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Taisun Enterprise Co., Ltd.

2021 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: Max Lei
Title: Vice General Manager
Telephone: (02) 2506–4152
Email address: leiching@Taisun.com.tw
Acting spokesperson
Name: Chen Hsien Wen
Title: Executive Director
Telephone: (02) 2506–4152
Email address: wen6969@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: Huang Hsin-Ting, Tseng Kuo-Yang
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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One. Report to Shareholders

Dear shareholders, ladies, gentlemen, and distinguished guests. Thank you for taking the time out of your busy schedules to attend Taisun's 2022 Annual Meeting of Shareholders.

COVID-19 that erupted in early 2020 is still making an impact on countries around the world; in particular the global supply chain, indirectly obstructing the recovery of the global economy. With effective measures put into force last year, Taiwan was able to continue to increase domestic production capacity and boost export momentum. As a result, Taiwan achieved an economic growth rate of 6.28%, a new high in 11 years.

The Company also takes a proactive approach to respond to the impact and challenges of the outbreak. Our management team continues to make changes within the Company, such as: replacing old equipment, setting up new production lines according to market demand in order to provide products of higher quality as well as cultivating management personnel. Moreover, fundamental improvement projects for the Company's future development are also ongoing. With these, we hope to build valuable experience and further drive the growth of the Company's operating performance.

The net consolidated operating income of the Company in 2021 was NT$9,944,978 thousand, an increase of NT$1,588,853 thousand compared with that in 2020; the net operating profit was NT$209,357 thousand, a decrease of NT$107,185 thousand compared with that in 2020; the net profit after tax was NT$592,011 thousand, a decrease of NT$259,530 thousand compared with that of the previous year.

ESG (Environmental, Social and Governance) acts as a company's value indicator. In the past, business management focused on financial data; nowadays, a company must be responsible for making a contribution to environmental protection, social responsibility and the sustainable development of corporate governance. In recent year, we have begun to focus on the research and management of non-financial issues with respect to net zero carbon emissions, water treatment and green energy. We firmly believe that our excellence in management will increase our company value and reputation, meeting our objective for sustainable management.

Ensuring food safety has always been our foremost goal and we will continue to take on this responsibility and strictly control quality so that our customers can always rely on our products. As we undoubtedly possess the capacity and talent, we will continue to pursue environmental protection, social responsibility and corporate governance. Meanwhile, we will carry on refining our company and make every effort for a better social environment and global sustainability goals. We will only settle for the wellness of people.

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, and thank you!

Chairman: Fred Chan

Two. 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, with each share issued at a premium of NTD 13. 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. Transfer of earnings to increase capital for investment 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 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 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 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 activated.

	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.
2001	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. 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. Additionally merged with 100%-owned subsidiary Pintai Investment Co., Ltd., reducing 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 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 Chan Yi-Houg as Chairman, Chan Chin-Chia as Vice Chairman, and Chan Ching-Chao 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. 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 decided to distribute cash dividends of NTD 0.4 per share for 2017.

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.

2021

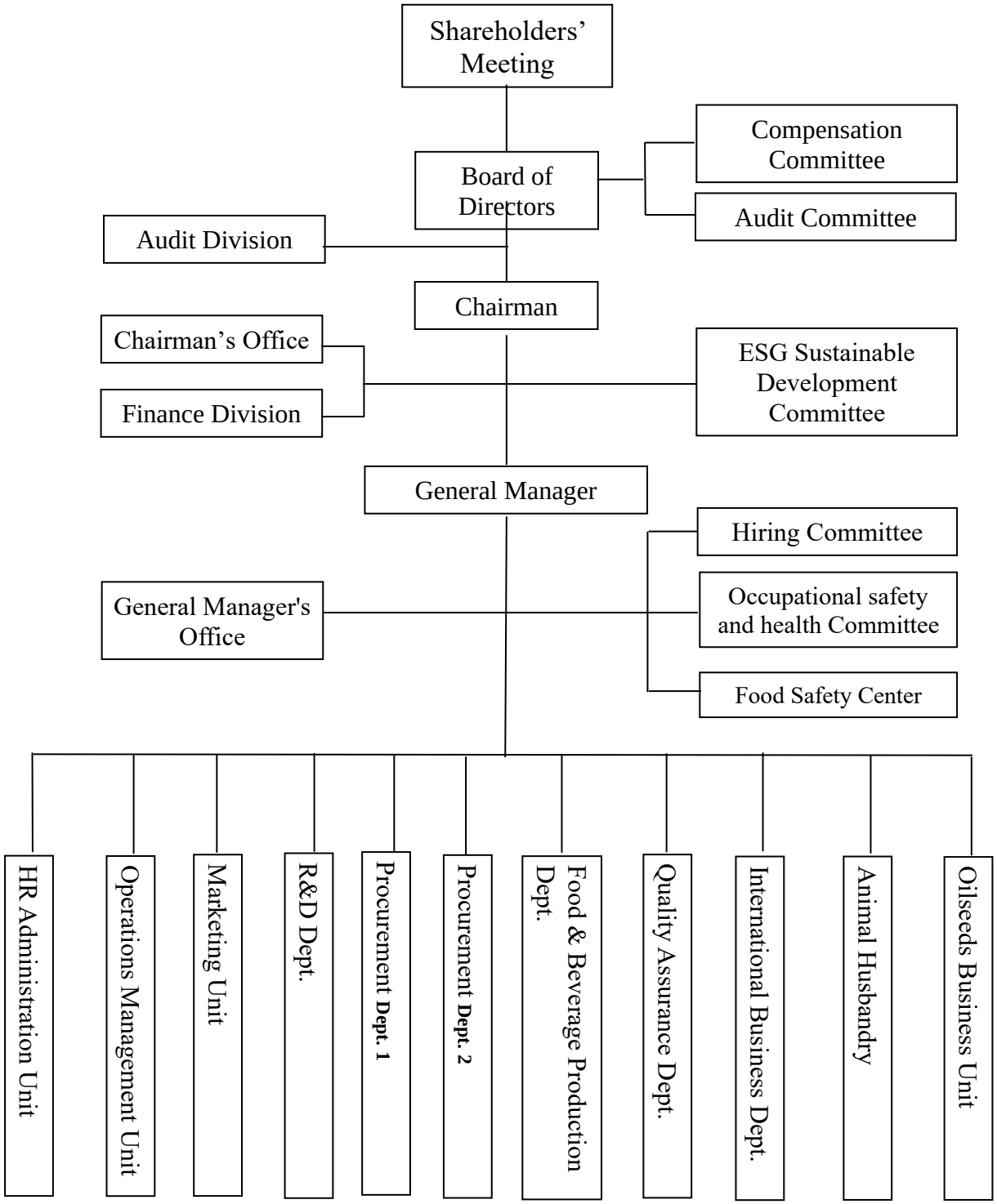
1. To strengthen the food safety policy and improve corporate governance, a “Food Safety Center” and “Occupational Safety and Health Management Committee” have been set up to enhance the Group’s occupational safety level. The HR Administration Unit has been assigned as the dedicated ethical corporate management unit to reinforce ethical business management.
2. In an attempt to correspond with Carrefour’s food transformation scheme to reduce the amount of plastic packaging, Shang Lee Food teamed up with farms with strictly selected pork (including Taisun’s Baidou Farm) to reduce disposable plastic products. Hence, high-density vacuum packaging has been adopted to respond to environmental protection while at the same time maintaining the freshness of food.

3. Promoted the “Letter of Commitment for Integrity and Sustainable Management” for the Group’s vendors to sign and set up a Code of Conduct mailbox.
4. The Annual Meeting of Shareholders passed the motion to distribute cash dividends of NTD 1.4 per share for 2020.
5. Initiated 2020-2021 GHG greenhouse gas emissions inventory and planned to attain ISO 14064-1 in 2022.
6. New Food Plant 3 (iron and aluminum can line) obtained an approval letter from Changhua County Government for plant registration.
7. Awarded “iTaiwan i Sport” by the Sports Administration.
8. Baidou Farm was crowned the second place for healthy pork by Changhua Meat Market.
9. The 2021 Extraordinary Shareholders' Meeting was held for the election of the 22nd Board of Directors, and Chan Ching-Chao was appointed as the chairman, Chan Yi-Houg as the vice chairman, and Tsai Cheng-Ta as the general manager.

III. Corporate Governance Report

I. Organization System

(I) Organizational Chart



(II) Business of each major department

Unit name	Department business
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.
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.
Chairman's Office	Responsible for business development in the Group's new businesses, external public relations expansion, and custody of seals, certificates, and guarantees.
ESGSustainable Development Committee	Responsible for the promotion of corporate social responsibility policies, systems, related management policies and plans, and implementing long-term commitments with stakeholders.
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.
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.
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.
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. 1	The formulation, implementation, and progress tracking and control of raw material procurement policies.
Procurement Dept. 2	Grasp domestic and international price trends, collect and research market information to ensure that the procurement prices are reasonable and delivery quality stable.
Food & Beverage Production Dept.	Responsible for the production management of food, oil and fat to product logistics delivery, to ensure that product manufacturing in line with domestic regulations and international standards.
Quality Assurance Dept.	Responsible for the quality assurance of food and oils as well as OEM products; plan for food safety certifications and promotion; and provide customers with stable, consistent quality food and services through professionalism to carry out healthy and safety-based business.
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.
Animal Husbandry	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.
Oilseeds Business Unit	1. Responsible for the sales management of soybean processing related products. 2. Purchase management of bulk materials.

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 27, 2022

Title	Nationality or place of registration	Name	Gender & Age	Election (inauguration) date	Term of office	Date of first appointment	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 2)	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	
Chairman	Republic of China	Jing Xun Investment Industrial Corporation Limited	-	2021/12/16	3 years	2016/04/25	10,446,082	2.09%	10,446,082	2.09%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Chan Ching-Chao	Male 51~60	2021/12/16	3 years	2004/06/16	6,459,862	1.29%	6,459,862	1.29%	511,000	0.10%	0	0	Note 2	Note 2	None	None	None	None
Vice Chairman	Republic of China	Shen Yang Investment Corporation Limited	-	2021/12/16	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: Chan Yi-Houg	Male 51~60	2021/12/16	3 years	2007/06/13	3,765,023	0.75%	3,763,023	0.75%	4,191	0.00%	25,149,000	5.03%	Note 2	Note 2	Senior Manager	Chan, Peng - Hsien	Brother	None
Director	Republic of China	Hongqiang Co., Ltd.	-	2021/12/16	3 years	2021/12/16	922,000	0.18%	922,000	0.18%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Chan Hao-Jun	Male 41~50	2021/12/16	3 years	2004/06/16	1,852,738	0.37%	1,852,738	0.37%	423,391	0.08%	922,000	0.18%	Note 2	Note 2	None	None	None	None
Director	Republic of China	Huang-Qiao-Lin Business Co., Ltd.	-	2021/12/16	3 years	2021/12/16	6,503,000	1.30%	6,503,000	1.30%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Yin Chang-Chung	Male 61~70	2021/12/16	3 years	2021/12/16	0	0.00%	0	0.00%	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Long Bon International Industrial Co., Ltd.	-	2021/12/16	3 years	2021/12/16	127,533,000	25.51%	134,728,000	26.95%	0	0	31,434,000	6.29%	None	None	None	None	None	None
	Republic of China	Representative: Liu Wei-Lung	Male 51~60	2021/12/16	3 years	2009/06/10	0	0.00%	0	0.00%	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Long Bon International Industrial Co., Ltd.	-	2021/12/16	3 years	2021/12/16	127,533,000	25.51%	134,728,000	26.95%	0	0	31,434,000	6.29%	None	None	None	None	None	None
	Republic of China	Representative: Han Tai-Sheng	Male 51~60	2021/12/16	3 years	2021/12/16	0	0.00%	0	0.00%	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Chen Min-Hsun	Female 51~60	2021/12/16	3 years	1998/05/26	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Li Ming-Hui	Male 61~70	2021/12/16	3 years	2009/11/16	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Tu Ying-Ta	Male 51~60	2021/12/16	3 years	2003/12/01	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 held concurrently in the Company and in other companies, please refer to page 13~14 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 held concurrently in the Company and in other companies

Title	Name	Principal education	Experience	Positions now held concurrently in the Company and in other companies
Chairman	Chan Ching-Chao	Utah State University, Master Degree, Entrepreneur Management Research Class, Department of Business Management, National Chengchi University	General manager of Taisun Enterprise Co., Ltd., Independent Director of Super Dragon Technology Co., Ltd. Director of CVS.COM Co., Ltd.	Chairman/General Manager of Taisun Enterprise Co., Ltd., Chairman of Pin-Tai Distribution Enterprise Co., Ltd., Chairman of Taisun Yuan Co., Ltd, Chairman of TAISUN (CAYMAN) INVESTMENT LTD., Director of Pioneer Traffic Co. Ltd., Director of Taiwan Niko Mart Co., Ltd., Director of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Director of Central Union Oil Corp., Ltd., Director of Taiwan FamilyMart Co., Ltd.
Vice Chairman	Chan Yi-Houg	California State University Fullerton, Bachelor Degree Entrepreneur Management Research Class, Department of Business Management, National Chengchi University	Chairman of Taisun Enterprise Co., Ltd., Supervisor of Info-Tek Corporation	Chairman of Taisun Enterprise Co., Ltd., Chairman of Pin-Tai Distribution Enterprise Co., Ltd., Director/General Manager of Pioneer Traffic Co. Ltd., Director of Taisun Yuan Co., Ltd., Supervisor of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Director of Central Union Oil Corp., Ltd., Director of Taiwan FamilyMart Co., Ltd., Independent Director of Gigabyte Technology Co., Ltd., Chairman of Taiwan Vegetable Oil Manufacturers Association
Director	Chan Hao-Jun	University of British Columbia, Canada, Bachelor Degree,	Supervisor of Taisun Enterprise 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., Chairman of Hongqiang Co., Ltd.
Director	Yin Chang-Chung	Department of Journalism, Chinese Culture University	Counselor, Legislative Yuan Senior Executive Officer, Transportation Committee, Legislative Yuan Chief Secretary Head of the Official Gazette Department	Director of Taisun Enterprise Co., Ltd., Director of Taiwan Culture & Creative Platform Foundation
Director	Liu Wei-Lung	College of Law, National Taiwan University	Chairman of Lungyen Life Service Corporation	Director of Taisun Enterprise Co., Ltd., Chairman of Long Bon International Co., Ltd. Chairman of Baosheng Investment Co., Ltd. Chairman of Reiju Construction Co Ltd.
Director	Han Tai-Sheng	Department of Physics, Tamkang University	Chairman of Evga Corporation	Director of Taisun Enterprise Co., Ltd., Chairman of Evga Corporation

Title	Name	Principal education	Experience	Positions now held concurrently in the Company and in other companies
Independent Director	Chen Min-Hsun	MBA, Drucker School of Management, Claremont Graduate University, USA B.S., Business (Financial Management), University of Southern California	CEO of Taipei Management Center, E United Group Vice Chair, Decision Management Committee, E United Group Chairman of E-da Royal Hotel Company Ltd. Chairman of Taipei Financial Center Corp. Chairman of China Development Financial Holding Corporation	Independent Director/Member of the Compensation Committee of Taisun Enterprise Co., Ltd. Chairman of Minli Investment Co., Ltd.
Independent Director	Li Ming-Hui	Stevens Institute of Technology, Master of Business Administration	General Manager, MasterLink Securities Corporation General Manager of Taiwan International Securities Co., Ltd. General Manager of Huan Nan Securities Director of Taiwan Securities Association (2nd and 3rd terms) Director	Independent Director/Member of the Compensation Committee of Taisun Enterprise Co., Ltd. Chairman of MasterLink Securities Corporation
Independent Director	Tu Ying-Ta	College of Law, National Taiwan University	Prosecutor, Taiwan New Taipei District Prosecutors Office Prosecutor, Taiwan Taipei District Prosecutors Office Attorney-in Charge, Tianjian Law Firm Partner, Ting & Associates Attorneys at Law	Independent Director/Member of the Compensation Committee of Taisun Enterprise Co., Ltd. Attorney-in Charge, Dazhen Law Firm

2. Principal shareholders of corporate shareholders

Time of Information: March 31, 2022

Name of corporate shareholder(Note 1)	Corporate shareholder's major shareholder (Note 2)
Jing Xun Investment Industrial Corporation Limited	Chan Ai-Chen 98.19%

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

Name of corporate shareholder(Note 1)	Corporate shareholder's major shareholder (Note 2)
Hongqiang Co., Ltd.	Chan Hao-Jun 98.41%

Name of corporate shareholder(Note 1)	Corporate shareholder's major shareholder (Note 2)
Huang-Qiao-Lin Business Co., Ltd.	Kenneth Chan 40%, Chen Mei-Li 40%

Name of corporate shareholder(Note 1)	Corporate shareholder's major shareholder (Note 2)
Long Bon International Co., Ltd.	Global Funeral Services Co., Ltd. 17.71% Fortune Base Development Corp. Ltd. 14.79% An-Duo-Li Investment Co., Ltd. 9.61% Reiju Construction Co Ltd. 9.27% Yifeng Investment Co., Ltd. 8.75% Youlong Construction Development Co., Ltd. 5.42% Yuanfang Investment Co., Ltd. 4.35% Tsai Kun-Hung 2.80% Lo Chieh 2.76% Li Chin-Chieh 2.29%

3. If the major shareholder of corporate shareholder is a juristic person, its major shareholder:

Name of corporate entity (Note 1)	Corporate shareholder's major shareholder (Note 2)
Global Funeral Services Co., Ltd.	Fortune Base Development Corp. Ltd. 73.31% Henfu Development Corp. Ltd. 15.73% Chainlon alliance Co., Ltd. 1.58% Yang Ya-Chuan 1.55% Blue Star Development Corp. Ltd. 0.63% Hsiao Yu-Hsi 0.53% Wu Kuan-Ju 0.46% Hsiao Tiao 0.43% Liu Jui-Teng 0.42% Wang Su-Yun 0.36%
Fortune Base Development Corp. Ltd.	Jihe Investment Co.., Ltd. 28.38% Blue Star Development Corp. Ltd. 28.80% Eastmond Development Co., Ltd. 11.44% Henfu Development Corp. Ltd. 8.73% Hanyu Investment Co., Ltd. 7.38% Xinyi Investment Co., Ltd. 5.97% Dream Water Cube Co., Ltd. 2.24% An-Duo-Li Investment Co., Ltd. 2.12% Mingzhu Investment Co., Ltd. 1.80% Xinfa Investment Co., Ltd. 1.16%

An-Duo-Li Investment Co., Ltd.	Guoen Marketing Co., Ltd. 20.85% Eastmond Development 19.47% Henfu Development Corp. Ltd. 19.32% Fortune Base Development Corp. Ltd. 18.58% Henghui Real Estate Development Co., Ltd. 18.02% Global Funeral Services Co., Ltd. 3.00% Tuntex Distinct Corp. 0.64% Weiyu International Investment Co., Ltd. 0.06% Yuansheng Venture Capital Co., Ltd. 0.03% Chen Yu-Hao 0.01%
Reiju Construction Co Ltd.	Long Bon International Co., Ltd. 90.10% Chang Cheng-Yueh 2.03% Yang Ling-Yu 0.96% Mingzhu Investment Co., Ltd. 0.68% Chen Hsiao-Yun 0.35% Chang Shui-Cheng 0.32% Linrong Investment Co., Ltd. 0.29% Hsieh Jui-Yu 0.27% Employee Welfare Committee of Reiju Construction Co Ltd. 0.26% Hsieh Lung-Fa 0.25%
Jihe Investment Co.., Ltd.	Fortune Base Development Corp. Ltd. 100%
Youlong Construction Development Co., Ltd.	Fortune Base Development Corp. Ltd. 42.47% Long Bon International Co., Ltd. 17.26% Sung Gang Corp. Limited 13.54% Global Funeral Services Co., Ltd. 12.22% Li Chin-Chieh 10.88% Li Yu-Feng 1.26% Su Ching-Hao 0.70% Chen Yuan-Hsi 0.55% Su Ching-Chih 0.30% Li Chi-Hsiung 0.12%
Yuanfang Investment Co., Ltd.	Chiang Chien-Ting 38.00% Discovery Enterprise Co., Ltd. 32.00% Chiang Sung-Hua 20.00% Chiang Pei-Yu 5.00% Chiang Ming-Chun 5.00%

4. Disclosure of information on professional qualifications of directors and independence of independent directors

March 31, 2022

Condition / Name		Professional Qualifications and Experience	State of Independence	Number of independent directors concurrently serving in other public offering companies
Director	Chan Ching-Chao	With his practical experience in strategic management and leadership competence in the food industry, Mr. Chan Ching-Chao has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He also serves as a director in a company in the relevant industry to contribute his corporate governance management expertise. He has practical capabilities in accounting, business, marketing and industry-related business planning, management and administration competence. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	**1.** No relationship with other directors falling within a spousal relationship or second degree of kinship. **2.** Not holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.	None
Director	Chan Yi-Houg	With his practical experience in strategic management and leadership competence in the food industry, Mr. Chan Yi-Houg has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He also serves as a director in a company in the relevant industry to contribute his corporate governance management expertise. He has practical capabilities in accounting, business, marketing and industry-related business planning, management and administration competence. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. No relationship with other directors falling within a spousal relationship or second degree of kinship. 2. Not holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.	1
Director	Chan Hao-Jun	With his practical experience in strategic management and leadership competence in the food industry, Mr. Chan Hao-Jun has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He has practical capabilities in accounting, business, marketing and industry-related business planning, management and administration competence. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. No relationship with other directors falling within a spousal relationship or second degree of kinship. 2. Not holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.	None

Director	Yin Chang-Chung	Mr. Yin Chang-Chung retired from serving as Director of the Official Gazette Department at Legislative Yuan. With his various executive roles in Legislative Yuan, he is familiar with government operations. In recent years, he has been committed to cultural creativity, local revitalization, and policy marketing speeches and has practical capabilities in accounting, business, marketing and industry-related business planning competence. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person or their spouses do not hold any shares of the company. 2. No relationship with other directors falling within a spousal relationship or second degree of kinship. 3. Not holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.	None
Director	Liu Wei-Lung	With his practical experience in strategic management and leadership competence in the food industry, Mr. Liu Wei-Lung has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He is a manager with accounting, business, marketing and industry-related business planning, management and administration competence. Current Chairman at Long Bon International Co., Ltd. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person, their spouses or minor children do not hold any shares of the company. 2. No relationship with other directors falling within a spousal relationship or second degree of kinship. 3. Not holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.	None
Director	Han Tai-Sheng	With his practical experience in strategic management and leadership competence in the electronics industry, Mr. Han Tai-Sheng has accumulated extensive knowledge, capabilities, education and business management experience in the electronics industry necessary to carry out his duties. He is a manager with accounting, business, marketing and industry-related business planning, management and administration competence. Current Chairman of Evga Corporation. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person or their spouses do not hold any shares of the company. 2. No relationship with other directors falling within a spousal relationship or second degree of kinship. 3. Not holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.	None

Independent Director	Chen Min-Hsun	Ms. Chen Min-Hsun holds an MBA from Peter F Drucker School of Management, California. She meets one of the professional qualifications stipulated in Article 14-2, Paragraph 2 of the Securities and Exchange Act. Her financial management professionalism comes from serving as CEO at E United Group between September 2013 and September 2018. She also served as Chairman of China Development Financial Holding Corporation and Taipei Financial Center Corp. Current Chairman of Minli Investment Co., Ltd.	1. Her independence elements have been verified to meet the independence requirements listed on the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC. 2. The Company's Articles of Incorporation sets forth that directors are elected by the adoption of the candidate nomination system. Upon nomination and selection of the board members, the Company has obtained a written statement, work experience and proof of current employment from each director for verification. 3. The independent director, their spouse, or relative within the second degree of kinship is not serving as a director, supervisor or employee of the Company or its affiliates. It has been verified that during the 2 years prior to their election and during the term of their office, the 3 independent directors listed have met all qualification elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC and Article 14-2 of the Securities and Exchange Act. 4. The independent director or their spouses do not hold any shares of the company.	None
Independent Director	Li Ming-Hui	Mr. Li Ming-Hui holds a master's degree of Stevens Institute of Technology, Master of Business Administration He meets one of the professional qualifications stipulated in Article 14-2, Paragraph 2 of the Securities and Exchange Act. His financial management professionalism comes from serving as General Manager of Huan Nan Securities, Taiwan International Securities Co., Ltd., and MasterLink Securities Corporation between July 2000 and December 2021. Current Chairman of MasterLink Securities Corporation.		None
Independent Director	Tu Ying-Ta	Mr. Tu Ying-Ta is a qualified attorney in Taiwan. He meets one of the professional qualifications stipulated in Article 14-2, Paragraph 2 of the Securities and Exchange Act. He has many years of experience in legal practice and has served as a prosecutor in Taiwan New Taipei District Prosecutor's Office in Banqiao and Taiwan Taipei District Prosecutor's Office. Current presiding attorney of Dazhen Law Firm		None

Note 1: For each director's positions now held concurrently in the Company and in other companies, please refer to P.13-14 of the annual report.

5. Board diversity policy, specific management objectives and implementation status:

(1) Policy for diversity of Board members:

Article 20 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 an 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.

III. 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 .

(2) Specific management objective:

The specific management objectives for the diversity policy and achievement are as follows:

Management objectives	Achievement
The seats of independent directors reached one-third of the seats of directors	Achieved
Directors who also concurrently serve as company general directors are advised to not exceed one-third of the seats of directors	Achieved
At least one seat of female directors	Achieved
Independent directors did not serve more than 3 terms	Achieved
Adequate and diverse professional knowledge and skills	Achieved

(3) Implementation status:

The Company's 22nd Board is made up of 9 directors. Among them, 3 directors are independent directors, accounting for 33%, with the female director accounting for 11% of the Board. Directors with business management expertise account for 89%, with 33% of the directors concurrently serving as company managers. Board members have a variety professional backgrounds such as law, industry, accounting, marketing and technology. They are also equipped with professional competence in business management and leadership decision making, operational judgment and crisis management, accounting analysis, industry, and international market view. Their diverse expertise of each director compensates each other. All members of the board are Taiwanese with an age range of 45 to 70.

(4) The implementation status of related diversity policies is as follows:

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	61 to 70			Accounting	Legal affairs	Environmental protection	Finance	Management	Leadership decision making	Industry knowledge	Crisis management	International market views
Chan Ching-Chao	Republic of China	Male		•			Utah State University, Master Degree					•	•	•	•	•
Chan Yi-Houg	Republic of China	Male		•			California State University Fullerton, Bachelor Degree					•	•	•	•	•
Chan Hao-Jun	Republic of China	Male	•				University of British Columbia, Canada, Bachelor Degree,					•	•	•	•	•
Yin Chang-Chung	Republic of China	Male			•		Department of Journalism, Chinese Culture University					•	•	•	•	•
Liu Wei-Lung	Republic of China	Male		•			College of Law, National Taiwan University		•			•	•		•	•
Han Tai-Sheng	Republic of China	Male		•			Department of Physics, Tamkang University				•	•	•		•	•
Chen Min-Hsun	Republic of China	Female		•		•	MBA, Drucker School of Management, Claremont Graduate University, USA B.S., Business (Financial Management), University of Southern California				•	•	•		•	•
Li Ming-Hui	Republic of China	Male			•	•	Stevens Institute of Technology, Master of Business Administration				•	•	•		•	•
Tu Ying-Ta	Republic of China	Male		•		•	College of Law, National Taiwan University		•			•	•		•	•

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

Information date: March 27, 2022

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 managers			Remarks (Note 2)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
General Manager	Republic of China	Tsai Cheng-Ta	Male	2021/12/16	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	Hsiao Kai-Tse	Male	2022/01/25	1,680	0	0	0	0	0	Department of Finance, National Sun Yat-sen 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 managers who have worked in the CPAs' firm or affiliated companies: None.

(III) If the chairman and general manager or an equivalent position is served by the same person 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

(I) Remuneration to directors and independent directors

Information date: December 31, 2021; 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	Jing Xun Investment Industrial Corporation Limited	0	0	0	0	6,656	6,656	0	0	1.12%	1.12%	0	0	0	0	0	0	0	0	1.12%	1.12%	None
	Representative: Chan Ching-Chao	0	0	0	0	0	0	440	472	0.07%	0.08%	6,429	9,699	0	0	1,500	0	1,500	0	1.41%	1.97%	None
Vice chairman	Shen Yang Investment Corporation Limited	7,262	9,062	0	0	20,344	20,344	1,369	1,433	4.90%	5.21%	4,484	6,722	0	0	1,000	0	1,000	0	5.82%	6.52%	None
	Representative: Chan Yi-Houg																					
Director	Dechen Enterprise Co., Ltd.																					
	Representative: Chan Pei-Shan																					
Director	Hongqiang Co., Ltd.																					
	Representative: Chan Hao-Jun																					
Director	Huang-Qiao-Lin Business Co., Ltd.																					
	Representative: Yin Chang-Chung																					
Director	Long Bon International Industrial Co., Ltd.																					
	Representative: Liu Wei-Lung																					
Director	Long Bon International Industrial Co., Ltd.																					
	Representative: Han Tai-Sheng																					

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. (Note 11)
		Remuneration (A) (Note 2)		Pension upon retirement (B)		Director's remuneration (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		All companies in the financial report (Note 7)				
		The Company	All companies in the financial report (Note 7)	The Company	All companies in the financial report (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	All companies in the financial report (Note 7)	The Company	All companies in the financial report (Note 7)	The Company	All companies in the financial report (Note 7)	The Company	All companies in the financial report (Note 7)	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial report (Note 7)	
Independent Director	Wu Chieh-Hsin	2,269	2,269	0	0	0	0	0	0	0.38%	0.38%	0	0	0	0	0	0	0	0	0.38%	0.38%	0
Independent Director	Sun Chu-Wei																					
Independent Director	Hsu Yung-Chang																					
Independent Director	Chen Min-Hsun																					
Independent Director	Li Ming-Hui																					
Independent Director	Tu Ying-Ta																					

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 to an investment business): None.

Note: On December 16, 2021, directors (including independent directors) were elected on the extraordinary meeting of shareholders. Chan Ching-Chao was elected as the chairman; the former chairman Chan Yi-Houg was elected as the vice chairman; Chan Hao-Jun was reappointed; the term for director Chan Pei-Shan ended; the term for independent directors Wu Chieh-Hsin, Sun Chu-Wei, and Hsu Yung-Chang ended. On the same day, new directors Yin Chang-Chung, Liu Wei-Lung, and Han Tai-Sheng were elected; new independent directors Chen Min-Hsun, Li Ming-Hui, Tu Ying-Ta were elected.

