685**

(Continued)

(iii) Currency risk

1) Exposure of foreign currency risk

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

	December 31, 2020			December 31, 2019		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD : NTD	$ 11,168	28.508	318,000	31,651	30.106	952,895
USD : CNY	2,025	6.539	57,724	24	6.966	717
CNY : USD	13,000	0.15	56,669	13,000	0.14	56,182
Financial liabilities						
Monetary items						
USD : NTD	3,789	28.508	108,027	4,073	30.106	122,609
USD : CNY	2,000	6.539	57,017	3,500	6.966	105,371

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, other financial assets-current, accounts receivable, other receivables and borrowings that are denominated in foreign currency. A 1% appreciation or depreciation of US dollar against New Taiwan dollar as of December 31, 2020 and 2019 would have increased (decreased) the pre-tax net income for the years ended December 31, 2020 and 2019 by $2,139 thousand and $6,255 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

3) Foreign exchange gains or losses on monetary item

Since the Group has various kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by the total amount. For the years ended December 31, 2020 and 2019, the foreign exchange (loss) gain (including realized and unrealized portions) amounted to $1,044 thousand and $30,315 thousand, respectively.

(Continued)

(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.

	Book value	
	December 31, 2020	December 31, 2019
Fixed rate instruments:		
Financial assets	$ 284,789	657,781
Financial liabilities	20,000	261,000
	$ 264,789	**396,781**
Variable rate instruments:		
Financial assets	$ 728,575	716,922
Financial liabilities	748,027	1,040,109
	$ (19,452)	**(323,187)**

The following sensitivity analysis is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments at the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The report of the Group' s internal management on the increases/decreases in the interest rates and the exposure to changes in interest rates of 0.5% is considered by the management to be a reasonable change of interest rate.

If the interest rate increases / decreases by 0.5%, the Group' s net income will decrease /increase by $78 thousand and $1,293 thousand for the years ended December 31, 2020 and 2019, respectively, assuming all other variable factors remaining constant. This is mainly due to the Group's floating interest rate of cash in bank and borrowing factoring.

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows; assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain constant:

	For the years ended December 31			
	2020		2019	
	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)
Increase 5%	**$ 8,629**	**4,070**	**3,081**	**3,718**
Decrease 5%	**$ (8,629)**	**(4,070)**	**(3,081)**	**(3,718)**

(Continued)

(vi) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

The Group measured its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income 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, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets					
Foreign exchange option	$ 1,369	-	1,369	-	1,369
Non derivative financial assets					
Listed Stocks	51,072	51,072	-	-	51,072
Beneficiary Certificate-Open-end Funds	30,335	30,335	-	-	30,335
Subtotal	82,776	81,407	1,369	-	82,776
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 151,744	151,744	-	-	151,744
Shares of stock unlisted on domestic markets	2,714	-	1,559	1,155	2,714
Shares of stock unlisted on foreign markets	18,123	-	-	18,123	18,123
Subtotal	172,581	151,744	1,559	19,278	172,581
Financial assets at amortized cost					
Cash and cash equivalents	$ 772,454	-	-	-	-
Notes and account receivables (including related parties)	1,161,257	-	-	-	-
Other receivables (including related parties)	6,970	-	-	-	-
Other financial asset-current	272,796	-	-	-	-
Other financial asset-non current	11,510	-	-	-	-
Subtotal	2,224,987	-	-	-	-
Total	**$ 2,480,344**	**233,151**	**2,928**	**19,278**	**255,357**

(Continued)

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	$ 853	-	853	-	853
Financial liabilities at amortized cost					
Short term borrowings	$ 148,027	-	-	-	-
Short term notes and bills payable	20,000	-	-	-	-
Notes and accounts payable (including related parties)	527,979	-	-	-	-
Other payables (including related parties)	465,552	-	-	-	-
lease liabilities (including non-current)	1,634	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	5,304	-	-	-	-
Subtotal	1,168,496	-	-	-	-
Total	**$ 1,169,349**	**-**	**853**	**-**	**853**

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets					
Foreign exchange option	$ 109	-	109	-	109
Non derivative financial assets					
Listed Stocks	44,718	44,718	-	-	44,718
Beneficiary Certificate-Open-end Funds	29,640	29,640	-	-	29,640
Subtotal	74,467	74,358	109	-	74,467
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 45,860	45,860	-	-	45,860
Shares of stock unlisted on domestic markets	3,055	-	-	3,055	3,055
Shares of stock unlisted on foreign markets	12,701	-	-	12,701	12,701
Subtotal	61,616	45,860	-	15,756	61,616
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,147,024	-	-	-	-
Notes and accounts receivable (including related parties)	1,073,573	-	-	-	-
Other receivables (including related parties)	6,127	-	-	-	-
Other financial asset-current	329,225	-	-	-	-
Other financial asset-non current	9,556	-	-	-	-
Subtotal	2,565,505	-	-	-	-
Total	**$ 2,701,588**	**120,218**	**109**	**15,756**	**136,083**

(Continued)

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	$ 1,451	-	1,451	-	1,451
Financial liabilities at amortized cost					
Short term borrowings	$ 277,609	-	-	-	-
Short term notes and bills payable	261,000	-	-	-	-
Notes and accounts payable (including related parties)	462,916	-	-	-	-
Other payables (including related parties)	404,415	-	-	-	-
lease liabilities (including non-current)	3,836	-	-	-	-
Long term borrowings (including current portion)	762,500	-	-	-	-
Deposits received (recognized in the balance sheet as other non current liabilities, others)	6,540	-	-	-	-
Subtotal	2,178,816	-	-	-	-
Total	**$ 2,180,267**	**-**	**1,451**	**-**	**1,451**

2) Valuation techniques for financial instruments not measured at fair value:

The assumptions and methods used in valuing financial instruments that are not measured at fair value are as follows:

a) Financial assets and liabilities measured at amortized cost

Fair value measurement for financial assets and liabilities is based on the latest quoted price and agreed-upon price if these prices are available in an active market. When market value is unavailable, fair value of financial assets and liabilities are evaluated based on the discounted cash flow of the financial assets and liabilities.

3) Valuation techniques for financial instruments measured at fair value:

a) Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument does not accord with the aforementioned definition, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

(Continued)

If the financial instruments held by the Group have an active market, the measurements of fair value are categorized as follows:

- The listed stocks and beneficiary certificate-open-end funds are recognized as financial assets and liabilities traded in active markets by the standards and nature. The fair value is measured at the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from competitor. Fair value measured by valuation technique can be extrapolated from similar financial instruments, discounted cash flow method or other valuation technique which include model calculating with observable market data at the balance sheet date.

If the financial instruments held by the Group have no active market, the measurements of fair value are categorized as follows:

- Equity instruments without quoted price: The fair value is measured at net asset value method. By looking through the nature and the included items of each asset and liability item and collecting the market value information of each asset and liability for items whose book value may be different from the fair value, the Group needs to obtain the fair value of the Company's net assets, and calculate the Company's equity value. The discount effect is adjusted due to lack of market liquidity in equity securities.

b) Derivative financial instruments

These are based on the valuation model accepted by the most market users, ex: discount rate and option pricing model. Forward exchange agreement is usually based on the current forward rate.

Fair value of structured financial instruments is based on appropriated valuation model, ex: BlackScholes model, or other valuation model, ex: Monte Carlo simulation.

c) Financial instruments measured at fair value

The Group uses market-observable inputs as much as possible to measure its assets and liabilities. The different levels, wherein the inputs of valuation techniques are used to measure the fair value of financial and non-financial instruments have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: Unobservable inputs for the asset or liability.

(Continued)

4) Transfers between Level 1 and Level 2

There were no changes in the valuation techniques for fair value in 2020 and 2019 . In addition, there have been no transfers from each level for the years ended December 31, 2020 and 2019.

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

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through other comprehensive income-equity investments.

The Group's equity instrument investments without an active market in Level 3 have more than one significant unobservable inputs. The significant unobservable inputs of financial instrument investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follow:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	net asset value method	·net asset value ·Market illiquidity discount (as of December 31, 2020 and 2019 were both 25%)	· Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)
Financial assets at fair value through profit or loss-equity investments without an active market	net asset value method	·net asset value ·Market illiquidity discount (as of December 31, 2020 and 2019 were both 25%)	· Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)

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

The Group' s measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income：

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2020						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	193	(193)

(Continued)

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2019						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	158	(158)

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.

(z) 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 Board has deputized managements of core business departments for developing and monitoring the Group's risk management policies, wherein the management reports regularly to the Board of Directors on its activities.

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 their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Internal Audit Department oversees how the management's supervision complies 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. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures and exception management, the results of which are reported to the Audit Committee.

(Continued)

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group' s receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. As of December 31, 2020 and 2019, the Group's sales to it's investee companies through equity method were 21.98% and 25.31% among its total sales resepctively, and their business mainly focus on manufacturing and wholesales. The Group will continue to evaluate these investee companies to reduce credit risks. The Group' s customers are from many different industries. The Group does not concentrate on a specific customer, thus, there should be no concern on significant concentrations of accounts receivable credit risk. In order to mitigate account receivable credit risk, the Group constantly assesses the financial status of its customers.

2) Investment

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Group's finance department. As the Group deals with the banks and other external parties with good credit standing and financial institutions and corporate organization which are graded above investment level, management believes that the Group do not have compliance issues and no significant credit risk.

3) Guarantee

The Group's policy is to provide financial guarantees only to Group's subsidiaries and CENTRAL UNION OIL CORP. (the Company's long-term equity investment company through joint venture agreement). As of December 31, 2020 and 2019, the Group did not provide any endorsement and guarantee for CENTRAL UNION OIL CORP.

(iv) Liquidity risk

Liquidity risk is a risk that the Group is unable to meet 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 much 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 ensures that there is sufficient cash to meet the expected operating expenditure needs, including the fulfillment of financial obligations, and supervises the banking facilities to ensure compliance with the terms of loan agreements. As of December 31, 2020 and 2019, the Group' s unused credit line amounted to $4,381,885 thousand and $4,320,161 thousand, respectively.

(Continued)

(v) Market risk

Market risk is a risk that arises from changes in market prices, such as foreign exchange rates, interest rates and equity prices that 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.

The Group buys and sells derivatives in order to manage market risk. All such transactions are carried out within the guidelines set by the Risk Management Committee.

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 Dollars (NTD) for the Taiwanese company and Chinese Yuan (CNY) for the company in Mainland China. Except for the purchases of bulk materials, which are denominated in US dollars, the remaining currencies used in transactions are denominated in NTD.

The Group uses foreign exchange options and forward exchange contracts to hedge currency risk. The length of the contract periods are determined by the maturity date and future cash flow of the Group' s existing foreign currency debt, so the contingent exchange gains and losses of the hedged debt would offset by the gains and losses generated when the hedging instrument contract expires.

The subsidiaries in Mainland China opted for overseas USD borrowings to reduce borrowing costs. Although the currency of the borrowings is different from the currency of the cash flow generated by the Group's operations, the reduction of the cash outflow from the evaluation of USD borrowings to reduce borrowing costs would offset the exchange risk generated by the USD borrowing. Therefore, no hedging strategy was adopted in this situation.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances.

2) Interest rate risk

The policy of the Group is based on floating interest rate. At present, considering that the market interest rate is relatively low, no interest rate swap has been signed, and if the interest rates increase, the interest rate swap can also be adopted to reduce interest rate risk.

3) Other market price risk

Equity price risk is the risk arising from the Group holding Listed, OTC and emerging equity instruments, because the performance of the investment is actively monitored and managed on a fair value basis.

(Continued)

The main purpose of the merged Group's investment strategy is to maximize the return on investment; on the other hand, the board of directors and members of the financial department of the Group have the expertise in financial finance to make appropriate investment decisions, so the management is still controlling the market price risk of fair value through profit or loss investment.

The Group is exposed to equity price risk due to the investment in equity securities. This is a strategic investment and it not held for trading. The Group does not actively trade in these investments as the management of the Group minimize the risk by holding difference investment portofolios.

(aa) Capital management

The Group's objectives for managing capital are to safeguard its capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

	December 31, 2020	December 31, 2019
Total liabilities	$ 2,208,663	2,624,174
Less: cash and cash equivalents	(772,454)	(1,147,024)
Net debt	1,436,209	1,477,150
Total capital	7,031,602	6,605,173
Adjusted captial	**$ 8,467,811**	**8,082,323**
Debt to equity ratio	**16.96%**	**18.28%**

Note: Due to great operation condition, total capital goes up and the debt to equity ratio goes down.

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

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2020 and 2019 were from foreign exchange movement.

(Continued)

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transactions with related parties and the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
CENTRAL UNION OIL CORP.	Equity-accounted Investee by the Company (associates)
TAIWAN FAMILYMART CO., LTD.	〃
TAIWAN DISTRIBUTION CENTER CO., LTD.	Equity-accounted Investee's Subsidiary by the Company (associates)
RE-YI DISTRIBUTION SERVICE CO., LTD.	〃
TAISUN FOODS & MARKETING CO., LTD.	Substantive related parties (other related parties)

(b) Significant transactions with related parties

(i) Sale of Goods to Related Parties

	For the years ended December 31	
	2020	2019
Associates:	$	
CENTRAL UNION OIL CORP.	1,836,951	2,024,620
Other associates	608,756	550,297
Other related parties	162,998	139,395
	$ 2,608,705	**2,714,312**

The sales prices of the Group to its related parties were the same as those offered to general convenient stores, with a payment term ranging from 35 to 45 days.

The Group provides services to its related parties and nonrelated parties, wherein the charges varies depending on the distance of the area and the nature of the contracted items. In addition, the payment term used by the subsidiary for its regular customers is at the end of each month. The Group's credit terms for its related parties, except for logistics on open account to 30 days and physical distribution on open account to 45 days, is 60 days before the 20th of the following month. For promissory notes, nonrelated parties charge 30~75 days and 45~60 days of promissory notes before the 30th of the following month.

The sales prices of soy powder to CENTRAL UNION OIL CORP. is deducted from the related sales expenses based on the market prices, wherein the Group collects the payment within 45 to 60 days.

The sales prices of food to TAISUN FOODS & MARKETING CO., LTD. is deducted from the related sales expenses based on the market price. The payment term of the original transaction was collected within 60 days. Starting May 2019, the payment terms have been changed to 70% advance receivables, and 30% of the receivables are collected within 30 days.

(Continued)

However, another change had been made again on the payment term beginning October 2019, 50% advance receivables, and 50% monthly change-90 days promissory notes.

The Group's unrealized gross profit on sales with its associates is eliminated based on pro rata share.

No collaterals were pledged from the receivables of the related parties. However, the Group evaluated that no bad debts were recognized for TAISUN FOODS & MARKETING CO., LTD.'s allowance for doubtful accounts of $22,810 thousand.

(ii) Purchase of Goods from Related Parties

	For the Years Ended December 31	
	2020	2019
Associates－processing cost	**$ 262,479**	**265,893**

The above processing cost is the soybean refining processing expenditure derived from the committed related parties of the Group. According to the estimated processing amount, the payment is made in advance and the payment term is open account 15 days to make up the payment. In addition, the Group does not outsource the processing transaction to other non-related parties.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Accounts	Related party category	December 31, 2020	December 31, 2019
Note receivable	Other related parties	$ 2,700	2,318
Account receivable	Associates－CENTRAL UNION OIL CORP.	269,069	256,841
	－Other associates	96,755	71,245
	Other related parties	1,500	4,635
		$ 370,024	**335,039**

(iv) Payables from Related Parties

The payables from related parties were as follows:

Accounts	Related party category	December 31, 2020	December 31, 2019
Accounts payable	Associates	**$ 2,282**	**4,093**

(Continued)

(v) Other

Accounts	Related party category	December 31, 2020	December 31, 2019
Other current liabilities	Associates	$ 9,500	5,189

(c) Key management personnel compensation

	For the Years Ended December 31	
	2020	2019
Short-term employee benefits	$ 73,499	69,301
Post-employment benefits	19,750	13,500
	$ 93,249	82,801

(8) Pledged assets:

As of December 31, 2020 and 2019, the book value of pledged assets were as follows:

Asset	Purpose of pledge	December 31, 2020	December 31, 2019
Other current financial asset	Forward foreign exchange contract and foreign exchange options	$ 4,276	4,516
Other current financial asset	Credit lines of sort-term bank loans	142,540	112,897
Investment using equity method	Long-term bank loans	357,184	-
		$ 504,000	117,413

(9) Commitments and contingencies:

(a) Unused standby letters of credit

	December 31, 2020	December 31, 2019
Unused standby letters of credit	$ 773,746	217,013

(b) The Group provides endorsements and guarantees to its related parties: Please refer to Note 13.