(1-1) 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 reports (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, Chen Min-Hsun, Li Ming-Hui, Tu Ying-Ta, Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited), Chan Pei-Shan (representative of Dechen Enterprise Co., Ltd.), Huang-Qiao-Lin Co., Ltd., Yin Chang-Chung (representative of Huang-Qiao-Lin Co., Ltd.), Long Bon International Industrial Co., Ltd., Liu Wei-Lung (representative of Long Bon International Industrial Co., Ltd.), Han Tai-Sheng (representative of Long Bon International Industrial Co., Ltd.)	Wu Chieh-Hsin, Sun Chu-Wei, Hsu Yung-Chang, Chen Min-Hsun, Li Ming-Hui, Tu Ying-Ta, Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited), Chan Pei-Shan (representative of Dechen Enterprise Co., Ltd.), Huang-Qiao-Lin Co., Ltd., Yin Chang-Chung (representative of Huang-Qiao-Lin Co., Ltd.), Long Bon International Industrial Co., Ltd., Liu Wei-Lung (representative of Long Bon International Industrial Co., Ltd.), Han Tai-Sheng (representative of Long Bon International Industrial Co., Ltd.)	Wu Chieh-Hsin, Sun Chu-Wei, Hsu Yung-Chang, Chen Min-Hsun, Li Ming-Hui, Tu Ying-Ta, Huang-Qiao-Lin Co., Ltd., Yin Chang-Chung (representative of Huang-Qiao-Lin Co., Ltd.), Long Bon International Industrial Co., Ltd., Liu Wei-Lung (representative of Long Bon International Industrial Co., Ltd.), Han Tai-Sheng (representative of Long Bon International Industrial Co., Ltd.)	Wu Chieh-Hsin, Sun Chu-Wei, Hsu Yung-Chang, Chen Min-Hsun, Li Ming-Hui, Tu Ying-Ta, Huang-Qiao-Lin Co., Ltd., Yin Chang-Chung (representative of Huang-Qiao-Lin Co., Ltd.), Long Bon International Industrial Co., Ltd., Liu Wei-Lung (representative of Long Bon International Industrial Co., Ltd.), Han Tai-Sheng (representative of Long Bon International Industrial Co., Ltd.)
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)	-	-	Chan Hao-Jun (representative of Hongqiang Co., Ltd.)	
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	Jing Xun Investment Industrial Corporation Limited, Shen Yang Investment Corporation Limited, Chan Yi-Houg (representative of Shen Yang Investment Corporation Limited), Dechen Enterprise Co., Ltd., Hongqiang Co., Ltd.	Jing Xun Investment Industrial Corporation Limited, Shen Yang Investment Corporation Limited, Chan Yi-Houg (representative of Shen Yang Investment Corporation Limited), Dechen Enterprise Co., Ltd., Hongqiang Co., Ltd.	Jing Xun Investment Industrial Corporation Limited, Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited), Shen Yang Investment Corporation Limited, Chan Yi-Houg (representative of Shen Yang Investment Corporation Limited), Dechen Enterprise Co., Ltd., Chan Yi-Houg (representative of Shen Yang Investment Corporation Limited), Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited), Hongqiang Co., Ltd.	Jing Xun Investment Industrial Corporation Limited, Shen Yang Investment Corporation Limited, Dechen Enterprise Co., Ltd., Hongqiang Co., Ltd., Chan Hao-Jun (representative of Hongqiang Co., Ltd.)
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	-	-	-	Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited), Chan Yi-Houg (Representative of Shen Yang Investment Corporation Limited)
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	19	19	19	19

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 Chan Yi-Houg with a car, and the related costs totaled NTD 811 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 Chan Ching-Chao with a car, and the related costs totaled NTD 644 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.

(II) Supervisor's remuneration: Not applicable

(III) Remuneration of the general manager and vice general managers

Information date: December 31, 2021; 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)		The Company	All companies in the financial report (Note 5)	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
General Manager	Chan Ching-Chao	9,680	12,150	0	0	5,048	5,848	2,800	0	2,800	0	2.96%	3.51%	None
General Manager	Tsai Cheng-Ta													
Vice General Manager	Max Lei													

Note: On December 16, 2021, General Manager was elected to be the Chairman by Board of Directors on 2021/12/16 and Senior Vice General Manager was promoted to be the new General Manager on the same day.

(3-1) 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)	Chan Ching-Chao, Tsai Cheng-Ta	Tsai Cheng-Ta
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	-	Chan Ching-Chao
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.

(IV) Remuneration of the top five highest paid executives: Not applicable

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

December 31, 2021

	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	Chan Ching-Chao	0	2,800	2,800	0.47%
	General Manager	Tsai Cheng-Ta				
	Vice General Manager	Max Lei				

Note: On December 16, 2021, Chan Ching-Chao stepped down from his role as General Manager and Senior Vice General Manager was promoted to be the new General Manager.

(VI) 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	
	2020	2021	2020	2021
Total remuneration	NTD 67,936 thousand	NTD 61,774 thousand	NTD 93,249 thousand	NTD 69,399 thousand
Percentage of net profit after tax	7.98%	10.43%	10.96%	11.73%

Note: The 2020 parent-only net profit after tax is calculated at NTD 851,078 thousand; 2021 parent-only net profit after tax is calculated at NTD 591,827 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 on 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 managers. 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 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.

IV. Corporate governance operations

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

The Board of Directors met **16** times during **2021** 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: Chan Yi-Houg	12	0	100%	2021/12/16 Expiration of term of office
	Director	Representative of Jing Xun Investment Industrial Corporation Limited: Chan Ching-Chao	12	0	100%	
	Director	Dechen Enterprise Co., Ltd. Representative: Chan Pei-Shan	12	0	100%	
	Director	Chan Hao-Jun	12	0	100%	
	Independent Director	Wu Chieh-Hsin	12	0	100%	
	Independent Director	Sun Chu-Wei	12	0	100%	
	Independent Director	Hsu Yung-Chang	11	1	92%	
22nd term	Chairman	Representative of Jing Xun Investment Industrial Corporation Limited: Chan Ching-Chao	4	0	100%	2021/12/16 Appointed
	Director	Shen Yang Investment Corporation Limited Representative: Chan Yi-Houg	4	0	100%	
	Director	Hongqiang Co., Ltd. Representative: Chan Hao-Jun	4	0	100%	
	Director	Huang-Qiao-Lin Business Co., Ltd. Representative: Yin Chang-Chung	4	0	100%	
	Director	Representative of Long Bon International Co., Ltd.: Liu Wei-Lung	4	0	100%	
	Director	Representative of Long Bon International Co., Ltd.: Han Tai-Sheng	4	0	100%	
	Independent Director	Chen Min-Hsun	4	0	100%	
	Independent Director	Li Ming-Hui	4	0	100%	
	Independent Director	Tu Ying-Ta	4	0	100%	

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 set up independent directors and established an Audit Committee on April 25, 2016.
In 2021 and up until March 31, 2022, a total of 16 Board meetings were held. The resolutions are detailed on pages 77-80 of the annual report. The audit committee passed all motions without objecting to 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:
Please refer to Note 1 on page 34 of the annual report.

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: Please refer to Note 2 on page 35 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 2021 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) In line with the competent authority's promotion of the new corporate governance roadmap to effectively perform the functions of the Board of Directors, the Company's Board meeting held on March 8, 2021 resolved the motion for setting up a dedicated corporate governance unit and recommendations for a manager. Mr. Liu Wei-Chen was appointed to serve as the corporate governance manager.

(IV) Enhance information transparency

1. Material information has been released simultaneously in English since January 1, 2021.
2. The Company uploaded its English annual financial report 16 days before the 2021 annual meeting of shareholders
3. From 2021, the Company discloses its English interim financial report within 2 months after the filing of its Chinese interim financial report is due.

Note 1: 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 21st meeting of the 21st Board was held on 2021/01/27 for the motion of the year-end bonus to the appointed managers for 2020.
General Manager Chan Ching-Chao recused himself from discussion and voting due to a conflict of interest. After consulting with the Chairman, the motion was passed with no objection.

(II) The 23rd meeting of the 21st Board was held on 2021/03/25 for the motion of the distribution of remuneration to directors for 2020.
The discussion on the remuneration to directors involved a conflict of interest of the Chairman Chan Yi-Houg, and the independent director Wu Chieh-Hsin acted as the chair. Regarding the remuneration of ordinary directors, the ordinary directors (Chan Yi-Houg, Chan Ching-Chao, Chan Pei-Shan, Chan Hao-Jun) who attended this time did not participate in the discussion or vote due to their interests. After consulting with the acting chair, the motion was passed with no objection.

(III) The 24th meeting of the 21st Board was held on 2021/05/11; for the motion of the distribution of remuneration to directors for 2020 recommended by the Compensation Committee.

1. As the remuneration to directors involved a conflict of interest, the Chairman Chan Yi-Houg recused himself and the independent director Wu Chieh-Hsin acted as the chair. Regarding the remuneration of directors, the ordinary directors (Chan Yi-Houg, Chan Ching-Chao, Chan Pei-Shan, Chan Hao-Jun) who attended this time did not participate in the discussion or vote due to their interests. After consulting with the acting chair, the motion was passed with no objection.
2. Motion recommended by the Compensation Committee for the distribution of remuneration to the appointed managers for 2020.

General Manager Chan Ching-Chao recused himself from discussion and voting due to a conflict of interest. After consulting with the Chairman, the motion was passed with no objection

(IV) The 3 meeting of the 22nd Board on 2022/02/25

1. Motion for the remuneration to independent directors of the 22nd Board: The Company's 3 independent directors (Chen Min-Hsun, Li Ming-Hui, Tu Ying-Ta) recused themselves from discussion and resolution of the motion due to a conflict of interest. After consulting with the directors present at the meeting by the chair, the motion was passed.
2. Motion for the remuneration members of the 5th Compensation Committee: The Company's 3 members of the Compensation Committee (Chen Min-Hsun, Li Ming-Hui, Tu Ying-Ta) recused themselves from discussion and resolution of the motion due to a conflict of interest. After consulting with the directors present at the meeting by the chair, the motion was passed.
3. Motion for the remuneration to the members of the 22nd Board: As there was a conflict of interest involved with Chairman Chan Ching-Chao, Chen Min-Hsun acted as the chair. In terms of

remuneration to the directors, general directors (Chan Ching-Chao, Chan Yi-Houg, Chan Hao-Jun, Yin Chang-Chung, Liu Wei-Lung, Han Tai-Sheng) present at the meeting recused themselves from discussion and voting due to a conflict of interest. After consulting with the directors present at the meeting by the acting chair, the motion was passed.

In terms of remuneration to the chairman, after the acting chair Chen Min-Hsun consulted with directors present at the meeting (due to a conflict of interest, Chan Ching-Chao recused himself from discussion and resolution of the motion), and the motion was passed.

In terms of remuneration to the vice chairman, after the acting chair Chen Min-Hsun consulted with directors present at the meeting (due to a conflict of interest, Chan Yi-Houg recused himself from discussion and resolution of the motion), and the motion was passed.

Note 2: The implementation of the evaluation by the Board of Directors:

Evaluation cycle	Evaluation period (Note 3)	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Once a year	2021/01/01 - 2021/11/30	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: To strengthen corporate governance efficiency, an internal self-evaluation performance of the Board of Directors, Board members, Audit Committee and Compensation Committee was conducted in accordance with related laws and regulations. The evaluation scored above 4.5 points, which was “above standard”. This has demonstrated the excellent results 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 have been submitted to the Board of Directors on December 9, 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: The evaluation execution method and evaluation execution is the responsibility of the Agenda Working

Group. Using internal questionnaires focusing 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.

Note 3: Due to the election of directors on December 16, 2021, the evaluation period for 2021 was between January 1 and November 30, 2021.

(II) 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 made of all three independent directors, and a committee meeting 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.
(10) Appointment and removal of financial, accounting, or internal audit supervisors. Financial reports for Q1, Q2 and Q3 and the annual financial reports signed or sealed by the Chairman, managers 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 2021 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

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, 2022, and the Board of Directors, on March 25, 2022 both approved accountants Tseng Kuo-Yang and Huang Hsin-Ting 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. Information on the operations of the audit committee:

In 2021 and 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	5	0	100%	Term of office expired on December 16, 2021
	Independent Director	Sun Chu-Wei	5	0	100%	
	Independent Director	Hsu Yung-Chang	5	0	100%	
3rd term	Independent Director	Chen Min-Hsun	3	0	100%	Assumed office on December 16, 2021
	Independent Director	Li Ming-Hui	3	0	100%	
	Independent Director	Tu Ying-Ta	3	0	100%	

Other matters to be recorded:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations on independent directors, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions.

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:
In 2021 and as of the publication date of the annual report, a total of 6 audit committee meetings were held. The resolutions are detailed on page 39 of the annual report. The audit committee passed without objection the matters listed in Article 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 2021 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 meetings of the audit committee and Board of Directors on a quarterly basis to report on the audit operations, and communicates with independent directors. The audit operations are also reported to the Board of Directors.
4. The communication between independent directors and the head of internal audit in 2021 is summarized as follows:

Date	Communication meeting	Communication matters	Communicate results
2021/03/25	Audit Committee	Tracking report of the audit results for Q4 2020 Review of the internal control self-assessment results	No opinions in this meeting and was submitted to the Board of Directors for resolution
2021/05/11	Audit Committee	Tracking report of the audit results for Q1 2021	No comments at this meeting
2021/08/10	Audit Committee	Tracking report of the audit results for Q2 2021	No comments at this meeting
2021/11/09	Audit Committee	Tracking report of the audit results for Q3 2021	No comments at this meeting
2021/11/09	Independent communication with independent directors	2021 Q4 audit plan and execution	Executed according to independent director recommendations
2021/12/09	Audit Committee	2022 audit plan	No opinions in this meeting and was submitted to the Board of Directors for resolution

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
2021/12/09	1. Annual audit scope 2. Key audit items 3. Competent authority concerns 4. Other matters 5. Corporate governance 3.0 and updates of important laws 6. Statute for Industrial Innovation 23-3	No comments at this meeting

3. Important resolutions of the audit committee in 2021 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
2021/03/25 The 15th meeting of the 2nd Committee	1. Tracking report of the audit results for Q4 2021 2. Accountant financial independence assessment report 3. Analysis reports of aging of accounts receivable and significant amounts 4. Review of the Company's 2020 business report and financial statements and earnings distribution table 5. Motion for the amendments to the Company's Rules Governing the Scope of Powers of Independent Directors 6. Motion for the amendments to the Company's Audit Committee Charter 7. Motion for the review of the Company's internal control self-evaluation results 8. Motion for the adjustment of the Company's CPAs in line with the accounting firm's internal operation needs.	After consulting with the members present at the meeting, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
2021/05/11 The 16th meeting of the 2nd Committee	1. Tracking report of the audit results for Q1 2021 2. Analysis reports of aging of accounts receivable and significant amounts for Q1, 2021 3. Review of the Company's financial statements for Q1 2021.	After consulting with the members present at the meeting, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
2021/08/10 The 17th meeting of the 2nd Committee	1. Tracking report of the audit results for Q2 2021 2. Analysis reports of aging of accounts receivable and significant amounts for Q2, 2021 3. Review of the Company's financial statements for Q2 2021	After consulting with the members present at the meeting, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
2021/11/09 The 18th meeting of the 2nd Committee	1. Tracking report of the audit results for Q3 2021 2. Analysis reports of aging of accounts receivable and significant amounts for Q3, 2021 3. Review of the Company's financial statements for Q1 2021.	After consulting with the members present at the meeting, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
2021/12/09 The 19th meeting of the 2nd Committee	1. Motion for the Company's 2022 business plan 2. Motion for the Company's 2022 audit plan 3. Motion for fees of CPAs	After consulting with the members present at the meeting, the motion was passed with no objection.	Submitted to the Company's Board of Directors for resolution
2021/12/16 The 1st meeting of the 3rd Committee (unscheduled meeting)	1. Motion for the election of the convener of the 3rd Committee	After consulting with the members present at the meeting, Chen Min-Hsun was elected as the convener of this term of Audit Committee.	
2022/01/25 The 2nd meeting of the 3rd Committee	1. Motion to report the change of head of accounting	After consultation by the Chairman, all members present passed it without objection.	Submitted to the Company's Board of Directors for resolution
2022/03/25 The 2nd meeting of the 3rd Committee	1. Tracking report of the audit results for the Q4 2021 2. Report of 2021 annual CPA independence and competency evaluation 3. Motion for the review of the Company's 2021 business report and financial statements 4. Motion for the Company's 2021 profit distribution table 5. Motion for the review of the Company's internal control self-evaluation results 6. Motion for the amendment to the Company's Procedures of the Acquisition or Disposal of Assets	After consulting with the members present at the meeting, the motion was passed.	Submitted to the Company's Board of Directors for resolution

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

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx 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/TPEx 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/TPEx 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 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, we also have a unit set up responsible for investor relations to maintain good interactions 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 established the “Procedures for the Prevention of Insider Trading” which are disclosed on the company website. At least one session of education on related laws per year is carried out on the current directors, managers and employees. The courses we provide cover confidentiality of material information, and causes of insider trading, examples of transactions and Procedures for Ethical Management and Guidelines for Conduct. In 2021, we provided internal and external education and training and awareness promotion (covering “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and	

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			Guidelines for Conduct") centering on corporate ethical management issues, which saw participation of 702 employees, totaling 1,053 hours. An online and offline test were conducted for a total of 609 employees. All 609 participants passed the test, with a pass rate of 100%.	
III. The composition and responsibilities of the Board of Directors	✓			None
(I) Has the Board of Directors formulated a diversity policy, specific management objectives and are they implemented?			(I) The Company has formulated a policy for diversity of board members and specific management objectives: Article 20 of the Company's "Corporate Governance Practices" clearly stipulates the diversity policy - the composition of the Board of Directors shall take into account the Company's business development scale and the shareholding situation of the major shareholders while measuring practical needs. The consideration and selection of director candidates shall be based on a diversity guideline in measuring their professional backgrounds, academic (work) experience and integrity or relevant professional qualifications. At present, all directors and independent directors of the Company are equipped with rich academic and work experiences and the Board is made up with diversity. There are 9 directors and 3 independent directors in the Board who put into play their management decision and supervisory functions. For the implementation of diversity of Board members, please refer to page 24 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 ESG Sustainable Development 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.	
(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 2021 performance evaluation results have been submitted to the Board of Directors on December 9, 2021 due to the election of directors. (Please refer to page 23 of the annual report)	
(IV) Does the Company assess the independence of CPAs on an	✓		(IV) With reference to Article 47 of the Certified Public Accountant Act and	

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
annual basis?			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 and Board of Directors on March 25, 2022. After evaluation, CPAs Huang Hsin-Ting and Tseng Kuo-Yang 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 pages 47-48 of the annual report).	
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)?	✓		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. 2021 Implementation 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	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			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 1914Committee 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. (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. Further education on corporate governance for Corporate Governance Manager: Please refer to page 52 of the annual report	
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 49-51 of the annual report).	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			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	
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) (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
(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 2022, the Company announced its annual financial report for 2021, 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. 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	✓		(I) The Company prepares a CSR report each year, and the 2021 non-financial information will be announced in the “ESG Sustainability Report” 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	

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
Company, etc.)			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 2 Shareholders' Meetings in 2021, we also communicated with investors through letters and visits from time to time. 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. Supplier relationships: The Company has established "Qualified Supplier Assessment and Evaluation and Coaching Implementation". 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. Annual sampling is also carried out each year to decide whether cooperation shall be continued. (IV) 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 "ESG Sustainability Report" for stakeholder negotiation methods, issues of concern, and Taisun's responses. (V) Implementation of customer policy: The Company has a dedicated 0800 consumer service hotline for customers and shops to acquire about products. By doing this, we are able to handle complaints from consumers and customers in a proactive approach, (all outlets) so as to protect consumer rights. (VI) 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 page 52 of the annual report. (VII) 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	

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			control mechanisms and control the implementation of various risk management measures. (VIII) The Company has taken out liability insurance for all directors. The insurance period is from August 18, 2021 to August 18, 2022, and it will be submitted to the Board of Directors for approval on August 10, 2021. It is also disclosed in the corporate governance area of the Market Observation Post System.	

IX. 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 2021, the explanation is as follows:

Item	Question type	Improve the status
1	Strengthen the structure and operation of the Board of Directors	1. Promote the formulation of smart property management plans linked to operational objectives 2. The rest is pending improvement.
2	Improve information transparency	Pending improvement.
3	Implement corporate social responsibility	1. Initiated inventory on GHG emissions in 2021. 2. The rest is pending improvement.

2. Priority enhancement projects for the Company's 2022 “Corporate Governance Evaluation” index have not yet seen improvements

Item	Question type	Priorities and measures to be strengthened
1	Strengthen the structure and operation of the Board of Directors	An external evaluation agency is expected to be selected to perform the external evaluation.
2	Promote sustainable development	1. Initiated inventory on GHG emissions and a certificate for GHG emissions is expected to be obtained. 2. A sustainability report in English is expected to be prepared.

Note 1: 2021 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

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

Recipient: Taisun Enterprise Co., Ltd.

Subject: It is declared that this accountant has been entrusted to perform the audit and certification work of Taisun Enterprise Co., Ltd.'s 2021 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) All auditors should sign a declaration of independence before and after they are assigned to participate in the case. In addition, through the online annual declaration of independence, they should again request confirmation of compliance.
   (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 2021, 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

Accountant: Huang Hsin-Ting

Tseng Kuo-Yang

March 14, 2022

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

Stakeholder	Ranking of main concerns	Communication method/channel	Important communication notes in 2021
A. Investment lending: Shareholders/Banking Group	1. Financial performance 2. Corporate governance efficiency 3. Regulatory compliance 4. Customer safety and health 5. 5. Procurement of international certified raw materials	· 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. Investor conference was held on April 19 2. The 2021 Annual Meeting of Shareholders was held on August 18 to resolve the 2020 profit distribution proposal and distribute a cash dividend of NTD 1.4 per share. 3. The 2021 extraordinary general meeting was held on December 16 for the election of directors. 4. Responded to several interviews with financial institutions and institutional investors.
B. Sales and purchasing: Distributor/Customer/Consumer	1. Customer safety and health 2. Procurement of international certified raw materials. 3. Regulatory compliance 4. 4. Track and trace	· 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. 9201 Ms. Chan. · Customer and consumer service line: 0800-079-080	1. 19 market surveys were conducted, and 3,395 people participated in product opinion surveys. 2. The system received 350 cases of customer complaints: Among them, 173 cases were not production related and abnormal causes for 177 cases were tracked and addressed for improvement. 3. 1 TV shopping penalty with a fine of NTD 100,000. 4. 306 product packaging labeling were reviewed; among them, 15 were canned products; 113 were drink products; 83 were oil products; 95 were water products; and no product labeling violated the law. 5. A total 17 simulation recovery tests were carried covering all types of products, with a 100% recovery rate. A total of 4 raw materials were traced to finished products to ensure production history is correctly traced.
C. Operations management: Governance group/Staff	1. Financial performance 2. Labor-employment relationship harmony 3. Market position 4. Personnel training 5. 5. Corporate governance efficiency	· 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. 9368 · Manager Peng of HR Administration Unit	1. The total number of 2021 earnings distribution as remuneration to employees was NTD 34.5 million. 2. To prevent the spread of COVID-19, business trips were suspended and employees were working off-site or from home from May. 3. The Company employs mainly local workers, among them, 97.3% are Taiwanese workers while 2.7% are migrant workers. 4. In 2021, a total of 8,581 received training courses, totaling 10,043.8 hours.
D. Process relationship: Supplier/Outsourced factory	1. Procurement management 2. Procurement of international certified raw materials 3. Supplier assessment management	· Regularly visit suppliers conducting evaluations · Item by item quality inspection each time raw materials enter the factory · Ad hoc meetings to discuss product quality	1. In order to ensure stable supply of suppliers and that the quality meets standards, 60 vendors were evaluated, accounting for 23% of the total purchase amount of raw materials. The acceptance rate is 99.5%. Raw materials that have been accepted will be screened once more prior to production use to strive for strict control of the quality. The

	4. Ethical management 5. 5. Customer safety and health	· Contact person: 04-874-2211 Ext. 377 Manager Lin, Quality Assurance Department	material inspection pass rate is 99.8%. 2. The rate of suppliers obtaining international certification is 63%. 3. In July, we began to promote the signing of the "Letter of Commitment for Integrity and Sustainable Business", with an execution rate of more than 97%. At the same time, a Code of Conduct email was also set up.
E. Community interaction: Factory neighbors/ Public welfare or environmental groups	1. Customer safety and health 2. Waste management 3. Market position 4. 4. Community relations	· 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. No fines were incurred as there were no environmental protection violations. 2. We make a proactive approach to promote waste reduction. while at the same time activating the Waste Recovery Research Team. 3. Although many events were cancelled as a result of the outbreak, we continued to encourage sports by sponsoring the Care Cup, the sports development of schools in Taishan district, New Taipei City, CTBC Brothers, Formosa Xtreme Triathlon, Formosa Taishin Dreamers and street dance events. We also supported the Taiwan Rice Heaven; its first ever online race in a decade. 4. We initiated a company-wide donation event for supplies in the midst of COVID-19 by donating 800 boxes of products to hospitals and social service organizations.
F. Legal management: Government/ Evaluation unit/ Experts and scholars	1. Procurement of international certified raw materials 2. Customer safety and health 3. 3. Market position	· 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. We sample products and raw materials to be tested by a third-party certifying authority; a total of 632 products were sent for test. The quality of the water source was tested for 18 times and all results were satisfactory. A total of 238 oil products and 79 types of tea leaves were tested and all results were satisfactory. 33 drinks were sampled and tested; 51 PET bottles of tea drinks were tested; 66 canned products were tested; 19 types of packaged drinking water were tested; 21 snacks were tested; and all results were satisfactory. 2. Received 4 mandatory audits by the government and government-sponsored units and all results were satisfactory. Received 12 food safety quality audits by a third-party impartial unit. In the event of a deficiency, Taisun is able to quickly address the issue for improvement and all audits were passed.
G. Control of public opinion: Media reporter/ Advertisers/ PR agency/	1. Financial performance 2. Corporate governance efficiency 3. Regulatory compliance	· Release media news materials from time to time · Official website public response on days that major information emerges	1. 12 media press releases were published on their initiate, 2 media conferences, and occasional social gathering. 544 times of news exposure by major media; 262 were on drinks and 67 were on oils.

Netizens		· 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	2. Social gatherings with media reporters during the Spring Festival and Mid-Autumn Festival. 3. Master Taisun's official website and update Taisun information from time to time. A total of 250,000 netizens went online to learn about Taisun's information, and 95.28%% of them were from Taiwan. They all participated in the activities, of which 60% are women and 40% are men. 4. We strengthen the management of our Facebook page and have accumulated approximately 55,000 fans (41% male and 59 female). We post 153 articles per year, with a total of 46,799,575 total exposures, reaching 2,519,614 times (53% reaching) and 196,807 messages were exchanged.
Note 1: Food safety-related figures are based on the assured figures in the 2021 Taisun ESG Sustainability Report. Note 2: The 2021 stakeholder communication results are expected to be submitted to the Board of Directors before June 2022.			

Note 4: Directors' continuing education in 20201

Name	Date of education	Theme	Organizer	Certificate No.
Chan Yi-Houg	2021/3/15 3 hours	Exploration of Remuneration Issues for Employees and Directors - From the Amendment to Article 14 of the Securities and Exchange Act	Taiwan Corporate Governance Association	TCGA11000556
	2021/6/7 3 hours	Investigation of "Fund Flow" in Financial Report Fraud Cases and Discussion of Related Legal Liability Cases	Accounting Research and Development Foundation of the Republic of China	(110) Kuai-Jiao (Shu) No.1016030
	2021/6/18 3 hours	Legal Responsibility and Practical Case Studies of Insider "Short-Term Trading"	Accounting Research and Development Foundation of the Republic of China	(110) Kuai-Jiao (Act) No.1019012
Chan Ching-Chao	2021/3/23 3 hours	"Elite Institute of Independent Directors" - [Independent Directors and Corporate Governance Master Class] - Strengthening Board Functions from Corporate Governance 3.0	Taiwan Independent Director Association	(110) Tai-Zheng-Zhi-Li-Zi No.001351 (110) Zheng-Gui-Jian-Zi No.0000612
	2021/8/10 3 hours	[Online Educational Course for Directors and Supervisors (Independent Directors) & Corporate Governance Managers] - How to Analyze Financial Statements and Seize Corporate Risk Management	Taiwan Independent Director Association	(110) Tai-Zheng-Zhi-Li-Zi No.0012963 (110) Zheng-Gui-Jian-Zi No.0007099
Chan Hao-Jun	2021/6/2 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	(110) Kuai-Jiao (Ji) Zi No. 1012016
Chan Pei-Shan	2021/3/15 3 hours	Advanced Seminar for Directors and Supervisors (Including independent Directors) & Corporate Governance Managers - 2021 Economic Outlook and Industry Trends	The Securities and Futures Market Development Foundation of the Republic of China	(110) Zhen-Ji Director/Supervisor Renewal No.00273
	2021/4/16 3 hours	The Only Insurance that Means Corporate Governance - Information Security Insurance	Taiwan Corporate Governance Association	TCGA11001060
Wu Chieh-Hsin	2021/9/1 3 hours	Advanced Seminar for Directors and Supervisors (Including independent Directors) & Corporate Governance Managers - Taiwan Renewal Energy Market & Trends	The Securities and Futures Market Development Foundation of the Republic of China	(110) Zheng-Ji Director/Supervisor Renewal No.01399
	2021/11/2 3 hours	Directors and Supervisors Should Understanding the Commercial Case Adjudication Act and Court Trial Trends	Taiwan Corporate Governance Association	TCGA11006796
Hsu Yung-Chang	2021/6/9 3 hours	Corporate Governance Lecture (No.83)	Taiwan Academy of Banking and Finance	(110) Jin-Fa-Zheng-Zi No.CG300130083017
	2021/9/1 3 hours	The 13th Taipei Corporate Governance Forum	FSC	(110) Corporate-Governance-Director-Supervisor-Zi No.01091
Sun Chu-Wei	2021/8/13 3 hours	Red Flags of Misrepresentation of Financial Reports	Taiwan Corporate Governance Association	TCGA11003705
	2021/8/20 3 hours	A Lesson Directors and Supervisors Should Understand: Global Risk Awareness	Taiwan Corporate Governance Association	TCGA11004059
Li Ming-Hui	2021/8/6 3 hours	[Online Educational Course for Directors and Supervisors (Independent Directors) &Corporate Governance Managers] - Practical Operations of Shareholders' Meetings of Listed Companies and Case Study	Taiwan Independent Director Association	(110) Tai-Zheng-Zhi-Li-Zi No.012963 (110) Zheng-Gui-Jian-Zi No.0007099
	2021/9/8 3 hours	Analysis of Business Mergers & Acquisitions Act and Case Study	Director of Taiwan Securities Association	23212

	2021/9/28 3 hours	Board of Directors and Supervisors Operation and Corporate Governance Workshop	Taiwan Academy of Banking and Finance	(110) Jin-Fa-Zheng-Zi No.CG300220085020

2021 Continuing Education and Training Records of Managers:

Name	Date of education	Training theme	Hours
Liu Wei-Chen (Corporate Governance Manager)	2021/4/16	The Only Insurance that Means Corporate Governance - Information Security Insurance	3 hours
	2021/4/20	Corporate Governance Seminar - Green Energy Innovative Business Model of Corporate Governance	3 hours
	2021/8/12	New Rules for "Remuneration to Directors and Supervisors" and Corporate Governance Analysis	3 hours
	2021/9/1	The 13th Taipei Corporate Governance Forum	3 hours
	2021/10/26	Corporate Governance Seminar - M&A and Legal Risks	3 hours
	2021/12/7	2021 Cathay Sustainable Finance and Climate Change Summit	3 hours
	2021/12/22	The 17th (2021) Corporate Governance Summit - Practicing ESG and Implement Governance and Sustainable Development	3 hours
Yan Gu-Long(Accounting Supervisor)	2021/9/23~2021/9/24	Continuing Education for Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12 hours
Tsai Yi-Fang(Supervisor of Audit)	2021/4/20	"Corporate Governance" Quality and Risk Assessment Practices for Internal Auditors	6 hours
	2021/5/12	Operating Activities and Case Study of Unethical Conduct Risks	6 hours

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

1. Information of Compensation Committee Members

Identity / Condition / Name				Professional Qualifications and Experience	State of Independence	Number concurrently serving as members of the Compensation Committees of other publicly issued companies
The 5th Committee	Convener	Independent Director	Li Ming-Hui	Note	Note 2	0
	Committee member	Independent Director	Chen Min-Hsun			0
	Committee member	Independent Director	Tu Ying-Ta			0

Note 1: For length of service, professional qualifications and experience of members of the 5th Compensation Committee who are independent directors, please refer to information on directors and supervisors on page 14and 4. Professional qualifications and independence of directors on page 19

Note 2: Note 1: For independence of members of the 5th Compensation Committee who are independent directors, please refer to 4. Professional qualifications and independence of directors on page 19. Therefore, taking into account the description of this section, the Company believes that the members of the Remuneration Committee are independent of the Company.