(c) The following are the contract price and the amount paid on fixed assets:

	December 31, 2020	December 31, 2019
Signed-contract	$ 286,285	157,936
Paid-price	$ 128,393	90,338

(d) As of December 31, 2020 and 2019, the Group has issued a promissory note of $160,000 as a guarantee for bank financing and performance.

(Continued)

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

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

	For the Years Ended December 31					
	2020			2019		
By function / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	191,965	474,018	665,983	183,286	436,578	619,864
Labor and health insurance	21,519	27,299	48,818	20,596	31,643	52,239
Pension	8,991	13,536	22,527	8,479	12,884	21,363
Others	14,748	16,443	31,191	14,309	17,039	31,348
Depreciation	81,483	11,855	93,338	76,119	12,099	88,218
Amortization	-	2,819	2,819	-	4,700	4,700

Depreciation for the years ended December 31, 2020 and 2019, each amounting to $475, were recognized as other gains and losses.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

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	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD	Other receivables-related party	Yes	142,540	85,524	57,016	2.62%	2	-	Operation Requirements	-	Promissory Notes	57,016	702,647	,405,293
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	Other receivables-related party	Yes	61,029	56,670	56,670	2.1%	2	-	Operation Requirements	-	Promissory Notes	56,670	175,413	175,413

Note 1: Lending of capital has the following two types:
1.Entities with business transaction with the Company
2. Loans provided for shortterm financing

Note 2: According to our policy, the calculation for the maximum total amount of loans granted are as follows:
1. The Company's total amount available for lending shall not exceed 40% of its net value
2. For entities with business transaction with the Company, the total amount of loans shall not exceed 20% of the Company's net value; and for a single entity, the total amount of loans shall not exceed 10% of the Company's net value or 120% of its monthly business transaction with the Company.
3. For entities with business transaction with the Company, the total amount of short-term loans shall not exceed 20% of the Company's net value; and for a single entity, the total amount of short-term loans shall not exceed 10% of the Company's net value or 50% of the net value of the single entity.
4. For those foreign subsidiaries whose voting shares are directly or indirectly whollyowned by the Company, the total amount of loans shall not exceed 100% of the Company's net value, with two years term.

Note 3: Balance of loan as of the reporting date was within the credit limits approved by the Board of Directors.

Note 4: Intra-group transactions have been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

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										
0	The Company	TAISUN (CAYMAN) INVESTMENT LTD.	2	3,513,233	166,815	-	-	-	- %	3,513,233	Y	N	N

Note 1: The relationship between the guarantee and the guarantor are as follows:
1. Transactions between the companies.
2. An entity wherein the Company, directly or indirectly, holds more than 50% of its voting right.
3. Companies who, directly or indirectly, hold more than 50% of the voting right of the Company.
4. Entities wherein the Company, directly or indirectly, holds more than 90% of their voting rights.
5. A company that is mutually protected under contractual requirements based on the needs of the contractor.
6. A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
7. Performance guarantees for pre sale contracts provided by the Company for companies in the same industry based on the Consumer Protection Act.

(Continued)

Note 2: The Company used the operation method to endorse for the total amount of guarantees and the limit for endorsement of a single enterprise:

1. The guarantee amount for a single enterprise endorsement shall not exceed 50% of the current net value of the Company.
2. The total amount of guarantee for external endorsement shall not exceed 50% of the net value of the Company.

(iii) Securities held as of December 31, 2020 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Fubon S&P US Preferred Stock ETF	-	Note 2	1,000,000	16,970	- %	16,970	- %	
The Company	Yuanta Global Future Telecommunication ETF	-	〃	500,000	13,365	- %	13,365	- %	
The Company	Stock-YI JINN INDUSTRIAL CO., LTD	-	〃	2,622,600	43,325	0.87 %	43,325	0.87 %	
The Company	Stock- Breeze Digital Technology CO., LTD.	-	〃	147,000	-	2.94 %	-	2.94 %	
The Company	Stock- CANDO CORPORATION	-	〃	256,923	-	0.07 %	-	0.07 %	
The Company	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	Note 3	333,000	20,577	- %	20,577	- %	
The Company	Stock-CHINA TRADE AND DEVELOPMENT CORPORATION	-	〃	2,788	28	- %	28	- %	
The Company	Stock-MEGA 888 CORP.	-	〃	17,350	174	1.16 %	174	- %	
The Company	Stock-HSIN TUNG YANG CO., LTD.	-	〃	79,000	853	0.09 %	853	0.09 %	
The Company	Stock-UNIMICRON TECHNOLOGY CORP.	-	〃	485,000	42,389	0.03 %	42,389	0.03 %	
The Company	Stock-YIN-WANG CO., LTD	-	〃	10,000	100	10.00 %	100	10.00 %	
The Company	Stock-TAISUN FOODS & MARKETING CO., LTD.	Other related party	〃	886,788	-	18.90 %	-	18.90 %	
The Company	Stock-FWUSOW INDUSTRY CO., LTD.		Note 3	3,765,000	81,702	1.17 %	81,702	1.17 %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taitung Business Bank	-	Note 2	9,628	-	- %	-	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	Note 3	1,183	64	- %	64	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KERRY TJ LOGISTICS CO., LIMITED	-	〃	15,524	696	- %	696	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-WUS PRINTED CIRCUIT CO., LTD.	-	〃	729	23	- %	23	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-LITE-ON TECHNOLOGY CORPORATION	-	〃	6,260	312	- %	312	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-MACRONIX INTERNATIONAL CO., LTD	-	〃	362	15	- %	15	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Winbond Electronics Corporation	-	〃	1,195	35	- %	35	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-SILICON INTEGRATED SYSTEMS CORP.	-	〃	2,136	36	- %	36	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-China Development Financial Holding Corporation	-	〃	56,505	525	- %	525	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taishin Financial Holding Co., Ltd.	-	〃	98,026	1,299	- %	1,299	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Shin Kong Financial Holding Co., Ltd.	-	〃	20,225	178	- %	178	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CGS INTERNATIONAL, INC.	-	〃	1,243	17	- %	17	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	〃	10,351,332	285,697	2.07 %	285,697	2.07 %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-HUALON CORPORATION	-	〃	5,176	-	- %	-	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PACIFIC ELECTRIC WIRE & CABLE CO., LTD.	-	〃	579	-	- %	-	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD.	-	〃	27,425	-	- %	-	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-ORNATUBE ENTERPRISE CO., LTD.	-	〃	55,000	-	0.01 %	-	0.01 %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KUEI HUNG INDUSTRIAL CO., LTD.	-	〃	22,000	-	- %	-	- %	
TAIWAN NIKOMART CO., LTD.	Stock-CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.	-	Note 2	107,000	7,747	0.04 %	7,747	0.04 %	
TAIWAN NIKOMART CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	2,960,186	81,701	0.59 %	81,701	0.59 %	
PIONEER TRAFFIC CO., LTD.	Stock-Taitung Business Bank	-	Note 2	9,628	-	- %	-	- %	
PIONEER TRAFFIC CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	368,524	10,171	0.07 %	10,171	0.07 %	
PIONEER TRAFFIC CO., LTD.	Stock-SYSGRATION LTD.	-	〃	42,451	1,753	0.03 %	1,753	0.03 %	
PIONEER TRAFFIC CO., LTD.	Stock- CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	〃	1,928	103	- %	103	- %	
PIONEER TRAFFIC CO., LTD.	Stock- Winbond Electronics Corporation	-	〃	5,305	154	- %	154	- %	

(Continued)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value		
PIONEER TRAFFIC CO., LTD.	Stock- HUALON CORPORATION	-	〃	5,176	-	- %	-	- %	
PIONEER TRAFFIC CO., LTD.	Stock- PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD	-	〃	38,760	-	- %	-	- %	
PIONEER TRAFFIC CO., LTD.	Stock- KUEI HUNG INDUSTRIAL CO., LTD	-	〃	22,000	-	- %	-	- %	
PIONEER TRAFFIC CO., LTD.	Stock- ORNATUBE ENTERPRISE CO., LTD.	-	〃	60,000	-	0.10 %	-	0.10 %	
PIONEER TRAFFIC CO., LTD.	Stock- POWERCHIP SEMICONDUCTOR MANUFACTURING CO.	-	〃	38,995	1,559	- %	1,559	- %	
TAISUN (CAYMAN) INVESTMENT LTD.	Stock-YAMAI LIMITED	-	〃	-	18,123	3.66 %	18,123	3.66 %	Note 4
TAISUN YUAN CO., LTD.	Stock-FWUSOW INDUSTRY CO., LTD.		〃	86,000	1,866	0.03 %	1,866	0.03 %	

Note 1: Financial products after deducting unrealized gains and losses.

Note 2: Financial assets at fair value through profit or loss.

Note 3: Non-current financial assets at fair value through other comprehensive income.

Note 4: Unissued shares.

Note 5: Subsidiaries and subsidiaries held by the Company have been written off when preparing the consolidated financial report.

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

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

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

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

(In Thousands of New Taiwan Dollars)

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)	
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Sale	(1,782,814)	(25) %	OA60	No significant difference to the general customers.	General purchases payments in 30~60 days	406,490	34%	
The Company	CENTRAL UNION OIL CORP.	Investee company measured by equity method	Sale	(1,836,951)	(26) %	OA45~60	Deduct sales expenses related to CENTRAL UNION OIL CORP. based on market price	No comparable clien	269,069	23%	
The Company	TAISUN FOODS & MARKETING CO., LTD.	Substantive related parties	Sale	(162,998)	(2) %	50% prepaid, 50% OA90	Deduct related sales expenses according to market	General purchases payments in 30~60 days	4,200	-%	
The Company	CENTRAL UNION OIL CORP.	Investee company measured by equity method	Purchase	262,479	5 %	OA15	No comparable	No comparable clien	2,282	-%	
PIONEER TRAFFIC CO., LTD.	TAIWAN DISTRIBUTION CENTER CO., LTD	Associates	Sale	(307,788)	(70) %	OA30	No significant difference to the general customers.	No significant difference to the general customers.	26,766	52%	
PIONEER TRAFFIC CO., LTD.	RE-YI DUSTRIBUTIOIN SERVICE CO., LTD	Associates	Sale	(106,084)	(24) %	OA45	No significant difference to the general customers.	No significant difference to the general customers	24,140	47%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAISUN ENTERPRISE CO., LTD.	Ultimate parent company	Purchase	1,782,814	99 %	OA60	No significant difference to the general customers.	General purchases payments in 30~60 days	(406,490)	(99)%	

(Continued)

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

(In Thousands of New Taiwan Dollars)

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		
The Company	CENTRAL UNION OIL CORP.	Subsidiary measured by equity method	Account receivable 269,069	6.99	-		269,069	-
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Account receivable 406,490	4.78	-		394,291	-

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

(x) Business relationships and significant intercompany transactions:

(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	The Company	PIN-TAI DISTRIBUTION ENTERPRISE LTD	1	Sales revenue	1,782,814	OA60	21.34%
0	The Company	PIN-TAI DISTRIBUTION ENTERPRISE LTD	1	Account receivable-related party	406,490	〃	4.40%
0	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Other receivables-related party	57,551	half-year imputed interest, repay the Principal when matured	0.62%
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Other receivables-related party	57,174	〃	0.62%

Note 1: The numbering is as follows:
1.“0” represents the parent company.
2.Subsidiaries are sequentially numbered from 1 by company.

Note 2: The types of transaction between the parent company and subsidiaries are as follows:
1.Transactions from parent company to subsidiary.
2.Transactions from subsidiary to parent company.
3.Transactions between subsidiaries.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2020 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest Percentage of wnership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares	Percentage of wnership	Carrying value				
The Company	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	284,067	284,067	27,203,632	73.92 %	18,615	73.92 %	4,172	420	Note 1, 3
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Taiwan	Wholesale and retail sales of cooking oil and food	346,126	346,126	21,255,839	99.93 %	131,578	99.93 %	35,042	25,707	Note 1, 2, 3
The Company	TAISUN YUAN CO., LTD.	Taiwan	Investment management	5,000	5,000	500,000	100.00 %	10,946	100.00 %	1,443	1,443	
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Cayman	Investments	1,299,114	1,498,670	40,290,000	100.00 %	175,286	100.00 %	2,163	63,969	
The Company	CENTRAL UNION OIL CORP.	Taiwan	Manufacturing, processing and sales of bean products	204,125	204,125	20,000,000	33.33 %	272,778	33.33 %	118,982	39,661	Note 2
The Company	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	2,341,622	2,342,750	50,136,417	22.46 %	3,087,576	22.47 %	2,129,633	478,457	
The Company	PIONEER TRAFFIC CO., LTD.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26 %	8,509	13.26 %	14,171	1,555	Note 1
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	PIONEER TRAFFIC CO., LTD.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21 %	100,547	84.21 %	14,171	Note 5	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	87,084	87,084	8,904,412	24.20 %	152,978	24.20 %	4,172	〃	Note 3
TAIWAN NIKOMART CO., LTD.	CVS.COM CO., LTD.	Taiwan	Wholesale of edible products	2,490	2,490	249,000	24.90 %	4,652	24.90 %	1,060	〃	
TATSUN YUAN CO., LTD.	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	3,522	3,522	20,000	0.01 %	3,631	0.01 %	2,129,633	191	

(Continued)

Note 1: The part of holding of the Company's stock by a subsidiary, is treated as treasury stock, has been deducted; please refer to Notes 6(t).

Note 2: Unrealized gains and losses on transactions between affiliates have been eliminated.

Note 3: The impairment loss recognized with the indication of impairment has been deducted.

Note 4: Subsidiaries transactions have been written off when preparing the consolidated financial reports.

Note 5: Disclosures are exempted in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(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 New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	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							
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Operation, production and sales of food, beverages, snacks, canned products, etc.	783,970 (USD27,500)	(Note 1)	952,167 (USD33,400)	-	-	952,167 (USD33,400)	60,067	100.00%	100.00%	60,067	94,183	-
TAISUN (HERBAL) CO., LTD.	Beverage shop	285,528 (CNY65,500)	(Note 2)	-	-	-	-	37	100.00%	100.00%	37	-	-
Cheng Da Restaurant Investment Management (Sichuan) LTD.	Fresh bread and other food products	36,205 (USD1,270)	(Note 6)	17,675 (USD620)	-	-	17,675 (USD620)	-	3.66%	3.66%	-	48	-
JIANGSU DA MAI FOODS LTD.	Fresh bread and other food products	94,875 (USD3,328)	(Note 6)	20,811 (USD730)	-	-	20,811 (USD730)	-	3.66%	3.66%	-	1,004	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
990,653	1,364,108	4,215,879

Note 1: Indirect investment in Mainland China through the company (TAISUN (CAYMAN) INVESTMENT LTD.) in the third region.

Note 2: Indirect investment in Mainland China through an existing company in Mainland China. According to the rules of the Investment Board, Ministry of Economic Affairs, the reinvestment of investment businesses in Mainland China does not need to apply to the Investment Board; therefore, these investment amounts are not included in the calculation of the Company's investment in Mainland China.

Note 3: The recognition of the investment through profit or loss of TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD. and TAISUN (HERBAL) LTD are based on the financial statements which were reviewed and attested by parent company's CPA in R.O.C. within the same period.

Note 4: The above amounts were translated into New Taiwan dollars at the exchange rate 28.508 as of December 31, 2020.

Note 5: According to the rules of the Investment Board, Ministry of Economic Affairs, the maximum amount on investments should be the higher of the Company’s net asset or 60% of the consolidated net assets.

Note 6: The Company reinvested 3.66% shareholding in YAMAI LIMITED, whose company is in Hong Kong and indirectly held 100% shares of its Mainland China company, through TAISUN (CAYMAN) INVESTMENT LTD. The Company does not have any significant influence on YAMAI LIMITED, therefore, no gain or loss on its investment was recognized.

Note 7: TAISUN (HERBAL) LTD. had completed the cancellation of registration in April 2020.

(iii) For details of capital lending to TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD., please refer to Note 13(a).

(Continued)

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
LONG BON INTERNATIONAL CO., LTD.	123,030,000	24.60 %
EVERWIN INVESTMENT CO., LTD	31,434,000	6.28 %
WANG, KUEI-TSENG	29,804,628	5.96 %

(14) Segment information:

(a) General Information

The Four of Reportable segments of the Group are as follows:

(i) Consumption division: Processing, manufacturing, wholesale and retail of cooking oil-and-fat, foods and beverage.

(ii) Commodity division: Processing, wholesale and retail of feeds, soy powder and livestock farm.

(iii) Foreign division: Foreign segment provide services such as sales of food, beverages, snacks and beverage stores.

(iv) Other: construction segment and other management segments.

The reportable segments are strategic business units that provide different products and services. Each strategic business unit needs different kinds of technology and marketing strategy; hence, it must be managed separately. Furthermore, most of the divisions were acquired respectively, having retained the same management sections at the time of acquisition.

(b) Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliations

	Consumption division	Commodity division	Foreign division	Other	Adjustment and eliminations	Total
For the Year Ended December 31, 2020						
Total revenue	$ 4,718,701	2,698,245	493,610	445,569	-	8,356,125
Reportable segment profit or loss	$ 346,021	112,407	63,969	383,653	-	906,050
For the Year Ended December 31, 2019						
Total revenue	$ 4,340,613	2,742,619	502,433	414,919	-	8,000,584
Reportable segment profit or loss	$ 256,377	93,824	22,867	248,568	-	621,636

Note : Since the measured amount of assets of the Group was not provided to the operating decision maker, it was disclosed as zero.

(Continued)

(c) Geographic information

The different information of the Group, in which the revenue is classified by the customer's geographic location, is as follows:

Region	For the Years Ended December 31 2020	2019
Revenue from external customers:		
Taiwan	$ 7,618,736	7,223,916
Others	737,389	776,668
	$ 8,356,125	**8,000,584**

(d) Major Customer

Sales

	For the Years Ended December 31 2020	2019
Company A	**$ 1,836,951**	**2,024,620**

Stock Code:1218

TAISUN ENTERPRISE CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2020 and 2019

Address: No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan (R.O.C.)

Telephone: 886-4-874-2211

The independent auditors' report and the accompanying parent company only 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 parent company only financial statements, the Chinese version shall prevail.

KPMG
安侯建業聯合會計師事務所
KPMG
台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)
Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 home.kpmg/tw

Independent Auditors' Report

To the Board of Directors of Taisun Enterprise Co., Ltd.:

Opinion

We have audited the financial statements of Taisun Enterprise Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

   Please refer to Note 4(q) "Revenue" and Note 6(s) "Revenue from Contracts with Customers" for details on revenue recognition.

   Description of key audit matter:

   The Company engages in the manufacturing and sales of cooking oil, food, beverages and aquafeeds. Revenue recognition on the sales of the Group's products is the timing of the transfer of control of the product depending on the individual terms with the customers, as well as the terms of acceptance and return of goods based on the sale contracts between the Company and its customers. There is risk of misstatement when the timing of revenue recognition is earlier than the transfers of control. It may result in inappropriate revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

KPMG, a Taiwan partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Our audit procedures include:

Understanding and evaluating the design, operation and implantation of the effectiveness of internal control on revenue recognition; understanding the major types of revenue, contract terms and transaction terms to determine the appropriateness timing of revenue recognition; also random sampling of major customers and reviewing their contracts and sales orders to evaluate revenue recognition; random sampling of transaction records of sales within the balance sheet date and obtaining the related transaction documents to evaluate the appropriateness of timing of revenue recognition.

We also assessed whether the Company's disclosure of information on revenue recognition was appropriate.

2. Accounts receivable evaluation

Please refer to Note 4(f) for accounting policy about accounts receivable evaluation, Note 5(a) for estimation of accounts receivable evaluation, and Note 6(d) for impairment evaluation of notes receivable, accounts receivable and other receivables.

Description of key audit matter:

Since the Company' s accounts receivable stands a significant ratio in the total asset of the statement of financial position, and the collectability of accounts receivable is subjected to the subjective judgement the management, the impairment of accounts receivable is deemed to be one of our key audit matters.

Our audit procedures include:

Assessing the appropriateness of accounts receivable and acquiring the estimations and historical trend of collection from relevant authorities; obtaining the aging analysis of accounts receivable and examining relevant documents to verify the accuracy of the aging period; understanding the long overdue accounts receivable of major customers to identify whether signs of impairment loss exist in order to assess the appropriateness of provision for doubtful accounts; and evaluating the reasonableness of the judgement of the managements based on the subsequent collection of accounts receivable.

We also assessed whether the Company's disclosure of information on account receivables was appropriate.

3. Inventory valuation

Please refer to Note 4(g) for consolidated financial statement for accounting policies on measuring inventory, and for assumptions used and uncertainties of inventory, please refer to Note 5(b). For inventory falling price loss and loss on obsolescence, please refer to Note 6(f).

Description of key audit matter:

The inventory of the Company is key asset for its operations.The inventory is evaluated whether the product is sluggish due to the fluctuations of the market. Therefore, the inventory evaluation test is one our key audit matters.

Our audit procedures include:

Testing the accuracy of the inventory aging report by sampling the nature of the inventory; evaluating the rationality of the management's judgement on the proportion of slow moving inventories; examining the latest sales price of inventory to determine whether the sales promotion rate is reasonable; assessing whether the allowance on inventory recognized by the management is reasonable.

We also assessed whether the Company' s disclosure of information on inventory allowances was appropriate.

Other Matter

We did not audit the financial statements of certain associates. Those statements were audited by other auditors, and our opinion, insofar as it relates to the amounts included for those associates, is based solely on the report of the other auditors. The financial statements of these associates reflect the total assets constituting 38.13% and 36.73% of total assets on December 31, 2020 and 2019; and the related share of profit of associates accounted for using the equity method constituting 57.61% and 71.92% of total profit before tax for the years then ended, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Parent Company only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo-Yang Tseng and Chung-Che Chen.

KPMG

Taipei, Taiwan (Republic of China)
March 25, 2021

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only 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 parent company only financial statements, the Chinese version shall prevail.

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

TAISUN ENTERPRISE CO., LTD.

Non-Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2020		December 31, 2019	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 580,448	7	886,133	10
1110	Current financial assets at fair value through profit or loss (Note 6(b))	75,029	1	67,384	1
1150	Notes receivable, net (Note 6(d))	105,333	1	94,996	1
1160	Notes receivable due from related parties, net (Notes 6(d) and 7)	2,700	-	2,344	-
1170	Accounts receivable, net (Note 6(d))	353,733	4	313,791	4
1180	Accounts receivable due from related parties, net(Notes 6(d) and 7)	679,976	8	603,687	7
1200	Other receivables (Note 6(e))	2,777	-	3,453	-
1210	Other receivables due from related parties, net (Notes 6(e) and 7)	60,385	1	108,878	1
1310	Inventories, manufacturing business (Note 6(f))	525,459	6	641,815	7
1400	Current biological assets	21,827	-	14,589	-
1421	Prepayments to suppliers	287,528	3	179,084	2
1429	Other prepayments	27,372	-	30,682	-
1476	Other current financial assets (Notes 6(a) and 8)	146,816	2	286,007	3
1479	Other current assets, others	4,747	-	11,477	-
	Total current assets	2,874,130	33	3,244,320	36
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	145,823	2	44,803	1
1550	Investments accounted for using equity method (Notes 6(g) and 8)	3,705,288	42	3,454,106	40
1600	Property, plant and equipment (Note 6(h))	1,529,582	17	1,427,406	17
1760	Investment property, net (Note 6(i))	537,438	6	538,817	6
1780	Intangible assets	4,225	-	6,911	-
1830	Non-current biological assets	6,710	-	6,691	-
1840	Deferred tax assets (Note 6(p))	2,714	-	11,882	-
1975	Net defined benefit asset, non-current (Note 6(o))	18,949	-	-	-
1980	Other non-current financial assets	10,178	-	8,158	-
	Total non-current assets	5,960,907	67	5,498,774	64
	Total assets	**$ 8,835,037**	**100**	**8,743,094**	**100**

		December 31, 2020		December 31, 2019	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(j))	$ 108,027	1	272,609	3
2110	Short-term notes and bills payable (Note 6(k))	-	-	100,000	1
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	853	-	1,451	-
2150	Notes payable	278	-	1,897	-
2170	Accounts payable (Notes 6(l) and 7)	461,948	5	398,360	4
2200	Other payables (Notes 6(o) and 7)	365,613	4	334,407	4
2230	Current tax liabilities (Note 6(p))	29,689	-	29,123	-
2322	Long-term borrowings, current portion (Note 6(m))	-	-	75,000	1
2399	Other current liabilities, others	16,559	-	15,359	-
	Total current liabilities	982,967	10	1,228,206	13
	Non-Current liabilities:				
2540	Long-term borrowings (Note 6(m))	600,000	7	687,500	8
2570	Deferred tax liabilities (Note 6(p))	222,537	3	222,537	3
2640	Non-current net defined benefit liability (Note 6(o))	-	-	1,447	-
2670	Other non-current liabilities, others	3,068	-	3,516	-
	Total non-current liabilities	825,605	10	915,000	11
	Total liabilities	1,808,572	20	2,143,206	24
	Equity attributable to owners of parent (Note 6(q)):				
3110	Ordinary share	4,999,990	57	4,999,990	57
3200	Capital surplus	974,083	11	961,786	11
	Retained earnings:				
3310	Legal reserve	126,621	1	69,197	1
3320	Special reserve	240,776	3	240,776	3
3350	Unappropriated retained earnings	964,748	11	639,083	7
3400	Other equity interest	(75,877)	(1)	(107,068)	(1)
3500	Treasury shares	(203,876)	(2)	(203,876)	(2)
	Total equity	7,026,465	80	6,599,888	76
	Total liabilities and equity	**$ 8,835,037**	**100**	**8,743,094**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(s) and 7)**	$ 7,140,795	100	6,837,543	100
5000	**Operating costs (Notes 6(f) and 7)**	5,982,205	84	5,829,458	85
5910	Less:Unrealized profit (loss) from sales	16,462	-	15,196	-
5920	Add:Realized profit (loss) on from sales	15,196	-	15,939	-
5900	**Gross profit from operations**	1,157,324	16	1,008,828	15
6000	**Operating expenses (Notes 6(d), (o), (t) and 7):**				
6100	Selling expenses	599,706	8	581,392	9
6200	Administrative expenses	321,505	5	307,762	5
6450	Expected credit loss	263	-	2,500	-
	Total operating expenses	921,474	13	891,654	14
6900	**Net operating income**	235,850	3	117,174	1
7000	**Non-operating income and expenses:**				
7020	Other gains and losses, net (Note 6(u))	55,992	1	32,332	-
7050	Finance costs, net (Note 6(u))	(11,354)	-	(17,247)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method, net (Note 6(g))	611,212	9	467,426	7
7100	Total interest income (Notes 6(u) and 7)	8,432	-	12,034	-
	Total non-operating income and expenses	664,282	10	494,545	7
	Profit from continuing operations before tax	900,132	13	611,719	8
7950	Less: Income tax expenses (Note 6(p))	49,054	1	29,646	-
	Profit	851,078	12	582,073	8
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains on remeasurements of defined benefit plans (Note 6(o) and (q))	1,631	-	8,039	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	29,461	-	9,721	-
8330	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(15,063)	-	(4,895)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		16,029	-	12,865	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(2,828)	-	(2,734)	-
8380	Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	(644)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(2,828)	-	(3,378)	-
8300	**Other comprehensive income**	13,201	-	9,487	-
	Total comprehensive income	**$ 864,279**	**12**	**591,560**	**8**
	Basic earnings per share (Note 6(r))				
9750	Basic earnings per share	**$**	**1.75**		**1.20**
9850	Diluted earnings per share	**$**	**1.74**		**1.19**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consolidated Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity
Balance at January 1, 2019	$ 4,999,990	950,900	22,752	240,776	511,282	774,810	(25,664)	(98,719)	(124,383)	(203,876)	6,397,441
Profit	-	-	-	-	582,073	582,073	-	-	-	-	582,073
Other comprehensive income	-	-	-	-	4,662	4,662	(3,378)	8,203	4,825	-	9,487
Total comprehensive income	-	-	-	-	586,735	586,735	(3,378)	8,203	4,825	-	591,560
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	46,445	-	(46,445)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(399,999)	(399,999)	-	-	-	-	(399,999)
Other changes in capital surplus:											
Adjustments of capital surplus for the Company's cash dividends ditributed to subsidiaries	-	10,886	-	-	-	-	-	-	-	-	10,886
Disposal of investments in equity instruments designated at fair value through other comprehensive income by affiliates though the equity method	-	-	-	-	(12,490)	(12,490)	-	12,490	12,490	-	-
Balance at December 31, 2019	4,999,990	961,786	69,197	240,776	639,083	949,056	(29,042)	(78,026)	(107,068)	(203,876)	6,599,888
Profit	-	-	-	-	851,078	851,078	-	-	-	-	851,078
Other comprehensive income	-	-	-	-	(17,404)	(17,404)	(2,828)	33,433	30,605	-	13,201
Total comprehensive income	-	-	-	-	833,674	833,674	(2,828)	33,433	30,605	-	864,279
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	57,424	-	(57,424)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(449,999)	(449,999)	-	-	-	-	(449,999)
Other changes in capital surplus:											
Adjustments of capital surplus for Company's cash dividends distributed to subsidiaries	-	12,297	-	-	-	-	-	-	-	-	12,297
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(586)	(586)	-	586	586	-	-
Balance at December 31, 2020	**$ 4,999,990**	**974,083**	**126,621**	**240,776**	**964,748**	**1,332,145**	**(31,870)**	**(44,007)**	**(75,877)**	**(203,876)**	**7,026,465**

See accompanying notes to parent company only financial statements.

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

TAISUN ENTERPRISE CO., LTD.

Non-Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	$ 900,132	611,719
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	64,398	63,044
Amortization expense	2,686	3,802
Expected credit losses	263	2,500
Net gains on financial assets or liabilities at fair value through profit or loss	(7,627)	(2,340)
Interest expense	11,354	17,247
Interest income	(8,432)	(12,034)
Dividend income	(6,222)	(5,269)
Shares of profit of subsidiaries, associates and joint ventures accounted for using equity method	(611,212)	(467,426)
Gains on disposal of property, plan and equipment	(769)	(377)
Gains on disposal of non-current assets classified as held-for-sale	-	(9,420)
Gains on disposal of investments	(3,755)	-
Unrealized profit from sales	16,462	15,196
Realized profit on from sales	(15,196)	(15,939)
Others	6,000	-
Total adjustments to reconcile profit (loss)	(552,050)	(411,016)
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(3,354)	(14,261)
Increase in notes receivable	(10,337)	(2,902)
(Increase) decrease in notes receivable due from related parties	(356)	199,631
Increase in accounts receivable	(40,205)	(35,678)
Increase in accounts receivable due from related parties	(76,289)	(161,733)
Decrease (increase) in other receivables	676	(260)
Decrease in other receivable due from related parties	-	3,186
Decrease (increase) in inventories	116,356	(70,985)
Increase in biological assets	(9,614)	(3,422)
Increase in prepayments	(93,594)	(1,744)
Decrease in other current assets	730	3,616
Increase in net detined benefit assets	(18,949)	-
Increase in financial liabilities at fair value through profile or loss	2,738	2,938
Decrease in notes payable	(1,619)	(65,538)
Increase in accounts payable	63,588	153,763
Increase in other payables	19,667	82,807
Increase in other current liabilities	1,200	2,380
Increase (decrease) in net defined benefit liabilities	184	(22,079)
Total adjustments	(601,228)	(341,297)
Cash inflow generated from operations	298,904	270,422
Interest received	8,432	12,034
Interest paid	(11,354)	(17,247)
Income taxes paid	(39,320)	(523)
Net cash flows from operating activities	256,662	264,686

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Parent Company only Statements of Cash Flows (CONT'D)

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(72,873)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	1,314	-
Acquisition of investments accounted for using equity method	-	(12,565)
Proceeds from disposal of investments accounted for using equity method	4,883	-
Proceeds from disposal of non-current assets classified as held-for-sale	-	54,312
Acquisition of property, plant and equipment	(166,467)	(105,237)
Proceeds from disposal of property, plant and equipment	4,397	1,676
Decrease in other receivables due from related parties	48,493	48,294
Increase in other financial assets	(144,560)	(284,030)
Decrease in other financial assets	281,731	-
Dividends received	358,264	316,844
Net cash flows from investing activities	315,182	19,294
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	6,254,213	6,439,195
Decrease in short-term loans borrowings	(6,418,795)	(6,216,586)
Increase in short-term notes and bills payable	2,245,000	3,260,000
Decrease in short-term notes and bills payable	(2,345,000)	(3,890,000)
Proceeds from long-term borrowings	600,000	650,000
Repayments of long-term borrowings	(762,500)	(260,248)
Decrease in other non-current liabilities	(448)	(3,165)
Cash dividends paid	(449,999)	(399,999)
Net cash flows used in financing activities	(877,529)	(420,803)
Net decrease in cash and cash equivalents	(305,685)	(136,823)
Cash and cash equivalents at beginning of period	886,133	1,022,956
Cash and cash equivalents at end of period	**$ 580,448**	**886,133**

See accompanying notes to parent company only financial statements.