2. Information on the function of the Compensation Committee

(1) There are 5 members in the 4th Compensation Committee. Term of office: From December 18, 2018 until the term of the Board of Directors ended. From April to November 30, 2021, the Compensation Committee held 2 meetings (A).

(2) There are 3 members in the 5th Compensation Committee. Term of office: From January 25, 2022 until the term of the Board of Directors ends - from January to March 31, 2022, the Compensation held 2 meetings (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	Convener	Wu Chieh-Hsin	2	0	100%	Stepped down on 2021/12/16
	Committee member	Tung Chun-Jen	2	0	100%	
	Committee member	Liu Ming-Hsiung	2	0	100%	
	Committee member	Sun Chu-Wei	2	0	100%	
	Committee member	Hsu Yung-Chang	2	0	100%	
The 5th Committee	Convener	Li Ming-Hui	2	0	100%	Appointed on 2022/1/25
	Committee member	Chen Min-Hsun	2	0	100%	
	Committee member	Tu Ying-Ta	2	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 57 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
2021/4/21 9th meeting of the 4th Committee	Motion for the suggestions on the distribution of remuneration to directors and appointed managers 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
2021/11/29 10th meeting of the 4th Committee	Motion for year-end bonus 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
2022/1/25 1st meeting of the 5th Committee (unscheduled meeting)	Motion to appoint the convener for the 5th term of the Compensation Committee	All members present agreed to pass	None
2022/2/15 2nd meeting of the 5th Committee	1. Motion for recommendations on remuneration of the 22nd Board of Directors (including general directors, chairman and vice chairman) 2. Motion for recommendations on remuneration of the general manager 3. Motion for recommendations on the total remuneration to directors and distribution ratio 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

5. Information on members of the Nomination Committee and state of its operations: Not applicable

(V) Promotion of sustainable development and Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Promotion item	Implementation status (Note 1)			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
I. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	✓		1. The Company's original CSR Committee underwent a series of discussion for reorganization in July 2021 and its name changed to the "ESG Sustainable Development Committee" in 2022. In 2021, the CSR Committee continued its operations as normal while preparing for the new committee. On March 1, 2022, a dedicated "ESG Sustainable Development Committee" was formally established. 2. The "ESG Sustainable Development Committee" is made up of heads of each business department to hold regular meetings in order to determine strategic objectives for sustainable development. The Committee is chaired by the chairman. 3. Under the Committee, an "ESG Responsibility Office" is in place to oversee tasks, involving corporate governance, health and safety (food-specific), corporate commitment, and environmental sustainability. 4. Details of operations must be reported to the Board of Directors twice a year. The Board of Directors provides guidance on 4 major areas of sustainable development including management guidelines, strategy and objective formulation, and risk avoidance.	None
II. 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?	✓		We conduct a survey on issues concerned by 7 major stakeholders each year and hold periodic "ESG Implementation Office" meetings. We strive to understand the communication situation of stakeholders. In 2021, our main concerns were centered on corporate governance, financial performance, market supply risks and national health. The executives of the Company foresaw supply risks brought by transportation and made timely arrangements of raw materials to avoid shortage of materials. At the same time, in terms of the environmental aspect, the executives also predicated water and power shortages and conducted discussions for action plans. Currently, water regeneration and energy management is under development. There were no mature large-scale investment motions proposed.	None
III. Environmental issues	✓		At Taisun, we manage waste, wastewater and air emissions in accordance with	None

<table>
<tr><td>(I) Has the Company established a suitable environmental management system based on its industrial characteristics?</td><td></td><td></td><td>environmental laws and regulations. In-factory environmental management equipment is improved on a regular basis as needed.</td><td></td></tr>
<tr><td>(II) Is the Company committed to improving the utilization efficiency of energy, and using the recycled materials that have a low impact on the environmental load?</td><td>✓</td><td></td><td>We began to use biomass boilers since 2014 aiming to reduce the consumption of oil boilers. Rice pellets generated from biomass boilers are used as a source of heat energy, reducing the number of slag and ash transportation. Meanwhile, we began to use Formosa Petrochemical Corporation’s naphtha cracking in the fuel boilers from 2020, passing the tightened air pollution regulations. Our 2 new approaches have shown large decease in carbon emissions compared to before 2013.</td><td>None</td></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?</td><td>✓</td><td></td><td>We are in the progress of TCFD-related digital management and have started with a basic carbon inventory to explore future potential risks and opportunities.</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 greenhouse gas reduction, water management or other waste management?</td><td>✓</td><td></td><td>1. In an effort to implement ESG governance and strive for sustainable development, the Company’s GHG emissions, water consumption and total weight of waste and related reduction policies and statistics are as follows:
(1) GHG missions:
We began to take inventory on GHG emissions on August 18, 2021 and a certificate
for GHG emissions is expected to be obtained in 2022/
(2) Water consumption:
In 2021, the total water consumption of the food factories reduced by 2,429 metric tons, or 0.4% compared to the previous year by 0.005 metric tons/unit, representing 5.5% reduction. Using 2020 as the base point (82L/case), water consumption of units in 2025 is expected to achieve 74L/case, representing a 10% reduction.
<table>
<tr><th>Year</th><th>2020</th><th>2021</th><th colspan="2">Increase/decrease</th></tr>
<tr><td>Total water consumption of food factories (metric tons)</td><td>610,865</td><td>608,436</td><td>-2,429</td><td>-0.4%</td></tr>
<tr><td>Total production capacity of food factories (case)</td><td>7,449,573</td><td>7,852,238</td><td>402,665</td><td>5.4%</td></tr>
<tr><td>Water consumption per case (metric tons/case)</td><td>0.082</td><td>0.077</td><td>-0.005</td><td>-5.5%</td></tr>
</table>
(3) Power consumption:</td><td>None</td></tr>
</table>

In 2021, the total power consumption of the food factories reduced by 7% and the total fuel consumption reduced by 5.5% compared to the previous year. Using 2020 as the base point (1.27 degrees/case), power consumption by units in 2025 is expected to achieve 1.12/case, representing a 12% reduction.

Year	Electricity reading	Number of boxes produced	Average (degree/box)	Increase/decrease
2020	9,438,400	7,449,573	1.27	-7.0%
2021	9,248,200	7,852,238	1.18	
Increase/decrease	-190,200	402,665	-0.09	

(4) Waste:
The food factories generated 29 metric tons of non-resource waste (domestic waste) in 2021, a reduction of 13 metric tons or 31% from the previous year. Using 2020 as the base point (96.5%), the waste recycling rate in 2025 is expected to achieve 98%.

Category	Year	2020		2021		Increase/decrease	
	Unit	Metric ton	Percentage	Metric ton	Percentage	Metric ton	Percentage
Non-resource	Garbage	42	3.5%	29	2.1%	-13	-1.4%
Resource	Recyclable	1,162	96.5%	1,355	97.9%	193	1.4%

2. Measures to achieve objectives:
(1) Reduction of water consumed by production:
We achieve water consumed by production through RO backwash recycling, second-stage cooling water recycling on production lines, and installation of cooling water recycling system on new production lines
(2) Reduction of power consumed by production:
We achieve the goal of gradual reduction of power consumption through replacing old equipment and improving process efficiency.
(3) Improvement of utilization of waste recycling:
We reduce our garbage amount and improve the utilization rate by garbage classification and waste reuse.

IV. Social issues (I) Has the Company developed the relevant management policies and procedures in accordance with relevant regulations and international human rights	✓		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	None

	conventions?			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.	
(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?	✓		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	None

			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 pages 115-120 of the annual report).	
(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?	✓		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 117 of the annual report.	None
(IV) Does the Company establish an effective career development training program for employees?	✓		The Company has established "Education and Training Measures" to train practical talent for corporate development strategies (please refer to pages 117 of the annual report).	None
(V) In terms of issues such as 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 or customer protection policies and appeal procedures?	✓		The Company manages customer safety and health, customer privacy, marketing and labeling in accordance with the provision in the "Act Governing Food Safety and Sanitation". There is a 24-hour free service line at 0800-079080 available for consumer complaints in accordance with the "Administrative Measures for Consumer Service Lines".	None
(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental	✓		To ensure product safety, the Company performs strict reviews when selecting raw material suppliers. All vendors we work with must be legal and products and services they provide must meet production requirements. As well as this, suppliers must also agree to comply with the environmental and social protection and be committed to product responsibility and labor conditions.	None

protection, occupational safety and health or labor and their implementation?			As we aim to grow together with suppliers, the annual supplier quality assessment results will be used for evaluation of continuous operation. Supplier management: (1) Selection of new suppliers: Raw material COA must meet standards and its raw material products must be CNS-compliant and meet health regulations. (2) An annual assessment plan is arranged to not only emphasize the product quality of suppliers, we also incorporate the suppliers' implementation of "no child labor as required by the Labor Standards Act", "whether food safety plans and execution are clearly provided", and "whether work safety and health plans and execution are clearly provided" when evaluating suppliers. 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. (3) Supplier assessment process: Supplier assessment plan formulation => Review by relevant departments => Field assessment => Deficiency improvement follow-up => Assessment grading management (4) On par with the Ethical Management Team's promotion, suppliers are required to sign the "Letter of Commitment for Integrity and Sustainable Business". By doing this, we hope to reach a consensus with our partners with respect to the integrity management and sustainable development concepts. The Letter of Commitment covers the Company's Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, Corporate Social Responsibility Best Practice Principles, and Declaration of Human Rights Protection.	
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of sustainability 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. From 2021, the report has been renamed to the "ESG Sustainability Report" disclosing the Company's ESG efforts. 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, 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", carry out independent limited assurance. (The Accounting Research and Development Foundation refers to ISAE3000 in its formulation). Related report information is disclosed at: Our Company website: http://www.taisun.com.tw/corporate/	None

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

VI. If the Company has instituted the sustainable development best practice principles in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies," specify the implementation of these principles and the variation with the Sustainable Development Best Practice Principles for the TWSE/TPEx-listed Companies:

The "Company's "Sustainable Development Principles" had not yet been established in 2021. However, the "Corporate Social Responsibility Principles" were followed to implement corporate governance, develop a sustainable environment, ensure social welfare and enhance corporate social responsibility information disclosure. There are no major differences in terms of environmental, product, governance and social aspects, and related measures will be enhanced. Given the Company is evaluating current and future potential risks and opportunities of climate change in the business, countermeasures will be adopted to address climate-related issues. As a result, the Company will re-examine these Principles and possible actions in 2022.

VII. Other important information to facilitate understanding of the promotion of sustainable development operations:

(I) Environmental aspect:

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 2021, 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 demand)	<30mg/L	2020	2.7	2.4	25.8	13.1	11.0
		2021	7.5	12.4	----*	12.8	10.9
COD (chemical oxygen demand)	<100mg/L	2020	12.4	4.8	92.2	38.6	37.0
		2021	22.1	50.2	----*	40.0	37.4
SS (suspended solids)	<30mg/L	2020	5.5	6.8	26.0	2.8	10.3
		2021	12.0	20.4	----*	12.8	15.1

*Remark: According to EPA's "COVID-19 Measures" on June 3, 2021, one quarter of testing must be cancelled between Q2 and Q3 in 2021, testing in Q3 was confirmed to not be conducted.

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 CO2 emissions which is beneficial to the environment. With the use of pure wood pellets for raw materials in 2020, 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. All air pollution emission tests in 201 met the air pollution standard.

(II) Product aspect:

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 2021, 60 manufacturers have actually implemented the evaluation (37 raw material manufacturers and 23 material manufacturers). This

accounts for 23% 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 63%. 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 2021, we had 10 outsourced factories. Due to product adjustments, there was 1 fewer outsourced factory than in 2020. 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 2021, 5 outsourced factories were rated as B-level and 2 outsourced factories reached A-level.
5. List of food safety certifications obtained by Taisun

Product category	International certification		National certification	Halal certification
				
Canned snacks	100%	100%	94.12%	98.82%
Fresh house snacks & drinks	100%	90.93%	83.49%	68.29%
PET bottle tea beverages	73.23%	80.41%	90.92%	72.38%
Tetra Pak beverages		100%	92.37%	
Packaged drinking water			100%	
Oil products	74.44%	100%	48.52%	74.44%
Carbonated drinks		5.61%	67.12%	

(III) Promotion of food safety and national nutrition

- Combine health product with local merchants to develop Camelia oil products.
- Develop healthy almond milk with the entire bottle free from lactose, gluten, and cholesterol, with high calcium and daily vitamin E.
- Our classic long-selling Grass Jelly Drink aims to enable customers to, while their appetite is satisfied, the intake of sugar is at the same time reduced. Given the notion, we have improved the formula, and Grass Jelly Drink with reduced sugar was launched.
- Our health product Zhen Gu pumpkin quinoa porridge has obtained the Eatender certification meeting the rating of “easy chewing”.
- We have launched healthy oil products with national health certification, which is to add phytol to reduce cholesterol absorption in foods.

1. Performed production line upgrade: Build PE and aluminum can lines to create new products and packaging on par with trends.
2. To effectively put energy into good use, we have conducted old equipment replacement, process efficiency improvement and total energy control. Compared to the previous year’s energy consumption, 190,200 kWh was reduced in 2021, representing a reduction of 7.0%. Compared to the previous year’s fuel consumption, 35 metric liters were reduced in 2021, representing a reduction of 5.5% and carbon emissions were reduced by 109 metric tons.

3. GHG inventory implementation (2020-2021) has been performed to meet future net zero goal and carbon tax basic issues. In 2022, we expect to obtain ISO14064-1 certification.
4. Our waste recovery program has been initiated. By researching for ways to effectively reduce and reuse waste, waste can be the next raw material for companies. Based on this idea, we have identified 3 directions for the development of waste.
5. We will enhance talent development plans and factory improvement plants to nurture talent and retain talent to ensure productivity.
6. Promote a healthy society in the midst of a pandemic:

① We supported health care and social service groups in the midst of a pandemic: We initiated a company-wide donation event for supplies in the midst of COVID-19 by donating 800 boxes of products to hospitals and social service organizations.

② We sponsored the Care Cup, the sports development of schools in Taishan district, New Taipei City, CTBC Brothers, Formosa Xtreme Triathlon, Formosa Taishin Dreamers and street dance events. We also supported the Taiwan Rice Heaven; its first ever online race in a decade.

③ Taisun Cultural Foundation online courses and lectures

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 beautiful: 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. (IV) 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).

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	Financial performance	✓			201	C	A B D G
	2	Customer safety and health			✓	416	C	B D E F G
	3	Procurement of international certified raw materials.	✓			204	C	D F
	4	Regulatory compliance	✓	✓	✓	307. 419	C	DFG
	5	Track and trace			✓	416	C	BD
	6	Corporate governance efficiency	✓			201	C	ABDFG
	7	Labor-employment relationship harmony			✓	401	C	F
	8	Procurement management	✓		✓	416	C	BD
Other major issues	9	Occupational safety and health			✓	403	C	F
	10	Market position			✓	202	C	F
	11	Supplier assessment management			✓	414.416	C	DF
	12	Marketing and labeling		✓	✓	417	C	F
	13	Customer privacy			✓	418	C	B
	14	Personnel training	✓			404	C	
	15	Ethical management	✓		✓	205	C	A B F
	16	Indirect Economy	✓	✓	✓	203	C	A D E F G
	17	Waste management		✓		306	C	E F
	18	Laboratory strength			✓	416	C	B D F

(VI) 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/TPEx Listed Companies
	Yes	No	Summary description	
I. Formulation of the ethical management policy and program				None
(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/TPEx 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	None

			pays special attention to Article 7, paragraph 2, subparagraph 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx 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, we keep a close eye on changes in regulations by visiting the websites of the FDA and Law and Regulations Database, Taiwan. We also carry out product compliance inspections, calibrate relevant operating standards and give immediate warning when a product is not in compliance with the regulations. At the same time, the complete information on packaging labeling is also reviewed and tests are periodically traced and tracked, achieving the benefits of source management and rapid queries. ● 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. ● Quality certification: We regularly strive for certifications and continue to renew those with global standards to ensure high food safety standards and compliance. ● Laboratory upgrade: On June 2, The Quality Assurance Department of Taisun Enterprise Co., Ltd. obtained a TAF (Taiwan Accreditation Foundation) certification, with a certification number 3836 and certificate number L3836-210602. In addition to the Company's own TAF laboratory, products are also tested by external institutions in accordance with the regulations. ● 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. ● 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.	
(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.	
II. Implementation of ethical management	✓			None
(I) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?			(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 also required our partners to sign the ""Letter of Commitment for Integrity and Sustainable Business", which was	None

		✓		signed by 97% of our recurring partners.	
(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 and 2021.	None 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 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
(V)	Has the Company provided internal and external training on topics of ethical corporate management at regular intervals?	✓ ✓	(V)	The Company values ethical management and corporate social responsibility. To do so, we promote a work culture of ethical management and responsibility when an employee begins working with us. In 2021, we carried out internal and external education, training and awareness development (covering "Code of Ethical Management", "Ethical Corporate management Best Practice Principles" and "Procedures for the Prevention of Insider Trading") on topics associated with ethical management issues. A total of 702 employees took part totaling 1,053 hours. We also organized online/offline tests, covering the "Code of Ethical Management", "Ethical Corporate management Best Practice Principles" and "Procedures for the Prevention of Insider Trading" for all employees. In 2021, a total of 609 employees took the test and all of whom passed,	None None

			with a passing rate of 100%.	
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? (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? (III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?			(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 (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. (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.	
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
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/TPEx 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/TPEx 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.

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

The Company has formulated a corporate governance Code of Practice, Code of Ethical Management, 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.

(VIII) Other information that will help understand the state of corporate governance: Please visit the company website at: http://www.taisun.com.tw.

(IX) Implementation of the internal control systems:

1. Statement of Internal Control System

Taisun Enterprise Co., Ltd.

Declaration of internal control systems

Date: March 25, 2022

The Company's internal control system for 2021, 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 managers 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, 2021 (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, 2022, at which this Statement was unanimously endorsed by all 9 attending directors with zero dissention.

Taisun Enterprise Co., Ltd.

Chairman: Chan Ching-Chao Signature

Chairman: Tsai Cheng-Ta Signature

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

(X) 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.

(XI) 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 2021 shareholders meeting:

Date	Meeting type	Important resolutions	Implementation status
2021/8/18	Shareholders' Meeting	(1) Acknowledged the motion for 2020 business report and financial statements.	(1) Relevant forms have been submitted to the competent authority for inspection and announcement in accordance with Company Act and other relevant laws and regulations.
		(2) Acknowledged the motion for 2020 earnings distribution.	(2) The Company's net profit after tax in 2020 was NTD 851,077,855. According to the resolution of the shareholders meeting, the dividend per share was NTD 1.4. The ex-dividend date was set on September 28, 2021, and the payment was fully completed on October 21, 2021.
		(3) Motion for passing the amendments to the Company's Rules of Procedure for Shareholders Meetings.	(3) Effective from the resolution of the shareholders' meeting and has been announced on the Company's website.
		(4) Motion for passing the amendments to the Company's Methods for the Election of Directors.	(4) Effective after the resolution of the shareholders meeting.
2021/12/16	1st Extraordinary general meeting	(1) Passed the amendment to the Company's "Articles of Incorporation".	(1) Effective from the resolution of the shareholders' meeting and has been announced on the Company's website.
		(2) Re-election of directors (including independent directors).	(2) The elected directors and independent directors were approved for registration by the Ministry of Economic Affairs on January 19, 2022 and was announced on the Company's website.
		(3) Passed the motion for removal of the non-compete clause for newly elected directors (including independent directors) and their representatives.	(3) Effective after the resolution of the shareholders meeting.

2. Important resolutions of the Board of Directors in 2021 and as of the printing date of the annual report:

Date	Term	Important resolutions
2021/01/27	21st term 21st meeting	1. Passed the motion for 2020 year-end bonus for appointed managers. 2. Passed the motion for the suggestions on salary adjustment. 3. Passed the motion for the financing facility from the First Bank Nanjing East Road branch.
2021/03/08	21st term 22nd meeting	1. Passed the motion for the amendments to the Company's Rules of Procedure for Shareholders Meetings. 2. Passed the motion for the amendments to the Company's Methods for the Election of Directors. 3. Passed the motion for matters in relation to the Company's 2021 Annual Meeting of Shareholders. 4. Passed the motion for the establishment of a dedicated corporate governance unit and manager.
2021/03/25	21st term 23rd meeting	1. Passed the motion for the Company's 2020 distribution of remuneration to employees. 2. Passed the motion for the Company's 2020 distribution of remuneration to directors. 3. Passed the motion for the 2020 business report and financial statements. 4. Passed the motion for the 2020 profit distribution table. 5. Passed the motion for the amendments to the Company's Regulations Governing Procedure for Board of Directors Meetings. 6. Passed the motion for the amendments to the Company's Rules Governing the Scope of Powers of Independent Directors. 7. Passed the motion for the amendments to the Company's Audit Committee Charter. 8. Passed the motion for the amendments to the Company's Compensation Committee Charter 9. Passed the motion for the self-assessment result of the Company's internal control. 10. Passed the motion for the adjustment of the Company's CPAs in line with the accounting firm’s internal operation needs. 11. Passed the motion for the financing facility from Taiwan Cooperative Bank Xinyi Branch.
2021/05/11	21st term 24th meeting	1. Passed the motion for the Compensation Committee to recommend the 2020 distribution of remuneration to directors. 2. Passed the motion for the Compensation Committee’s recommendations for employee remuneration distribution for managers. 3. Passed the motion for the Compensation Committee’s recommendations for remuneration to newly appointed corporate governance manager. 4. Passed the motion for the financing facility from the First Bank Nanjing East Road branch.
2021/07/23	21st term 25th meeting	1. Passed the motion for changing the date of the Company's 2021 Annual Meeting of Shareholders. 2. Passed the motion for the financing facility from Hua Nan Bank Savings Branch.
2021/08/10	21st term 26th meeting	1. Passed the motion for the Company's financial statements for Q2 2021 2. Passed the motion for the motion for the Taisun Enterprise (Zhangzhou) Foods application fund loan amount. 3. Passed the motion for the financing facility from Bank of Taiwan Taichung Branch.
2021/09/03	21st term	1. 1. Passed the motion for the Company's distribution of the 2020 cash dividend-

	27th meeting	related matters.
2021/10/20	21st term 28th meeting	1. Passed the motion for the amendment to the Company's “Articles of Incorporation”. 2. Passed the motion for the election of directors (including independent directors). 3. Passed the motion for removal of the non-compete clause for newly elected directors (including independent directors) and their representatives. 4. Passed the motion for the first extraordinary general meeting-related matters in 2021.
2021/10/28	21st term 29th meeting	1. Passed the motion for recommendations and review of the candidate list of directors (including independent directors).
2021/11/09	21st term 30th meeting	1. Passed the motion for the Company's financial statements for Q3 2021 2. 2. Passed the motion for the financing facility from Kaohsiung Bank Taipei Branch.
2021/11/18	21st term 31st meeting	1. Passed the motion for review of the candidate list of directors (including independent directors) of the 22nd Board. 2. Passed the motion for the disposal of investment in equity in marketable securities.
2021/12/09	21st term 32nd meeting	1. Passed the motion for the Company's 2022 business plan. 2. Passed the motion for the Company's 2022 audit plan. 3. Passed the motion for the 2021 year-end bonus for appointed managers. 4. Passed the motion for the amendment to the Company's Related Party Transaction Measures. 5. Passed the motion for fees of CPAs. 6. Passed the motion for the financing facility from Taipei Fubon Bank.
2021/12/16	22nd term 1st meeting (unscheduled meeting)	1. Passed the motion for the election of the Company's chairman. 2. Passed the motion for the election of the Company's vice chairman. 3. Questions and Motions 4. Passed the motion for the appointment of the Company's general manager. 5. Passed the motion to authorize the Company's original representative Chan Yi-Houg to perform business on behalf of the Company during the 6. transitional period of change of registration and change of the Company's seal of the representative at the financial institution.
2022/01/25	22nd term 2nd meeting	1. Passed the motion for the appointment of the Compensation Committee members. 2. Passed the motion for recognition of the personnel change of vice general manager. 3. Passed the motion for submission of the personnel change of the spokesperson and acting spokesperson. 4. Passed the motion for submission of the accounting supervisor change. 5. Passed the motion for re-assignment of the representative of Taisun (Cayman) Investment Ltd.
2022/02/25	22nd term 3rd session	1. Passed the motion for matters in relation to the Company's 2022 Annual Meeting of Shareholders. 2. Passed the motion for remuneration to the independent directors of the 22nd Board. 3. Passed the motion for remuneration to the members of the Compensation Committee of the 5th term. 4. Passed the motion for remuneration to the members of the 22nd Board. 5. Passed the motion for remuneration to the general manager. 6. Passed the motion for remuneration distribution to employees for 2021. 7. Passed the motion for the establishment of the Company's 2021 distribution of remuneration to directors. 8. 8. Passed the motion for the financing facility from financial institutions. including Hua Nan Commercial Bank, etc.

2022/03/25	22nd term 4th session	1. Passed the motion for the Company’s 2021 business report and financial statements. 2. Passed the motion for the Company’s 2021 profit distribution table. 3. Passed the motion for the self-assessment result of the Company's internal control. 4. Passed the motion for the amendments to the Company's Procedures of the Acquisition or Disposal of Assets. 5. Passed the motion for the amendment to the Company’s Preparation Process Management Measures for Financial Statements 6. Passed the motion for the financing facility from DBS Bank Taiwan.

(XII) 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.

(XIII) 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.:

March 31, 2022

Title	Name	Date of appointment	End of appointment	Reason for resignation or dismissal
Chairman	Chan Yi-Houg	2016/04/25	2021/12/16	Elected to be the vice chairman after election of directors at the extraordinary meeting of shareholders held on 2021/12/16
General Manager	Chan Ching-Chao	2016/04/25	2021/12/16	Elected to be the chairman after election of directors at the extraordinary meeting of shareholders held on 2021/12/16
Accounting Supervisor	Yan Gu-Long	2016/06/06	2022/01/25	Duty adjustment

V. Information on fees for CPAs

(I) Information on fees for CPAs

Currency unit: NTD thousand

Name of accounting firm	Accountant name	Accountant review period	Audit professional expense	Non-audit professional expense	Total	Remarks
KPMG Taiwan	Huang Hsin-Ting	2021/01/01~ 2021/12/31	4,350	1,430	5,780	Non-audit fees were the assurance service for the 2020 CSR report, employee salary checklist for non-supervisors and English translation consolidated financial report expenses.
	Tseng Kuo-Yang					

(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.

VI. Information on replacement of CPAs:

In line with the auditing standards and the internal operations of KPMG, the original CPAs Tseng Kuo-Yang and Chen Chung-Che will be changed to CPAs Huang Hsin-Ting and Tseng Kuo-Yang from 2021.

(I) About the former CPAs

<table>
<tr><td>Replacement date</td><td colspan="5">From January 1, 2021</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">The person himself/herself
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 Huang Hsin-Ting and Tseng Kuo-Yang
Date of appointment	From 2021
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.

VII. 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.

VIII. 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:

Job title	Name	2021		**2022** as of March 31	
		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	Jing Xun Investment Industrial Corporation Limited	7,641,000	9,528,000	0	0
	Representative: Chan Ching-Chao	3,850,000	0	0	0
Director	Shen Yang Investment Corporation Limited	0	0	0	0
	Representative: Chan Yi-Houg	2,000	(1,000,000)	0	0
Director	Hongqiang Co., Ltd.	0	0	0	0
	Representative: Chan Hao-Jun	(922,000)	0	0	0
Director	Huang-Qiao-Lin Business Co., Ltd.	0	0	0	0
	Representative: Yin Chang-Chung	0	0	0	0
Director	Long Bon International Industrial Co., Ltd.	6,033,000	(2,481,000)	5,665,000	0
	Representative: Liu Wei-Lung	0	0	0	0
Director	Long Bon International Industrial Co., Ltd.	6,033,000	(2,481,000)	5,665,000	0
	Representative: Han Tai-Sheng	0	0	0	0
Independent Director	Chen Min-Hsun	0	0	0	0
Independent Director	Li Ming-Hui	0	0	0	0
Independent Director	Tu Ying-Ta	0	0	0	0
Director	Dechen Enterprise Co., Ltd.	0	0	0	0
	Representative: Chan Pei-Shan	0	0	0	0
Director	Chan Hao-Jun	(922,000)	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
General Manager	Chan Ching-Chao	3,850,000	0	0	0
General Manager	Tsai Cheng-Ta	0	0	0	0
Vice General Manager	Max Lei	0	0	0	0
Major shareholder	Long Bon International Co., Ltd.	6,033,000	(2,481,000)	5,665,000	0

Note 1: On December 16, 2021, directors (including independent directors) were elected on the extraordinary meeting of shareholders. The director of Jing Xun Investment Industrial Corporation Limited and representative Chan Ching-Chao and Shen Yang Investment Corporation Limited and representative Chan Yi-Houg assumed office. The term for the director of Dechen Enterprise Co., Ltd. and representatives Chan Pei-Shan and Chan Hao-Jun ended. The term for the independent directors Wu Chieh-Hsin, Sun Chu-Wei and Hsu Yung-Chang ended. On the same day, director Hongqiang Co., Ltd. and representative Chan Hao-Jun, Huang-Qiao-Lin Business Co., Ltd. and representative Yin Chang-Chung, Long Bon International Industrial Co., Ltd. and representative Liu Wei-Lung and Long Bon International Industrial Co., Ltd. and representative Han Tai-Sheng, and independent directors Chen Min-Hsun, Li Ming-Hui, and Tu Ying-Ta were elected as new directors.

Note 2: Chan Ching-Chao was elected to be the chairman and Tsai Cheng-Ta was promoted to be the general manager after election of directors at the extraordinary meeting of shareholders held on 2021/12/16.

(II) Information on equity transfer with related parties: None.

(III) Information on pledge of shares with related parties: None.