(1) Company history

Taisun Enterprise Corporation (the "Company") was established on October 21, 1960 in Taiwan, the Republic of China, with the approval of the Ministry of Economic Affairs. The major business activities of the Company is the manufacturing and sales of cooking oil, food, beverages and aquafeeds .

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

The paret company only financial statements were authorized for issuance by the Board of Directors on March 25, 2021.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its consolidated financial statements:

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

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

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

(Continued)

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated in Note 3, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") .

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value;

3) The net defined benefit liability is recognized as the present value of the defined benefit obligation, less the fair value of plan assets and evaluation on the impact of upper limit in Note 6(s).

(ii) Functional and presentation currency

The functional currency of each Company entities is determined based on the primary economic environment in which the entities operate. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(Continued)

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company 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 denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences related to an investment in equity securities designated as at fair value through other comprehensive income, which is recognized in other comprehensive income.

(ii) Foreign operations

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

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes 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, the exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

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

An asset is classified as current when：

(i) It is expected to be realized, or intended to be sold or consumed, during 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

(Continued)

(iv) The asset is cash and 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.

All other assets are classified as non-current.

A liability is classified as current when:

(i) It is expected to be settled within the Company's normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are assets that are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in their fair value.

Time deposits are accounted under cash and cash equivalents if they are in accord with the definition aforementioned definition, and are held for the purpose of meeting short-term cash commitment rather than for investment or other purpose.

(f) Financial instruments

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

(i) Financial assets

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

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

(Continued)

1) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2) Fair value through other comprehensive income (FVOCI)

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

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

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) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, leases receivable, guarantee deposits paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (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 Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment, as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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

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 Company is exposed to credit risk.

(Continued)

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

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

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 365 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.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

5) Derecognition of financial assets

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

The Company enters into transactions whereby it transfers the assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Treasury shares

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

4) Financial liabilities

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

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

5) Derecognition of financial liabilities

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

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

(Continued)

6) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on 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 expenses. The replacement cost of raw material is its net realizable value.

(h) Biological assets

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

(i) Non-current assets held-for-sale

Non-current assets that are expected highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held-for-sale. Immediately before classification as held-for-sale or held-for-distribution to owners, the assets, or components of a disposal group, are remeasured in accordance with the Company's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value, less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a *pro rata* basis, except that no loss is allocated to assets not within the scope of IAS 36 – *Impairment of Assets*. Such assets will continue to be measured in accordance with the Company's accounting policies.

Impairment losses on assets initially classified as held-for-sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

(Continued)

Once classified as held-for-sale are to be depreciated or amortized, they are no longer depreciated or amortized.

(j) Investment in associates

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

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

The Company's shares of profit or loss and other comprehensive income of investments accounted for using equity method are included, after adjustments to align the said investees' accounting policies with those of the Company, in the consolidated financial statements from the date on which significant influence commences until the date that significant influence ceases.

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

When the Company's share of losses of an associate equals or exceeds its interest in associates, 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 Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(k) Investment property

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

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

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

(l) Property, plant and equipment

(i) Recognition and measurement

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

(Continued)

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) Subsequent expenditure

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

(iii) 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:

(1)Buildings	1～56 years
(2)Machinery	2～16 years
(3)Transportation equipment	2～ 9 years
(4)Other equipment	2～16 years

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

(iv) Reclassification of self-used properties into investment properties

The Company used the book value of its self-used properties to reclassify them into investment properties.

(m) Lease

(i) Identifying a lease

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

1) the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

2) the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(Continued)

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

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

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

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

― fixed payments;

― variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

― amounts expected to be payable under a residual value guarantee; and

― payments for purchase or termination options that are reasonably certain to be exercised.

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

― there is a change in future lease payments arising from the change in an index or rate; or

(Continued)

- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 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
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

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

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

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

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

The Company has elected not to recognize the right-of-use assets and lease liabilities for short-term leases of its equipments that have a lease term of 12 months or less and leases of its low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

(Continued)

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

(n) Intangible assets

(i) Recognition and measurement

Intangible assets that the Company acquired are measured at cost, less accumulated amortization and impairment loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Computer software cost 5 years

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

(o) Impairment – non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and employee benefits) 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 CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

(Continued)

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) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The Company's estimated obligations for dismantling, moving and lease improvements after initial acquisition or subsequent use for a period of time are recognized as costs and liabilities of the asset.

(q) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

The Company manufactures cooking oils, foods and beverages, as well as aquafeeds, and sells them to distributors. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company often offers volume discounts to its customers based on aggregate sales of its products over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the credit term of its sales is consistent with the industry.

(Continued)

The Company sells cooking oils and foods, and pays slotting fees, logistics fees and product display fees, etc. to customers according to the sales and its contracts. Since the payment cannot been exchanged for distinguishable goods or services, it is redeemed as deduction of sales price and income.

2) Financing components

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

(r) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

(Continued)

(iii) Short-term employee benefits

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

(s) 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.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

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 reserve, 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 Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

(Continued)

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.

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

(t) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Company. The basic earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted-average number of ordinary shares outstanding. The diluted earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Company, divided by weighted-average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as convertible bonds and employee stock options.

(u) Operating segments

Please refer to the consolidated financial report of the Company for the years ended December 31, 2020 and 2019 for information on operating segments information.

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

The preparation of the 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. It recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

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) Impairment of trade receivable

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding possible future credit losses) discounted at the financial asset's original effective interest rate. When the actual future cash flows are less than expected, a material impairment loss may arise. Please refer to Notes 6(d) for further description of the impairment of trade receivable.

(Continued)

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to Note 6(f) for further description of the valuation of inventories.

The Company strives to use market observable inputs when measuring assets and liabilities. For different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows, please refer to Note 6(v):

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2020	December 31, 2019
Cash on hand and petty cash	$ 200	200
Check deposits	23,518	19,956
Cash in banks	556,730	506,192
Time deposits	-	174,633
Cash equivalents	-	185,152
Cash and cash equivalents	**$ 580,448**	**886,133**

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

The deposit accounts of $146,816 thousand and $286,007 thousand, which did not meet the definition of cash and cash equivalents and were not restricted, were classified as other financial assets–current for the years ended December 31, 2020 and 2019, respectively.

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

	December 31, 2020	December 31, 2019
Assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ 1,369	109
Non-derivative financial assets		
Stocks listed on domestic markets	43,325	37,635
Beneficiary certificates openfunds	30,335	29,640
Total	**$ 75,029**	**67,384**

(Continued)

	December 31, 2020	December 31, 2019
Liabilities mandatorily measured at fair value through profit or loss:		
Non-derivative financial liabilities		
Forward exchange contracts	**$ 853**	**1,451**

(i) Please refer to Note 6(v) for re-measurement at fair value recognized in profit or loss.

(ii) The aforesaid financial assets were not pledged as collateral.

(iii) Derivative instruments not used for hedging

	December 31, 2020		
	Contract amount (In thousands)	Exercise price	Exercisr date
Buy option	**USD 4,000**	27.450~28.055(USD/NTD)	2021.01.19~2021.06.08
Sell option	**USD 4,000**	27.450~28.055(USD/NTD)	2021.01.19~2021.06.08

	December 31, 2019		
	Contract amount (In thousands)	Exercise price	Exercisr date
Buy option	**USD 3,000**	30.155~30.78(USD/NTD)	2020.01.08~2020.02.05
Sell option	**USD 3,000**	30.155~30.78(USD/NTD)	2020.01.08~2020.02.05

(c) Non-current financial assets at fair value through other comprehensive income

	December 31, 2020	December 31, 2019
Equity instruments at fair value through other comprehensive income-non current:		
Shares of stock of listed companies	$ 144,668	41,748
Shares of stock of unlisted companies	1,155	3,055
Total	**$ 145,823**	**44,803**

(i) The Company intends to hold its equity investments for long-term strategic purposes, rather than for transaction purposes. Therefore, the investments are measured at FVOCI.

(ii) On December 31, 2020, the value of the Company at the time of liquidation was $1,314 thousand and accumulated losses amounted to $586 thousand, the Company transferred the accumulated losses from other equity to retained earnings.

(iii) Please refer to Note 6(w) for credit risk and market risk.

(iv) The aforesaid financial assets were not pledged as collateral.

(Continued)

(d) Notes and accounts receivable

	December 31, 2020	December 31, 2019
Notes receivable	$ 105,333	94,996
Notes receivable from related parties	2,700	2,344
Accounts receivable	361,292	320,889
Accounts receivable from related parties	702,786	626,497
Overdue receivables	10,708	10,906
Less：Allowance for impairment	(41,077)	(40,814)
	$ 1,141,742	**1,014,818**

The Company applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information, including overall economic environment and related industrial information.

The loss allowance provision in food, logistics and bulk materials segments was determined as follow:

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 1,037,639	0.69%	7,190
Overdue 0 to 90 days	23,482	0.79%	186
Overdue 91 to 180 days	240	1.67%	4
Overdue 181 to 270 days	-	6.93%	-
Overdue 271 to 360 days	-	15.79%	-
Over 365 days past due	-	100%	-
Total	**$ 1,061,361**		**7,380**

	December 31, 2019		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 912,800	0.72%	6,600
Overdue 0 to 90 days	31,287	0.84%	263
Overdue 91 to 180 days	3	2.11%	-
Overdue 181 to 270 days	-	8.78%	-
Overdue 271 to 360 days	2	20%	-
Over 365 days past due	-	100%	-
Total	**$ 944,092**		**6,863**

(Continued)

The loss allowance provision in aquafeed segment was determined as follow:

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 85,324	0.13%	107
Overdue 0 to 90 days	2,607	2.71%	71
Overdue 91 to 180 days	9	13.8%	1
Overdue 181 to 270 days	-	16.09%	-
Overdue 271 to 360 days	-	36.84%	-
Over 365 days past due	10,708	100%	10,708
Total	**$ 98,648**		**10,887**

	December 31, 2019		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 75,416	0.16%	120
Overdue 0 to 90 days	2,200	3.42%	75
Overdue 91 to 180 days	97	17.48%	17
Overdue 181 to 270 days	111	20.37%	23
Overdue 271 to 360 days	-	46.67%	-
Over 365 days past due	10,906	100%	10,906
Total	**$ 88,730**		**11,141**

The loss allowance provision at 100% expected loss rate was determined as follow:

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 22,810**	100%	**22,810**

	December 31, 2019		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 22,810**	100%	**22,810**

The movement in the allowance for notes and accounts receivable was as follow:

	For the years ended December 31	
	2020	2019
Balance on January 1	$ 40,814	203,477
Impairment losses recognized	263	2,500
Amounts written off	-	(165,163)
Balance on December 31	**$ 41,077**	**40,814**

(Continued)

As of December 31, 2020 and 2019, the financial assets mentioned above were not pledged as collateral.

(e) Other receivables

	December 31, 2020	December 31, 2019
Other receivables-loans to subsidiaries	$ 57,551	106,241
Other	11,011	11,490
Less: Allowance for impairment	(5,400)	(5,400)
	$ 63,162	**112,331**

There were no receivables that were past due but not impaired.

Please refer to Note 6(w) for the Company's notes and accounts receivable exposed to credit risk and currency risk.

The aforesaid financial assets were not pledged as collateral.

(f) Inventories

	December 31, 2020	December 31, 2019
Raw materials	$ 146,439	291,021
Materials	22,994	19,108
Work in process	104,648	112,933
Finished goods	251,378	218,753
	$ 525,459	**641,815**

Other gains or losses from inventories except for cost of goods sold recognized as expenses in the current period:

	For the Years Ended December 31	
	2020	2019
Operating cost		
Inventory falling price loss (gain) from price recovery of inventory	$ (1,822)	6,529
Revenue from sale of scraps	(4,864)	(5,013)
Gains on physical inventory	(6,207)	(2,517)
Losses on disposal	7,196	5,189
Operating expenses	25,712	30,072
	$ 20,015	**34,260**

(Continued)

For the year ended December 31, 2020, the Company recognized a gain from the reversal of allowance for inventory valuation loss resulting from destocking. Such gain was deducted from cost of goods sold. For the year ended December 31, 2019, the Company recognized a inventory valuation loss due to the decreasing value from the carrying amount to the net realizable value, resulting in the amount of cost of goods sold to be converted.

As of December 31, 2020 and 2019, the aforesaid inventories were not pledged as collateral.

(g) Investments accounted for using equity method

	December 31, 2020	December 31, 2019
Subsidiary	$ 344,934	250,891
Associates	3,360,354	3,203,215
	$ 3,705,288	**3,454,106**

(i) Subsidiaries

Please refer to the consolidated financial statement for the years ended December 31, 2020.

(ii) Associates

1) Subsidiaries that have material non-controlling interest were as follow:

Name of Affiliates	Nature of Relationship with the Company	Main operation /location	Proportion of shareholding and voting rights	
			December 31, 2020	December 31, 2019
TAIWAN FAMILYMART CO., LTD.	Operate chained convenience stores, explore selling paints for the Company	Taiwan	22.46 %	22.47 %

TAIWAN FAMILYMART CO., LTD. is one of the listed companies in Taiwan, with its fair value reflected as below:

December 31, 2020	December 31, 2019
$ 13,135,741	**10,958,740**

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 differences in accounting principles between the Company and its subsidiaries as at the acquisition date. The intra-group transactions were not eliminated in this information.

Information regarding Taiwan FamilyMart Co., LTD. and its subsidiaries

(Continued)

	December 31, 2020	December 31, 2019
Current assets	$ 19,032,433	17,983,536
Non-current assets	42,441,957	39,228,791
Current liabilities	(30,440,441)	29,230,003
Non-current liabilities	(24,047,151)	21,686,146
Net assets	**$ 6,986,798**	**6,296,178**
Net assets attributable to non-controlling interests	**$ 381,607**	**318,439**
Net assets attributable to investee	**$ 6,605,191**	**5,977,739**

	2020	2019
Operating revenue	**$ 85,365,675**	**77,729,697**
Net income	$ 2,240,930	1,912,770
Other comprehensive income	(55,649)	(25,571)
Total comprehensive income	**$ 2,185,281**	**1,887,199**
Comprehensive income attributable to non-controlling interests	**$ 106,899**	**80,601**
Comprehensive income attributable to investee	**$ 2,078,382**	**1,806,598**

	2020	2019
Shares of net assets attributable to investee on January 1	$ 1,343,113	1,226,622
Comprehensive income attributable to the Company	466,945	418,344
Retained earnings attributable to the Company	-	(12,485)
Add: shares aquired	-	1,528
Less: shares sold	(494)	-
Dividends from affiliated enterprise	(326,004)	(290,896)
subtotal	1,483,560	1,343,113
Add: investment property	19,921	19,938
Add: trademark	129,205	129,311
Add: goodwill	1,454,890	1,455,401
Book value of net assets attributable to the Company on December 31	**$ 3,087,576**	**2,947,763**

(Continued)

2) Associates

The Company's financial information for investments accounted for using the equity method that were individually insignificant is as follows:

	December 31, 2020	December 31, 2019
Carrying amount of individually insignificant associates' equity	**$ 272,778**	**255,452**

	For the Years Ended December 31	
	2020	2019
Attributable to the Company:		
Net gain	$ 39,661	28,100
Other comprehensive income	1,649	(670)
Comprehensive income	**$ 41,310**	**27,430**

(iii) Pledge to secure

As of December 31, 2020, the deals of the investments accounted for using the equity method were pledged as collateral for long-term borrowings and credit times, please refer to Note 8. As of December 31, 2019, the investments accounted for using equity the method were not pledged as collateral.

(h) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Company as of December 31, 2020 and 2019 were as follows:

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2020	$ 1,017,667	718,871	705,214	37,025	199,934	90,337	2,769,048
Additions	5,360	4,698	15,464	4,142	9,115	127,688	166,467
Disposals	-	(11,000)	(24,157)	(266)	(122,655)	-	(158,078)
Transfer in	-	30,564	44,941	-	14,127	-	89,632
Transfer out	-	-	-	-	-	(89,632)	(89,632)
Balance on December 31, 2020	**$ 1,023,027**	**743,133**	**741,462**	**40,901**	**100,521**	**128,393**	**2,777,437**
Balance on January 1, 2019	$ 1,017,667	705,515	741,333	36,190	230,833	29,229	2,760,767
Additions	-	1,295	3,365	-	248	100,329	105,237
Disposals	-	-	(66,544)	-	(30,412)	-	(96,956)
Transfer in	-	12,061	27,060	835	100	-	40,056
Transfer out	-	-	-	-	(835)	(39,221)	(40,056)
Balance on December 31, 2019	**$ 1,017,667**	**718,871**	**705,214**	**37,025**	**199,934**	**90,337**	**2,769,048**

(Continued)

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Depreciation and impairment loss:							
Balance on January 1, 2020	$ -	531,707	592,953	26,490	190,492	-	1,341,642
Depreciation for the period	-	21,377	31,834	3,354	4,098	-	60,663
Disposals	-	(10,585)	(23,056)	(266)	(120,543)	-	(154,450)
Reclassifications	-	-	(885)	-	885	-	-
Balance on December 31, 2020	**$ -**	**542,499**	**600,846**	**29,578**	**74,932**	**-**	**1,247,855**
Balance on January 1, 2019	$ -	511,181	629,769	22,544	214,359	-	1,377,853
Depreciation for the period	-	20,526	31,786	3,111	4,023	-	59,446
Disposals	-	-	(66,474)	-	(29,183)	-	(95,657)
Reclassifications	-	-	(2,128)	835	1,293	-	-
Balance on December 31, 2019	**$ -**	**531,707**	**592,953**	**26,490**	**190,492**	**-**	**1,341,642**
Carrying amounts:							
Balance on December 31, 2020	**$ 1,023,027**	**200,634**	**140,616**	**11,323**	**25,589**	**128,393**	**1,529,582**
Balance on January 1, 2019	**$ 1,017,667**	**194,334**	**111,564**	**13,646**	**16,474**	**29,229**	**1,382,914**
Balance on December 31, 2019	**$ 1,017,667**	**187,164**	**112,261**	**10,535**	**9,442**	**90,337**	**1,427,406**

(i) Since the law in Taiwan does not allow a legal person or an entity to acquire any agricultural land beginning 2016, the title deed of the 15 pieces of agricultural land, amounting to NTD$50,749 thousand, located at parcel no.185 and 186 in the Daxin Section of Beidou Township, Changhua County, had been transferred to a natural person. However, the Company still keeps the original certificate of ownership of the real estate for security purpose.

(ii) Please refer to Note 6(u) for the disposal of profit and loss.

(iii) As of December 31, 2020 and 2019, there were no interest capitalization of the Company.

(iv) On December 31, 2020, the aforementioned land, houses and buildings were not provided as collateral guarantees.

(i) Investment property

	Land and improvements	Buildings	Total
Cost or deemed cost:			
Balance on January 1, 2020	**$ 501,302**	**129,581**	**630,883**
Balance on December 31, 2020	**$ 501,302**	**129,581**	**630,883**
Balance on January 1, 2019	**$ 501,302**	**129,581**	**630,883**
Balance on December 31, 2019	**$ 501,302**	**129,581**	**630,883**

(Continued)

	Land and improvements	Buildings	Total
Depreciation and impairment loss:			
Balance on January 1, 2020	$ -	92,066	92,066
Depreciation for the year	-	1,379	1,379
Balance on December 31, 2020	**$ -**	**93,445**	**93,445**
Balance on January 1, 2019	$ -	90,687	90,687
Depreciation for the year	-	1,379	1,379
Balance on December 31, 2019	**$ -**	**92,066**	**92,066**
Carrying amounts:			
Balance on January 1, 2020	**$ 501,302**	**37,515**	**538,817**
Balance on December 31, 2020	**$ 501,302**	**36,136**	**537,438**
Balance on January 1, 2019	**$ 501,302**	**38,894**	**540,196**
Balance on December 31, 2019	**$ 501,302**	**37,515**	**538,817**
Fair value:			
Balance on December 31, 2020			**$ 875,242**
Balance on December 31, 2019			**$ 873,484**

(i) Investment property comprises a number of commercial properties that were leased to third parties. The subsequent lease term of each lease contract was negotiated with the lessee, and no contingent rent is charged.

(ii) The fair value of investment properties was based on recent transaction price of similar location and areas on the website of the Department of Land Administration M.O.I. and the website of real estate trading. Under the valuation techniques for financial instruments measured at fair value, the inputs were categorized at level 2.

(iii) As of December 31, 2020 and 2019, the investment properties were not pledged as collateral.

(j) Short-term borrowings

	December 31, 2020	December 31, 2019
Letter of credit	$ 108,027	122,609
Unsecured bank loans	-	150,000
Total	**$ 108,027**	**272,609**
Unused credit lines	**$ 2,241,885**	**2,868,237**
Interest rates	**0.77%~1.59%**	**0.95%~2.82%**

Please refer to Note 6(w) for details on financial risk.

(Continued)

(k) Short-term notes and bills

	December 31, 2019
Commercial paper payables	$ 100,000
Unused credit lines	$ 780,000
Interest rates	0.7%

Please refer to Note 6(w) for details on financial risk.

(l) Accounts payable

	December 31, 2020	December 31, 2019
Payables to suppliers	$ 461,948	398,360

(m) Long-term borrowings

	December 31, 2020			
	Currency	Interest rate	Year due	Amount
Secured bank loans	NTD	1%	2023	$ 600,000
Less: Current portion				-
Total				$ 600,000
Unused credit line				$ 700,000

	December 31, 2019			
	Currency	Interest rate	Year due	Amount
Unsecured bank loans	NTD	1.43%~1.55%	2020~2022	$ 762,500
Less: Current portion				(75,000)
Total				$ 687,500
Unused credit line				$ 87,500

(i) Collateral for bank loans

Please refer to Note 8 for details on related assets pledged as collateral.

(ii) Please refer to Note 6(w) for details on financial risk.

(n) Operating leases

(i) Leases as lessor

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

(Continued)

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2020	December 31, 2019
Less than one year	$ 8,703	7,030
One to two years	6,985	4,141
Two to three years	3,562	2,869
Three to four years	841	979
Four to five years	496	-
More than five years	213	-
Total undiscounted lease payments	**$ 20,800**	**15,019**

For the years ended December 31, 2020 and 2019, the rental revenues from investment properties amounted to $6,896 thousand and $9,240 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The reconciliation of fair value of the defined benefit plans and plan assets was as follows:

	December 31, 2020	December 31, 2019
Present value of defined benefit obligation	$ 192,447	232,369
Fair value of plan assets	(211,396)	(230,922)
Net defined benefit liabilities	**$ (18,949)**	**1,447**

Employee benefit liabilities are listed as follows:

	December 31, 2020	December 31, 2019
Compensated absences liability	**$ 10,711**	**10,711**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for its 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 six months prior to retirement.

1) Composition of plan assets

The Company sets aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. Such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Under these regulations, the minimum earnings from these pension funds shall not be less than the earnings from two-year time deposits with the interest rates offered by local banks.

(Continued)

The Company's contributions to the pension funds were deposited with Bank of Taiwan amounting to $211,396 thousand as of the reporting date. 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 movements in the present value of the defined benefit obligations for the years ended December 31, 2020 and 2019 were as follows:

	For the Years Ended December 31	
	2020	2019
Defined benefit obligations on January 1	$ 232,369	247,356
Current service costs and interest	4,328	5,266
Remeasurements of the net defined benefit liability		
—Actuarial gain due to experience adjustments	(1,079)	(3,258)
—Actuarial loss from changes in financial assumption	6,270	2,464
Benefits paid by the plan	(49,441)	(19,459)
Defined benefit obligation on December 31	**$ 192,447**	**232,369**

3) Movements on the defined benefit plan assets

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

	For the Years Ended December 31	
	2020	2019
Fair value of plan assets on January 1	$ 230,922	215,791
Interest revenue	2,270	2,409
Remeasurements of the net defined benefit liability		
—Return on plan assets (not including current interest cost)	6,822	7,245
Contributed amount	8,032	16,836
Benefits paid by the plan	(36,650)	(11,359)
Fair value of plan asset on December 31	**$ 211,396**	**230,922**

(Continued)

4) Expenses recognized in profit and loss

The Company' s pension expenses recognized in profit or loss for the years ended December 31, 2020 and 2019 were as follows:

	For the Years Ended December 31	
	2020	2019
Current service costs	$ 2,126	2,591
Net interests on net defined benefit liability	(68)	266
	$ 2,058	**2,857**

	For the Years Ended December 31	
	2020	2019
Operating costs	$ 900	1,147
Operating expenses	217	330
General and administrative expenses	941	1,380
	$ 2,058	**2,857**

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

The Company's net defined benefit liability recognized in other comprehensive income for the years ended December 31, 2020 and 2019 were as follows:

	For the Years Ended December 31	
	2020	2019
Cumulative amount on January 1	$ 92,762	100,801
Recognized during the year	(1,631)	(8,039)
Cumulative amount on December 31	**$ 91,131**	**92,762**

6) Actuarial assumptions

The key actuarial assumptions at the reporting date are as follows:

	2020.12.31	2019.12.31
Discount rate	0.625 %	1.000 %
Future salary increase rate	1.000 %	1.000 %

Based on the actuarial report, the Company is expected to make a contribution payment of $6,251 thousand to the defined benefit plans for the one year period after the reporting date of 2020.

The weighted average duration of the defined benefit plans is between 10.09 years.

(Continued)

7) Sensitivity analysis

As of December 31, 2020 and 2019, the changes in the principal actuarial assumptions that will have an impact on the present value of the defined benefit obligation were as follows:

	Impact on the present value of defined benefit obligation	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2020		
Discount rates	$ (4,212)	4,347
Future salary increase rates	4,226	(4,117)
December 31, 2019		
Discount rates	(4,889)	5,051
Future salary increase rates	4,930	(4,797)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in the defined benefit obligation as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as that of the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

(ii) Defined contribution plans

The Company contributes an amount at the rate of the employees' monthly wages to the Labor Pension personal account with the Bureau of Labor Insurance and Council of Labor Affairs in the R.O.C. and related social insurance institutions in accordance with the provisions of the Labor Pension Act and pension regulations in other business area. The Company' s contributions to the Bureau of Labor Insurance for the employees' pension benefits, as well as to the labor and social security bureau, require no further payment of additional legal or constructive obligations.

As of December 31, 2020 and 2019, the Company' s employee benefits retirement expenses amounted to $14,000 thousand and $12,889 thousand, respectively.

(Continued)

(p) Income tax

(i) The income tax expense for the years ended December 31, 2020 and 2019 are as follows:

	For the Years Ended December 31	
	2020	2019
Current income tax expense		
Current period incurred	$ 42,730	26,119
Undistributed earnings additional tax	-	3,004
Prior years income tax adjustment	(2,844)	-
Land value increment taxes	-	523
Deferred tax expense		
Origin and reversal of temporary difference	9,168	-
Income tax expense from continuing operations	**$ 49,054**	**29,646**

(ii) The income tax on pre-tax financial income was reconciled with the income tax expense for the years ended December 31, 2020 and 2019 as follows:

	For the Years Ended December 31	
	2020	2019
Profit excluding income tax	$ 900,132	611,719
Income tax using the Company's domestic tax rate	$ 180,026	122,344
Gains from equity method	(122,242)	(93,485)
(Gains) losses on financial assets evaluation	(169)	340
Dividends revenue	(1,244)	(1,054)
Non-deductible expenses	296	277
Changes in unrecognized temporary differences	163	2,135
Undistributed earnings	-	3,004
Prior years income tax adjustment	(2,844)	-
Land value increment tax	-	523
Others	(4,932)	(4,438)
Total	**$ 49,054**	**29,646**

(iii) Deferred tax assets

1) Unrecognized deferred tax assets

	December 31, 2020	December 31, 2019
Pension expenses	$ -	289
Allowance losses	5,850	6,052
Losses on investment using equity method	88,672	88,672
Others	3,877	4,495
	$ 98,399	**99,508**

(Continued)

As of December 31, 2020 and 2019, the Company's recognition on its prior years' loss carry forward as deffered tax assets remained the some.

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets for the years ended December 31, 2020 and 2019 were as follows:

	Inventory valuation loss	Investment loss	Unrealized gross profit	Total
Deferred tax assets:				
Balance on January 1, 2020	$ 1,964	9,168	750	11,882
Recognize as profit or loss	-	(9,168)	-	(9,168)
Balance on December 31, 2020	**$ 1,964**	**-**	**750**	**2,714**
Balance on January 1, 2019	$ 1,964	9,168	750	11,882
Balance on December 31, 2019	**$ 1,964**	**9,168**	**750**	**11,882**

(iv) Deferred tax liabilities

	December 31, 2020	December 31, 2019
Land value increment tax	**$ 222,537**	**222,537**

For the years ended December 31, 2020 and 2019, there is no change on the Company's defferred tax liabilities.

(v) The Company's income tax returns through 2018 have been assessed and approved by the Tax Authority.

(q) Share capital and other equity

As of December 31, 2020 and 2019, the authorized capital of the Company consisted of 800,000 thousand shares, at a par value of $10 per share, with the outstanding shares amounting to $4,999,990 thousand. The capital that arose from the abovementioned shares had all been retrieved.

(Continued)

(i) Capital surplus

The components of the capital surplus are as follows:

	December 31, 2020	December 31, 2019
Treasuny shares transactions	$ 38,837	26,540
Changes in equity of associates accounted for using equity method	17	17
Surplus from issuance of ordinary shares	915,977	915,977
Surplus from issuance of ordinary shares employee stock options	4,132	4,132
Restricted stock to employees	1,561	1,561
Other	13,559	13,559
	$ 974,083	**961,786**

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 the par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while the Company still have significant expansion of production capacity and vertical development plans in the next few years. The Company's articles of incorporation stipulate that the 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 at least 50% of the remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. However, more than 30% of the total dividend distribution in the current year shall be distributed in cash dividends, and the rest shall be distributed in the form of stock dividends.

If the common stock dividends per share is less than NTD 0.1, the Board of Directors have the right not to distribute it.

1) Legal reserve

When a company incurs profit, the shareholders shall decide on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash of up to 25% of the actual share capital.

(Continued)

2) Special reserve

The Company applied for exemptions during its first-time adoption of IFRSs, resulting in its retained earnings to increase by $240,776 thousand, incurred from unrealized revaluation increments, exchange differences on translation of foreign financial statements. In accordance with Permit No.1010012865 as issued by the Financial Supervisory Commission on April 6, 2012, a special reverse equals to the contra account of other shareholders' equity is appropriated from current and prior period earnings. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of December 31, 2020 and 2019, the Company recognized the special reserve related to all IFRSs adjustments amounting to $240,776 thousand for both years. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

On May 21, 2020, and May 23, 2019, the Company's shareholder's meeting resolved to appropriate the 2019 and 2018 earnings as follows:

	2019	2018
Common stock dividends per share		
Cash	$ 449,999	399,999

For information on earnings distribution, decided by the board of directors, which was approved during the shareholders' meeting, please visit the public information observatory for further information.

(iii) Treasury stock (held by the subsidiaries)

Before the amendment of the Company Law in 2001, the Company's subsidiaries, pruchased the Company's stock in the open market for investment pruposes. Stocks held by subsidiaries are deemed as treasury stock.

The numbers of shares, book value and market price held by the Company's subsidiaries are as follows:

Subsidiaries	Begining shares	Add	Less	Ending shares
2020				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
PIONEER TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**

(Continued)

Subsidiaries	Beaining shares	Add	Less	Ending shares
2019				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
PIONEER TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**

	December 31, 2020	December 31, 2019
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	$ 154,637	154,637
TAIWAN NIKOMART CO., LTD.	44,880	44,880
PIONEER TRAFFIC CO., LTD.	4,359	4,359
	$ 203,876	**203,876**

The stock prices of the Company as of December 31, 2020 and 2019 were NTD27.60 and NTD22.10 respectively.