IX. Information about the relationships of the ten largest shareholders

March 28, 2022; 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.	134,728,000	26.95%	0	0	31,434,000	6.29%	Baosheng Investment	Subsidiary	
Representative of Long Bon International Co., Ltd.: Liu Wei-Lung	0	0	0	0	0	0			
Baosheng Investment Co., Ltd.	31,434,000	6.29%	0	0	0	0	Long Bon International	Parent Company	
Representative of Baosheng Investment Co., Ltd.: Liu Wei-Lung	0	0	0	0	0	0			
Ju-You Investment Co., Ltd.	25,149,000	5.03%	0	0	0	0	None	None	
Representative of Ju-You Investment Co., Ltd.: Lee Yueh-Chuan	63,235	0.01%	0	0	0	0	None	None	
Hongya Investment Co., Ltd.	21,129,161	4.23%	0	0	0	0	None	None	
Representative of Hongya Investment Co., Ltd.: Chan Jen-Dao	2,715,007	0.54%	2,083,925	0.42%	0	0	None	None	
Wang Kuei-Tseng	17,212,628	3.44%	0	0	0	0	None	None	
Yuanta Commercial Bank, entrusted with the special property account of Taisun Enterprise Trust	13,675,006	2.74%	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	0.10%	6,470,862	1.29%	0	0	Chan Ching-Chao	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.: Chan Ching-Chao	6,459,862	1.29%	511,000	0.10%	0	0	Gao Li-Li	Spouse	
Chiu, Hsien-Tao	7,350,000	1.47%	0	0	0	0	Kandlee Trading Co.,Ltd.	Representative	
Kandlee Trading Co., Ltd.	7,036,629	1.41%	0	0	0	0	Chiu, Hsien-Tao	Representative	
Representative of Kandlee Trading Co.,Ltd.: Chiu, Hsien-Tao	7,350,000	1.47%	0	0	0	0	None	None	

X. 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 %

Four. Fundraising Overview

I. Capital and Shares

(I) Sources of Capital

1. Outstanding shares

Unit: NTD; Shares; March 31, 2022

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	7/22/1994 MoF Approval No. 32429
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	10/6/1995 MoF Approval No. 53656
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	7/3/1997 MoF Approval No. 52403
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	4/10/1998 MoF Approval No. 29954
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	6/19/1998 MoF Approval No. 53285
	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	7/19/2004 FSC Approval No. 0930132148
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	11/8/2004 TWSE No. 0930028439
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	7/21/2005 FSC Approval No. 0940129697
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	12/16/2005 MOEA No. 09401247040
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	7/10/2006 FSC Approval No. 0950129435
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	7/6/2010 FSC Approval No. 0990034916
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	7/5/2011 FSC Approval No. 1000031055
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	7/2/2012 FSC Approval No. 1010029034
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	11/8/2017 FSC Approval No. 1060041370
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	

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 27, 2022

Shareholder structure / Amount	Government agency	Financial institution	Other Legal entity	Individual	Foreign institutions and foreign individuals (Note)	Total
Number of individuals	2	3	263	58,727	101	59,099
Number of shares held	65	13,894	294,171,176	193,037,825	12,776,078	499,999,038
Shareholding ratio	0.00%	0.01%	58.84%	38.60%	2.55%	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 27, 2022

Ownership range	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	42,826	2,955,115	0.59%
1,000 to 5,000	13,252	25,818,266	5.16%
5,001 to 10,000	1,679	13,006,577	2.60%
10,001 to 15,000	469	5,839,060	1.17%
15,001 to 20,000	254	4,687,874	0.94%
20,001 to 30,000	216	5,374,084	1.07%
30,001 to 40,000	89	3,106,269	0.62%
40,001 to 50,000	56	2,576,319	0.52%
50,001 to 100,000	91	6,422,450	1.28%
100,001 to 200,000	51	7,472,775	1.49%
200,001 to 400,000	34	9,608,521	1.92%
400,001 to 600,000	16	7,385,888	1.48%
600,001 to 800,000	11	7,717,946	1.54%
800,001 to 1,000,000	3	2,771,663	0.55%
1,000,001 and up	52	395,256,231	79.05%
Total	59,099	499,999,038	100.00%

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

(IV) List of major shareholders

March 27, 2022

Shares / Name of major shareholder	Number of shares held	Shareholding ratio
Long Bon International Industrial Co., Ltd.	134,728,000	26.95%
Baosheng Investment Co., Ltd.	31,434,000	6.29%
Ju-You Investment Co., Ltd.	25,149,000	5.03%
Hongya Investment Co., Ltd.	21,129,161	4.23%
Wang Kuei-Tseng	17,212,628	3.44%
Yuanta Commercial Bank, entrusted with the special property account of Taisun Enterprise Trust	13,675,006	2.74%
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	7,350,000	1.47%
Kandlee Trading Co., Ltd.	7,036,629	1.41%

(V) Per share data for market price, net worth, earnings, and dividends

Unit: NTD/share

Item \ Year			2020	2021	Current year ended March 31, 2022 (Note 8)
Market price per share (Note 1)	High		28.45	34.55	28.45
	Low		18.00	26.00	27.00
	Average		22.95	28.55	27.67
Net worth per share (Note 2)	Before distribution		14.46	14.36	-
	After distribution		13.01	14.36	-
Earnings per share	Weighted average number of shares		486,393	486,393	-
	Earnings per share (Note 3)		1.75	1.22	-
Dividends per share	Cash dividends		1.40	1.00	-
	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)		13.11	23.40	-
	Price/dividends ratio (Note 6)		16.39	28.55	-
	Cash dividend yield (Note 7)		6.10%	3.50%	-

＊ 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 board meeting or 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 2022.

(VI) Company dividend policies and implementation status

1. Dividend policy stipulated in the Company's Articles of Incorporation:
   Currently, the Company's industry is well-developed with a stable profit. However, due to the significant expansion of production capacity and vertical development plans in the next few years, the distribution of earnings or deficit compensation may be conducted after the end of each quarter. Where the earnings are paid out in cash, it shall be approved by the Board of Directors and reported to the shareholders' meeting without submitting it to the shareholders' meeting for ratification in accordance with the provisions of Article 228-1 and Article 240, Paragraph 5 of the Company Act. Where there are earnings in the quarterly financial statements, the amount for tax payables shall be estimated and reserved before the cumulative deficits are compensated; then, 10% of the balance shall be set aside for the legal reserve unless when the legal reserve has reached the amount of the Company's paid-in capital. After an amount has been provided for the special reserve or the special reserve has been reversed in accordance with the Company's operational needs and laws and regulations, if there is still a balance, the Board of Directors shall make a proposal to distribute the balance and the cumulative undistributed earnings at the beginning of the period. Cash dividend to be distributed shall not be less than 30% of the total dividends to be distributed. 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 2021 earnings distribution, the board resolution on March 25, 2021 was as follows:
   Ordinary stock dividends: A cash dividend of NT$1.0 per share and stock dividend of NTD 0. After the earnings distribution table is passed by the Annual Meeting of Shareholders, the ex-dividend record date is authorized to be set by the Chairman 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 2021, it is proposed to appropriate NT$34,500,000 as employee remuneration and NT$27,000,000 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: 2021
Board approval date: February 25, 2022 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
34,500,000	0	0	34,500,000	27,000,000	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 2021 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: 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 amounts of the above board resolutions have been expensed in 2020, 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 2021 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:

The Company's previous issuances of marketable securities or privately placed marketable securities have all been completed. There have been no cases which planned benefits have not yet emerged in the past three years.

Five. 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 Cosmetics39 JZ99050 Agency Services
39. C113011 Alcoholic Manufacturing
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	58 %
Feed products	4%
Food products	34 %
Other	4%

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.

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 and Nuts Effect Almond Milk.

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 investee 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 ESG concept of environmental sustainability by switching from bagged feed to bulk feed. In 2021, we successfully reduced 15,972kg 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.

In a bid to enhance the lab's testing professional capability, meet the requirements of quality consistency and improve the Company's corporate image, we have introduced the ISO/IEC 17025 Testing Laboratory and was certified by TAF on June 15, 2021.

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 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. 2021/08/05 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.

C. 2021/12/04 Beidou Farm won the second place in the average brand price of excellent meat by Changhua Meat Market.

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
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, Black Tea, Barley Green Tea, Lemon Water, Oatmeal with Chickpea, Mixed Congee Pumpkin & Quinoa (3) Sparkling Water: Lemon Sparkling Water, Mango Sparkling Water
2021	(1) Refrigerated food: IP Agar Winter Melon & Lemon QQ and PE Original and Unsweetened Almond Milk (2) Room temperature food: Mesona Tea, Nine0 Theory, Sea Salt Lychee, Honey & Lemon Water, PET Passionate Black Tea for audit consumer, Fresh Orange Green Tea (3) Sparkling water: Fruit Vinegar Bubble Drink, Cheers Lemon (4) BIB beverage machine concentrate: Apple Flavor Vinegar

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	2021	2022 as of March 31
Total cost	16,656	6,051

(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 (Safe Quality Food) 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.

From March 2021, our pork is sold in Carrefour in vacuum skin packaging (to reduce the use of plastic). The partner of Beidou Farm Shang Lee Food also begun its production in March 2021.

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. To respond to international environmental protection trends and the issue of plastic reduction to protect marine life, we have built a new generation of iron and aluminum can production line to deepen the Company's manufacturing strengths to make canned drinks.

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 and sunflower oil with a health label, 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. ESG 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 ESG concept of environmental sustainability by switching from bagged feed to bulk feed.

Food products: The brands Cheers, Taisun Bing Jeon, and Taisun Pure Water are the main brands of packaged water beverages. At the same time, our Cha Street creates classic flavors of hand-shake drinks that now can be sipped on 24 hours a day. 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. Our “Oatmeal Congee” is the only sugar-free canned congee product available on the market. Without adding coloring or other food additives, consumers are able to enjoy simple food without body burden. By following the trend of plant-based milk, we have launched “Nuts Effect Almond Milk”, centering the brand’s core idea of “drinking nuts” and continuing to make a name for ourselves in the refrigerated beverage market. As sports trends are increasingly prevalent in Taiwan, we launched “Salt Supply” to differentiate ourselves from other peers, further dominating the sports supplement beverage market. 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. As well as this, our “Big Straw” brand also launched Agar Winter Melon & Lemon QQ with brand new packaging, both have successfully attracted 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	47%	38%	15%	(Included in South)	—
Soy flour	0%	98%	2%	—	—
Feed products	7%	23%	70%	—	—
Food and beverages	56%	21%	4%	(Included in South)	**19%**

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 in 2020, 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 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 growth 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, as the main aquatic product market is in the South, it is not easy to compete with feed manufacturers in that region due to increased transportation fuel prices as impacted by COVID-19. 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+3 demand will be stocked in advance to share the solid cost, and the burden of 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. Rental of aquatic feed warehouses for finished products to facilitate distribution needs.

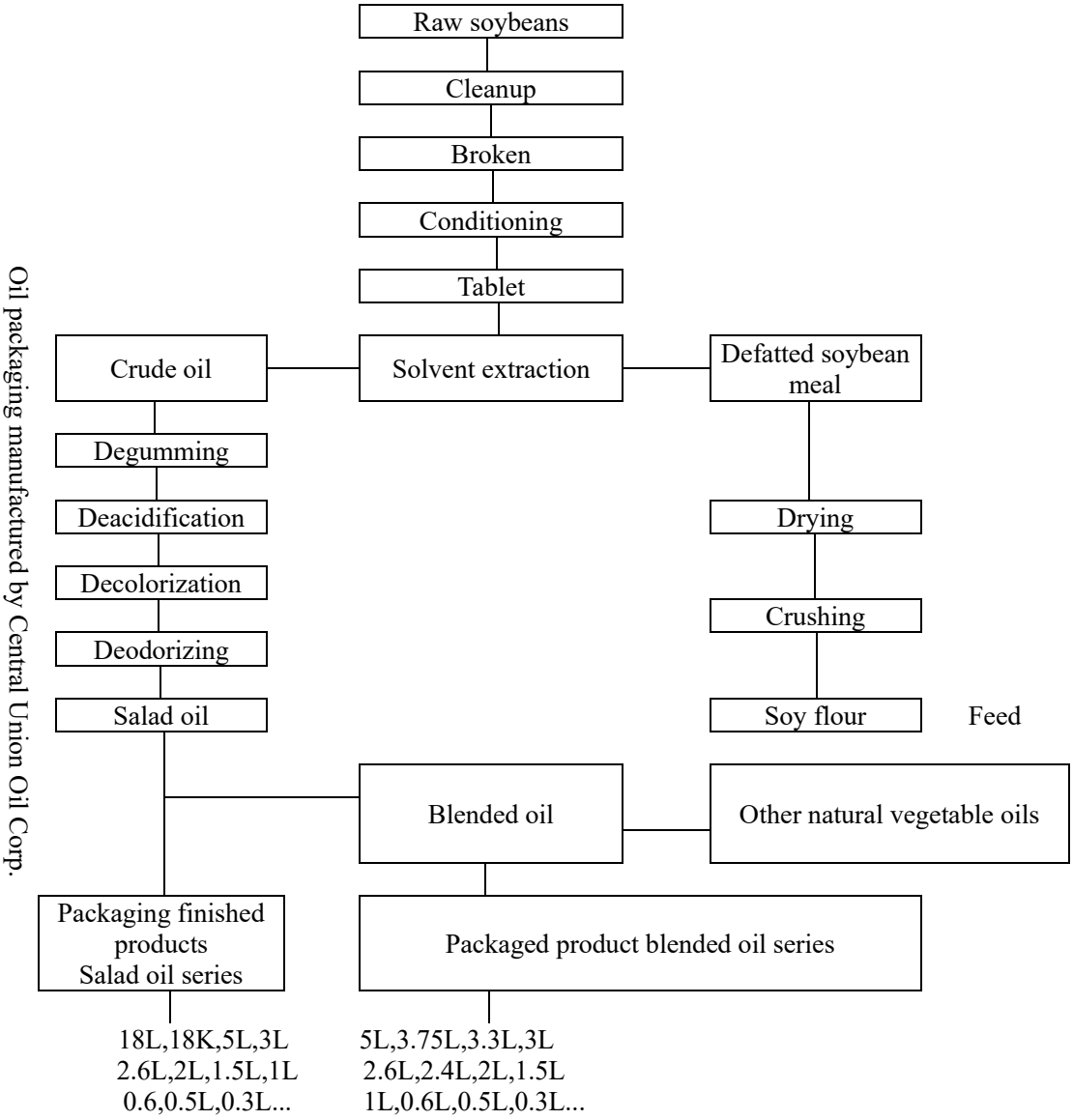
Food and beverages	A. With more than 12 major brands, the quality is trusted by consumers, including Taisun Mixed Congee, Taisun Grass Jelly, Taisun Pure Water, Taisun Bing Jeon, Taisun TwistWater, Cheers, Woo Tang, Cha Chi Chu, Big Straw, BUFF, Cha Street, Nuts Effect Almond Milk, and so on. B. Possessing 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. E. Enter into aluminum can and gas technology.	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:

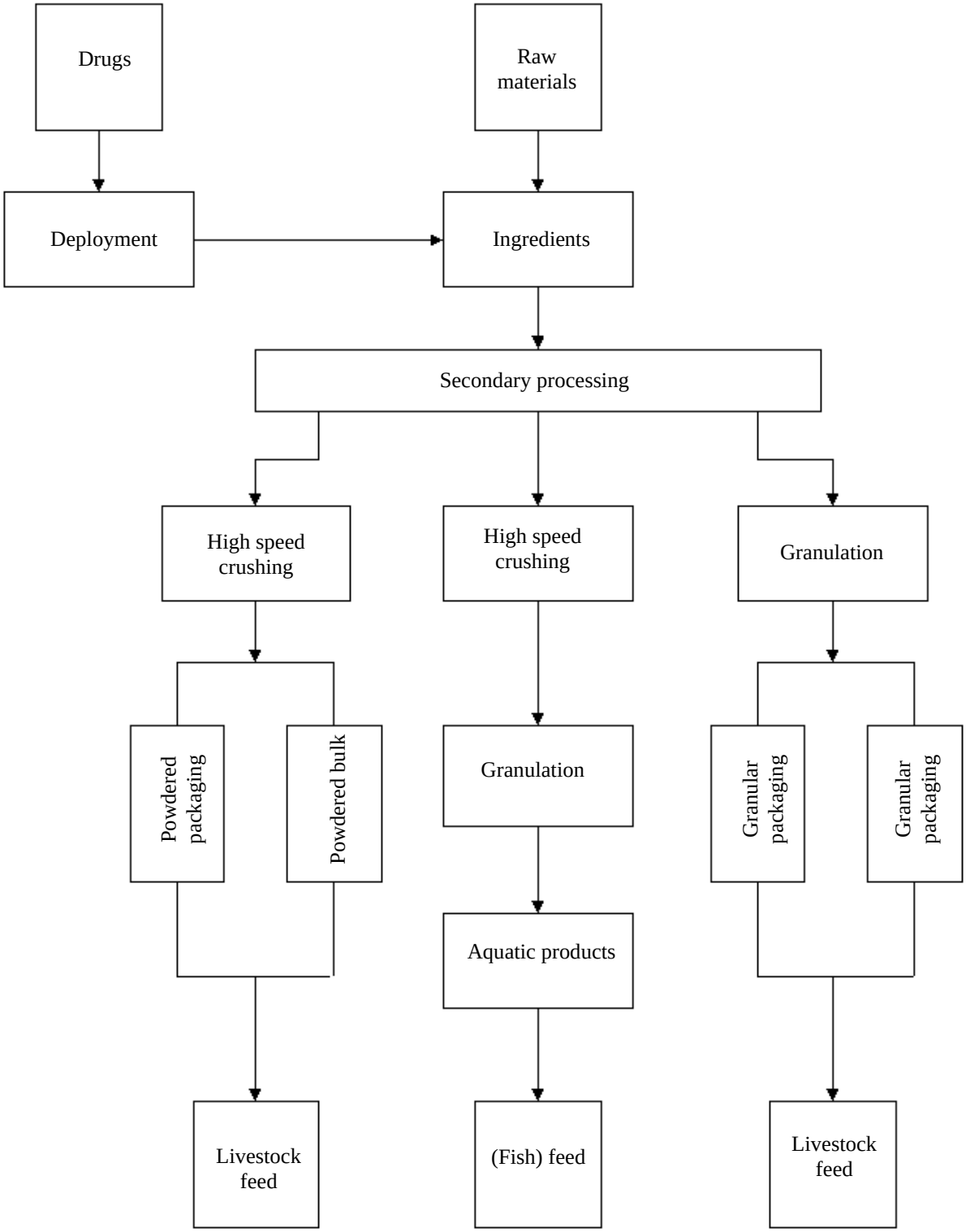
- Oil products: Soybean flour (for feed ingredients), salad oil (for household and restaurant cooking).
- Feed products: Various forms of aquatic feed.
- Food and beverages: Snacks that can be eaten when opened, and thirst quenching solutions in an open bottle.

2. Production processes of main products

(1) Production process of the oil factory

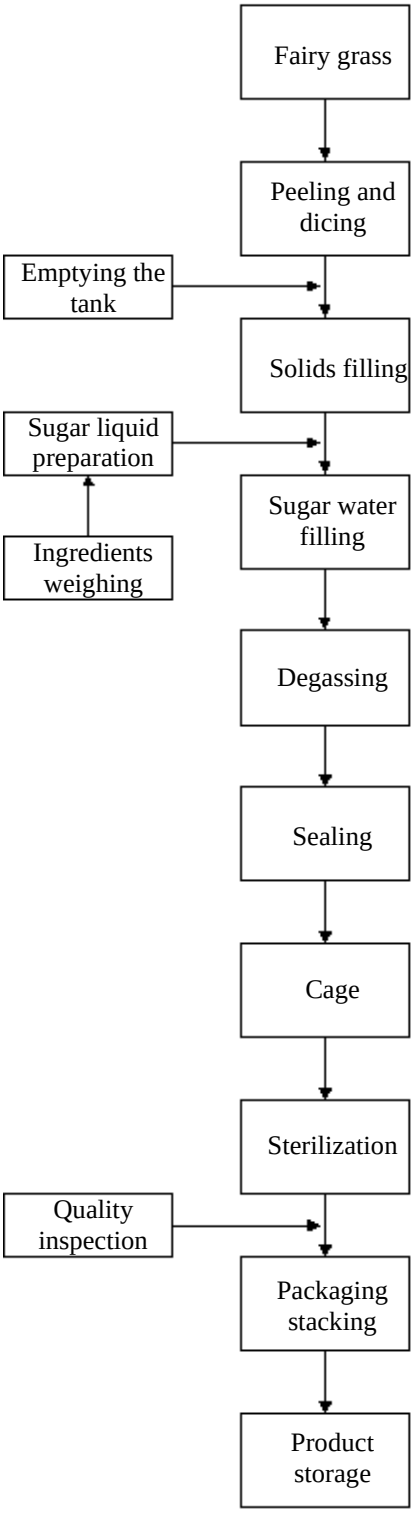


(2) Production flow chart of feed factory

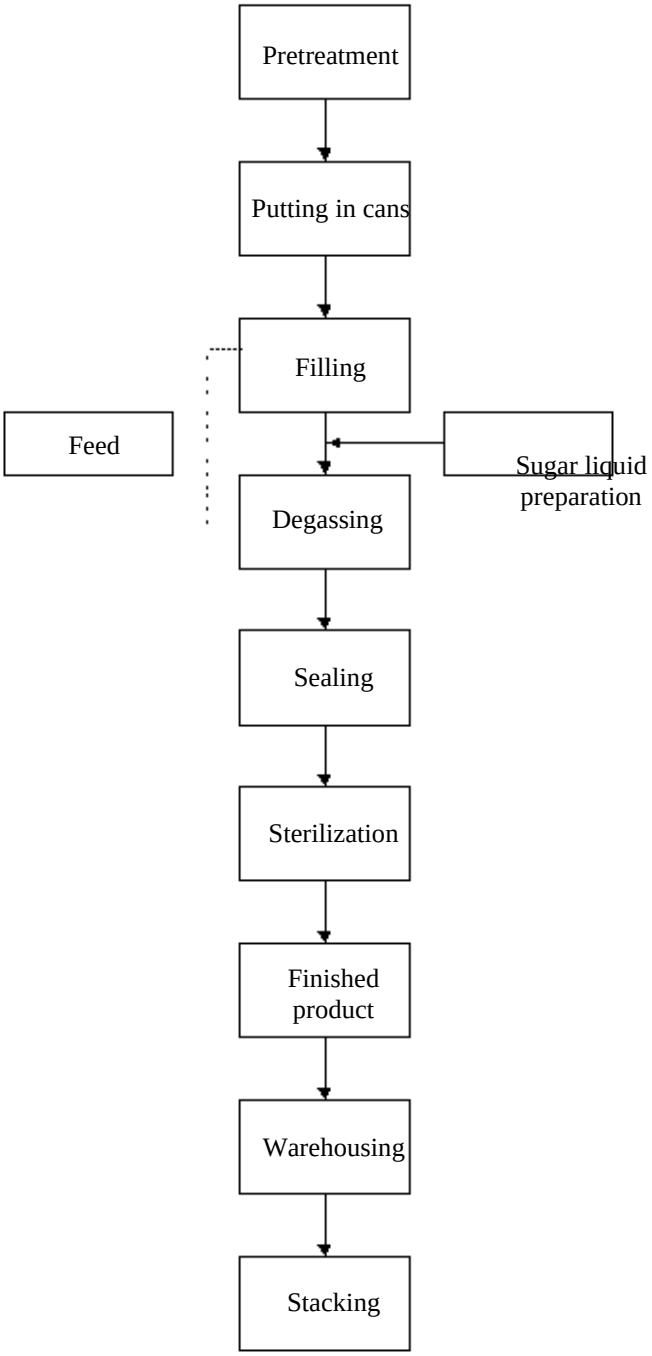


(3) Process drawing of main products of food factory

A. Grass Jelly



B. Mixed congee



(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

	2020				2021				2022 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	100194	531,116	8.34	Non-related person	100188	869,156	10.96	Non-related person	—	—	—	—
2	100188	459,612	7.22	Non-related person	100783	545,996	6.88	Non-related person	—	—	—	—
3	100189	421,864	6.62	Non-related person	100702	531,460	6.70	Non-related person	—	—	—	—
4	Other	4,955,884	77.82		Other	5,984,550	75.46		—	—	—	—
	Net purchase	6,368,476	100		Net purchase	7,931,162	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 2022.

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

	2020				2021				2022 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	1,823,847	21.83	Related person	C0002	2,625,270	26.40	Related person	—	—	—	—
2	C1000-H002	710,791	8.50	Non-related person	C1000-H002	732,226	7.36	Non-related person	—	—	—	—
3	C0003	427,822	5.12	Related person	C0003	389,980	3.92	Non-related person	—	—	—	—
4	Other	5,393,665	64.55		Other	6,197,502	63.32		—	—	—	—
	Net sales	8,356,125	100		Net sales	9,944,978	100		—	—	—	—

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 2022.

Reasons for the increase or decrease in major sales customers compared with last year: There is a slight difference between major sales customers compared with last year due to the impact of COVID-19.

(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)	2021			2020		
	Capacity	Yield	Output value	Capacity	Yield	Output value
Oil factory	240,000	229,613	5,153,486	240,000	227,343	3,808,427
Feed mill	36,000	16,833	369,448	36,000	17,519	334,291
Food factory	28,055	15,880	2,438,539	27,191	14,664	2,234,345
Service			387,881			401,772
Lease			1,392			2,317
Total			8,350,746			6,781,152

(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)	2021				2020			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Oil factory	243,900	5,671,054			241,260	4,410,951		
Feed mill	16,720	404,947			17,598	370,321		
Food factory	13,476	3,112,201	2,332	333,159	12,667	2,867,670	1,753	261,614
Service		415,952				439,210		
Lease		7,665				6,359		
Total		9,611,819		333,159		8,094,511		261,614

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

Year		2020	2021	Through year end March 31, 2022
Number of employees	Employee	610	610	590
	Technical staff	140	142	137
	Managers	181	184	191
	Total	931	936	918
Average age		42.18	42.57	42.84
Average years of service		9.93	10.06	10.00
Education distribution ratio	PhD	0%	0%	0%
	Master Degree	6.44%	6.73%	6.43%
	University	43.29%	45.3%	45.32%
	Senior High School	34.80%	35.79%	36.38%
	Below high school	15.47%	12.18%	11.87%

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	2021	2022 as of the printing date of the annual report
Type of condition	None	None
Sanctioning unit	None	None
Penalty amount	$0	$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 in 2020, 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.

(3) 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	2021	2022
Equipment and operating costs	NTD 7.9 million	NTD 8.4 million
Packaging material environmental protection fees	NTD 44.76 million	NTD 45.2 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.

Although we reduced internal and external physical training courses in 2021 due to the impact of COVID, we continued to provide diverse learning. This includes courses of strategies for senior supervisors, courses on management functions for supervisors at all levels, courses for core functions and general knowledge courses for all employees, training courses for newcomers, as well as online article sharing, provided all COVID-19 measures were followed. In 2021, a total of 8,581 received training courses, totaling 10,043.8 hours.

(1) In line with the Company's strategy, we advocate education on the " Code of Ethical Management and Code of Conduct" and the "Prevention of Insider Trading" to prevent lawsuits or reputational damage caused by employees' lack of knowledge of or intentional violation of laws and regulations.

(2) On par with future environmental protection, carbon reduction and global trends, we organized a strategic course on "Carbon Inventory Education and Training" and invited experts to guide the carbon inventory in order to build up basic management capability for carbon calculation. By doing this, we are able to facilitate effective carbon reduction management so as to work toward the goal of obtaining ISO 14064-1 international standard verification.

(3) We held "Deep Communication and Expression Techniques" course to enable employees to build positive mindsets, common values and common language. By implementing vertical interdepartmental communication and horizontal cross-departmental

communication, we are able to keep abreast key conversations and communicate effectively in critical moments of interpersonal interaction and coordination.

(4) Education and training on healthy and safe workplace is organized, including newcomer occupational safety and health courses, education and training on workplace safety protection, as well as all-round muscle training. In doing so, we raise our employees' awareness of workplace safety and participation in healthy activities.

(5) In response to changes brought alone by COVID-19 such as remote work and mobile office, we have increased the number of online learning articles shared. As well as this, we also introduced digital learning resources (Leader Campus) that are not limited to physical classroom courses to assist supervisors in achieving "timely learning" by the microlearning approach. The courses cover extensive ranges including trend insight, general knowledge, professional skills, leadership management and digital transformation. These courses complement the needs of management functions of supervisors at each level and develop their capabilities to learn and think across boundaries.

■2021 Employee Training (Employee Type)

Gender	No. of Persons	Persons / Hours	Supervisors	Production Personnel	Marketing Personnel	Administrative Personnel	Total	Average
Male	391	No. of Persons	2,559	1,812	559	365	5,295	
		Proportion	77.1%	59.0%	34.9%	61.9%	61.7%	
		No. of Hours	2,146.8	2,463.6	753.1	547.5	5,911.0	15.1
		Proportion	71.2%	61.0%	36.6%	58.6%	58.9%	
Female	252	No. of Persons	761	1,257	1,043	225	3,286	
		Proportion	22.9%	41.0%	65.1%	38.1%	38.3%	
		No. of Hours	866.3	1,577.0	1,302.5	387.0	4,132.8	16.4
		Proportion	26.1%	51.4%	81.3%	65.6%	48.2%	
Total	643	No. of Persons	3,320	3,069	1,602	590	8,581	
		No. of Hours	3,013.1	4,040.6	2,055.6	934.5	10,043.8	15.6

■2021 Employee Training (Function)

Gender	Training System	Self-Motivation	Professional Functions	Liberal Education	Strategic	Newcomer Training	Management Functions	Total
Male	No. of Persons	205	311	4,394	48	225	112	5,295
	Proportion	35.0%	15.0%	73.0%	19.5%	61.6%	14.6%	52.7%
	No. of Hours	205.0	1,202.5	3,551.0	143.5	226.0	583.0	5,911.0
	Proportion	35.0%	58.2%	59.0%	58.3%	61.9%	76.2%	58.9%
Female	No. of Persons	380	210	2,458	34	139	65	3,286
	Proportion	65.0%	40.3%	35.9%	41.5%	38.2%	36.7%	38.3%
	No. of Hours	380.0	864.5	2,464.8	102.5	139.0	182.0	4,132.8
	Proportion	65.0%	41.8%	41.0%	41.7%	38.1%	23.8%	41.1%
Total	No. of Persons	585	521	6,852	82	364	177	8,581
	No. of Hours	585.0	2,067.0	6,015.8	246.0	365.0	765.0	10,043.8

3. Retirement system and implementation

Our retirement application and grant standards are handled in accordance with the "Labor Standards Act" and "Labor Pension Act". Prior to retirement, we organize a farewell party for the employee who is due to retire and such employee will be awarded a "Taisun Achievement" medal as a token of our gratitude and blessings. Employees who opt for the new pension system - their years of service will be retained and their pension paid upon retirement in accordance with the Workers' Retirement Reserve Funds. The years of service for those who opt for the new system will be subject to the requirements of the "Labor Pension Act",

meaning 6% of their monthly pension contributions is paid to their personal labor pension account set up by the Bureau of Labor Insurance. Since 2020, wage contributions have been adjusted every three months, better than twice a year prescribed by the law. In doing this, we ensure that the employees' retirement contributions are more consistent with their wages. Contributions for employees who opt for the old pension system are allocated in accordance with Article 56 of the "Labor Pension Act". At present, the account balance exceeds the demand by a large amount. In order to protect the rights and interests of our employees for their future retirement, 2% of their monthly wages is allocated to the pension reserve account of Bank of Taiwan. As the account has excess reserves, based on the idea of the revitalization of retirement management, and take into account operational needs, manpower needs and legacy, we consult employees who have served the Company for over 30 years for their willingness to be rehired after their seniority is settled by retiring. By taking this approach, employees are able to use their pension in advance and continue to work for the Company and be eligible for contributions under the new labor pension system.

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. The main management framework of the Committee includes personnel management, equipment management and environmental management.

(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 881 person-times and 1208.5 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. Information Security Management

(I) Provides the cyber security risk management framework, Cyber Security Policy, specific management plans and cyber security management resources invested:

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

1. Cyber security management strategy and structure

(1) Information security organization and operations:

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. Beneath them, there are information security task team, information security audit team, and emergency response team. These teams coordinate information security-related policy formulation, implementation, risk management and compliance audits. The top supervisor of the information security management committee reports to the Board of Directors on the effectiveness of information security management and information security-related issues and directions on an annual basis.

We implement the information security strategy formulated by the information security management committee to ensure that the internal personnel comply with information security-related guidelines, procedures and regulations. Furthermore, the information security management committee holds a review meeting every 6 months to go over and resolve the information security policy, implementing the effectiveness of the security management measures. The information security audit performs an internal audit every 6 months, while the Company's audit department performs an information security audit 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.