(iv) Other equity interest (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2020	$ (29,042)	(78,026)	(107,068)
Exchange differences on foreign operation	(2,828)	-	(2,828)
Unrealized gain from equity instrument measured at fair value through other comprehensive income	-	29,461	29,461
Changes in other comprehensive income (loss) of associates accounted for using equity methods	-	3,972	3,972
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	586	586
Balance on December 31, 2020	**$ (31,870)**	**(44,007)**	**(75,877)**
Balance on January 1, 2019	$ (25,664)	(98,719)	(124,383)
Exchange differences on foreign operation	(2,734)	-	(2,734)
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	9,721	9,721
Changes in other comprehensive income (loss) of associates accounted for using equity methods	(644)	(1,518)	(2,162)
Disposal of investments designated at fair value through comprehensive income by affiliates through the equity method	-	12,490	12,490
Balance on December 31, 2019	**$ (29,042)**	**(78,026)**	**(107,068)**

(Continued)

(r) Earnings per share

The Company's earnings per share are calculated as follows:

	For the Years Ended December 31	
	2020	2019
Basic earnings per share		
Profit from continuing operation attributable to the Company	**$ 851,078**	**582,073**
Weighted average number of ordinary shares	499,999	499,999
Less: impact of treasury stock	13,606	13,606
Adjusted weighted average number of ordinary shares	**486,393**	**486,393**
Earnings per share	**$ 1.75**	**1.20**
Diluted earnings per share		
Profit from continuing operation attributable to the Company	851,078	582,073
Profit from continuing operation attributable to the Company(after adjusting the effect of diluted ordinary shares)	**$ 851,078**	**582,073**
Adjusted weighted average number of ordinary shares	486,393	486,393
The impact of employee stock compensation	2,202	2,000
Adjusted weighted average number of ordinary shares (after adjusting the effect of diluted ordinary shares)	**488,595**	**488,393**
Earnings per share	**$ 1.74**	**1.19**

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Years Ended December 31, 2020			
	Consumption division	Commodity division	Other	Total
Main product/service				
Consumer food	$ 4,435,654	-	-	4,435,654
Bulk materials and aquafeeds	-	2,698,245	-	2,698,245
Revenue from investment properties	-	-	6,896	6,896
	$ 4,435,654	**2,698,245**	**6,896**	**7,140,795**

	For the Years Ended December 31, 2019			
	Consumption division	Commodity division	Other	Total
Main product/service				
Consumer food	$ 4,085,684	-	-	4,085,684
Bulk materials and aquafeeds	-	2,742,619	-	2,742,619
Revenue from investment properties	-	-	9,240	9,240
	$ 4,085,684	**2,742,619**	**9,240**	**6,837,543**

(Continued)

(ii) Contract balances

	December 31, 2020	December 31, 2019	January 1, 2019
Notes receivable	$ 105,333	94,996	92,094
Notes receivable-related parties	2,700	2,344	201,975
Accounts receivable	361,292	320,890	290,120
Accounts receivable-related parties	702,786	626,496	462,239
Receivables	10,708	10,906	173,685
Less: loss allowance	(41,077)	(40,814)	(203,477)
Total	**$ 1,141,742**	**1,014,818**	**1,016,636**

For details on notes receivable, accounts receivable and loss allowance, please refer to Note 6(d).

(t) Remunerations to employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 2% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

For the years ended December 31, 2020 and 2019, the Company accrued and recognized its employee remuneration amounting to $49,188 thousand and $37,383 thousand, respectively; as well as its remuneration to directors and supervisors amounting to $34,431 thousand and $30,586 thousand, respectively. These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remuneration to employees and directors, multiplied by the distribution of ratio of the remuneration to employees and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or lost in the following year. If, however, the shareholders determine that the employee remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the shareholders' meeting.

The related information can be accessed from the Market Observation Post System website.

The remunerations to employees and directors mentioned above were consistent with the estimated amounts reflected in the 2020 and 2019 financial statements.

(Continued)

(u) Non-operating income and expenses

(i) Other gains and losses

The details of other gain and losses were as follows:

	For the Years Ended December 31	
	2020	2019
Dividend income	$ 6,222	5,269
Foreign exchange loss	(2,349)	(26,409)
Impairment gain on property, plant and equipment	769	377
Gains on disposal of non-current assets held for sale (Note)	-	9,420
Gains on disposal of investments	3,755	-
Gains on financial assets at FVTPL	7,627	2,340
Dilivey service income	13,539	12,165
Other gains and losses	26,429	29,170
	$ 55,992	**32,332**

Note: The Company transferred the non-current assets held for sale to the buyer in March 2019, and recognized the disposal benefit of $9,240 thousand.

(ii) Finance costs

The details of finance costs were as follows:

	For the Years Ended December 31	
	2020	2019
Interest expense		
Bank loans	**$ 11,354**	**17,247**

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(Continued)

2) Concentration of credit risk

Apart from the Company's most significant customer, CENTRAL UNION OIL CORP. and PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD, the Company has no exposure to credit risk of any individual counterparty or any group of counterparties with similar credit characteristics. Those related parties which have transactions with the Company are regarded as group of counterparties with similar credit characteristics. As at reporting date, the Company reviewed the concentrations of credit risk arising from CENTRAL UNION OIL CORP. and PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD, and it was below 57.11% and 56.44%, respectively, of the accounts receivable.

3) Accounts receivable of credit risk

For credit risk exposure of notes and accounts receivables, please refer to note 6(d). Other financial assets at amortized cost includes other receivables and time deposits, etc.

All of these financial assets are considered to be low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Please refer to Note 4(f) for the decision made by Company as to whether or not its credit risk is to be low risk. Please refer to Note 4(e) for the movement in the allowance for impairment for doubtful accounts.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
December 31, 2020						
Non-derivative financial liabilities						
Unsecured bank loans (USD)	$ 108,027	108,706	108,706	-	-	-
Secured bank loans (NTD)	600,000	615,000	3,000	3,000	6,000	603,000
Non-interest bearing liabilities	830,599	830,599	830,599	-	-	-
	$ 1,538,626	**1,554,305**	**942,305**	**3,000**	**6,000**	**603,000**
December 31, 2019						
Non-derivative financial liabilities						
Unsecured bank loans (USD)	$ 122,609	124,273	124,273	-	-	-
Unsecured bank loans (NTD)	912,500	944,369	194,046	42,898	47,740	659,685
Short-term notes and bills payable	100,000	100,000	100,000	-	-	-
Non-interest bearing liabilities	580,664	580,664	580,664	-	-	-
	$ 1,715,773	**1,749,306**	**998,983**	**42,898**	**47,740**	**659,685**

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

(Continued)

(iii) Currency risk

1) Exposure of foreign currency risk

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

	December 31, 2020			December 31, 2019		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD : NTD	$ 11,168	28.508	318,000	31,651	30.106	978,227
Non-Monetary items						
USD : NTD	6,153	28.508	175,286	7,557	30.106	108,176
Financial liabilities						
Monetary items						
USD : NTD	3,789	28.508	108,027	4,073	30.106	122,609

2) Sensitivity analysis

The Company' s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, other financial assets-current, accounts receivable and other receivables that are denominated in foreign currency. A 1% appreciation or depreciation of US dollar against New Taiwan dollar as of December 31, 2020 and 2019 would have increased (decreased) the pre-tax net income for the years ended December 31, 2020 and 2019 by $3,082 thousand and $7,710 thousaand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

3) Foreign exchange gains or losses on monetary item

	2020		2019	
	Foreign exchange gains (losses)	Average exchange rate	Foreign exchange gains (losses)	Average exchange rate
USD	$ (2,349)	29.568	(26,409)	30.924

(iv) Interest rate analysis

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

	Book value	
	December 31, 2020	December 31, 2019
Fixed rate instruments:		
Financial assets	$ 146,816	645,792
Financial liabilities	-	100,000
	$ 146,816	**545,792**

(Continued)

	Book value	
	December 31, 2020	December 31, 2019
Variable rate instruments:		
Financial assets	$ 556,730	506,192
Financial liabilities	108,027	1,035,109
	$ 448,703	**(528,917)**

The following sensitivity analysis is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments at the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The report of the Company's internal management on the increases/decreases in the interest rates and the exposure to changes in interest rates of 0.5% is considered by the management to be a reasonable change of interest rate.

If the interest rate increases / decreases by 0.5%, the Company's net income will decrease /increase by $2,244 thousand and $2,645 thousand for the years ended December 31, 2020 and 2019, respectively, assuming all other variable factors remaining constant. This is mainly due to the Company's floating interest rate of cash in bank and borrowings.

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows; assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain constant:

	For the years ended December 31			
	2020		2019	
	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)
Increase 5%	**$ 7,291**	**3,683**	**2,240**	**3,364**
Decrease 5%	**$ (7,291)**	**(3,683)**	**(2,240)**	**(3,364)**

(vi) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

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

(Continued)

	December 31, 2020				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets					
Foreign exchange option	$ 1,369	-	1,369	-	1,369
Non derivative financial assets					
Listed Stocks	43,325	43,325	-	-	43,325
Beneficiary Certificate-Open-end Funds	30,335	30,335	-	-	30,335
Subtotal	75,029	73,660	1,369	-	75,029
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 144,668	144,668	-	-	144,668
Shares of stock unlisted on domestic markets	1,155	-	1,155	-	1,155
Subtotal	145,823	144,668	1,155	-	145,823
Financial assets at amortized cost					
Cash and cash equivalents	$ 580,448	-	-	-	-
Notes and account receivables (including related parties)	1,141,742	-	-	-	-
Other receivables (including related parties)	63,162	-	-	-	-
Other financial asset-current	146,816	-	-	-	-
Other financial asset-non current	10,178	-	-	-	-
Subtotal	1,942,346	-	-	-	-
Total	**$ 2,163,198**	**218,328**	**2,524**	**-**	**220,852**
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	$ 853	-	853	-	853
Financial liabilities at amortized cost					
Short term borrowings	$ 108,027	-	-	-	-
Notes and accounts payable (including related parties)	462,226	-	-	-	-
Other payables (including related parties)	365,613	-	-	-	-
Long term borrowings (including current portion)	600,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	3,068	-	-	-	-
Subtotal	1,538,934	-	-	-	-
Total	**$ 1,539,787**	**-**	**853**	**-**	**853**

(Continued)

	December 31, 2019				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets					
Foreign exchange option	$ 109	-	109	-	109
Non derivative financial assets					
Listed Stocks	37,635	37,635	-	-	37,635
Beneficiary Certificate-Open-end Funds	29,640	29,640	-	-	29,640
Subtotal	67,384	67,275	109	-	67,384
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 41,748	41,748	-	-	41,748
Shares of stock unlisted on domestic markets	3,055	-	-	3,055	3,055
Subtotal	44,803	41,748	-	3,055	44,803
Financial assets at amortized cost					
Cash and cash equivalents	$ 886,133	-	-	-	-
Notes and accounts receivable (including related parties)	1,014,818	-	-	-	-
Other receivables (including related parties)	112,331	-	-	-	-
Other financial asset-current	286,007	-	-	-	-
Other financial asset-non current	8,158	-	-	-	-
Subtotal	2,307,447	-	-	-	-
Total	**$ 2,419,634**	**109,023**	**109**	**3,055**	**112,187**
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	$ 1,451	-	1,451	-	1,451
Financial liabilities at amortized cost					
Short term borrowings	$ 272,609	-	-	-	-
Short term notes and bills payable	100,000	-	-	-	-
Notes and accounts payable (including related parties)	400,257	-	-	-	-
Other payables (including related parties)	334,407	-	-	-	-
Long term borrowings (including current portion)	762,500	-	-	-	-
Deposits received (recognized in the balance sheet as other non current liabilities, others)	2,917	-	-	-	-
Subtotal	1,872,690	-	-	-	-
Total	**$ 1,874,141**	**-**	**1,451**	**-**	**1,451**

(Continued)

2) Valuation techniques for financial instruments not measured at fair value:

The assumptions and methods used in valuing financial instruments that are not measured at fair value are as follows:

a) Financial assets and liabilities measured at amortized cost

Fair value measurement for financial assets and liabilities is based on the latest quoted price and agreed-upon price if these prices are available in an active market. When market value is unavailable, fair value of financial assets and liabilities are evaluated based on the discounted cash flow of the financial assets and liabilities.

3) Valuation techniques for financial instruments measured at fair value:

a) Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument does not accord with the aforementioned definition, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

If the financial instruments held by the Company have an active market, the measurements of fair value are categorized as follows:

- The listed stocks and beneficiary certificate-open-end funds are recognized as financial assets and liabilities traded in active markets by the standards and nature. The fair value is measured at the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from competitor. Fair value measured by valuation technique can be extrapolated from similar financial instruments, discounted cash flow method or other valuation technique which include model calculating with observable market data at the balance sheet date.

If the financial instruments held by the Company have no active market, the measurements of fair value are categorized as follows:

- Equity instruments without quoted price: The fair value is measured at net asset value method. By looking through the nature and the included items of each asset and liability item and collecting the market value information of each asset and liability for items whose book value may be different from the fair value, the Company needs to obtain the fair value of the Company’ s net assets, and calculate the Company's equity value. The discount effect is adjusted due to lack of market liquidity in equity securities.

(Continued)

b) Derivative financial instruments

These are based on the valuation model accepted by the most market users, ex: discount rate and option pricing model. Forward exchange agreement is usually based on the current forward rate.

Fair value of structured financial instruments is based on appropriated valuation model, ex: BlackScholes model, or other valuation model, ex: Monte Carlo simulation.

c) Financial instruments measured at fair value

The Company uses market-observable inputs as much as possible to measure its assets and liabilities. The different levels, wherein the inputs of valuation techniques are used to measure the fair value of financial and non-financial instruments have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

4) Transfers between Level 1 and Level 2

There were no changes in the valuation techniques for fair value in 2020 and 2019. In addition, there have been no transfers from each level for the years ended December 31, 2020 and 2019.

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

The Company' s financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through other comprehensive income-equity investments.

The Company's equity instrument investments without an active market in Level 3 have more than one significant unobservable inputs. The significant unobservable inputs of financial instrument investments without an active market are individually independent, and there is no correlation between them.

(Continued)

Quantified information of significant unobservable inputs was as follow:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	net asset value method	·net asset value ·Market illiquidity discount (as of December 31, 2020 and 2019 were both 25%)	·Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher).
Financial assets at fair value through profit or loss-equity investments without an active market	net asset value method	·net asset value ·Market illiquidity discount (as of December 31, 2020 and 2019 were both 25%)	·Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)

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

The Company' s measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income：

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2020						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	-	-	12	(12)
December 31, 2019						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	-	-	31	(31)

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.

(w) Financial risk management

(i) Overview

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

1) Credit risk

(Continued)

2) Liquidity risk

3) Market risk

The following likewise discusses the Company' s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks' exposures, please refer to the respective notes in the accompanying 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 Board has deputized managements of core business departments for developing and monitoring the Company's risk management policies, wherein the management reports regularly to the Board of Directors on its activities.

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

The Company' s Internal Audit Department oversees how the management' s supervision complies with the Company' s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures and exception management, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments in debt securities.

1) Accounts receivable and other receivables

The Company' s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. As of December 31, 2020 and 2019, the percentage of net sales of two specific clients invested by the Company through equity method were 51% and 53% respectively. The two clients mentioned above engaged in the manufacturing (upstream) and wholesale (downstream) of edible products. The Company does not concentrate on a specific customer, thus, there should be no concern on significant concentrations of accounts receivable credit risk. In order to mitigate account receivable credit risk, the Company constantly assesses the financial status of its customers.

(Continued)

2) Investment

The credit risk exposure in the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Company's finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions and corporate organization which are graded above investment level, management believes that the Company do not have compliance issues and no significant credit risk.

3) Guarantee

The Company's policy is to provide financial guarantees only to Group's subsidiaries and CENTRAL UNION OIL CORP. (the Company's long-term equity investment company through joint venture agreement). As of December 31, 2020 and 2019, the Company did not provide any endorsement and guarantee for CENTRAL UNION OIL CORP.

(iv) Liquidity risk

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

The Company ensures that there is sufficient cash to meet the expected operating expenditure needs, including the fulfillment of financial obligations, and supervises the banking facilities to ensure compliance with the terms of loan agreements. As of December 31, 2020 and 2019, the Company's unused credit line amounted to $3,821,885 thousand and $3,740,923 thousand, respectively.

(v) Market risk

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

The Company buys and sells derivatives in order to manage market risk. All such transactions are carried out within the guidelines set by the Risk Management Committee.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the New Taiwan Dollars (NTD) for the Taiwanese company. Except for the purchases of bulk materials, which are denominated in US dollars, the remaining currencies used in transactions are denominated in NTD.

(Continued)

The Company uses foreign exchange options and forward exchange contracts to hedge currency risk. The length of the contract periods are determined by the maturity date and future cash flow of the Company's existing foreign currency debt, so the contingent exchange gains and losses of the hedged debt would offset by the gains and losses generated when the hedging instrument contract expires.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances.

2) Interest rate risk

The policy of the Company is based on floating interest rate. At present, considering that the market interest rate is relatively low, no interest rate swap has been signed, and if the interest rates increase, the interest rate swap can also be adopted to reduce interest rate risk.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios.

(x) Capital management

The Company's objectives for managing capital are to safeguard its capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

	December 31, 2020	December 31, 2019
Total liabilities	$ 1,808,572	2,143,206
Less: cash and cash equivalents	(580,448)	(886,133)
Net debt	**$ 1,228,124**	**1,257,073**
Total equity	**$ 7,026,465**	**6,599,888**
Adjusted equity	**$ 8,254,589**	**7,856,961**
Debt-to-equity ratio	**14.88 %**	**16.00 %**

Note: Due to the great operation condition, total capital goes up and the debt to equity ration goes down.

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

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2020 and 2019 were from foreign exchange movement.

(Continued)

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transactions with related parties and the Company during the periods covered in the parent company only financial statements.

Name of related party	Relationship with the Company
CENTRAL UNION OIL CORP.	Equity-accounted investee by the Company (associates)
TAIWAN FAMILYMART CO., LTD.	〃
TAIWAN DISTRIBUTION CENTER CO., LTD.	Equity-accounted Investee's Subsidiary by the Company (associates)
RE-YI DISTRIBUTION SERVICE CO., LTD.	〃
TAISUN FOODS & MARKETING CO., LTD.	Substantive related parties (other related parties)
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	A subsidiary of the Company
TAIWAN NIKOMART CO., LTD.	〃
PIONEER TRAFFIC CO., LTD.	〃
TAISUN YUAN CO., LTD.	〃
TAISUN (CAYMAN) INVESTMENT LTD.	〃
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	〃
TAISUN (HERBAL) LTD.	〃

(b) Significant transactions with related parties

(i) Sale of Goods to Related Parties

	For the years ended December 31	
	2020	2019
Subsidiaries-PIN-TAI DISTRIBUTION, ENTERPRISE CO.	$ 1,782,814	1,626,081
Other subsidiaries	453	-
Associates:		
CENTRAL UNION OIL CORP.	1,836,951	2,024,620
Other associates	10,923	18,211
Other related parties	162,998	139,395
	$ 3,794,139	**3,808,307**

(Continued)

Parts of the Company's selling channel of beverages and cooking oil are distributed to related parties, and different canteens inside the military welfare organizations and establishments. However, an additional commission is charged by the delivery agency to the Company for every delivery it makes to the military welfare organizations and establishments. Therefore, the selling price offered to the military welfare organizations and establishments is higher than that offered to the related parties. Furthermore, the selling price offered to TAISUN FOODS & MARKETING CO., LTD is lower as compared to other related parties due to the nature of its business, which is export trading. There were no major differences in the selling price between the related parties and general customers.

The payment term of the previous transaction for PIN-TAI DISTRIBUTION, ENTERPRISE CO. LTD. was every 10 days – 75-day promissory notes. However, for the current payment term, which began in November 2019, the charge is monthly – 60-day promissory notes.

The sales prices of soy powder to CENTRAL UNION OIL CORP. is deducted from the related sales expenses based on the market prices, wherein the Company collects the payment within 45 to 60 days.

The sales prices of food to TAISUN FOODS & MARKETING CO., LTD. is deducted from the related sales expenses based on the market price. The payment term of the original transaction was collected within 60 days. Starting May 2019, the payment terms have been changed to 70% advance receivables, and 30% of the receivables are collected within 30 days. However, another change had been made again on the payment term beginning October 2019, 50% advance receivables, and 50% monthly charge-90 days promissory notes.

The unrealized gross profit on sales between the Company and the above-mentioned related parities has been eliminated based on the equity ratio.

No collaterals were pledged from the receivables of the related parties. However, the Company evaluated that no bad debts were recognized for TAISUN FOODS & MARKETING CO., LTD.'s allowance for doubtful accounts of $22,810 thousand.

(ii) Purchase of Goods from Related Parties

	For the Years Ended December 31	
	2020	2019
Associates—processing cost	$ 262,479	265,893

The above processing cost is the soybean refining processing expenditure derived from the committed related parties of the Company. According to the estimated processing amount, the payment is made in advance and the payment term is open account 15 days to make up the payment. In addition, the Company does not outsource the processing transaction to other non-related parties.

(Continued)

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Accounts	Related party category	December 31, 2020	December 31, 2019
Note receivable	Other Subsidiaries	$ -	26
	Other related parties	2,700	2,318
Account receivable	Subsidiaries-PIN-TAI DISTRIBUTION, ENTERPRISE CO., LTD.	406,490	338,917
	Associates-CENTRAL UNION OIL CORP.	269,069	256,841
	Other associates	2,917	3,293
	Other related parties	1,500	4,636
Other receivable	Subsidiaries-TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	57,551	106,241
	Other Subsidiaries	2,834	2,637
		$ 743,061	**714,909**

(iv) Payables from Related Parties

The payables from related parties were as follows:

Accounts	Related party category	December 31, 2020	December 31, 2019
Accounts payable	Associates	$ 2,282	4,093
Other payable	Subsidiaries	2,709	12,654
		$ 4,991	**16,747**

(v) Guarantees and endorsements

The guarantees and endorsements for related parties were as follows:

	December 31, 2020	December 31, 2019
Subsidiaries:		
TAISUN (CAYMAN) INVESTMENT LTD.	**$ -**	**165,583**

(Continued)

(vi) Loans to related parties

The Company's actual loan to related parties was as follows:

	December 31, 2020	December 31, 2019
Subsidiaries:		
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	$ 57,016	105,371

The Company' s loan to related parties was calculated at an annual interest rate of 2.62%, wherein the Company receives promissory notes as collateral. Also the Company evaluated that no bad debts were recognized for TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD. For the years ended December 31, 2020 and 2019, the interest revenue from the loan mentioned above were $2,229 thousand and $3,454 thousand respectively.

(vii) Leases

1) Rental revenue

	For the Years Ended December 31	
	2020	2019
Subsidiaries	$ 528	528

2) Rental expenditure

	For the Years Ended December 31	
	2020	2019
Subsidiaries	$ 179	126

The abovementioned leases were conducted under general market price, and the payments were paid (received) by months.

(viii) Other

1) For the years ended December 31, 2020 and 2019, the Company paid logistice fees, promotion fees and gift fees were as follows:

	For the Years Ended December 31	
	2020	2019
Subsidiaries	$ 28,064	17,769

2) For the years ended December 31, 2020 and 2019, the Company received information service fees and warehousing fees were as follows:

	For the Years Ended December 31	
	2020	2019
Subsidiaries	$ 3,829	3,943

(Continued)

(c) Key management personnel compensation

	For the Years Ended December 31	
	2020	2019
Short-term employee benefits	$ 67,936	61,161
Post-employment benefits	-	8,100
	$ 67,936	**69,261**

(8) Pledged assets:

As of December 31, 2020 and 2019, the book value of pledged assets were as follows:

Asset	Purpose of pledge	December 31, 2020	December 31, 2019
Other current financial asset	Forward foreign exchange contract and foreign exchange options	$ 4,276	4,516
Other current financial asset	Credit lines of short-term bank loans	142,540	112,897
Investment through equity method	Long-term bank loans	357,184	-
		$ 504,000	**117,413**

(9) Commitments and contingencies:

(a) Unused standby letters of credit

	December 31, 2020	December 31, 2019
Unused standby letters of credit	**$ 773,746**	**217,013**

(b) The Company provides endorsements and guarantees to its related parties: Please refer to Note 7.

(c) The following are the contract price and the amount paid on fixed assets:

	December 31, 2020	December 31, 2019
Signed-contract	**$ 286,285**	**157,936**
Paid-price	**$ 128,393**	**90,338**

(d) As of December 31, 2020, the Company has issued a promissory note of $160,000 thousand as a guarantee for bank financing and performance.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(Continued)

(12) Other:

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

By funtion / By item	For the Years Ended December 31					
	2020			2019		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	163,291	289,815	453,106	157,780	253,369	411,149
Labor and health insurance	18,005	15,406	33,411	16,754	15,085	31,839
Pension	7,729	8,329	16,058	7,367	8,379	15,746
Remuneration of directors	-	45,303	45,303	-	41,289	41,289
Others	11,616	9,148	20,764	12,270	9,268	21,538
Depreciation	56,960	7,438	64,398	55,546	7,498	63,044
Depletion	-	-	-	-	-	-
Amortization	-	2,686	2,686	-	3,802	3,802

For the years ended December 31, 2020 and 2019, the information on the number of employees and employee benefit expense of the Company is as follows:

	2020	2019
Numbers of employees	**537**	**519**
Numbers of directors (non-employee)	**4**	**4**
Average employee benefit expenses	**$ 982**	**933**
Average employee salary expenses	**$ 850**	**798**
Percentages of average employee salary expense	**6.52 %**	
Supervisor's remuneration	**$ -**	**-**

The Company's salary and remuneration policy information (including directors, managers and employees) is as follows:

(i) The remuneration of the directors of the Company is decided in accordance with Article 19 of the articles of incorporation.

The chairman's and directors' remuneration are remunerated through their performance on their duties in the company by the Salary and Compensation Committee.

The article, which is authorized by the Board of Directors, and accessed through the chairman's and the director's individual participation in the Company's operations and the value of contribution and the peer industry level; in addition, if the Company makes a profit this year, the director's remuneration shall be allocated less than 5% in accordance with the articles of incorporation. The actual allocation rate, which is reviewed by the Salary and Compensation Committee and is decided on the Board meeting.

(Continued)

As for independent directors, the Board of Directors will determine their monthly fixed remuneration, and attendance fees will be paid each time to the directors. And all independent directors will not participate in the Company's profit distribution.

(ii) The remuneration of the Company's general manager, deputy general managers and managers of equivalent positions includes salary and bonuses. The salary refers to the level of the same industry and the titles, ranks, academic (experience) background, professional ability and responsibilities, etc. And the bonuses are based on managers' performance evaluations, which include financial indicators (such as the Company's revenue, the achievement rate of pre-tax net profit and after-tax net profit) and non-financial indicators (such as major deficiencies in compliance with laws and regulations and operational risks in the department under the jurisdiction), corresponding to the contribution to the overall operation of the Company, then the evaluation are submitted to the Salary and Compensation Committee for deliberation.

(iii) The employee compensation policy is determined based on the individual's ability, contribution to the Company, performance, the market value of the position he holds, and consideration of the Company's future operational risks. It is positively related to business performance and is not based on their age or gender, race, religion, political stance, marital status, and union membership. If the Company makes a profit in the current year, more than 2% shall be allocated as employee compensation in accordance with the Company's articles of association. Employees who have served for two years can apply to join the shareholding trust. The overall remuneration package of employees mainly includes three parts: basic fixed salary, bonus, and benefits; and the standard of payment, basic fixed salary is based on the market situation of the position held by the employee, and the bonus is linked to the achievement of employees and department goals and the Company's business performance. The business performance of the Company will be issued to the team or individuals who hold an annual commendation. As for the welfare design, the requirements of the law and the needs of the employees are taken into account to design the benefits that the employees can enjoy.

(Continued)

(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:

(In Thousands of New Taiwan Dollars)

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	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS CO., LTD	Other receivables-related party	Yes	142,540	85,524	57,016	2.62%	2	-	Operation Requirements	-	Promissory Notes	57,016	702,647	1,405,293
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS CO., LTD.	Other receivables-related party	Yes	61,029	56,670	56,670	2.1%	2	-	Operation Requirements	-	Promissory Notes	56,670	175,413	175,413

Note 1: Lending of capital has the following two types:
1.Entities with business transaction with the Company
2. Loans provided for shortterm financing

Note 2: According to our policy, the calculation for the maximum total amount of loans granted are as follows:
1. The Company's total amount available for lending shall not exceed 40% of its net value
2. For entities with business transaction with the Company, the total amount of loans shall not exceed 20% of the Company's net value; and for a single entity, the total amount of loans shall not exceed 10% of the Company's net value or 120% of its monthly business transaction with the Company.
3. For entities with business transaction with the Company, the total amount of short-term loans shall not exceed 20% of the Company's net value; and for a single entity, the total amount of short-term loans shall not exceed 10% of the Company's net value or 50% of the net value of the single entity.
4. For those foreign subsidiaries whose voting shares are directly or indirectly whollyowned by the Company, the total amount of loans shall not exceed 100% of the Company's net value, with two years term.

Note 3: Balance of loan as of the reporting date was within the credit limits approved by the Board of Directors.

(ii) Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

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										
0	The Company	TAISUN (CAYMAN) INVESTMENT LTD.	2	3,513,233	166,815	-	-	-	- %	3,513,233	Y	N	N

Note 1: The relationship between the guarantee and the guarantor are as follows:
1. Transactions between the companies.
2. An entity wherein the Company, directly or indirectly, holds more than 50% of its voting right.
3. Companies who, directly or indirectly, hold more than 50% of the voting right of the Company.
4. Entities wherein the Company, directly or indirectly, holds more than 90% of their voting rights.
5. A company that is mutually protected under contractual requirements based on the needs of the contractor.
6. A company that is endorsed by all the contributing shareholders in accordance with their shareholding ratio due to joint investment relationship.
7. Performance guarantees for pre sale contracts provided by the Company for companies in the same industry based on the Consumer Protection Act.

(Continued)

Note 2: The Company used the operation method to endorse for the total amount of guarantees and the limit for endorsement of a single enterprise:

1. The guarantee amount for a single enterprise endorsement shall not exceed 50% of the current net value of the Company.
2. The total amount of guarantee for external endorsement shall not exceed 50% of the net value of the Company.