(2) Information security policy:

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. According to the planning, implementation, audits and action management cycle, the applicability of the information security policy and protection measures are examined. ❶Additionally, the implementation status is regularly reported back to the information security management committee to further ensure the continuous operation of business activities and the 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) Specific 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

2. Cyber security risks and response measures:

Although we have built network and computer-related information security protection measures, we cannot guarantee that the Company's computer systems with important operations and accounting and other functions are completely protected from network attacks by third-party systems. Under the situation of a serious cyber, our system may lose important company data and shipments may also suffer. Malicious hackers are able to attempt to import computer viruses and ransomware into our network systems to interfere with operations of the Company. They may also extort or blackmail to gain control over computer systems or to spy on confidential data. These attacks may cause the Company to suffer as a result of delayed or interrupted orders, leading to the Company having to compensate the customer for losses. As well as this, such occurrence may also expose the Company to liability with respect to legal investigations arising from leaks of information from employees, customers or third parties, to whom the company has a duty of confidentiality. At Taisun, we continue to review and evaluate our information security rules and procedures and introduce new technologies to enhance endpoint protection and information protection, strengthen employees' information security awareness and social engineering exercises. By making this effort, we ensure the suitability and effectiveness of the rules.However, we cannot guarantee that the

Company will not be impacted by new risks and attacks in the face of rapidly changing information security threats.

(II) Losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated: None.

VII.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
Repayment of long-term borrowings	Jih Sun International Bank	2020.10.30-2023.07.21	Guaranteed loans	As stipulated in the credit agreement
Repayment of long-term borrowings	Taishin Bank	2020.11.04-2023.11.03	Guaranteed loans	As stipulated in the credit agreement
Repayment of long-term borrowings	DBS Bank	2021.10.15-2024.10.15	Credit loans	As stipulated in the credit agreement

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)					Current year ended March 31, 2022 Financial information (Note 4)
		2021	2020	2019	2018	2017	
Current assets		4,581,044	3,218,671	3,561,612	3,311,667	2,798,150	No relevant information
Disposal of property, plant and equipment (Note 2)		1,947,298	1,798,417	1,714,062	1,680,695	1,787,703	
Intangible assets		1,869	4,411	7,045	11,035	25,062	
Other assets (Note 2)		4,108,065	4,218,766	3,946,628	3,803,605	2,871,098	
Total assets		10,638,276	9,240,265	9,229,347	8,807,002	7,482,013	
Current liabilities	Before distribution	2,361,918	1,375,246	1,698,218	2,016,635	1,836,438	
	After distribution	(Note 3)	2,075,245	2,148,217	2,416,634	2,036,438	
Non-current liabilities		1,285,231	833,417	925,956	387,658	1,823,586	
Total liabilities	Before distribution	3,647,149	2,208,663	2,624,174	2,404,293	3,660,024	
	After distribution	(Note 3)	2,908,662	3,074,173	2,804,292	3,860,024	
Shareholders Equity Attributable to Parent Company		6,985,982	7,026,465	6,599,888	6,397,441	3,816,696	
Share capital		4,999,990	4,999,990	4,999,990	4,999,990	3,558,323	
Additional paid-in capital		993,134	974,083	961,786	950,900	29,463	
Retained earnings	Before distribution	1,302,687	1,332,145	949,056	774,810	468,298	
	After distribution	(Note 3)	632,146	499,057	374,811	268,298	
Other equity interest		(105,953)	(75,877)	(107,068)	(124,383)	(35,512)	
Treasury shares		(203,876)	(203,876)	(203,876)	(203,876)	(203,876)	
Non-controlling interests		5,145	5,137	5,285	5,268	5,293	
Total equity	Before distribution	6,991,127	7,031,602	6,605,173	6,402,709	3,821,989	
	After distribution	(Note 3)	6,331,603	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 2021 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 2022.

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, 2022 (Note 4)
		2021	2020	2019	2018	2017	
Current assets		4,100,485	2,874,130	3,244,320	3,114,566	2,409,053	Not applicable
Disposal of property, plant and equipment (Note 2)		1,677,382	1,529,582	1,427,406	1,382,914	1,389,605	
Intangible assets		1,730	4,225	6,911	9,998	20,955	
Other assets (Note 2)		4,446,681	4,427,100	4,064,457	3,880,765	2,885,954	
Total assets		10,226,278	8,835,037	8,743,094	8,388,243	6,705,567	
Current liabilities	Before distribution	1,963,540	982,967	1,228,206	1,617,519	1,375,74	
	After distribution	(Note 3)	1,682,966	1,678,205	2,017,518	1,575,745	
Non-current liabilities		1,276,756	825,605	915,000	373,283	1,513,126	
Total liabilities	Before distribution	3,240,296	1,808,572	2,143,206	1,990,802	2,888,871	
	After distribution	(Note 3)	2,508,571	2,593,205	2,390,801	3,088,871	
Share capital		4,999,990	4,999,990	4,999,990	4,999,990	3,558,323	
Additional paid-in capital		993,134	974,083	961,786	950,900	29,463	
Retained earnings	Before distribution	1,302,687	1,332,145	949,056	774,810	468,298	
	After distribution	(Note 3)	632,146	499,057	374,811	268,298	
Other equity interest		(105,953)	(75,877)	(107,068)	(124,383)	(35,512)	
Treasury shares		(203,876)	(203,876)	(203,876)	(203,876)	(203,876)	
Total equity	Before distribution	6,985,982	7,026,465	6,599,888	6,397,441	3,816,696	
	After distribution	(Note 3)	6,326,466	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 2021 has yet to be approved by the shareholders meeting.
Note 4: There is no unconsolidated financial report for the first quarter of 2022, 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, 2022 (Note 2)
	2021	2020	2019	2018	2017	
Operating revenue	9,944,978	8,356,125	8,000,584	7,901,670	7,681,801	No relevant information
Operating margin	1,536,158	1,640,499	1,455,470	1,432,073	1,331,657	
Operating income (loss)	209,357	316,542	160,207	90,336	(36,380)	
Non-operating revenue and expenditures	426,279	589,508	461,429	401,124	380,522	
Net profit (loss) before tax	635,636	906,050	621,636	491,460	344,142	
Net profit (loss) for the period from continuing operations	592,011	851,541	582,201	464,682	317,272	
Losses from discontinued business units	—	—	—	—	—	
Net profit (loss) for the current period	592,011	851,541	582,201	464,682	317,272	
Other comprehensive incomes in current period (net of taxation)	48,669	12,979	9,506	(30,038)	(1,587)	
Total comprehensive profit and loss for the current period	640,680	864,520	591,707	434,644	315,685	
Net profit attributable to owners of the parent company	591,827	851,078	582,073	464,443	316,971	
Net profit attributable to non-controlling interests	184	463	128	239	301	
Total comprehensive profit and loss attributable to the owners of the parent company	640,465	864,279	591,560	434,433	315,378	
Total comprehensive profit and loss attributable to non-controlling interests	215	241	147	211	307	
Earnings per share	1.22	1.75	1.2	0.98	0.93	

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 2022.

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

Item \ Year	Financial data for the last five years (Note 1)					Financial information for the year ended March 31, 2022 (Note 2)
	2021	2020	2019	2018	2017	
Operating revenue	8,622,713	7,140,795	6,837,543	6,813,636	6,423,969	Not applicable
Operating margin	1,015,577	1,157,324	1,008,828	998,402	870,928	
Operating income (loss)	111,324	235,850	117,174	65,305	(43,446)	
Non-operating revenue and expenditures	516,800	664,282	494,545	421,301	384,117	
Net profit (loss) before tax	628,124	900,132	611,719	486,606	340,671	
Net profit (loss) for the period from continuing operations	591,827	851,078	582,073	464,.443	316,971	
Losses from discontinued business units	—	—	—	—	—	
Net profit (loss) for the current period	591,827	851,078	582,073	464,443	316,971	
Other comprehensive incomes in current period (net of taxation)	48,638	13,201	9,487	(30,010)	(1,593)	
Total comprehensive profit and loss for the current period	640,465	864,279	591,560	434,433	315,378	
Earnings per share	1.22	1.75	1.2	0.98	0.93	

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 2022, so it is not applicable.

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

Year	Name of CPA	Auditor 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
2021	Huang Hsin-Ting, Tseng Kuo-Yang	Unqualified Opinion

In line with Standards on Auditing and internal operations of the accounting firm, the Company’s financial report auditing CPAs have been replaced by
Huang Hsin-Ting and Tseng Kuo-Yang from Tseng Kuo-Yang and Chen Chung-Che from 2021.

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, 2022 (Note 2)
		2021	2020	2019	2018	2017	
Financial structure (%)	Debt to assets ratio	34.28	23.90	28.43	27.30	48.92	No relevant information
	Ratio of long-term funds to property, plant and equipment	424.75	437.04	439.06	403.71	315.5	
Solvency %	Current ratio	193.95	234.04	209.73	164.22	152.37	
	Quick ratio	134.88	167.54	156.06	122.4	92.78	
	Interest coverage ratio	56.96	63.88	33.22	14.09	7.4	
Management capacity	Turnover rate of accounts receivable (times)	7.81	7.48	7.53	7.55	7.12	
	Average cash collection days	46.73	48.79	48.47	48.34	51.26	
	Inventory turnover (times)	12.63	10.42	9.9	10.21	9.74	
	Payable turnover rate (times)	15.21	13.55	16.03	17.24	17.19	
	Average sales days	28.89	35.02	36.86	35.74	37.47	
	Turnover rate of property, plant and equipment (times)	5.31	4.76	4.71	4.56	4.20	
	Total asset turnover (times)	1.00	0.90	0.89	0.97	1.00	
Profitability	Return on assets (%)	6.05	9.34	6.63	6.07	4.71	
	Return on equity (%)	8.45	12.49	8.96	9.09	8.70	
	Ratio of profit before tax to paid-in capital (%)	4.19	18.12	12.43	9.83	9.74	
	Net profit rate (%)	5.95	10.19	7.28	5.88	4.13	
	Earnings per share (NTD)	1.22	1.75	1.2	0.98	0.93	
Cash flow	Cash flow ratio (%)	(11.58)	29.77	21.27	20.83	3.98	
	Cash flow adequacy ratio (%)	23.11	33.08	25.23	7.87	84.98	
	Cash reinvestment ratio (%)	(9.53)	(0.30)	(0.42)	2.56	0.97	
Leverage	Operating leverage	3.26	2.59	4.04	6.5	(12.58)	
	Financial leverage	1.06	1.05	1.14	1.71	0.40	

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) Debt to assets ratio: To respond to the price increase in bulk materials, both short-term and long-term loans increased, resulting in an increase in debt to assets ratio.
(2) Inventory turnover (times): Cost of goods sold increased mainly due to an increase in revenue.
(3) Return on assets, return on equity, ratio of profit before tax to paid-in capital, net profit rate, and earnings per share: These are due to a decrease in profit in 2021.
(4) Cash flow ratio: In 2021, net cash outflow from operating activities was NT$270 million and liabilities increased due to the adjustment of financing instruments.
(5) Cash flow adequacy ratio: The increase in dividends of NT$680 million and the increase in fixed assets of NT$190 million for the past five years.
(6) Cash reinvestment ratio: In 2021, net cash outflow from operating activities was NT$270 million due to an increase in gross fixed assets of NT$230 million and an increase in working capital of NT$380 million.
(7) Operating leverage: Mainly due to the increase in operating revenue.

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 2022.

(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, 2022 (Note 2)
			2021	2020	2019	2018	2017	
Financial structure (%)	Debt to assets ratio		31.69	20.47	24.51	23.73	43.08	Not applicable
	Ratio of long-term funds to property, plant and equipment		492.60	513.35	526.47	489.60	383.55	
Solvency %	Current ratio		208.83	292.39	264.15	192.55	175.11	
	Quick ratio		141.69	204.68	193.63	143.47	98.51	
	Interest coverage ratio		59.97	80.28	36.47	20.91	9.75	
Management capacity	Turnover rate of accounts receivable (times)		6.86	6.62	6.73	6.71	6.11	
	Average cash collection days		53.20	55.12	54.22	54.37	59.76	
	Inventory turnover (times)		12.52	9.94	9.39	9.73	9.22	
	Payable turnover rate (times)		15.82	13.87	16.37	17.39	17.18	
	Average sales days		29.15	36.72	38.87	37.50	39.60	
	Fixed asset turnover (times)		5.38	4.83	4.87	4.92	4.55	
	Total asset turnover (times)		0.90	0.81	0.8	0.90	0.95	
Profitability	Return on assets (%)		6.30	9.79	6.96	6.41	5.16	
	Return on equity		8.45	12.49	8.96	9.09	8.70	
	Percentage of paid-in capital	Operating Income	2.23	4.72	2.34	1.31	(1.23)	
		Profit before tax	12.56	18.00	12.23	9.73	9.64	
	Net profit rate (%)		6.86	11.92	8.51	6.82	4.93	
	Earnings per share (NTD)		1.22	1.75	1.2	0.98	0.93	
Cash flow	Cash flow ratio (%)		(21.55)	9.34	21.55	25.41	10.34	
	Cash flow adequacy ratio (%)		15.06	29.65	26.92	34.04	89.92	
	Cash reinvestment ratio (%)		(11.73)	(2.12)	(1.53)	7.50	2.13	
Leverage	Operating leverage		4.27	2.64	4.18	6.98	(8.33)	
	Financial leverage		1.11	1.05	1.17	1.60	0.53	

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) Debt to assets ratio: To respond to the price increase in bulk materials, both short-term and long-term loans increased, resulting in an increase in debt to assets ratio.
(2) Current ratio and quick ratio: Mainly due to an increase in short-term borrowings.
(3) Interest coverage ratio: As a result of a decrease in profit in 2021.
(4) Inventory turnover (times), average sales days: Cost of goods sold increased mainly due to an increase in revenue.
(5) Return on assets, return on equity, ratio of profit before tax to paid-in capital, net profit rate, and earnings per share: These are due to a decrease in profit in 2021.
(6) Cash flow ratio: In 2021, net cash outflow from operating activities was NT$420 million and liabilities increased due to the adjustment of financing instruments.
(7) Cash flow adequacy ratio: This is due to an increase of NT$700 million in net cash flow from operating activities for the past five years and an increase in dividends of NT$700 million for the past five years.
(8) Cash reinvestment ratio: In 2021, net cash outflow from operating activities was NT$420million due to an increase in gross fixed assets of NT$220 million and an increase in working capital of NT$250 million.
(9) Operating leverage: Mainly due to a decrease in operating profit in 2021 .

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 2022, 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 prepared the Company's 2021 annual business report, financial statements, and statement of earnings distribution, among which the financial statements were verified by CPAs Huang Hsin-Ting and Tseng Kuo-Yang of KPMG, and a verification report was issued. The business report, financial statements (including consolidated financial statements) and statement of earnings distribution stated above have been audited by the Audit Committee and found to be in compliance with the Company Act and other applicable laws and regulations. We have presented you the reports based on the provisions stipulated in Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.

To

The Company's 2022 Annual Meeting of Shareholders

Taisun Enterprise Co., Ltd.

Convener of the Audit Committee: Chen Min-Hsun

March 25, 2022

IV. The most recent annual consolidated financial reports and accountant's audit report: Please refer to p.148 of the annual report

V. The most recent annual unconsolidated financial reports and accountant's audit report: please refer to p.231 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.

Seven. 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	2021	2020	Difference	
			Amount	%
Current assets	4,581,044	3,218,671	1,362,373	42.33
Long-term investments	3,434,619	3,541,218	(106,599)	(3.01)
Property, plant and equipment	1,947,298	1,798,417	148,881	8.28
Investment real estate	614,900	616,818	(1,918)	(0.31)
Intangible assets	1,869	4,411	(2,542)	(57.63)
Other assets	58,546	60,730	(2,184)	(3.6)
Total assets	10,638,276	9,240,265	1,398,011	15.13
Current liabilities	2,361,918	1,375,246	986,672	71.75
Long-term liabilities	1,050,000	600,000	450,000	75.00
Other liabilities	235,231	233,417	1,814	0.78
Total liabilities	3,647,149	2,208,663	1,438,486	65.13
Share capital	4,999,990	4,999,990	—	—
Additional paid-in capital	993,134	974,083	19,051	1.96
Retained earnings	1,302,687	1,332,145	(29,458)	(2.21)
Other owners‘ equity	(105,953)	(75,877)	(30,076)	39.64
Treasury shares	(203,876)	(203,876)	—	—
Uncontrolled Equities	5,145	5,137	8	0.16
Total equity	6,991,127	7,031,602	(40,475)	(0.58)

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

1. Current assets: Mainly due to an increase in cash and cash equivalents of approximately NT$890 million, an increase in advance payment for goods of NT$320 million and an increase in inventory of NT$140 million.
2. Intangible assets: Mainly due to a decrease in computer software amortization.
3. Current liabilities: Mainly due to an increase in short-term borrowings of NT$370 million, an increase in short-term notes payable of NT$500 million and an increase in accounts payable of NT$0.5 billion.
4. Long-term liabilities: Mainly due to an increase in long-term bank loans of NT$450 million.
5. Other equity: Mainly due to the increased unrealized loss on financial assets compared to last year.

(II) Impact: No significant impact.

(III) Future response plan: Not applicable.

Review and Analysis of Financial Status: Unconsolidated Statements

Unit: NTD thousand

Item \ Year	2021	2020	Difference	
			Amount	%
Current assets	4,100,485	2,874,130	1,226,355	42.67
Long-term investments	3,872,693	3,851,111	21,582	0.56
Property, plant and equipment	1,677,382	1,529,582	147,800	9.66
Investment real estate	536,059	537,438	(1,379)	(0.26)
Intangible assets	1,730	4,225	(2,495)	(59.05)
Other assets	37,929	38,551	(622)	(1.61)
Total assets	10,226,278	8,835,037	1,391,241	15.75
Current liabilities	1,963,540	982,967	980,573	99.76
Long-term liabilities	1,050,000	600,000	450,000	75.00
Other liabilities	226,756	225,605	1,151	(0.51)
Total liabilities	3,240,296	1,808,572	1,431,724	79.16
Share capital	4,999,990	4,999,990	—	—
Additional paid-in capital	993,134	974,083	19,051	1.96
Retained earnings	1,302,687	1,332,145	(29,458)	(2.21)
Other owners‘ equity	(105,953)	(75,877)	(30,076)	39.64
Treasury shares	(203,876)	(203,876)	—	—
Total equity	6,985,982	7,026,465	(40,483)	(0.58)

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

1. Current assets: Mainly due to the increase in cash and cash equivalents of approximately NT$690 million, increase in advance payment for goods of NT$320 million and the increase in inventory of NT$120 million.
2. Intangible assets: Mainly due to a decrease in computer software amortization.
3. Current liabilities: Mainly due to an increase in short-term borrowings of NT$400 million and an increase in short-term notes payable of NT$500 million.
4. Long-term liabilities: Mainly due to an increase in long-term bank loans of NT$450 million.
5. Other equity: Mainly due to the increased unrealized loss on financial assets compared to last year.

(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	2021	2020	Increase (decrease) amount	Percentage change %
Operating revenue	9,944,978	8,356,125	1,588,853	19.01
Operating costs	8,408,820	6,715,626	1,693,194	25.21
Operating margin	1,536,158	1,640,499	(104,341)	(6.36)
Operating expenses	1,326,801	1,323,957	2,844	0.21
Net operating income (loss)	209,357	316,542	(107,185)	(33.86)
Non-operating revenue and expenditures	426,279	589,508	(163,229)	(27.69)
Profit before tax	635,636	906,050	(270,414)	(29.85)
Tax income (expense)	(43,625)	(54,509)	10,884	(19.97)
Net profit for the current period	592,011	851,541	(259,530)	(30.48)
Cumulative impact of changes in accounting principles	—	—	—	—
Net profit for the current period	592,011	851,541	(259,530)	(30.48)

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

1. Operating income and cost: Mainly due to an increase in cost of raw materials including soybeans and imported oil and some prices of materials. On par with the government policy, the price increase of finished products did not reach the rate of increase of raw materials, the gross profit is therefore decreased.
2. Net operating profit: Mainly due to a decrease in gross profit.
3. Non-operating revenue and expenditures: Mainly due to a decrease in profits from investee companies accounted for under the equity method.
4. Profit before tax: The above points are the main reasons for the decrease of pre-tax net profit.
5. Income tax expense: Attributable to the decrease in profit before tax.
6. Net profit for the period: A decrease in profits for 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	2021	2020	Increase (decrease) amount	Percentage change %
Operating revenue	8,622,713	7,140,795	1,481,918	20.75
Operating costs	7,607,136	5,983,471	1,623,665	27.14
Operating margin	1,015,577	1,157,324	(141,747)	(12.25)
Operating expenses	904,253	921,474	(17,221)	(1.87)
Net operating income (loss)	111,324	235,850	(124,526)	(52.80)
Non-operating revenue and expenditures:	516,800	664,282	(147,482)	(22.20)
Net profit (loss) before tax	628,124	900,132	(272,008)	(30.22)
Tax income (expense)	(36,297)	(49,054)	12,757	(26.01)
Net profit (loss) for the current period	591,827	851,078	(259,251)	(30.46)
Cumulative impact of changes in accounting principles	—	—	-	-
Net profit (loss) for the current period	591,827	851,078	(259,251)	(30.46)

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

1. Operating income and cost: Mainly due to an increase in cost of raw materials including soybeans and imported oil and some prices of materials. On par with the government policy, the price increase of finished products did not reach the rate of increase of raw materials, the gross profit is therefore decreased.
2. Net operating profit: Mainly due to a decrease in gross profit.
3. Non-operating revenue and expenditures: Mainly due to a decrease in profits from investee companies accounted for under the equity method.
4. Profit before tax: The above points are the main reasons for the decrease of pre-tax net profit.
5. Income tax expense: Attributable to the decrease in profit before tax.
6. Net profit for the period: A decrease in profits for 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 242 thousand tons.
2. The food business includes normal temperature and cold storage items, with an estimated sales volume of 16.65 million cases.
3. The aquatic business includes general and extruded materials, and the estimated sales volume is 18,800 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
772,454	(273,541)	(1,165,647)	1,664,560	-	-

(1) Operating activities: Net cash outflow of NT$270 million was mainly due to profit before tax of NT$630 million and profit of NT$340 million recognized under the equity method, an increase in inventories of NT$140 million, an increase in accounts receivable - related parties of NT$80 million and an increase in prepayments of NT$340 million.

(2) Investment activities: The net cash inflow of NT$ 530 million was mainly due to the NT$420 million dividends received, inflow of other financial assets of NT$270 million, sales of investment stocks of NT$90million and acquisition of plant and equipment of NT$250 million.

(3) Financial activities: Net cash inflow of NTNT640 million was mainly due to cash dividends of NT$860 million, an increase in short-term borrowings of NT$370 million, an increase in short-term notes payable of NT$500 million and an increase in long-term borrowings of NT$450 million in 2021.

(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	2021	2020	Percent increase (decrease) %
Cash flow ratio	(11.58) %	29.77 %	(138.90)%
Cash flow adequacy ratio	23.11 %	33.08 %	(30.14)%
Cash reinvestment ratio	(9.53%)	(0.30 %)	3076.67%

Change analysis

Cash flow ratio: In 2021, net cash outflow from operating activities was NT$270 million and current liabilities increased due to the adjustment of financing instruments.

Cash flow adequacy ratio: The increase in dividends of NT$680 million and the increase in fixed assets of NT$ million for the past five years were attributable to the increase in dividends of NT$68 million compared to 2020.

Cash reinvestment ratio: In 2021, net cash outflow from operating activities was NT$270 million due to an increase in gross fixed assets of NT$230 million and an increase in working capital o NT$380 million.

(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
1,664,560	873,156	1,559,483	978,233	-	-
(1) Net cash flow from operating activities: The Company has made steady profits in recent years. After incorpora cash from business activities in the coming year and deducting related opera expenses, it is estimated that net income from all business activities will be NT$873, 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, and some loans were repaid.					
(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: No major capital expenditures.

(II) Expected benefits: None.

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	Main reason for the profit or loss	Improvement plan	Future investment plan
Pin-Tai Distribution Enterprise Co., Ltd.	Wholesale and retail of oil and fat food products	44,982	30,467	Continue with operational fitness adjustment to reduce inefficient channel expenses	None	Continuing investment
Central Union Oil Corp., Ltd.	Bean product manufacturing,	126,053	42,018	Reach economies of scale	None	Continuing investment

Invested company name	Main business items	Current profit and loss of invested company	Investment gains and losses recognized in the current period	Main reason for the profit or loss	Improvement plan	Future investment plan
	processing, and sales					
Taiwan Niko Mart Co., Ltd.	Operating chain supermarkets	5,234	(197)	Recognize investment gains and losses	None	None
Taisun (Cayman) Investment Ltd.	Investment	68,560	68,560	Recognize investment benefits	None	Continuing investment
Pioneer Traffic Co.Ltd.	Logistics delivery	2,191	(212)	Lower transportation rate due to the pandemic	None	Continuing investment
Taisun Yuan Co., Ltd.	Investment management	10,496	10,496	Recognize investment benefits	None	Continuing investment
Taiwan FamilyMart Co. Ltd.	Operation and investment of chain convenience stores	1,343,957	301,860	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	2021 (NT$ thousand)
Interest expense	11,359
Exchange benefits (consolidated)	13,271

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 inflation. Under the government’s commitment to stable financial order and maintaining price stability, the domestic inflation rate has increased. Despite the Company’s effort to reduce production costs, the pressure is still high as it cannot fully cope with the increased costs of raw materials, and therefore some the selling prices of some products have increased in order 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 RMB3 million from the Company in 2021 and was approved by the board of directors. As of March 31, 2022, the maximum limit of funds lent to others was NT$1,397,196 thousand. The announced balance of funds lent to others was NT$58,659 thousand and the actual expenditure amount was NT$22,561 thousand.
   As of March 31, 2022, the maximum limit of the Company's endorsements and guarantees was NTD 3,492,991 thousand. The announced endorsement and guarantee balance was NT$0 , and the actual expenditure amount was NT$0.

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 on canned oat milk with peanut series products.
   (4) Research on canned health congee series products.
   (5) Research of Cheers series.
   (6) Development research on sugar free tea series products.
   (7) Research on refrigerated non-dairy milk, grain drink series products.
   (8) Research on aluminum can line series products.
   (9) Development of beverage concentrate product series.
   (10) No. 1 can business channel product research.
   (11) Development research of business use oil products.
   (12) Development research of differentiated consumer oil.
2. Current progress of the research and development plan:
   (1) The first batch of production of room temperature canned Oat milk with Peanuts is completed and is expected to be launched in the market in March.
   (2) The first batch of production of room temperature PET Bing Jeon Plum Green Tea is completed and is expected to be launched in the market in March.
   (3) Room Temperature PET Sea Salt Lemon has been trailed and is expected to be launched in the market in April.
   (4) Cold PE Nuts Effect Almond Milk Fresh & Premium has been trailed and is expected to be launched in the market in April.
   (5) Refrigerated Tea Stall IP Spring Tea are in trail, and is expected to be launched in the market in April.
3. Estimated research and development expenses: It is expected that another NT$23,811 thousand is required for investment in 2022.

(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 (including cyber security risk) 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 or closed in 2021:

(1) ICHIYA CO., LTD. (ICHIYA) - Refund of investment funds and other events: On October 15, 2021, we received an email from the attorney of a full text of the Supreme Court's judgment ruling in favor of the Company after 3 trials. The case is now closed.
(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 reappealed. After the second trail, the Civil Court of the Taiwan High Court ordered mediation in the second trial. However, both parties failed to reach a settlement after 3 mediation sessions. The case is pending another trial.
(3) Reimbursement of Taisun by Council of Indigenous Peoples for January 1 to December 31, 2016. Taisun was asked to reimburse the amount of NT$79,364 by Council of Indigenous Peoples. Taisun paid in full on October 19, 2021.

(XIII) Other important risks, and mitigation measures being or to be taken: None

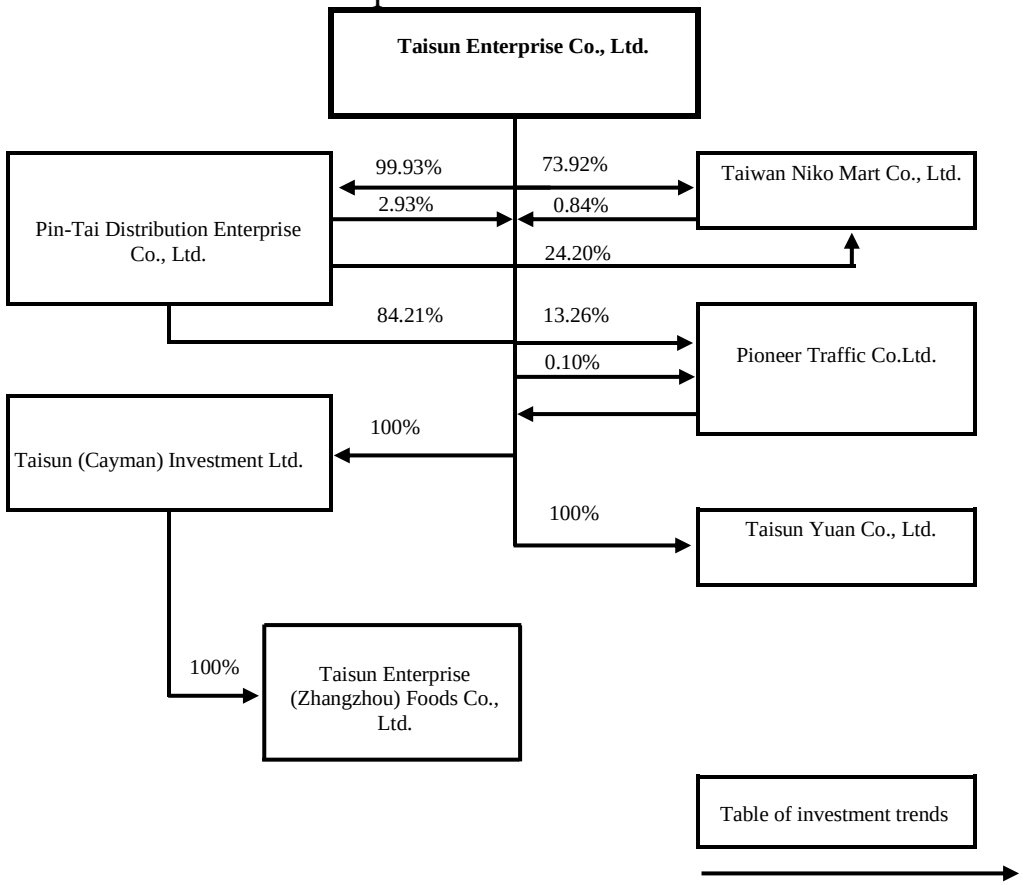
VII. Other important matters: None.

Eight. Special Items of Record

I. Information on Affiliated Companies

(I) 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	Fulong Industrial Park, Zhangzhou Taiwanese Investment Zone, Fujian Province	USD 27,500	Production and sales 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 = 1:27.69; CNY:NTD = 1:4.3406**).

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), and delivery of commodities (logistics)..

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: Chan Ching-Chao)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Yi-Houg)	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: Chan Ching-Chao)	27,203,632	73.92%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Pei-Shan)	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: Chan Yi-Houg)	1,358,480	13.26%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Ching-Chao)	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%
TAISUN YUAN CO., LTD	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Ching-Chao)	500,000	100%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Yi-Houg)	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%
	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Ching-Chao)	40,290,000	100%
	Chairman	Taisun (Cayman) Investment Ltd. (Corporate representative: Chan Hao-Jun)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Chan Ching-Chao)	-	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: Chan Yi-Houg)	-	100%

(II) 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	1,116,694	627,028	489,666	2,252,296	31,627	44,982	2.11
TAIWAN NIKO MART CO.,LTD	368,000	128,465	2,991	125,474	-	(1,303)	5,234	0.14
Pioneer Traffic Co.Ltd.	102,480	208,030	93,577	114,453	415,952	(2,454)	2,191	0.21
TAISUN YUAN CO., LTD	5,000	23,843	2,511	21,332	-	(26)	10,496	20.99
Taisun (Cayman) Investment Ltd.	1,498,670	234,806	17	234,789	-	(543)	68,560	-
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	761,475	369,896	209,654	160,242	571,441	62,225	66,503	-

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.

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

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

(II) 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

III. 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 股	None	0	0
TAIWAN NIKO MART CO.,LTD	368,000	Share capital	73.92%	-	0	0	0	2,960,186 股	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.	1,498,670	Share capital	100%	-	0	0	0	0	None	0	0
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	761,475	Share capital	100%	-	0	0	0	0	None	0	RMB13,000 thousand

IV. Other necessary supplementary explanations: None

V. 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, 2021 and 2020

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.

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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, 2021 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises, are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Taisun Enterprise Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Taisun Enterprise Co., Ltd.
Chairman: CHAN, CHING-CHAO
Date: March 25, 2022

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.)
電　話 Tel　+ 886 2 8101 6666
傳　真 Fax　+ 886 2 8101 6667
網　址 Web　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, 2021 and 2020, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, 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, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Based on our professional judgment, key audit matters pertain to the most important matters in the audit of consolidated financial statements for the year ended December 31, 2021 of the Group. Those matters have been addressed in our audit opinion on the said consolidated financial statements and during the formation of our audit opinion. However, we do not express an opinion on these matters individually. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

   Please refer to Note 4(q) "Revenue" for the accounting principles on the recognitioin of revenues and Note 6(u) "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.

(a) Key audit matters:

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 ristk of inappropriate revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters.

(b) Audit procedures performed:

- Understanding and testing 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; We also perform 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 policies on 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.

(a) Key audit matters:

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.

(b) Audit procedures performed:

- 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 recent trend of the industry and 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).

(a) Key audit matters:

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.

(b) Audit procedures performed:

- 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 31.15% and 36.46% of the consolidated total assets at December 31, 2021 and 2020, respectively, and the related share of profit of associates accounted for using the equity method constituting 54.12% and 57.23% 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, 2021 and 2020, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 determini 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 Hsin-Ting Huang and Kuo-Yang Tseng.

KPMG

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

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and 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' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 1,664,560	16	772,454	9
1110	Current financial assets at fair value through profit or loss (Note 6(b))	93,798	1	82,776	1
1150	Notes receivable, net (Note 6(d))	163,881	2	137,198	1
1160	Notes receivable due from related parties, net (Notes 6(d) and 7)	-	-	2,700	-
1170	Accounts receivable, net (Note 6(d))	769,031	7	654,035	7
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	452,151	4	367,324	4
1200	Other receivables, net (Notes 6(e) and 13(a))	22,380	-	6,970	-
1220	Total current tax assets	1,502	-	1,502	-
1310	Inventories, manufacturing business (Note 6(f))	711,566	7	572,498	6
1400	Current biological assets	26,023	-	21,827	-
1421	Prepayments to suppliers	609,887	6	287,762	3
1429	Other prepayments	47,834	-	32,495	-
1476	Other current financial assets (Note 8)	12,254	-	272,796	3
1479	Other current assets, others	6,177	-	6,334	-
		4,581,044	43	3,218,671	34
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	120,701	1	172,581	2
1550	Investments accounted for using equity method (Notes 6(g) and 8)	3,313,918	32	3,368,637	37
1600	Property, plant and equipment (Note 6(h))	1,947,298	18	1,798,417	20
1755	Right-of-use assets (Note 6(i))	14,496	-	13,091	-
1760	Investment property, net (Note 6(j))	614,900	6	616,818	7
1780	Intangible assets	1,869	-	4,411	-
1830	Non-current biological assets	7,326	-	6,710	-
1840	Deferred tax assets (Note 6(r))	3,059	-	7,659	-
1915	Prepayments for business facilities	1,242	-	-	-
1975	Net defined benefit asset, non-current (Note 6(q))	19,850	-	21,760	-
1980	Other non-current financial assets	12,573	-	11,510	-
		6,057,232	57	6,021,594	66
	Total assets	**$ 10,638,276**	**100**	**9,240,265**	**100**

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(k))	$ 516,312	5	148,027	2
2110	Short-term notes and bills payable (Note 6(l))	520,000	5	20,000	-
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	1,481	-	853	-
2130	Current contract liabilities (Note 6(u))	47,351	-	39,800	-
2150	Notes payable	719	-	1,857	-
2170	Accounts payable (Notes 6(m) and 7)	577,337	5	526,122	6
2200	Other payables (Notes 6(q) and (v))	467,193	4	465,552	5
2230	Current tax liabilities (Note 6(r))	64,864	1	29,772	-
2280	Current lease liabilities (Note 6(o))	2,498	-	1,634	-
2399	Other current liabilities, others (Note 7)	164,163	2	141,629	2
		2,361,918	22	1,375,246	15
	Non-Current liabilities:				
2540	Long-term borrowings (Note 6(n))	1,050,000	10	600,000	7
2570	Deferred tax liabilities (Note 6(r))	222,537	2	222,537	2
2580	Non-current lease liabilities (Note 6(o))	977	-	-	-
2640	Net defined benefit liability, non-current (Note 6(q))	5,119	-	5,576	-
2670	Other non-current liabilities, others	6,598	-	5,304	-
		1,285,231	12	833,417	9
	Total liabilities	3,647,149	34	2,208,663	24
	Equity (Note 6(c) and (s)):				
3110	Ordinary share	4,999,990	47	4,999,990	54
3200	Capital surplus	993,134	10	974,083	11
	Retained earnings:				
3310	Legal reserve	209,930	2	126,621	1
3320	Special reserve	240,776	2	240,776	3
3350	Unappropriated retained earnings	851,981	8	964,748	10
3400	Other equity interest	(105,953)	(1)	(75,877)	(1)
3500	Treasury stock	(203,876)	(2)	(203,876)	(2)
	Total equity attributable to owners of parent:	6,985,982	66	7,026,465	76
36XX	Non-controlling interests	5,145	-	5,137	-
	Total equity	6,991,127	66	7,031,602	76
	Total liabilities and equity	**$ 10,638,276**	**100**	**9,240,265**	**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 Statement of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		For the years ended December 31			
		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(u) and 7)**	$ 9,944,978	100	8,356,125	100
5000	**Operating costs (Notes 6(f) and 7)**	8,409,291	85	6,715,645	80
5910	Less: Unrealized profit (loss) from sales	231	-	702	-
5920	Add: Realized profit (loss) on from sales	702	-	721	-
	Gross profit from operations	1,536,158	15	1,640,499	20
	Operating expenses (Notes 6(d), (f), (o), (q), (v) and 7):				
6100	Selling expenses	955,655	9	914,278	11
6200	Administrative expenses	370,913	4	410,072	5
6450	Expected credit loss	233	-	(393)	-
	Total operating expenses	1,326,801	13	1,323,957	16
	Net operating income	209,357	2	316,542	4
	Non-operating income and expenses:				
7020	Other gains and losses, net (Note 6(w))	89,181	1	74,482	1
7050	Finance costs, net (Note 6(w))	(11,359)	-	(14,409)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method, net (Note 6(h))	344,102	3	518,573	6
7100	Total interest income	4,355	-	10,862	-
	Total non-operating income and expenses	426,279	4	589,508	7
7900	**Profit from continuing operations before tax**	635,636	6	906,050	11
7950	**Less: Income tax expenses ((Note 6(r))**	43,625	-	54,509	1
	Profit	592,011	6	851,541	10
8300	**Other comprehensive income (Note 6(s)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	(Losses) gains on remeasurements of defined benefit plans	(6,933)	-	(12,888)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	44,690	-	38,568	-
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	13,595	-	(9,873)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		51,352	-	15,807	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(2,722)	-	(2,828)	-
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	39	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(2,683)	-	(2,828)	-
8300	**Other comprehensive income, net**	48,669	-	12,979	-
8500	**Total comprehensive income**	**$ 640,680**	**6**	**864,520**	**10**
	Profit, attributable to:				
8610	Owners of parent	$ 591,827	6	851,078	10
8620	Non-controlling interests	184	-	463	-
	Profit	**$ 592,011**	**6**	**851,541**	**10**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 640,465	6	864,279	10
8720	Non-controlling interests	215	-	241	-
	Total comprehensive income	**$ 640,680**	**6**	**864,520**	**10**
	Basic earnings per share (Note 6(t))				
9750	**Basic earnings per share**	**$**	**1.22**		**1.75**
9850	**Diluted earnings per share**	**$**	**1.21**		**1.74**

See accompanying notes to consolidated financial statements.

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

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	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 stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 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 received by 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
Profit	-	-	-	-	591,827	591,827	-	-	-	-	591,827	184	592,011
Other comprehensive income	-	-	-	-	2,383	2,383	(2,683)	48,938	46,255	-	48,638	31	48,669
Total comprehensive income	-	-	-	-	594,210	594,210	(2,683)	48,938	46,255	-	640,465	215	640,680
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	83,309	-	(83,309)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(699,999)	(699,999)	-	-	-	-	(699,999)	-	(699,999)
Other changes in capital surplus:													
Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	19,051	-	-	-	-	-	-	-	-	19,051	-	19,051
Cash dividends contributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(207)	(207)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	76,331	76,331	-	(76,331)	(76,331)	-	-	-	-
Balance at December 31, 2021	**$ 4,999,990**	**993,134**	**209,930**	**240,776**	**851,981**	**1,302,687**	**(34,553)**	**(71,400)**	**(105,953)**	**(203,876)**	**6,985,982**	**5,145**	**6,991,127**

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 Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	$ 635,636	906,050
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	102,227	93,813
Amortization expense	2,542	2,819
Expected credit losses (gains reverse)	233	(393)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(10,260)	(8,291)
Interest expense	11,359	14,409
Interest income	(4,355)	(10,862)
Dividend income	(9,394)	(6,845)
Shares of profit of associates and joint ventures accounted for using equity method	(344,102)	(518,573)
Gains on disposal of property, plant and equipment	(654)	(1,166)
Gains on disposal of non-current assets classified as held-for-sale	-	(7,016)
Gain on disposal of investments	-	(3,755)
Unrealized profit from sales	231	702
Realized profit on from sales	(702)	(721)
Others	-	6,000
Total adjustments to reconcile profit (loss)	(252,875)	(439,879)
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(14,229)	(3,354)
Increase in notes receivable	(26,683)	(11,981)
Decrease (increase) in notes receivable due from related parties	2,700	(382)
Increase in accounts receivable	(115,232)	(40,328)
Increase in accounts receivable due from related parties	(84,827)	(34,603)
Increase in other receivables	(1,005)	(820)
(Increase) decrease in inventories	(139,166)	108,024
Increase in biological assets	(7,210)	(9,614)
Increase in prepayments	(338,071)	(103,796)
Decrease in other current assets	153	753
Increase in defined benefit assets - non-current	(4,492)	(36,279)
Increase in financial liabilities at fair value through profit or loss	4,095	2,738
Increase (decrease) in contract liabilities	7,725	(5,657)
Decrease in notes payable	(1,138)	(3,516)
Increase in accounts payable	51,285	68,474
Increase in other payables	424	56,637
Increase in other current liabilities	22,617	5,502
Decrease in net defined benefit liabilities	(988)	(538)
Total changes in operating assets and liabilities, net	(644,042)	(8,740)
Total adjustments	(896,917)	(448,619)
Cash outflow generated from operations	(261,281)	457,431
Interest received	4,355	10,862
Interest paid	(11,359)	(14,409)
Income taxes paid	(5,266)	(44,515)
Net cash flows used in operating activities	(273,551)	409,369

(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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2021	**2020**
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	96,125	1,314
Proceeds from disposal of investments accounted for using equity method	-	4,883
Proceeds from disposal of non-current assets classified as held-for-sale	-	12,465
Acquisition of property, plant and equipment	(247,777)	(175,442)
Proceeds from disposal of property, plant and equipment	4,391	12,959
Acquisition of intangible assets	-	(186)
Increase in other financial assets	(14,886)	(268,354)
Decrease in other financial assets	273,907	324,591
Increase in prepayments for business facilities	(1,242)	(4,658)
Dividends received	419,834	357,229
Net cash flows (used in) from investing activities	530,352	190,413
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	7,039,061	6,631,515
Decrease in short-term borrowings	(6,670,776)	(6,761,098)
Increase in short-term notes and bills payable	2,991,000	2,751,000
Decrease in short-term notes and bills payable	(2,491,000)	(2,992,000)
Proceeds from long-term debt	450,000	600,000
Repayments of long-term debt	-	(762,500)
Payment of lease liabilities	(2,707)	(2,202)
Increase (decrease) in other non-current liabilities	1,299	(1,244)
Cash dividends paid	(680,948)	(437,702)
Net cash flows from (used in) financing activities	635,929	(974,231)
Effect of exchange rate changes on cash and cash equivalents	(624)	(121)
Net increase (decrease) in cash and cash equivalents	892,106	(374,570)
Cash and cash equivalents, beginning of the period	772,454	1,147,024
Cash and cash equivalents, end of the period	**$ 1,664,560**	**772,454**

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, 2021 and 2020 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, 2022.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

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

(Continued)

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

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

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

(4) Summary of significant accounting policies:

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 4(r).

(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.

(Continued)

(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, 2021	December 31, 2020	
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	CHUANG SHIN 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.
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) INVESTMENT LTD. directly holds more than 50% of its shares.

(Continued)

Investor Company	Subsidiary	Nature of business	Shareholding ratio December 31, 2021	Shareholding ratio December 31, 2020	Notes
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	TAISUN (HERBAL) LTD.	Beverage	- %	- %	A subsidiary that TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD. directly holds more than 50% of its shares. (Note)

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.

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.

(Continued)

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, check deposits 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.

(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.

(Continued)

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

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

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

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

2) Fair value through other comprehensive income (FVOCI)

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

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

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

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

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.

(Continued)

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.

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.

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'.

(Continued)

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

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

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

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

(Continued)

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).

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.

(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 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.

(i) Biological assets

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

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, 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.

(Continued)

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.

(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.

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.

(Continued)

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

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.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owneroccupied to investment property.

(m) 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.

(i) As a lessee

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

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

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

(Continued)

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

- fixed payments, including in-substance 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.

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.

(Continued)

(ii) 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.

(n) Intangible assets

(i) Recognition and measurement

Intangible assets that the Group acquired are measured at cost, less accumulated amortization and impairment loss. 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.

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.

(Continued)

(o) 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.

(p) 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.

(q) 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.

(Continued)

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 been 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.

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.

(Continued)

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.

(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 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.

Remeasurements of the net defined benefit liability (asset), 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.

(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 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.

(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 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

(iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

(Continued)

(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.

(t) 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.

(u) 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.

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

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

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

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.

(Continued)

(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(j) , Investment property

(b) Note 6(x) , Financial instruments

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 1,206	917
Check deposits	22,503	30,969
Cash in banks	1,437,007	671,689
Time deposits	191,855	56,886
Cash equivalents	11,989	11,993
Cash and cash equivalents	**$ 1,664,560**	**772,454**

The deposit accounts of $0 and 125,980 thousand, which did not meet the definition of cash and cash equivalents and were not restricted, were classified as other financial assets-current on the December 31, 2021 and 2020.

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

(Continued)

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

	December 31, 2021	December 31, 2020
Assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ 712	1,369
Non-derivative financial assets		
Stocks listed on domestic markets	59,896	51,072
Beneficiary certificates open-end funds	33,190	30,335
Total	**$ 93,798**	**82,776**
Liabilities mandatorily measured at fair value through profit or loss:		
Non-derivative financial liabilities		
Forward exchange contracts	**$ 1,481**	**853**

(i) Please refer to Note 6(x) for disclosure on financial instrument related credit, exchange rate and interest rate risk.

(ii) The aforesaid financial assets were not pledged as collateral.

(iii) Derivative instruments not used for hedging

The Group holds derivative financial instruments to hedge certain foreign exchange and interest risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

Forward exchange contracts:

	December 31, 2021		
	Contract amount (In thousands)	**Exercise price**	**Exercise date**
Buy option	**USD 4,000**	27.49~27.78(USD/NTD)	2022.02.22~2022.05.12
Sell option	**USD 4,000**	27.49~27.78(USD/NTD)	2022.02.22~2022.05.12

	December 31, 2020		
	Contract amount (In thousands)	**Exercise price**	**Exercise date**
Buy option	**USD 4,000**	27.45~28.055(USD/NTD)	2021.01.19~2021.06.08
Sell option	**USD 4,000**	27.45~28.055(USD/NTD)	2021.01.19~2021.06.08

(Continued)

(c) Non-current financial assets at fair value through other comprehensive income

	December 31, 2021	December 31, 2020
Equity instruments at fair value through other comprehensive income-non current:		
Shares of stock of listed companies	$ 108,329	151,744
Shares of stock of unlisted companies	1,155	2,714
Shares of stock of overseas unlisted companies	11,217	18,123
Total	**$ 120,701**	**172,581**

(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, 2021, the Group sold its equity investment measured at FVOCI-Xinxing Electronics Co. Ltd. for strategic purpose. The fair value at the time of disposal was $96,125 thousand and accumulated gain on disposal was amounted to 76,331 thousand, which was reclassified from other equity to retained earnings. 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(y) for credit risk and market risk.

(iv) The aforesaid financial assets were not pledged as collateral.

(d) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 163,881	137,198
Notes receivable from related parties	-	2,700
Accounts receivable	800,311	661,594
Accounts receivable from related parties	452,151	390,134
Overdue receivables	11,378	12,059
Less：Allowance for impairment	(42,658)	(42,428)
	$ 1,385,063	**1,161,257**

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.

(Continued)

The loss allowance provision in food, logistics and bulk materials segments was determined as follow:

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 1,289,229	0~2.42%	31,114
Overdue 0 to 90 days	31,534	0~0.9%	3
Overdue 91 to 180 days	-	1.38~8.33%	-
Overdue 181 to 270 days	-	5.73~11.42%	-
Overdue 271 to 360 days	-	13.04~33.33%	-
Over 365 days past due	844	100%	844
Total	**$ 1,321,607**		**31,961**

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 1,074,823	0~2.79%	29,952
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	**$ 1,104,400**		**30,904**

The loss allowance provision in aquafeed segment was determined as follow:

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 93,144	0.11%	97
Overdue 0 to 90 days	2,305	2.23%	51
Overdue 91 to 180 days	131	11.40%	15
Overdue 181 to 270 days	-	13.29%	-
Overdue 271 to 360 days	-	30.43%	-
Over 365 days past due	9,797	100%	9,797
Total	**$ 105,377**		**9,960**

(Continued)

	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**

Other than note receivables and account receivables mentioned above, the loss allowance provision at 100% expected loss rate was determined as follow:

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 737**	100%	**737**

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 637**	100%	**637**

The movements in the allowance for notes and accounts receivable were as follow:

	For the years ended December 31	
	2021	2020
Balance on January 1	$ 42,428	54,584
Impairment losses (reversed)	233	(393)
Amounts written off	-	(11,767)
Foreign exchange losses	(3)	4
Balance on December 31	**$ 42,658**	**42,428**

As of December 31, 2021 and 2020, the financial assets mentioned above were not pledged as collateral.

(e) Other receivables

	December 31, 2021	December 31, 2020
Other receivables	$ 27,780	12,370
Less: allowance for impairment	(5,400)	(5,400)
	$ 22,380	**6,970**

(Continued)

The movements in the allowance for impairment for other receivables as follow:

	For the years ended December 31	
	2021	2020
Balance on January 1	$ 5,400	5,400
Allowance for impairment	-	-
Balance on December 31	**$ 5,400**	**5,400**

As of December 31, 2021 and 2020, there were no receivables that were past due but not impaired.

Please refer to Note 6(x) for the Group's notes and accounts receivable exposed to credit risk and currency risk.

As of December 31, 2021 and 2020, the aforesaid financial assets were not pledged as collateral.

(f) Inventories

	December 31, 2021	December 31, 2020
Raw materials	$ 159,560	156,116
Materials	26,542	25,352
Work in process	173,563	104,650
Finished goods	300,391	254,654
Merchandise	51,510	31,726
	$ 711,566	**572,498**

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	
	2021	2020
Operating cost		
Inventory falling price gains from price recovery of inventory	$ (356)	(1,738)
Revenue from sale of scraps	(2,764)	(2,096)
Gains on physical inventory	(5,745)	(4,283)
Losses on disposal	5,088	7,976
Operating expenses	21,515	25,712
	$ 17,738	**25,571**

For the years ended December 31, 2021 and 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.

As of December 31, 2021 and 2020, the aforesaid inventories were not pledged as collateral.

(Continued)

(g) Investments accounted for using equity method

(i) Subsidiaries that have material non-controlling interest were as follows:

Name of Affiliates	Nature of relationship with the Group	Main operation location	Proportion of shareholding and voting rights	
			December 31, 2021	December 31, 2020
TAIWAN FAMILYMART CO., LTD.	Operate chained convenience stores, explore selling points for the Group	Taiwan	22.47 %	22.47 %

TAIWAN FAMILYMART CO., LTD. is one of the listed companies in Taiwan, with its fair value reflected as below:

December 31, 2021	December 31, 2020
$ 12,413,713	**13,140,981**

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 is 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, 2021	December 31, 2020
Current assets	$ 17,134,275	19,032,433
Non-current assets	50,472,010	42,441,957
Current liabilities	(33,982,369)	(30,440,441)
Non-current liabilities	(26,628,080)	(24,047,151)
Net assets	**$ 6,995,836**	**6,986,798**
Net assets attributable to non-controlling interests	**$ 657,346**	**381,607**
Net assets attributable to investee	**$ 6,338,490**	**6,605,191**

	For the Years Ended December 31	
	2021	2020
Operating revenue	**$ 83,659,512**	**85,365,675**
Net income	1,409,749	2,240,930
Other comprehensive income	78,361	(55,649)
Total comprehensive income	**$ 1,488,110**	**2,185,281**
Comprehensive income attributable to non-controlling interests	**$ 80,662**	**106,899**
Comprehensive income attributable to investee	**$ 1,407,448**	**2,078,382**

(Continued)

	For the Years Ended December 31	
	2021	2020
Shares of net assets attributable to investee on January 1	$ 1,484,149	1,343,649
Comprehensive income attributable to the Group	316,254	467,128
Less: shares sold	-	(494)
Dividends from associates	(376,173)	(326,134)
subtotal	1,424,230	1,484,149
Add: investment property	20,000	20,000
Add: trademark	129,713	129,713
Add: goodwill	1,457,345	1,457,345
Book value of net equity of associates attributable to the Group on December 31	**$ 3,031,288**	**3,091,207**

(ii) Associates

The Group's financial information about investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2021	December 31, 2020
Carry amounts of individually insignificant associates' equity	**$ 282,630**	**277,430**

	For the Years Ended December 31	
	2021	2020
Attributable to the Group:		
Net gain	$ 42,122	39,925
Other comprehensive (loss) income	(639)	1,647
Comprehensive income	**$ 41,483**	**41,572**

(iii) Pledge to secure

As of December 31, 2021 and 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.

(Continued)

(h) Property, plant and equipment

The movement in the cost, depreciation, and impairment loss of the property, plant and equipment of the Group as of December 31, 2021 and 2020 were as follows:

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2021	$ 1,151,899	949,120	1,004,424	106,091	114,835	128,393	3,454,762
Additions	-	3,917	18,544	18,838	2,768	203,710	247,777
Disposals	-	-	(8,139)	(8,921)	(308)	-	(17,368)
Transfer in	-	9,280	85,520	-	3,275	-	98,075
Transfer out	-	-	-	-	-	(98,075)	(98,075)
Effect of movement in exchange rate	-	(583)	(1,124)	(38)	(60)	-	(1,805)
Balance on December 31, 2021	**$ 1,151,899**	**961,734**	**1,099,225**	**115,970**	**120,510**	**234,028**	**3,683,366**
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**
Depreciation and impairment loss:							
Balance on January 1, 2021	$ -	675,406	828,773	63,709	88,457	-	1,656,345
Depreciation for the period	-	28,748	48,478	10,605	6,990	-	94,821
Disposals	-	-	(7,816)	(5,507)	(308)	-	(13,631)
Effect of movement in exchange rate	-	(398)	(975)	(36)	(58)	-	(1,467)
Balance on December 31, 2021	**$ -**	**703,756**	**868,460**	**68,771**	**95,081**	**-**	**1,736,068**
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**
Carrying amounts:							
Balance on December 31, 2021	**$ 1,151,899**	**257,978**	**230,765**	**47,199**	**25,429**	**234,028**	**1,947,298**
Balance on January 1, 2020	**$ 1,146,539**	**265,702**	**154,628**	**46,685**	**10,171**	**90,337**	**1,714,062**
Balance on December 31, 2020	**$ 1,151,899**	**273,714**	**175,651**	**42,382**	**26,378**	**128,393**	**1,798,417**

(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 Group still keeps the original certificate of ownership of the real estate for security purpose.

(ii) Please refer to Note 6(w) for the disposal of profit and loss.

(iii) As of December 31, 2021 and 2020, the aforementioned land, houses and buildings were not provided as collateral guarantees.

(Continued)

(i) 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, 2021	$	21,776	5,922	27,698
Additions		-	4,548	4,548
Effect of movement in exchange rate		(93)	-	(93)
Balance on December 31, 2021	**$**	**21,683**	**10,470**	**32,153**
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**
Accumulated depreciation:				
Balance on January 1, 2021	$	10,299	4,308	14,607
Depreciation for the period		440	2,654	3,094
Effect of movement in exchange rate		(44)	-	(44)
Balance on December 31, 2021	**$**	**10,695**	**6,962**	**17,657**
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	**$**	**10,299**	**4,308**	**14,607**
Carrying amounts:				
Balance on December 31, 2021	**$**	**10,988**	**3,508**	**14,496**
Balance on January 1, 2020	**$**	**11,816**	**3,813**	**15,629**
Balance on December 31, 2020	**$**	**11,477**	**1,614**	**13,091**

As of December 31, 2021 and 2020, the investment properties were not pledged as collateral.

(Continued)

(j) 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:

	Self-owned property		
	Land and improvements	Buildings	Total
Cost or deemed cost:			
Balance on January 1, 2021	$ 566,062	155,118	721,180
Effect of movement in exchange rate	-	(6)	(6)
Balance on December 31, 2021	**$ 566,062**	**155,112**	**721,174**
Balance on January 1, 2020	$ 566,062	153,809	719,871
Transfer in	-	1,309	1,309
Balance on December 31, 2020	**$ 566,062**	**155,118**	**721,180**
Depreciation and impairment loss:			
Balance on January 1, 2021	$ -	104,362	104,362
Depreciation for the year	-	1,914	1,914
Effect of movement in exchange rate	-	(2)	(2)
Balance on December 31, 2021	**$ -**	**106,274**	**106,274**
Balance on January 1, 2020	$ -	102,042	102,042
Depreciation for the year	-	2,312	2,312
Reclassifications	-	8	8
Balance on December 31, 2020	**$ -**	**104,362**	**104,362**
Carrying amounts:			
Balance on December 31, 2021	**$ 566,062**	**48,838**	**614,900**
Balance on January 1, 2020	**$ 566,062**	**51,767**	**617,829**
Balance on December 31, 2020	**$ 566,062**	**50,756**	**616,818**
Fair value:			
Balance on December 31, 2021			**$ 1,014,766**
Balance on December 31, 2020			**$ 961,447**

(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., the website of real estate trading, etc. Under the valuation techniques for financial instruments measured at fair value, the inputs were categorized at level 3.

(Continued)

(iii) As of December 31, 2021 and 2020, the investment properties were not pledged as collateral.

(k) Short-term borrowings

	December 31, 2021	December 31, 2020
Letter of credit	$ 54,312	108,027
Unsecured bank loans	462,000	40,000
Total	**$ 516,312**	**148,027**
Unused credit lines	**$ 2,998,293**	**2,492,721**
Interest rates	**0.66%~1.53%**	**0.77%~1.59%**

Please refer to Note 6(x) for details on financial risk.

(l) Short-term notes and bills

The short-term notes and bills payable were summarized as follows:

	December 31, 2021		
	Gauarantee or acceptance institution	Range of interest rates (%)	Amount
Commercial paper payable	China Bills Finance Corporation, Interational Bills Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Grand Bills Finance Corporation, Ta Ching Bills Finance Corporation	0.89%~1.30%	**$ 520,000**

	December 31, 2020		
	Gauarantee or acceptance institution	Range of interest rates (%)	Amount
Commercial paper payable	China Bills Finance Corporation, Interational Bills Finance Corporation	1.300%~1.308%	**$ 20,000**

As of December 31, 2021 and 2020, the Group did not pledged assets to provide collateral for commercial paper payable, and the unsued amount were $720,000 thousand $1,150,000 thousand, respectively.

Please refer to Note 6(x) for details on financial risk.

(m) Account payable

	December 31, 2021	December 31, 2020
Payables to suppliers	**$ 577,337**	**526,122**

(Continued)

(n) Long-term borrowings

	December 31, 2021			
	Currency	Interest rate	Year due	Amount
Secured bank loans	NTD	1%~1.06%	2023	$ 750,000
Unsecured bank loans	NTD	1.26%	2024	300,000
Less: Current portion				-
Total				**$ 1,050,000**
Unused credit line				**$ 708,972**

	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				**$ 1,200,000**

(i) Collateral for bank loans

Please refer to Note 8 for details on related assets pledged as collateral.

(ii) Please refer to Note 6(x) for details on financial risk.

(o) Lease liabilities

The Group's lease liabilities were as follows：

	December 31, 2021	December 31, 2020
Current	**$ 2,498**	**1,634**
Non-current	**$ 977**	**-**

Please refer to Note 6(x) for maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2021	2020
Interest on lease liabilities	**$ 41**	**41**
Expenses relating to short-term leases	**$ 573**	**580**
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	**$ 120**	**33**

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the Year Ended December 31,	
	2021	2020
Total cash outflow for leases	**$ 3,441**	**2,856**

(Continued)

(i) Real estate leases

The Group leases house and buildings for its warehouses. The leases of warehouses typically run for a period of 1 to 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.

(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(j) 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 is as follows:

	December 31, 2021	December 31, 2020
Less than one year	$ 8,859	10,907
One to two years	4,390	7,729
Two to three years	1,405	4,201
Three to four years	1,060	1,405
Four to five years	236	1,060
More than five years	55	291
Total undiscounted lease payments	**$ 16,005**	**25,593**

For the years ended December 31, 2021 and 2020, the rental revenues from investment properties amounted to $11,220 thousand and $9,039 thousand, respectively.

(Continued)

(q) Employee benefits

(i) Defined benefit plans

The reconciliation of fair value of the defined benefit plans and plan assets is as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 232,437	238,431
Fair value of plan assets	(247,168)	(254,615)
Net defined benefit liabilities	**$ (14,731)**	**(16,184)**
Net defined benefit assets	$ (19,850)	(21,760)
Net defined benefit liabilities	5,119	5,576
	$ (14,731)	**(16,184)**

Employee benefit liabilities are listed as follows:

	December 31, 2021	December 31, 2020
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 $247,168 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.

(Continued)

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, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Defined benefit obligations on January 1	$ 238,431	288,539
Current service costs and interest	3,080	5,297
Remeasurements of the net defined benefit liability (asset)		
—Actuarial loss (gain) due to experience adjustments	2,913	12,328
—Actuarial losses from changes in financial assumption	6,972	8,860
Liabilities from the settlement	-	(18,223)
Benefits paid by the plan	(18,959)	(58,370)
Defined benefit obligation on December 31	**$ 232,437**	**238,431**

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, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Fair value of plan assets on January 1	$ 254,615	280,794
Interest revenue	1,692	2,771
Remeasurements of the net defined benefit liability (asset)		
—Return on plan assets (not including current interest cost)	2,952	8,300
Contributed amount	6,868	9,270
Benefits paid by the plan	(18,959)	(39,730)
Settlement	-	(6,790)
Fair value of plan asset on December 31	**$ 247,168**	**254,615**

(Continued)

4) Expenses recognized in profit and loss

The Group's pension expenses recognized in profit or loss for the years ended December 31, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Current service costs	$ 1,613	2,567
Net interests on net defined benefit liability (asset)	(225)	(41)
Prior service cost and gain or loss from the settlement	-	417
	$ 1,388	**2,943**
Operating costs	$ 1,045	900
Selling expenses	360	518
General and administrative expenses	101	1,525
	$ 1,506	**2,943**
Other profit and loss	**$ 118**	**-**

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

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

	For the Years Ended December 31	
	2021	2020
Cumulative amount on January 1	$ 116,162	103,274
Recognized during the year	6,933	12,888
Cumulative amount on December 31	**$ 123,095**	**116,162**

6) Actuarial assumptions

The key actuarial assumptions at the reporting date are as follows:

	2021.12.31	2020.12.31
Discount rate	0.500~0.625%	0.500~0.625%
Future salary increase rate	1.000 %	1.000 %

Based on the actuarial report, the Group is expected to make a contribution payment of $6,892 thousand to the defined benefit plans for the one year period after the reporting date of 2021.