(iii) Securities held as of December 31, 2020 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Fubon S&P US Preferred Stock ETF	-	Note 2	1,000,000	16,970	- %	16,970	
The Company	Yuanta Global Future Telecommunication ETF	-	〃	500,000	13,365	- %	13,365	
The Company	Stock-YI JINN INDUSTRIAL CO., LTD	-	〃	2,622,600	43,325	0.87 %	43,325	
The Company	Stock- Breeze Digital Technology CO., LTD.	-	〃	147,000	-	2.94 %	-	
The Company	Stock- CANDO CORPORATION	-	〃	256,923	-	0.07 %	-	
The Company	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	Note 3	333,000	20,577	- %	20,577	
The Company	Stock-CHINA TRADE AND DEVELOPMENT CORPORATION	-	〃	2,788	28	- %	28	
The Company	Stock-MEGA 888 CORP.	-	〃	17,350	174	1.16 %	174	
The Company	Stock-HSIN TUNG YANG CO., LTD.	-	〃	79,000	853	0.09 %	853	
The Company	Stock-UNIMICRON TECHNOLOGY CORP.	-	〃	485,000	42,389	0.03 %	42,389	
The Company	Stock-YIN-WANG CO.,LTD.	-	〃	10,000	100	10.00 %	100	
The Company	Stock-TAISUN FOODS & MARKETING CO., LTD.	Other related party	〃	886,788	-	18.90 %	-	
The Company	Stock-FWUSOW INDUSTRY CO., LTD.		〃	3,765,000	81,702	1.17 %	81,702	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taitung Business Bank	-	Note 2	9,628	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	Note 3	1,183	64	- %	64	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KERRY TJ LOGISTICS CO., LIMITED	-	〃	15,524	696	- %	696	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-WUS PRINTED CIRCUIT CO., LTD.	-	〃	729	23	- %	23	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-LITE-ON TECHNOLOGY CORPORATION	-	〃	6,260	312	- %	312	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-MACRONIX INTERNATIONAL CO., LTD	-	〃	362	15	- %	15	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Winbond Electronics Corporation	-	〃	1,195	35	- %	35	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-SILICON INTEGRATED SYSTEMS CORP.	-	〃	2,136	36	- %	36	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-China Development Financial Holding Corporation	-	〃	56,505	525	- %	525	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taishin Financial Holding Co., Ltd.	-	〃	98,026	1,299	- %	1,299	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Shin Kong Financial Holding Co., Ltd.	-	〃	20,225	178	- %	178	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CGS INTERNATIONAL, INC.	-	〃	1,243	17	- %	17	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	〃	10,351,332	285,697	2.07 %	285,697	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-HUALON CORPORATION	-	〃	5,176	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PACIFIC ELECTRIC WIRE & CABLE CO., LTD.	-	〃	579	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD.	-	〃	27,425	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-ORNATUBE ENTERPRISE CO., LTD.	-	〃	55,000	-	0.01 %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KUEI HUNG INDUSTRIAL CO., LTD.	-	〃	22,000	-	- %	-	
TAIWAN NIKOMART CO., LTD.	Stock-CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.	-	Note 2	107,000	7,747	0.04 %	7,747	
TAIWAN NIKOMART CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	2,960,186	81,701	0.59 %	81,701	
PIONEER TRAFFIC CO., LTD.	Stock-Taitung Business Bank	-	Note 2	9,628	-	- %	-	
PIONEER TRAFFIC CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	368,524	10,171	0.07 %	10,171	
PIONEER TRAFFIC CO., LTD.	Stock-SYSGRATION LTD.	-	〃	42,451	1,753	0.03 %	1,753	
PIONEER TRAFFIC CO., LTD.	Stock- CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	〃	1,928	103	- %	103	
PIONEER TRAFFIC CO., LTD.	Stock- Winbond Electronics Corporation	-	〃	5,305	154	- %	154	
PIONEER TRAFFIC CO., LTD.	Stock- HUALON CORPORATION	-	〃	5,176	-	- %	-	
PIONEER TRAFFIC CO., LTD.	Stock- PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD	-	〃	38,760	-	- %	-	
PIONEER TRAFFIC CO., LTD.	Stock- KUEI HUNG INDUSTRIAL CO., LTD	-	〃	22,000	-	- %	-	
PIONEER TRAFFIC CO., LTD.	Stock- ORNATUBE ENTERPRISE CO., LTD.	-	〃	60,000	-	0.10 %	-	
PIONEER TRAFFIC CO., LTD.	Stock- POWERCHIP SEMICONDUCTER MAUFACTURING CO.	-	〃	38,995	1,559	- %	1,559	

(Continued)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
TAISUN (CAYMAN) INVESTMENT LTD.	Stock-YAMAI LIMITED	-	〃	-	18,123	3.66 %	18,123	Note 4
TAISUN YUAN CO., LTD.	Stock-FWUSOW INDUSTRY CO., LTD.	-	〃	86,000	1,866	0.03 %	1,866	

Note 1: Financial products after deducting unrealized gains and losses.

Note 2: Financial assets at fair value through profit or loss.

Note 3: Non-current financial assets at fair value through other comprehensive income.

Note 4: Unissued shares.

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

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

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

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

(In Thousands of New Taiwan Dollars)

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)	
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Sale	(1,782,814)	(25) %	OA60	No significant difference to the general customers.	General purchases payments in 30~60 days	406,490	34%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Sale	(1,836,951)	(26) %	OA45~60	Deduct sales expenses related to CENTRAL UNION OIL CORP. based on market price	No comparable clien	269,069	23%	
The Company	TAISUN FOODS & MARKETING CO., LTD.	Substantive related parties	Sale	(162,998)	(2) %	50% prepaid, 50% OA90	Deduct related sales expenses according to market	General purchases payments in 30~60 days	4,200	-%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Purchase	262,479	5 %	OA15	No comparable	No comparable clien	2,282	-%	
PIONEER TRAFFIC CO., LTD.	Taiwan Distribution Center Co., Ltd.	Associates	Sale	(307,788)	(70) %	OA30	No significant difference to the general customers	No significant difference to the general customers	26,766	52%	
PIONEER TRAFFIC CO., LTD.	Re-Yi Distributioin Service Co., Ltd.	Associates	Sale	(106,084)	(24) %	OA45	No significant difference to the general customers	No significant difference to the general customers	24,140	47%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAISUN ENTERPRISE CO., LTD.	Ultimate parent company	Purchase	1,782,814	99 %	OA60	No significant difference to the general customers	General purchases payments in 30~60 days	(406,490)	(99)%	

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

(In Thousands of New Taiwan Dollars)

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		
The Company	CENTRAL UNION OIL CORP.	Subsidiary measured by equity method	Account receivable 269,069	6.99	-		269,069	-
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Account receivable 406,490	4.78	-		394,291	-

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

(Continued)

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2020 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares (thousands)	Percentage of wnership	Carrying value			
The Company	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	284,067	284,067	27,203,632	73.92 %	18,615	4,172	420	Note 1, 3
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Taiwan	Wholesale and retail sales of cooking oil and food	346,126	346,126	21,255,839	99.93 %	131,578	35,042	25,707	Note 1, 2, 3
The Company	TAISUN YUAN CO., LTD	Taiwan	Investment management	5,000	5,000	500,000	100.00 %	10,946	1,443	1,443	
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Cayman	Investments	1,299,114	1,498,670	40,290,000	100.00 %	175,286	2,163	63,969	
The Company	CENTRAL UNION OIL CORP.	Taiwan	Manufacturing, processing and sales of bean products	204,125	204,125	20,000,000	33.33 %	272,778	118,982	39,661	Note 2
The Company	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	2,341,622	2,342,750	50,136,417	22.46 %	3,087,576	2,129,633	478,457	
The Company	PIONEER TRAFFIC CO., LTD.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26 %	8,509	14,171	1,555	Note 1
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	PIONEER TRAFFIC CO., LTD.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21 %	100,547	14,171	Note 4	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAIWAN NIKOMART CO., LTD	Taiwan	Operation of chain convenience stores	87,084	87,084	8,904,412	24.20 %	152,978	4,172	〃	Note 3
TAIWAN NIKOMART CO., LTD.	CVS.COM CO., LTD	Taiwan	Wholesale of edible products	2,490	2,490	249,000	24.90 %	4,652	1,060	〃	
TATSUN YUAN CO., LTD.	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	3,522	3,522	20,000	0.01 %	3,631	2,129,633	191	

Note 1: The part of holding of the Company's stock by a subsidiary, is treated as treasury stock, has been deducted; please refer to Notes 6(q).

Note 2: Unrealized gains and losses on transactions between affiliates have been eliminated.

Note 3: The impairment loss recognized with the indication of impairment has been deducted.

Note 4: Disclosures are exempted in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(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 New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2020	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2020	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Operation, production and sales of food, beverages, snacks, canned products, etc.	783,970 (USD27,500)	(Note 1)	952,167 (USD33,400)	-	-	952,167 (USD33,400)	60,067	100.00%	60,067	94,183	-
TAISUN (HERBAL) LTD	Beverage shop	285,528 (CNY65,000)	(Note 2)	-	-	-	-	37	100.00%	37	-	-
Cheng Da Restaurant Investment Management (Sichuan) LTD.	Fresh bread and other food products	36,205 (USD1,270)	(Note 6)	17,675 (USD620)	-	-	17,675 (USD620)	-	3.66%	-	48	-
JIANGSU DA MAI FOODS LTD.	Fresh bread and other food products	94,875 (USD3,328)	(Note 6)	20,811 (USD730)	-	-	20,811 (USD730)	-	3.66%	-	1,004	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
990,653	1,364,108	4,215,879

Note 1: Indirect investment in Mainland China through the company (TAISUN (CAYMAN) INVESTMENT LTD.) in the third region.

(Continued)

Note 2: Indirect investment in Mainland China through an existing company in Mainland China. According to the rules of the Investment Board, Ministry of Economic Affairs, the reinvestment of investment businesses in Mainland China does not need to apply to the Investment Board; therefore, these investment amounts are not included in the calculation of the Company's investment in Mainland China.

Note 3: The recognition of the investment through profit or loss of TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD. and TAISUN (HERBAL) LTD. are based on the financial statements which were reviewed and attested by parent company's CPA in R.O.C. within the same period.

Note 4: The above amounts were translated into New Taiwan dollars at the exchange rate 28.508 as of December 31, 2020.

Note 5: According to the rules of the Investment Board, Ministry of Economic Affairs, the maximum amount on investments should be the higher of the Company's net asset or 60% of the consolidated net assets.

Note 6: The Company reinvested 3.66% shareholding in YAMAI LIMITED, whose company is in Hong Kong and indirectly held 100% shares of its Mainland China company, through TAISUN (CAYMAN) INVESTMENT LTD. The Company does not have any significant influence on YAMAI LIMITED, therefore, no gain or loss on its investment was recognized.

Note 7: TAISUN (HERBAL) LTD. had completed the cancellation of registration in April 2020.

(iii) For details of capital lending to TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD., please refer to Note 13(a).

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
LONG BON INTERNATIONAL CO., LTD.	123,030,000	24.60 %
EVERWIN INVESTMENT CO., LTD	31,434,000	6.28 %
WANG, KUEI-TSENG	29,804,628	5.96 %

(14) Segment information:

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

Taisun Enterprise Co., Ltd.

Statement of cash and cash equivalents

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 200
Cash in banks		
Foreign currency deposits	USD1,497 thousand (rate 28.508)	42,749
	JPY20,634 thousand (rate 0.2765)	5,705
Check deposits		23,518
Current deposits		508,276
		$ 580,448

Statement of trade receivables

Client name	Description	Amount	Note
Client A	Payment for goods	$ 67,715	
Client B	〃	49,053	
Client C	〃	42,186	
Others	〃	202,338	The year-end balance of each client did not exceed 5% of the account balance
Total		361,292	
Less: Allowance loss		(7,559)	
Net trade receivable		**$ 353,733**	

Taisun Enterprise Co., Ltd.

Statement of account receivables-related parties

December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
CENTRAL UNION OIL CORP.	Payment for goods	$ 269,069	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	〃	406,490	
Others	〃	27,227	The year-end balance of each client did not exceed 5% of the account balance
Total		702,786	
Less: Allowance for impairment		(22,810)	
		$ 679,976	

Statement of inventories

Item	Amount		Note
	Cost	Net Realizable Value	
Raw materials	$ 148,879	111,647	Market price was based on the selling price on the reporting date
Materials	27,221	26,446	"
Work in process	106,364	105,822	"
Finished goods	266,194	270,691	"
Consumptive biological assets	21,827	22,727	"
Subtotal	570,485	537,333	
Less: Allowance for, and loss from, slow-moving inventories	(23,199)		
Total	**$ 547,286**		

Taisun Enterprise Co., Ltd.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Benining balance		Addition		Decrease (note 1)		Exchange difference on translation of foreign financial statement	Adjustments for using equity method (Note 2)	Ending balance			Market value or net assets value		Collateral
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Percentage of ownership	Amount	Unit price	Total amount	
TAIWAN NIKOMART CO., LTD.	27,203,632	$ 15,531	-	-	-	-	-	3,084	27,203,632	73.92 %	18,615	-	-	None
PIN-TAI DISTIBUTION ENTERPRISE CO., LTD.	21,255,839	108,231	-	-	-	-	-	23,347	21,255,839	99.93 %	131,578	-	-	"
TAISUN (CAYMEAN) INVESTMENT CO., LTD.	47,290,000	108,176	-	-	7,000,000	-	(2,828)	69,938	40,290,000	100.00 %	175,286	-	-	"
CENTRAL UNION OIL CO., LTD.	20,000,000	255,452	-	-	-	24,000	-	41,326	20,000,000	33.33 %	272,778	-	-	"
TAIWAN FAMILYMART CO., LTD.	50,154,417	2,947,763	-	-	18,000	327,132	-	466,945	50,136,417	22.46 %	3,087,576	-	-	Note 3
PIONEER TRAFFIC CO., LTD.	1,358,480	9,793	-	-	-	2,038	-	754	1,358,480	13.26 %	8,509	-	-	None
TAISUN YUAN CO., LTD.	500,000	9,160	-	-	-	-	-	1,786	500,000	100.00 %	10,946	-	-	"
		$ 3,454,106		**-**		**353,170**	**(2,828)**	**607,180**			**3,705,288**			

Note 1: The decrease in the current period was due to the acquisition of cash dividends amounting to $352,042 thousand dollars from the invested companies and the disposition of stocks amounting to $1,128 thousand.

Note 2: Adjustments using equity method comprised of gain or loss from subsidiaries and affiliated enterprises amounting to $611,212 thousand. Also, the capital reserve treasury shares amounted to $12,297 thousand dollars and the change in other comprehensive income amounted to $(15,063) thousand, as well as the unrealized gain or loss from downstream and upstream transactions amounted to $(1,266) thousand.

Note 3: The Company provides long-term loan for guarantees and pledges.

Taisun Enterprise Co., Ltd.

Statement of changes in property, plant and equipment

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(h) for more information.

Statement of changes in investment property

Please refer to Note 6(i) for more information.

Statement of changes in account payables

December 31, 2020

Please refer to Note 6(l) for more information.

The year-end balance of each provider did not exceed 5% of the account balance.

Taisun Enterprise Co., Ltd.

Statement of long-term borrowings

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Ending balance	Contract period	Interest rate	Collateral	Note
JihSun International Commercial Bank		$ 100,000	2020.10.30~2023.07.21	1.00 %	Investment using equity method	
JihSun International Commercial Bank		200,000	2020.11.04~2023.07.21	1.00 %	Investment using equity method	
Taishin International Bank		300,000	2020.11.04~2023.11.03	1.00 %	Investment using equity method	
Net borrowings		**$ 600,000**				

Statement of operating revenue

For the year ended December 31, 2020

Item	Quantity	Amount
Soy powder and soybean	183,424 tons	$ 2,264,675
Beverage	12,165 thousand boxes	2,400,900
Cooking oil	35,721 tons	2,112,165
Livestock	18,069 tons	382,018
Biological technology		1,043
Others		6,896
Subtotal		7,167,697
Less: Sales return		(15,743)
Sales discount		(11,159)
Net operating revenue		**$ 7,140,795**

Taisun Enterprise Co., Ltd.

Statement of operating costs

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cost of sales from manufacturing		
Raw material		
Raw material, January 1		$ 296,284
Add: Purchase		3,374,903
Less: Raw material, December 31		(148,879)
Transfer into expense		(2,057)
Inventory loss of raw materials		(227)
Disposal of raw materials		(743)
		3,519,281
Indirect raw materials		
Materials, January 1		23,335
Add: Purchase		951,440
Less: Materials, December 31		(27,221)
Transfer into expense		(331)
Disposal of materials		(1,592)
		945,631
Direct labor		114,649
Manufacturing expense		578,842
Work in process, January 1		114,649
Add: Purchase		393,614
Inventory gain on work in process		8,437
Less: Work in process, December 31		(106,364)
Disposal of work in process		(415)
Cost of finished goods		5,568,324
Finished goods, January 1		247,158
Add: Purchase		489,895
Less: Finished goods, December 31		(288,021)
Transfer into expense		(23,324)
Inventory loss on finished goods		(2,003)
Transfer into biological assets-non current		(1,998)
Disposal of finished goods		(4,446)
Loss from price loss of inventory		(1,822)
Revenue from sales of scraps		(4,864)
Inventory gain		(6,207)
Disposal of inventory		7,196
Cost of goods sold		5,979,888
Cost of lease		2,317
		$ 5,982,205

Taisun Enterprise Co., Ltd.

Statement of operating expenses

For the year ended December 31, 2020

(Expressed in thousands of New Taiwan Dollars)

Item	Selling Expenses	Administrative Expenses	Total
Salary and wages expenses	$ 77,429	221,032	298,461
Transportation expense	85,837	290	86,127
Advertising expense	154,717	-	154,717
Taxes	70,197	3,265	73,462
Other	211,526	96,918	308,444
Total	**$ 599,706**	**321,505**	**921,211**

Note1: The year-end balance of each item did not exceed 5% of the account balance.

Note2: The expected credit losses in operating expense amounted to $263 thousand.