The weighted-average duration of the defined benefit plans is between 9.7~12.01 years.

(Continued)

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.

As of December 31, 2021 and 2020, 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, 2021		
Discount rates	$ (5,038)	5,197
Future salary increase rates	5,136	2,738
December 31, 2020		
Discount rates	(5,431)	5,609
Future salary increase rates	5,456	(5,311)

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

The costs of the pension contributions to the Labor Insurance Bureau for the years ended December 31, 2021 and 2020 amounted to $21,280 thousand and $19,584 thousand, respectively.

(Continued)

(r) Income tax

(i) The income tax expense were as follows:

	For the Years Ended December 31	
	2021	2020
Current income tax expense		
Current period incurred	$ 29,880	43,121
Undistributed earnings additional tax	65	183
Prior years income tax adjustment	9,080	(3,031)
Deferred tax expense		
Origin and reversal of temporary difference	4,600	14,236
Income tax expense from continuing operations	**$ 43,625**	**54,509**

(ii) The income tax on pre-tax financial income was reconciled with the income tax expense for the years ended December 31, 2021 and 2020 as follows:

	For the Years Ended December 31	
	2021	2020
Profit excluding income tax	$ 635,636	906,050
Income tax using the Company's domestic tax rate	$ 127,128	181,210
Effect tax rates in foreign jurisdiction	6,725	4,682
Non-deductible expenses	546	513
Gains from equity method	(68,796)	(103,715)
Dividends revenue	(5,672)	(3,821)
Recognition on previously unrecognized tax loss	(19,038)	-
Changes in unrecognized temporary differences	508	(16,205)
Undistributed earnings	65	183
Prior years income tax adjustment	9,080	(3,031)
Others	(6,921)	(5,307)
Total	**$ 43,625**	**54,509**

(Continued)

(iii) Deferred tax assets

1) Unrecognized deferred tax assets

	December 31, 2021	December 31, 2020
Pension expenses	$ 1,024	1,115
Tax-losses carryforward	9,002	72,895
Allowance losses	5,387	5,850
Losses on investment using equity method	88,672	88,672
Others	3,796	3,891
	$ 107,881	**172,423**

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, 2021, 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
$ 18,402	3,680	2023
21,457	4,291	2024
452	90	2025
293	59	2026
1,193	272	2027
3,051	610	2030
$ 44,848	**9,002**	

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Inventory valuation loss	Investment loss	Loss deduction	Unrealized gross profit	Other	Total
Deferred tax assets:						
Balance on January 1, 2021	$ 2,309	-	4,600	750	-	7,659
Recognize as profit or loss	-	-	(4,600)	-	-	(4,600)
Balance on December 31, 2021	**$ 2,309**	**-**	**-**	**750**	**-**	**3,059**
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**

(Continued)

(iv) Deferred tax liabilities

	December 31, 2021	December 31, 2020
Land value increment tax	**$ 222,537**	**222,537**

For the years ended December 31, 2021 and 2020, there is no change on the Group's defferred tax liabilities.

(v) Status of approval of income tax

Company	Year
The Company	2019
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	2019
TAIWAN NIKOMART CO., LTD.	2019
CHUANG SHIN TRAFFIC CO., LTD.	2019
TAISUN YUAN CO., LTD.	2019

(s) Share capital and other equity

As of December 31, 2021 and 2020, the authorized capital of the Company consisted of 1,000,000 thousand shares, at a par value of $10 per share, amounting to $10,000,000 thousand, respectively, with the outstanding shares amounting to $4,999,990 thousand.

(i) Capital surplus

The components of the capital surplus were as follows:

	December 31, 2021	December 31, 2020
Treasury shares transactions	$ 57,888	38,837
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
	$ 993,134	**974,083**

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, after 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.

A resolution was approved during the shareholders' meeting on December 26, 2021 for the amendments of the Company's articles of association as follows:

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while it still have significant expansion of production capacity and development plans in the next few years. Therefore, the distribution of surplus earnings should first be used to offset any deficit after the end of each quarter. If the surplus earnings are to be distributed in cash, it should be reported during the stockholder's meeting, without needing of approval, in accordance with Article 228-1 and 240-5 of Company Act. The Company's articles of incorporation stipulate that the Company's net earnings should first be used to offset the prior quarter's deficits, if any, after paying any income taxes. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or as required by the government, appropriate the earnings for special reserve. Of the remaining balance, 10% is to be appropriated as legal reserve, and the proportion of cash dividend shall not be less than 30% of the total dividend distribution.

If the cash dividend 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, and fair value of investment property being used as the cost on initial recognition at the transition date. In accordance with rules 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, 2021, and 2020, 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.

The special reserve that was calculated at the end of the period through the difference between the market price and the book value of the parent company's shares held by its subsidiaries based on their shareholding percentage shall not be distributed. However, if the market price rebounds, the special reserve shall be reversed according to their shareholding percentage.

3) Earnings distribution

The amounts of cash dividends of appropriations of earnings for 2020 and 2019 had been approved in the shareholders' meetings on August 18, 2021 and on May 21, 2020, respectively. These earnings were appropriated as follows:

	2020	2019
Common stock dividends per share		
Cash	**$ 699,999**	**449,999**

For information on earnings distribution, which was approved during the shareholders' meeting, please visit the public information observatory for further information.

(Continued)

(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	Beginning shares	Add	Less	Ending shares
2021				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
CHUANG SHIN TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**
2020				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
CHUANG SHIN TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**

	December 31, 2021	December 31, 2020
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	$ 154,637	154,637
TAIWAN NIKOMART CO., LTD.	44,880	44,880
CHUANG SHIN TRAFFIC CO., LTD.	4,359	4,359
	$ 203,876	**203,876**

The stock prices of the Company as of December 31, 2021 and 2020, were NTD 27.30 and NTD 27.60 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, 2021	$ (31,870)	(44,007)	(75,877)
Exchange differences on foreign operation	(2,722)	-	(2,722)
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	44,659	44,659
Changes in other comprehensive income (loss) of associates accounted for using equity methods	39	4,279	4,318
Disposal of investments in equity instruments designatedat at fair value through other comprehensive income	-	(76,331)	(76,331)
Balance on December 31, 2021	**$ (34,553)**	**(71,400)**	**(105,953)**
Balance on January 1, 2020	$ (29,042)	(78,026)	(107,068)
Exchange differences on foreign operation	(2,828)	-	(2,828)
Unrealized gain from financial assets 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 designated at fair value through other comprehensive income	-	586	586
Balance on December 31, 2020	**$ (31,870)**	**(44,007)**	**(75,877)**

(t) Earnings per share

The Group's basic earnings per share and diluted earnings for per share were calculated as follows:

	For the Years Ended December 31	
	2021	2020
Basic earnings per share		
Profit from continuing operation attributable to the Company	**$ 591,872**	**851,078**
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	**$ 1.22**	**1.75**
Diluted earnings per share		
Profit from continuing operation attributable to the Company (after adjusting the effect of diluted ordinary shares)	**$ 591,872**	**851,078**
Adjusted weighted-average number of ordinary shares	486,393	486,393
The impact of employee stock compensation	1,643	2,202
Adjusted weighted-average number of ordinary shares (after adjusting the effect of diluted ordinary shares)	**488,036**	**488,595**
Earnings per share	**$ 1.21**	**1.74**

(Continued)

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Years Ended December 31, 2021				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	$ 5,438,312	-	571,441	-	6,009,753
Bulk materials and aquafeeds	-	3,511,608	-	-	3,511,608
Service revenue	-	-	-	415,952	415,952
Rental revenue from investment properties	-	-	-	7,665	7,665
	$ 5,438,312	**3,511,608**	**571,441**	**423,617**	**9,944,978**

	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
Rental revenue from investment properties	-	-	-	6,359	6,359
	$ 4,718,701	**2,698,245**	**493,610**	**445,569**	**8,356,125**

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable	$ 163,881	137,198	125,217
Notes receivable-related parties	-	2,700	2,318
Accounts receivable	800,831	661,594	620,475
Accounts receivable-related parties	452,151	390,134	355,531
Overdue receivable	11,378	12,059	24,616
Less: loss allowance	(42,658)	(42,428)	(54,584)
Total	**$ 1,385,583**	**1,161,257**	**1,073,573**
Contract liabilities-sales	**$ 47,351**	**39,800**	**45,162**

For details on notes receivable, accounts receivable and loss allowance, please refer to Note 6(d).

(Continued)

The amount of revenue recognized for the year ended December 31, 2021 and 2020, which were included in the contract liabilities balance at the beginning of the period, were $29,766 thousand and $31,732 thousand, respectively.

The major change in the balance of 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.

(v) 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, 2021 and 2020, remuneration of employees f $34,500 thousand and $49,188 thousand, respectively, and remuneration of directors of $27,000 thousand and $34,431 thousand, respectively, were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company' s articles of incorporation. Such amounts were recognized as operating expenses for the years ended December 31, 2021 and 2020, Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and will be charged to profit or loss. The number of shares to be distributed was calculated based on the closing price of the Company' s ordinary shares, one day prior to Board of Directors meeting. There was no difference between the amounts approved in the Board of Directors meeting and the estimated amounts disclosed in the 2021 and 2020 financial statements.

(w) 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	
	2021	2020
Dividend income	$ 9,394	6,845
Rental revenue	4,436	4,903
Foreign exchange gains	13,271	1,044
Gains on disposal of property, plant and equipment	654	1,166
Gains on disposal of non-current assets held for sale	-	7,016
Gains on disposal of investments	-	3,755
Gains on financial assets at FVTPL	10,260	8,291
Directors' remunerations	13,467	6,159
Delivery service income	12,620	13,539
Other gains and losses	25,079	21,764
	$ 89,181	**74,482**

(Continued)

(ii) Finance costs

The details of finance costs were as follows:

	For the Years Ended December 31	
	2021	2020
Interest expense		
Bank loans	$ 11,318	14,368
Lease liability	41	41
	$ 11,359	**14,409**

(x) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

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, 2021 and 2020, the Group reviewed the concentrations of credit risk arising from its biggest customer-CENTRAL UNION OIL CORP., and it was 26% and 22%, 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 6(e) for the movement of allowance for loss.

(Continued)

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
December 31, 2021						
Non-derivative financial liabilities						
Lease liabilities	$ 3,475	3,506	1,263	1,263	980	-
Unsecured bank loans (NTD)	462,000	464,864	464,864	-	-	-
Unsecured bank loans (USD)	54,312	54,504	54,504	-	-	-
Secured bank loans (NTD)	1,050,000	1,069,098	5,751	5,751	755,708	301,888
Short-term notes and bills payable	520,000	520,000	520,000	-	-	-
Non-interest bearing liabilities	1,051,847	1,051,847	1,051,847	-	-	-
	$ 3,141,634	**3,163,819**	**2,098,229**	**7,014**	**756,688**	**301,888**
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	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**

(iii) Currency risk

1) Exposure of foreign currency risk

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

	December 31, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD : NTD	$ 15,045	27.690	415,578	11,168	28.508	318,000
USD : CNY	24	6.379	662	2,025	6.539	57,724
CNY : NTD	5,010	4.341	21,745	-	-	-
CNY : USD	13,000	0.157	56,428	13,000	0.150	56,669
Financial liabilities						
Monetary items						
USD : NTD	1,961	27.69	54,312	3,789	28.508	108,027
USD : CNY	-	-	-	2,000	6.539	57,017

(Continued)

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, 2021 and 2020 would have increased (decreased) the pre-tax net income for the years ended December 31, 2021 and 2020 by $3,521 thousand and $2,139 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, 2021 and 2020, the foreign exchange (loss) gain (including realized and unrealized portions) amounted to $13,271 thousand and $1,044 thousand, respectively.

(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, 2021	**December 31, 2020**
Fixed rate instruments:		
Financial assets	$ 24,243	284,789
Financial liabilities	520,000	20,000
	$ (495,757)	**264,789**
Variable rate instruments:		
Financial assets	$ 1,628,862	728,575
Financial liabilities	1,566,312	748,027
	$ 62,550	**(19,452)**

The following sensitivity analysis is based on the risk exposure to interest rate risk of derivative and non-derivative financial instruments on 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 $250 thousand and $78 thousand for the years ended December 31, 2021 and 2020, 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.

(Continued)

(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			
	2021		2020	
	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%	**$ 4,828**	**3,723**	**8,629**	**4,070**
Decrease 5%	**$ (4,828)**	**(3,723)**	**(8,629)**	**(4,070)**

(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, 2021				
		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	$ 712	-	712	-	712
Non derivative financial assets					
Listed Stocks	59,896	59,896	-	-	59,896
Beneficiary Certificate-Open-end Funds	33,190	33,190	-	-	33,190
Subtotal	93,798	93,086	712	-	93,798
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 108,329	108,329	-	-	108,329
Shares of stock unlisted on domestic markets	1,155	-	-	1,155	1,155
Shares of stock unlisted on foreign markets	11,217	-	-	11,217	11,217
Subtotal	120,701	108,329	-	12,372	120,701
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,664,560	-	-	-	-
Notes and accounts receivables (including related parties)	1,385,063	-	-	-	-
Other receivables (including related parties)	22,380	-	-	-	-
Other financial asset-current	12,254	-	-	-	-
Other financial asset-non current	12,573	-	-	-	-
Subtotal	3,096,830	-	-	-	-
Total	**$ 3,311,329**	**201,415**	**712**	**12,372**	**214,499**

(Continued)

	December 31, 2021				
		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	$ 1,481	-	1,481	-	1,481
Financial liabilities at amortized cost					
Short term borrowings	$ 516,312	-	-	-	-
Short term notes and bills payable	520,000	-	-	-	-
Notes and accounts payable (including related parties)	578,056	-	-	-	-
Other payables (including related parties)	467,193	-	-	-	-
lease liabilities (including non-current)	3,475	-	-	-	-
Long term borrowings	1,050,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	6,598	-	-	-	-
Subtotal	3,141,634	-	-	-	-
Total	**$ 3,143,115**	**-**	**1,481**	**-**	**1,481**

	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 accounts receivable (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	-	-	-	-
Long term borrowings (including current portion)	600,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non current liabilities, others)	5,304	-	-	-	-
Subtotal	1,768,496	-	-	-	-
Total	**$ 1,769,349**	**-**	**853**	**-**	**853**

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: Black-Scholes 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 for the years ended December 31, 2021 and 2020. Due to the transfer of the invested company from on emerging company to a listed company in 2021, the fair value level of the subsuidary was transferred from the second level to the first level. In addition, there have been no transfers from each level for the years ended December 31, 2020.

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, 2021 and 2020 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, 2021 and 2020 were both 25%)	· Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)

(Continued)

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, 2021						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	124	(124)
December 31, 2020						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	193	(193)

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.

(y) 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.

(Continued)

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.

(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, 2021 and 2020, the Group' s sales to it' s investee companies through equity method were 26% and 22% 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 for 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, 2021 and 2020, the Group did not provide any endorsement and guarantee for CENTRAL UNION OIL CORP.

(Continued)

(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, 2021 and 2020, the Group' s unused credit line amounted to $4,427,265 thousand and $4,881,885 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 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.

(Continued)

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.

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.

(z) Capital management

The Group's policy is to manage its capital of safeguard the capacity to continue as a going concern, returns for continue to provide returns for 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, 2021	December 31, 2020
Total liabilities	$ 3,647,149	2,208,663
Less: cash and cash equivalents	(1,664,560)	(772,454)
Net debt	1,982,589	1,436,209
Total capital	6,991,127	7,031,602
Adjusted captial	**$ 8,973,716**	**8,467,811**
Debt to equity ratio	**22.09%**	**16.96%**

Note: The increase in long-term borrowing resulted in the increase in debt to equity ratio on December 31, 2021, goes up.

(aa) 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, 2021 and 2020 were from foreign exchange movement.

(Continued)

(7) Related-party transactions:

(a) Names and relationship with the Group

The following are related parties that had transactions with 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. (Note)	Substantive related parties (other related parties)

Note: No longer a related party since March 1, 2021.

(b) Significant transactions with related parties

(i) Sale of Goods to Related Parties

	For the Years Ended December 31	
	2021	2020
Associates:		
CENTRAL UNION OIL CORP.	$ 2,625,270	1,836,951
Other associates	584,524	608,756
Other related parties	22,207	162,998
	$ 3,232,001	**2,608,705**

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 the physical distribution and publication distribution of related parties are 30 days and 45 days, respectively, after the end of the month, while the credit term for non-related parties is within 30 to 45 days after the end of the 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.

(Continued)

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 is 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	
	2021	2020
Associates－processing cost	$ 266,537	262,479

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, 2021	December 31, 2020
Note receivable	Other related parties	$ -	2,700
Account receivable	Associates		
	－CENTRAL UNION OIL CORP.	363,762	269,069
	－Other associates	88,389	96,755
	Other related parties	-	1,500
		$ 452,151	370,024

(iv) Payables from Related Parties

The payables from related parties were as follows:

Accounts	Related party category	December 31, 2021	December 31, 2020
Accounts payable	Associates	$ 10,863	2,282

(Continued)

(v) For the years ended December 31, 2021 and 2020, the Group recognized dividends revenue as follows:

	For the Years Ended December 31	
	2021	2020
Associates:		
TAIWAN FAMILYMART CO., LTD.	$ 376,023	326,004
CENTRAL UNION OIL CORP.	32,000	24,000
	$ 408,023	**350,004**

(vi) For the years ended December 31, 2021 and 2020, the Group recognized remuneration to directors as follows:

	For the Years Ended December 31	
	2021	2020
Associates:		
TAIWAN FAMILYMART CO., LTD.	$ 12,960	5,800
CENTRAL UNION OIL CORP.	507	359
	$ 13,467	**6,159**

(vii) Other

Accounts	Related party category	December 31, 2021	December 31, 2020
Other current liabilities	Associates	**$ 9,809**	**9,500**

(c) Key management personnel compensation

	For the Years Ended December 31	
	2021	2020
Short-term employee benefits	$ 69,399	73,499
Post-employment benefits	-	19,750
	$ 69,399	**93,249**

(Continued)

(8) Pledged assets:

As of December 31, 2021 and 2020, the book value of pledged assets were as follows:

Okedged assets	Pledge to secure	December 31, 2021	December 31, 2020
Other current financial assets	Forward foreign exchange contract and foreign exchange options	$ 4,154	4,276
Other current financial assets	Credit lines of sort-term bank loans	-	142,540
Other current financial assets	Deposit guarantee from provisional execution	8,100	-
Investment using equity method	Long-term bank loans	350,255	357,184
		$ 362,509	**504,000**

(9) Commitments and contingencies:

(a) Unused standby letters of credit

	December 31, 2021	December 31, 2020
Unused standby letters of credit	**$ 478,359**	**773,746**

(b) The following are the contract price and the amount paid on fixed assets:

	December 31, 2021	December 31, 2020
Signed-contract	**$ 300,766**	**286,285**
Paid-price	**$ 243,028**	**128,393**

(c) As of December 31, 2021 and 2020, the Group has issued a promissory note of $250,000 thousand and $160,000 thousand, respectively, as a guarantee for bank financing and performance.

(10) Losses due to major disasters: None.

(11) Subsequent events: None.

(Continued)

(12) Other:

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

	For the Years Ended December 31					
	2021			2020		
By function / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	223,099	441,532	664,631	191,965	474,018	665,983
Labor and health insurance	25,587	34,540	60,127	21,519	27,299	48,818
Pension	10,228	12,558	22,786	8,991	13,536	22,527
Others	16,439	17,914	34,353	14,748	16,443	31,191
Depreciation	90,497	11,255	101,752	81,483	11,855	93,338
Amortization	47	2,495	2,542	-	2,819	2,819

Depreciation for the years ended December 31, 2021 and 2020, each amounting to $475 thousand, respectively, was 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	83,070	56,428	21,703	2.1%	2	-	Operation Requirements	-	Promissory Notes	21,703	698,598	1,397,196
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	Other receivables-related party	Yes	56,428	56,428	56,428	2.1%	2	-	Operation Requirements	-	Promissory Notes	56,428	234,789	234,789

Note 1: Lending of capital has the following two types:
1.Entities with business transaction with the Company
2. Loans provided for short-term 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 wholly owned 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: None

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Fubon S&P US Preferred Stock ETF	-	Note 2	1,000,000	16,750	- %	16,750	- %	
The Company	Yuanta Global Future Telecommunication ETF	-	〃	500,000	16,440	- %	16,440	- %	
The Company	Stock-YI JINN INDUSTRIAL CO., LTD	-	〃	2,622,600	51,272	0.87 %	51,272	0.87 %	
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	20,946	- %	20,946	- %	
The Company	Stock-CHINA TRADE AND DEVELOPMENT CORPORATION	-	〃	2,788	28	- %	28	- %	
The Company	Stock-MEGA 888 CORP.	-	〃	17,350	174	1.16 %	174	1.16 %	
The Company	Stock-HSIN TUNG YANG CO., LTD.	-	〃	79,000	853	0.09 %	853	0.09 %	
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-FWOSOW INDUSTRY CO., LTD.		〃	3,765,000	76,429	1.17 %	76,429	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	54	- %	54	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KERRY TJ LOGISTICS CO., LIMITED	-	〃	15,524	698	- %	698	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-WUS PRINTED CIRCUIT CO., LTD.	-	〃	729	27	- %	27	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-LITE-ON TECHNOLOGY CORPORATION	-	〃	6,260	399	- %	399	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-MACRONIX INTERNATIONAL CO., LTD	-	〃	362	15	- %	15	- %	

(Continued)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Winbond Electronics Corporation	-	〃	1,195	41	- %	41	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-SILICON INTEGRATED SYSTEMS CORP.	-	〃	2,306	61	- %	61	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-China Development Financial Holding Corporation	-	〃	56,505	989	- %	989	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taishin Financial Holding Co., Ltd.	-	〃	102,478	1,942	- %	1,942	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Shin Kong Financial Holding Co., Ltd.	-	〃	20,225	223	- %	223	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CGS INTERNATIONAL, INC.	-	〃	565	20	- %	20	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	〃	10,351,332	282,591	2.07 %	282,591	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	8,624	0.04 %	8,624	0.04 %	
TAIWAN NIKOMART CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	2,960,186	80,813	0.59 %	80,813	0.59 %	
TAIWAN NIKOMART CO., LTD.	Stock-CVS. COM CO., LTD.	-	Note 6	249,000	2,490	24.90 %	2,490	24.90 %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock-Taitung Business Bank	-	Note 2	9,628	-	- %	-	- %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	368,524	10,061	0.07 %	10,061	0.07 %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock-SYSGRATION LTD.	-	〃	42,451	1,696	0.03 %	1,696	0.03 %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	〃	1,928	87	- %	87	- %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- Winbond Electronics Corporation	-	〃	5,305	180	- %	180	- %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- HUALON CORPORATION	-	〃	5,176	-	- %	-	- %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD	-	〃	38,760	-	- %	-	- %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- KUEI HUNG INDUSTRIAL CO., LTD	-	〃	22,000	-	- %	-	- %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- ORNATUBE ENTERPRISE CO., LTD.	-	〃	60,000	-	0.01 %	-	0.01 %	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- POWERCHIP SEMICONDUCTER MAUFACTURING CO.	-	〃	38,995	2,776	- %	2,776	- %	
TAISUN (CAYMAN) INVESTMENT LTD.	Stock-YAMAI LIMITED	-	〃	-	11,217	3.66 %	11,217	3.66 %	Note 4
TAISUN YUAN CO., LTD.	Stock-FWOSOW INDUSTRY CO., LTD.	-	〃	86,000	1,746	0.03 %	1,746	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.

Note 6: In June, 2021, CVS. COM. CO., LTD has been dissolved. The value of the related parties at that time was $2,490 thousand, the Group had transferred it into other receivables.

(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

(Continued)

(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	(1,914,135)	(22) %	OA60	No significant difference to the general customers.	General purchases payments in 30~60 days	444,419	32%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Sale	(2,625,270)	(30) %	OA45~60	Deduct sales expenses related to CENTRAL UNION OIL CORP. based on market price	No comparable client	363,762	27%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Purchase	266,537	4 %	OA15	No comparable	No comparable client	(10,863)	(2)%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAISUN ENTERPRISE CO., LTD.	Ultimerte parent conpany	Purchase	1,914,135	98 %	OA60	No significant difference to the general customers	No comparable client	(444,419)	(99)%	
CHUANG SHIN TRAFFIC CO., LTD.	TAIWAN DISTRIBUTION CENTER CO., LTD.	Associates	Sale	(261,850)	(63) %	Physical distribution - OA30	No significant difference to the general customers	No significant difference to the general customers	23,499	50%	
CHUANG SHIN TRAFFIC CO., LTD.	RE-YI DISTRIBUTION SERVICE CO., LTD.	Associates	Sale	(127,268)	(31) %	Publication distribution - OA45	No significant difference to the general customers	No significant difference to the general customers	24,381	49%	

(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 363,762	8.30	-	-	363,762	-
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Account receivable 444,419	4.50	-	-	436,596	-

(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. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	1	Sales revenue	1,914,135	OA60	19.25%
0	The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	1	Account receivable-related party	444,419	〃	4.18%
0	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Other receivables-related party	21,745	Half-year imputed interest, repay the principal when matured	0.20%
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Other receivables-related party	56,931	Half-year imputed interest repay the principal when matured	0.54%

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.

(Continued)

(b) Information on investees:

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value				
The Company	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	284,067	284,067	27,203,632	73.92 %	22,484	73.92 %	5,234	(197)	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 %	177,404	99.93 %	44,982	30,467	Note 1, 2, 3
The Company	TAISUN YUAN CO., LTD.	Taiwan	Investment management	5,000	5,000	500,000	100.00 %	21,332	100.00 %	10,496	10,496	
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Cayman	Investments	1,498,670	1,498,670	40,290,000	100.00 %	234,769	100.00 %	68,560	68,560	
The Company	CENTRAL UNION OIL CORP.	Taiwan	Manufacturing, processing and sales of bean products	204,125	204,125	20,000,000	33.33 %	282,630	33.33 %	126,053	42,018	Note 2
The Company	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	2,341,622	2,341,622	50,136,417	22.46 %	3,027,676	22.46 %	1,343,957	301,860	
The Company	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26 %	7,868	13.26 %	2,191	(212)	Note 1
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21 %	96,380	84.21 %	2,191	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 %	30,365	24.20 %	5,234	〃	Note 3
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 %	3,612	0.01 %	1,343,957	120	

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(s).

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 business and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Operation, production and sales of food, beverages, snacks, canned products, etc.	761,475 (USD27,500)	(Note 1)	924,846 (USD33,400)	-	-	924,846 (USD33,400)	66,503	100.00%	100.00%	66,503	160,242	-
Cheng Da Restaurant Investment Management (Sichuan) LTD.	Fresh bread and other food products	35,166 (USD1,270)	(Note 6)	17,168 (USD620)	-	-	17,168 (USD620)	-	3.66%	3.66%	-	49	-
JIANGSU DA MAI FOODS LTD.	Fresh bread and other food products	92,152 (USD3,328)	(Note 6)	20,214 (USD730)	-	-	20,214 (USD730)	-	3.66%	3.66%	-	1,076	-

(Continued)

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
962,228	1,324,967	4,191,589

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. was 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 27.69 as of December 31, 2021.

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.

(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.	128,875,000	25.77 %
EVERWIN INVESTMENT CO., LTD.	31,434,000	6.28 %
CHU-YU INVESTMENT LTD.	25,149,000	5.02 %

(Continued)

(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.

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

For the Year Ended December 31, 2021	Consumption division	Commodity division	Foreign division	Other	Adjustment and eliminations	Total
Total revenue	$ 5,438,312	3,511,608	571,441	423,617	-	9,944,978
Reportable segment profit or loss	$ 202,660	85,673	68,560	278,743	-	635,636
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

Note : Since the measured amount of assets of the Group was not provided to the operating decision maker, it was disclosed as zero.

(b) 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 2021	2020
Revenue from external customers:		
Taiwan	$ 9,067,395	7,618,736
Others	877,583	737,389
	$ 9,944,978	8,356,125

(Continued)

(c) Major Customer

Sales

	For the Years Ended December 31	
	2021	2020
Company A	$ 2,625,270	1,836,951

Stock Code:1218

TAISUN ENTERPRISE CO., LTD.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

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.

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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.)
電 話 Tel + 886 2 8101 6666
傳 真 Fax + 886 2 8101 6667
網 址 Web home.kpmg/tw

Independent Auditors' Report

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

Opinion

We have audited the non-consolidated financial statements of Taisun Enterprise Co., Ltd. ("the Company"), which comprise the non-consolidated statement of financial position as of December 31, 2021 and 2020, and the non-consolidated statement of comprehensive income, non-consolidated statement of changes in equity and non-consolidated statement of cash flows for the years then ended, and notes to the non-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 financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the "Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants" and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in the Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the report 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

Based on our professional judgment, key audit matters pertain to the most important matters in the audit of non-consolidated financial statements for the year ended December 31, 2021 of Taisun Enterprise Co., Ltd.. Those matters have been addressed in our audit opinion on the said non-consolidated financial statements and during the formation of our audit opinion. However, we do not express an opinion on these matters individually. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Revenue recognition

   Please refer to Note 4(q) "Revenue" for the accounting priciples on the recognition of revenues and Note 6(s) "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.

(a) Key audit matters:

The Company engages in the manufacturing and sales of cooking oil, food, beverages and aquafeeds. Revenue recognition on the sales of the Company'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 ristk of inappropriate revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters.

(b) Audit procedures performed:

- Understanding and testing 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; We also perform 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 informontion on revenue recognition was appropriate.

2. Accounts receivable evaluation

Please refer to Note 4(f) for accounting policies on 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.

(a) Key audit matters:

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.

(b) Audit procedures performed:

- 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 recent trend of the industry and 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 informontion on revenue recognition was appropriate.

3. Inventory valuation

Please refer to Note 4(g) for non-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).

(a) Key audit matters:

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.

(b) Audit procedures performed:

- 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 32.41% and 38.13% of total assets on December 31, 2021 and 2020 ; and the related share of profit of subsidiaries accounted for using the equity method constituting 54.77% and 57.61% of total profit before tax for the years ended , respectively.

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

Management is responsible for the preparation and fair presentation of the non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing Taisun Enterprise Co., Ltd.'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 (induding the Audit Commttee) are responsible for overseeing Taisun Enterprise Co., Ltd.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 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 non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 Taisun Enterprise Co., Ltd.'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 Taisun Enterprise Co., Ltd.'s ability to continue as a going concern. If we determine that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the non-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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the non-consolidated 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 entities or business activities within the Company to express an opinion on Taisun Enterprise Co., Ltd.. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the non-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 Hsin-Ting Huang and Kuo-Yang Tseng.

KPMG

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

Notes to Readers

The accompanying parent company only financial statements are intended only to present the 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-Consoidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 1,268,500	13	580,448	7
1110	Current financial assets at fair value through profit or loss (Note 6(b))	85,174	1	75,029	1
1150	Notes receivable, net (Note 6(d))	127,330	1	105,333	1
1160	Notes receivable due from related parties, net (Notes 6(d) and 7)	-	-	2,700	-
1170	Accounts receivable, net (Note 6(d))	431,690	4	353,733	4
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	812,934	8	679,976	8
1200	Other receivables, net (Note 6(e))	15,477	-	2,777	-
1210	Other receivables due from related parties, net (Notes 6(e) and 7)	25,252	-	60,385	1
1310	Inventories, manufacturing business (Note 6(f))	641,727	6	525,459	6
1400	Current biological assets	26,023	-	21,827	-
1421	Prepayments to suppliers	609,207	6	287,528	3
1429	Other prepayments	41,302	-	27,372	-
1476	Other current financial assets (Note 8)	12,254	-	146,816	2
1479	Other current assets, others	3,615	-	4,747	-
		4,100,485	39	2,874,130	33
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	98,530	1	145,823	2
1550	Investments accounted for using equity method (Notes 6(g) and 8)	3,774,163	37	3,705,288	42
1600	Property, plant and equipment (Note 6(h))	1,677,382	17	1,529,582	17
1760	Investment property, net (Note 6(i))	536,059	6	537,438	6
1780	Intangible assets	1,730	-	4,225	-
1830	Non-current biological assets	7,326	-	6,710	-
1840	Deferred tax assets (Note 6(p))	2,714	-	2,714	-
1975	Net defined benefit asset, non-current (Note 6(o))	16,921	-	18,949	-
1980	Other non-current financial assets	10,968	-	10,178	-
		6,125,793	61	5,960,907	67
	Total assets	**$ 10,226,278**	**100**	**8,835,037**	**100**

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(j))	$ 504,312	5	108,027	1
2110	Short-term notes and bills payable (Note 6(k))	500,000	5	-	-
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	1,481	-	853	-
2150	Notes payable	278	-	278	-
2170	Accounts payable (Notes 6(l) and 7)	498,966	5	461,948	5
2200	Other payables (Notes 6(o) and 7)	370,640	4	365,613	4
2230	Current tax liabilities (Note 6(p))	62,323	1	29,689	-
2399	Other current liabilities, others	25,540	-	16,559	-
		1,963,540	20	982,967	10
	Non-Current liabilities:				
2540	Long-term borrowings (Note 6(m))	1,050,000	10	600,000	7
2570	Deferred tax liabilities (Note 6(p))	222,537	2	222,537	3
2670	Other non-current liabilities, others	4,219	-	3,068	-
		1,276,756	12	825,605	10
	Total liabilities	3,240,296	32	1,808,572	20
	Equity (Note 6(q)):				
3110	Ordinary share	4,999,990	49	4,999,990	57
3200	Capital surplus	993,134	10	974,083	11
	Retained earnings:				
3310	Legal reserve	209,930	2	126,621	1
3320	Special reserve	240,776	2	240,776	3
3350	Unappropriated retained earnings	851,981	8	964,748	11
3400	Other equity interest	(105,953)	(1)	(75,877)	(1)
3500	Treasury stock	(203,876)	(2)	(203,876)	(2)
	Total equity	6,985,982	68	7,026,465	80
	Total liabilities and equity	**$ 10,226,278**	**100**	**8,835,037**	**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-Consoidated Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		For the years ended December 31			
		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(s) and 7)**	$ 8,622,713	100	7,140,795	100
5000	**Operating costs (Notes 6(f) and 7)**	7,606,870	88	5,982,205	84
5910	Less:Unrealized profit (loss) from sales	16,728	-	16,462	-
5920	Add:Realized profit (loss) on from sales	16,462	-	15,196	-
5900	**Gross profit from operations**	1,015,577	12	1,157,324	16
6000	**Operating expenses (Notes 6(d), (o), (t) and 7):**				
6100	Selling expenses	616,269	7	599,706	8
6200	Administrative expenses	287,984	4	321,505	5
6450	Expected credit loss	-	-	263	-
	Total operating expenses	904,253	11	921,474	13
6900	**Net operating income**	111,324	1	235,850	3
7000	**Non-operating income and expenses:**				
7020	Other gains and losses, net (Note 6(u))	72,641	1	55,992	1
7050	Finance costs, net (Note 6(u))	(10,651)	-	(11,354)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(g))	452,992	5	611,212	9
7100	Total interest income (Notes 6(u) and 7)	1,818	-	8,432	-
	Total non-operating income and expenses	516,800	6	664,282	10
	Profit from continuing operations before tax	628,124	7	900,132	13
7950	Less: Income tax expenses (Note 6(p))	36,297	-	49,054	1
	Profit	591,827	7	851,078	12
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	(Losses) gains on remeasurements of defined benefit plans (Note 6(o) and (q))	(6,402)	-	1,631	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	48,832	1	29,461	-
8330	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	8,891	-	(15,063)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	51,321	1	16,029	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(2,722)	-	(2,828)	-
8380	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	39	-	-	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(2,683)	-	(2,828)	-
8300	**Other comprehensive income**	48,638	1	13,201	-
	Total comprehensive income	**$ 640,465**	**8**	**864,279**	**12**
	Basic earnings per share (Note 6(r))				
9750	Basic earnings per share	**$**	**1.22**		**1.75**
9850	Diluted earnings per share	**$**	**1.21**		**1.74**

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-Consoidated Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				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 stock	Total equity
Balance at January 1, 2020	$ 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 the Company's cash dividends received by 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
Profit	-	-	-	-	591,827	591,827	-	-	-	-	591,827
Other comprehensive income	-	-	-	-	2,383	2,383	(2,683)	48,938	46,255	-	48,638
Total comprehensive income	-	-	-	-	594,210	594,210	(2,683)	48,938	46,255	-	640,465
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	83,309	-	(83,309)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(699,999)	(699,999)	-	-	-	-	(699,999)
Other changes in capital surplus:											
Adjustments of capital surplus for company’s cash dividends received by subsidiaries	-	19,051	-	-	-	-	-	-	-	-	19,051
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	76,331	76,331	-	(76,331)	(76,331)	-	-
Balance at December 31, 2021	**$ 4,999,990**	**993,134**	**209,930**	**240,776**	**851,981**	**1,302,687**	**(34,553)**	**(71,400)**	**(105,953)**	**(203,876)**	**6,985,982**

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-Consoidated Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	$ 628,124	900,132
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	75,672	64,398
Amortization expense	2,495	2,686
Expected credit losses	-	263
Net gains on financial assets or liabilities at fair value through profit or loss	(9,383)	(7,627)
Interest expense	10,651	11,354
Interest income	(1,818)	(8,432)
Dividend income	(8,509)	(6,222)
Shares of profit of associates and joint ventures accounted for using equity method	(452,992)	(611,212)
Gains on disposal of property, plan and equipment	(98)	(769)
Gains on disposal of investments	-	(3,755)
Unrealized profit from sales	16,728	16,462
Realized profit on from sales	(16,462)	(15,196)
Others	-	6,000
Total adjustments to reconcile profit (loss)	(383,716)	(552,050)
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(14,229)	(3,354)
Increase in notes receivable	(21,997)	(10,337)
Decrease (increase) in notes receivable due from related parties	2,700	(356)
Increase in accounts receivable	(77,957)	(40,205)
Increase in accounts receivable due from related parties	(132,958)	(76,289)
(Increase) decrease in other receivables	(774)	676
Increase in other receivable due from related parties	(673)	-
(Increase) decrease in inventories	(116,268)	116,356
Increase in biological assets	(7,210)	(9,614)
Increase in prepayments	(336,201)	(93,594)
Decrease in other current assets	1,132	730
Increase in net defined benefit assets	(4,374)	(18,949)
Increase in current financial liabilities at fair value through profile or loss	4,095	2,738
Decrease in notes payable	-	(1,619)
Increase in accounts payable	37,018	63,588
Increase in other payables	5,027	19,667
Increase in other current liabilities	8,981	1,200
Increase in net defined benefit liabilities	-	184
Total adjustments	(1,037,404)	(601,228)
Cash inflow generated from operations	(409,280)	298,904
Interest received	1,818	8,432
Interest paid	(10,651)	(11,354)
Income taxes paid	(4,997)	(39,320)
Net cash flows from (used in) operating activities	(423,110)	256,662

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consoidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2021	**2020**
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	96,125	1,314
Proceeds from disposal of investments accounted for using equity method	-	4,883
Acquisition of property, plant and equipment	(219,712)	(166,467)
Proceeds from disposal of property, plant and equipment	115	4,397
Increase in other receivables due from related parties	57,551	-
Decrease in other receivables due from related parties	(21,745)	48,493
Increase in other financial assets	(14,886)	(144,560)
Decrease in other financial assets	148,658	281,731
Dividends received	417,619	358,264
Net cash flows from (used in) investing activities	463,725	315,182
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	6,727,061	6,254,213
Decrease in short-term loans borrowings	(6,330,776)	(6,418,795)
Increase in short-term notes and bills payable	2,380,000	2,245,000
Decrease in short-term notes and bills payable	(1,880,000)	(2,345,000)
Proceeds from long-term borrowings	450,000	600,000
Repayments of long-term borrowings	-	(762,500)
Decrease in other non-current liabilities	1,151	(448)
Cash dividends paid	(699,999)	(449,999)
Net cash flows from (used in) financing activities	647,437	(877,529)
Net increase (decrease) in cash and cash equivalents	688,052	(305,685)
Cash and cash equivalents at beginning of period	580,448	886,133
Cash and cash equivalents at end of period	**$ 1,268,500**	**580,448**

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. It's registered office is located at No.6 Xinggong Rd. Tianzhong Township, Changhua County. The major business activities of the Company are the manufacturing and sales of cooking oil, food, beverages and aquafeeds .

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

The parent company only financial statements were authorized for issuance by the Board of Directors on March 25, 2022.

(3) New standards, amendments and interpretations adopted:

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

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

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

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

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

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

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

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

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

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

(Continued)

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

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated in Note 3, the following accounting policies were applied consistently throughout the periods presented in the parent company only 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 4(r).

(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, check deposits 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 365 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

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

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 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) 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.

(Continued)

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.

(j) Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comparehensive income and equity in the non-consolidated financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership are recognized as equity transaction.

(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.

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.

(Continued)

(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

The major components of the houses and buildings of the Group mainly comprised of main buildings, mechanical and electral equipments and other equipments And they are depreciated accrding 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.

(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

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.

(i) As a lessee

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

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

(Continued)

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, including in-substance fixed payment;
- 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 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.

(Continued)

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.

(ii) As a lessor

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

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, 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.

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. 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 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.

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

1)	Computer software cost	5 years

(Continued)

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.

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.

(Continued)

(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 been 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-month 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 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.

(Continued)

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

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

(iii) Short-term employee benefits

Short-term employee benefits are expensed as 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.

(Continued)

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 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.

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

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.

(Continued)

(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 TAISUN ENTERPRISE CO., LTD for the years ended December 31, 2021 and 2020 for information for operating segments information.

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

The preparation these financial statements management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The mangement 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.

(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.

(Continued)

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, please refer to Note 6(v).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 200	200
Check deposits	14,228	23,518
Cash in banks	1,254,072	556,730
Cash and cash equivalents	**$ 1,268,500**	**580,448**

Please refer to Note 6(v) 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, 2021	December 31, 2020
Assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ 712	1,369
Non-derivative financial assets		
Stocks listed on domestic markets	51,272	43,325
Beneficiary certificates open-end funds	33,190	30,335
Total	**$ 85,174**	**75,029**
Liabilities mandatorily measured at fair value through profit or loss:		
Non-derivative financial liabilities		
Forward exchange contracts	**$ 1,481**	**853**

(i) Please refer to Note 6(v) for dislosure on financal instrument related credit, exchange rate and interest rate risk.

(ii) The aforesaid financial assets were not pledged as collateral.

(Continued)

(iii) Derivative instruments not used for hedging

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

Forward exchange contracts:

	December 31, 2021		
	Contract amount (In thousands)	**Exercise price**	**Exercisr date**
Buy option	**USD 4,000**	27.490~27.780(USD/NTD)	2022.02.22~2022.05.12
Sell option	**USD 4,000**	27.490~27.780(USD/NTD)	2022.02.22~2022.05.12

	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

(c) Non-current financial assets at fair value through other comprehensive income

	December 31, 2021	**December 31, 2020**
Equity instruments at fair value through other comprehensive income-non current:		
Shares of stock of listed companies	$ 97,375	144,668
Shares of stock of unlisted companies	1,155	1,155
Total	**$ 98,530**	**145,823**

(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, 2021, the Company sold equity investment measured at FVOCI-Xinxing Electronics Co. Ltd. for strategic investment. The fair value at the time of disposal was $96,125 thousand and accumulated gain on disposal was amounted to 76,331 thousand, which was reclassified from other equity to retained earnings..

(iii) 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.

(iv) Please refer to Note 6(w) for credit risk and market risk.

(v) The aforesaid financial assets were not pledged as collateral.

(Continued)

(d) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 127,330	105,333
Notes receivable from related parties	-	2,700
Accounts receivable	462,970	361,292
Accounts receivable from related parties	812,934	702,786
Overdue receivables	9,797	10,708
Less：allowance for impairment	(41,077)	(41,077)
	$ 1,371,954	**1,141,742**

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, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance
Current	$ 1,277,143	0.66%~2.44%	31,114
Overdue 0 to 90 days	30,511	0.01%	3
Overdue 91 to 180 days	-	1.38%	-
Overdue 181 to 270 days	-	5.73%	-
Overdue 271 to 360 days	-	13.04%	-
Over 365 days past due	-	100%	-
Total	**$ 1,307,654**		**31,117**

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance
Current	$ 1,060,449	0.69%~2.83%	30,000
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	**$ 1,084,171**		**30,190**

(Continued)

The loss allowance provision in aquafeed segment was determined as follow:

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance
Current	$ 93,144	0.11%	97
Overdue 0 to 90 days	2,305	2.23%	51
Overdue 91 to 180 days	131	11.40%	15
Overdue 181 to 270 days	-	13.29%	-
Overdue 271 to 360 days	-	30.43%	-
Over 365 days past due	9,797	100%	9,797
Total	**$ 105,377**		**9,960**

	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance
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**

The movement in the allowance for notes and accounts receivable was as follow:

	For the years ended December 31	
	2021	2020
Balance on January 1	$ 41,077	40,814
Impairment losses recognized	-	263
Balance on December 31	**$ 41,077**	**41,077**

As of December 31, 2021 and 2020, the financial assets mentioned above were not pledged as collateral.

(e) Other receivables

	December 31, 2021	December 31, 2020
Other receivables-loans to subsidiaries	$ 21,745	57,551
Other	24,384	11,011
Less: allowance for impairment	(5,400)	(5,400)
	$ 40,729	**63,162**

(Continued)

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, 2021	December 31, 2020
Raw materials	$ 145,988	146,439
Materials	19,805	22,994
Work in process	171,908	104,648
Finished goods	304,026	251,378
	$ 641,727	**525,459**

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	
	2021	2020
Operating cost		
Inventory falling price gains from price recovery of inventory	$ (207)	(1,822)
Revenue from sale of scraps	(2,727)	(2,096)
Gains on physical inventory	(7,697)	(6,207)
Losses on disposal	4,754	7,196
Operating expenses	21,580	25,712
	$ 15,703	**22,783**

For the year ended December 31, 2021 and 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.

As of December 31, 2021 and 2020, the aforesaid inventories were not pledged as collateral.

(g) Investments accounted for using equity method

	December 31, 2021	December 31, 2020
Subsidiary	$ 463,857	344,934
Associates	3,310,306	3,360,354
	$ 3,774,163	**3,705,288**

(Continued)

(i) Subsidiaries

Please refer to the consolidated financial statement for the years ended December 31, 2021.

(ii) Associates

1) Associates that have material non-controlling interest were as follows:

Name of Associates	Nature of relationship with the Company	Main operation location	Proportion of shareholding and voting rights	
			December 31, 2021	December 31, 2020
TAIWAN FAMILYMART CO., LTD.	Operate chained convenience stores, explore selling paints for the Company	Taiwan	22.46 %	22.46 %

TAIWAN FAMILYMART CO., LTD. is one of the listed companies in Taiwan, with its fair value reflected as below:

December 31, 2021	December 31, 2020
$ 12,408,763	**13,135,741**

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, 2021	December 31, 2020
Current assets	$ 17,134,275	19,032,433
Non-current assets	50,472,010	42,441,957
Current liabilities	(33,982,369)	(30,440,441)
Non-current liabilities	(26,628,080)	(24,047,151)
Net assets	**$ 6,995,836**	**6,986,798**
Net assets attributable to non-controlling interests	**$ 657,346**	**381,607**
Net assets attributable to investee	**$ 6,338,490**	**6,605,191**

(Continued)

	For the years ended December 31	
	2021	2020
Operating revenue	$ 83,659,512	85,365,675
Net income	$ 1,409,749	2,240,930
Other comprehensive income	78,361	(55,649)
Total comprehensive income	$ 1,488,110	2,185,281
Comprehensive income attributable to non-controlling interests	$ 80,662	106,899
Comprehensive income attributable to investee	$ 1,407,448	2,078,382
Shares of net assets attributable to investee on January 1	$ 1,483,560	1,343,113
Comprehensive income attributable to the Company	316,123	466,945
Less: shares sold	-	(494)
Dividends from associates	(376,023)	(326,004)
subtotal	1,423,660	1,483,560
Add: investment property	19,921	19,921
Add: trademark	129,205	129,205
Add: goodwill	1,454,890	1,454,890
Book value of net equity of associates attributable to the Company on December 31	$ 3,027,676	3,087,576

2) Associates

The Company's financial information about investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2021	December 31, 2020
Carrying amount of individually insignificant associates' equity	$ 282,630	272,778

	For the Years Ended December 31	
	2021	2020
Attributable to the Company:		
Net gain	$ 42,018	39,661
Other comprehensive (loss) income	(639)	1,649
Comprehensive income	$ 41,379	41,310

(Continued)

(iii) Pledge to secure

As of December 31, 2021 and 2020, the deals of the investments accounted for using equity method were pledged as collateral, please refer to Note 8.

(h) Property, plant and equipment

The movement in the cost, depreciation, and impairment loss of the property, plant and equipment of the Company as of December 31, 2021 and 2020 were as follows:

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2021	$ 1,023,027	743,133	741,462	40,901	100,521	128,393	2,777,437
Additions	-	3,917	6,865	2,886	2,334	203,710	219,712
Disposals	-	-	(2,033)	(2,580)	(142)	-	(4,755)
Transfer in	-	9,280	85,520	-	3,275	-	98,075
Transfer out	-	-	-	-	-	(98,075)	(98,075)
Balance on December 31, 2021	**$ 1,023,027**	**756,330**	**831,814**	**41,207**	**105,988**	**234,028**	**2,992,394**
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**
Depreciation and impairment loss:							
Balance on January 1, 2021	$ -	542,499	600,846	29,578	74,932	-	1,247,855
Depreciation for the period	-	23,039	38,388	3,817	6,651	-	71,895
Disposals	-	-	(2,033)	(2,567)	(138)	-	(4,738)
Balance on December 31, 2021	**$ -**	**565,538**	**637,201**	**30,828**	**81,445**	**-**	**1,315,012**
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**
Carrying amounts:							
Balance on December 31, 2021	**$ 1,023,027**	**190,792**	**194,613**	**10,379**	**24,543**	**234,028**	**1,677,382**
Balance on January 1, 2020	**$ 1,017,667**	**187,164**	**112,261**	**10,535**	**9,442**	**90,337**	**1,427,406**
Balance on December 31, 2020	**$ 1,023,027**	**200,634**	**140,616**	**11,323**	**25,589**	**128,393**	**1,529,582**

(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.

(Continued)

(iii) As of December 31, 2021 and 2020, the aforementioned land, houses and buildings were not provided as collateral guarantees.

(i) Investment property

	Self-owned proporty		
	Land and improvements	Buildings	Total
Cost or deemed cost:			
Balance on January 1, 2021	**$ 501,302**	**129,581**	**630,883**
Balance on December 31, 2021	**$ 501,302**	**129,581**	**630,883**
Balance on January 1, 2020	**$ 501,302**	**129,581**	**630,883**
Balance on December 31, 2020	**$ 501,302**	**129,581**	**630,883**
Depreciation and impairment loss:			
Balance on January 1, 2021	$ -	93,445	93,445
Depreciation for the year	-	1,379	1,379
Balance on December 31, 2021	**$ -**	**94,824**	**94,824**
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**
Carrying amounts:			
Balance on December 31, 2021	**$ 501,302**	**34,757**	**536,059**
Balance on January 1, 2020	**$ 501,302**	**37,515**	**538,817**
Balance on December 31, 2020	**$ 501,302**	**36,136**	**537,438**
Fair value:			
Balance on December 31, 2021			**$ 929,935**
Balance on December 31, 2020			**$ 875,242**

(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., the website of real estate trading, etc. Under the valuation techniques for financial instruments measured at fair value, the inputs were categorized at level 3.

(iii) As of December 31, 2021 and 2020, the investment properties were not pledged as collateral.

(Continued)

(j) Short-term borrowings

	December 31, 2021	December 31, 2020
Letter of credit	$ 54,312	108,027
Unsecured bank loans	450,000	-
Total	**$ 504,312**	**108,027**
Unused credit lines	**$ 2,730,293**	**2,241,885**
Interest rates	**0.66%~1%**	**0.77%~1.59%**

Please refer to Note 6(w) for details on financial risk.

(k) Short-term notes and bills

The short-term notes and bills payable were summarized as follows:

	December 31, 2021		
	Gauarantee or acceptance institution	Range of interest rates (%)	Amount
Commercial paper payable	China Bills Finance Corporation, Interational Bills Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Grand Bills Finance Corporation, Ta Ching Bills Finance Corporation	0.89%~0.97%	**$ 500,000**

As of December 31, 2021 and 2020, the Company did not pledged assets to provide collateral for commercial paper payable and the unsued amount was $400,000 thousand and $880,000 thoousand, respectively.

Please refer to Note 6(w) for details on financial risk.

(l) Accounts payable

	December 31, 2021	December 31, 2020
Payables to suppliers	**$ 498,966**	**461,948**

(Continued)

(m) Long-term borrowings

	December 31, 2021			
	Currency	Interest rate	Year due	Amount
Secured bank loans	NTD	1.00%~1.06%	2023	$ 750,000
Unsecured bank loans	NTD	1.26%	2024	300,000
Less: Current portion				-
Total				**$ 1,050,000**
Unused credit line				**$ 708,972**

	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				**$ 1,200,000**

(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.

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

	December 31, 2021	December 31, 2020
Less than one year	$ 7,944	8,703
One to two years	3,716	6,985
Two to three years	841	3,562
Three to four years	497	841
Four to five years	213	496
More than five years	-	213
Total undiscounted lease payments	**$ 13,211**	**20,800**

(Continued)

For the years ended December 31, 2021 and 2020, the rental revenues from investment properties amounted to $8,547 thousand and $6,896 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The reconciliation of fair value of the defined benefit plans and plan assets is as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 186,320	192,447
Fair value of plan assets	(203,241)	(211,396)
Net defined benefit liabilities	**$ (16,921)**	**(18,949)**

Employee benefit liabilities are listed as follows:

	December 31, 2021	December 31, 2020
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.

The Company's contributions to the pension funds were deposited with Bank of Taiwan amounting to $203,241 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.

(Continued)

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, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Defined benefit obligations on January 1	$ 192,447	232,369
Current service costs and interest	2,560	4,328
Remeasurements of the net defined benefit liability		
—Actuarial losses (gains) gains due to experience adjustments	3,001	(1,079)
—Actuarial losses from changes in financial assumption	5,879	6,270
Benefits paid by the plan	(17,567)	(49,441)
Defined benefit obligation on December 31	**$ 186,320**	**192,447**

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, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Fair value of plan assets on January 1	$ 211,396	230,922
Interest revenue	1,320	2,270
Remeasurements of the net defined benefit liability (asset)		
—Return on plan assets (not including current interest cost)	2,478	6,822
Contributed amount	5,614	8,032
Benefits paid by the plan	(17,567)	(36,650)
Fair value of plan asset on December 31	**$ 203,241**	**211,396**

4) Expenses recognized in profit and loss

The Companys pension expenses recognized in profit or loss for the years ended December 31, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Current service costs	$ 1,378	2,126
Net interests on net defined benefit liability	(138)	(68)
	$ 1,240	**2,058**

(Continued)

	For the Years Ended December 31	
	2021	2020
Operating costs	$ 1,045	900
Operating expenses	179	217
General and administrative expenses	16	941
	$ 1,240	**2,058**

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

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

	For the Years Ended December 31	
	2021	2020
Cumulative amount on January 1	$ 91,131	92,762
Recognized during the year	6,402	(1,631)
Cumulative amount on December 31	**$ 97,533**	**91,131**

6) Actuarial assumptions

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

	2021.12.31	2020.12.31
Discount rate	0.500 %	0.625 %
Future salary increase rate	1.000 %	1.000 %

Based on the actuarial report, the Company is expected to make a contribution payment of $5,581 thousand to the defined benefit plans for the one year period after the reporting date of 2021.

The weighted-average duration of the defined benefit plans is between 9.7 years.

7) Sensitivity analysis

As of December 31, 2021 and 2020, 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, 2021		
Discount rates	$ (3,924)	4,045
Future salary increase rates	3,925	3,828

(Continued)

	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)

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

The cost of pension contrbutions to the Labor Insurance Bureau for the years ended December 31, 2021 and 2020, amounted to $15,151 thousand and $14,000 thousand, respectively.

(p) Income tax

(i) The income tax expense were as follows:

	For the Years Ended December 31	
	2021	2020
Current income tax expense		
Current period incurred	$ 27,292	42,730
Prior years income tax adjustment	9,005	(2,844)
Deferred tax expense		
Origin and reversal of temporary difference	-	9,168
Income tax expense from continuing operations	**$ 36,297**	**49,054**

(Continued)

(ii) The income tax on pre-tax financial income was reconciled with the income tax expense for the years ended December 31, 2021 and 2020 as follows:

	For the Years Ended December 31	
	2021	2020
Profit excluding income tax	$ 628,124	900,132
Income tax using the Company's domestic tax rate	$ 125,625	180,026
Gains from equity method	(90,598)	(122,242)
Gains on financial assets evaluation	(1,877)	(169)
Dividends revenue	(1,702)	(1,244)
Non-deductible expenses	161	296
Changes in unrecognized temporary differences	558	163
Prior years income tax adjustment	9,005	(2,844)
Others	(4,875)	(4,932)
Total	**$ 36,297**	**49,054**

(iii) Deferred tax assets

1) Unrecognized deferred tax assets

	December 31, 2021	December 31, 2020
Allowance losses	$ 5,387	5,850
Losses on investment using equity method	88,672	88,672
Others	3,782	3,877
	$ 97,841	**98,399**

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Inventory valuation loss	Investment loss	Unrealized gross profit	Total
Deferred tax assets:				
Balance on January 1, 2021	$ 1,964	-	750	2,714
Balance on December 31, 2021	**$ 1,964**	**-**	**750**	**2,714**
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**

(Continued)

(iv) Deferred tax liabilities

	December 31, 2021	December 31, 2020
Land value increment tax	**$ 222,537**	**222,537**

For the years ended December 31, 2021 and 2020, there is no change on the Company's defferred tax liabilities.

(v) The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(q) Share capital and other equity

As of December 31, 2021 and 2020, the authorized capital of the Company consisted of $1,000,000 thousand shares, at a par value of $10 per share, amounting to $10,000,000 thousand, respectively, with the outstanding shares amounting to $4,999,990 thousand.

(i) Capital surplus

The components of the capital surplus were as follows:

	December 31, 2021	December 31, 2020
Treasuny shares transactions	$ 57,888	38,837
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
	$ 993,134	**974,083**

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, after 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.

A resolution was approved during the shareholders' meeting on December 26, 2021 for the amendments of the Company's articles of association as follows:

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while it still have significant expansion of production capacity and development plans in the next few years. Therefore, the distribution of surplus earnings should first be used to offset any deficit after the end of each quarter. If the surplus earnings are to be distributed in cash, it should be reported during the stockholder's meeting, without needing of approval, in accordance with Article 228-1 and 240-5 of Company Act. The Company's articles of incorporation stipulate that the Company's net earnings should first be used to offset the prior quarter' s deficits, if any, after paying any income taxes. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or as required by the government, appropriate the earnings for special reserve. Of the remaining balance, 10% is to be appropriated as legal reserve, and the proportion of cash dividend shall not be less than 30% of the total dividend distribution.

f 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 rules 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 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

(Continued)

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, 2021 and 2020, 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.
The special reserve that was calculated at the end of the period through the difference between the market price and the book value of the parent company's shares held by its subsidiaries based on their shareholding percentage shall not be distributed. However, if the market price rebounds, the special reserve shall be reversed according to their shareholding percentage.

3) Earnings distribution

The amounts of dividends of appropriations of earnings for 2020 and 2019 had been approved shareholders' meeting on August 18, 2021, and May 21, 2020, respectively,

These earnings were appropriatted as follows:

	For the years ended December 31	
	2020	**2019**
Common stock dividends per share		
Cash	**$ 699,999**	**449,999**

For information on earnings distribution, 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 pruposes. Stocks held by subsidiaries are deemed as treasury shocks.

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
2021				
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
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**

	December 31, 2021	December 31, 2020
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, 2021 and 2020 were NTD27.30 and NTD27.60 respectively.

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2021	$ (31,870)	(44,007)	(75,877)
Exchange differences on foreign operation	(2,722)	-	(2,722)
Unrealized gain from equity instrument measured at fair value through other comprehensive income	-	48,832	48,832
Changes in other comprehensive income (loss) of associates accounted for using equity methods	39	106	145
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(76,331)	(76,331)
Balance on December 31, 2021	**$ (34,553)**	**(71,400)**	**(105,953)**
Balance on January 1, 2020	$ (29,042)	(78,026)	(107,068)
Exchange differences on foreign operation	(2,828)	-	(2,828)
Unrealized gain from financial assets 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 investment designated at fair value through other comprehensive income	-	586	586
Balance on December 31, 2020	**$ (31,870)**	**(44,007)**	**(75,877)**

(Continued)

(r) Earnings per share

The Company's earnings per share are calculated as follows:

	For the Years Ended December 31	
	2021	2020
Basic earnings per share		
Profit from continuing operation attributable to the Company	**$ 591,827**	**851,078**
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	**$ 1.22**	**1.75**
Diluted earnings per share		
Profit from continuing operation attributable to the Company	591,827	851,078
Profit from continuing operation attributable to the Company(after adjusting the effect of diluted ordinary shares)	**$ 591,827**	**851,078**
Adjusted weighted-average number of ordinary shares	486,393	486,393
The impact of employee stock compensation	1,643	2,202
Adjusted weighted-average number of ordinary shares (after adjusting the effect of diluted ordinary shares)	**488,036**	**488,595**
Earnings per share	**$ 1.21**	**1.74**

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Years Ended December 31, 2021			
	Consumption division	Commodity division	Other	Total
Main product/service				
Consumer food	$ 5,102,558	-	-	5,102,558
Bulk materials and aquafeeds	-	3,511,608	-	3,511,608
Rental revenue from investment properties	-	-	8,547	8,547
	$ 5,102,558	**3,511,608**	**8,547**	**8,622,713**

	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
Rental revenue from investment properties	-	-	6,896	6,896
	$ 4,435,654	**2,698,245**	**6,896**	**7,140,795**

(Continued)

(ii) Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable	$ 127,330	105,333	94,996
Notes receivable-related parties	-	2,700	2,344
Accounts receivable	462,970	361,292	320,890
Accounts receivable-related parties	812,934	702,786	626,496
Overdue receivable	9,797	10,708	10,906
Less: loss allowance	(41,077)	(41,077)	(40,814)
Total	**$ 1,371,954**	**1,141,742**	**1,014,818**

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, 2021 and 2020, remuneration of employees of $34,500 thousand and $49,188 thousand, respectively, and remuneration of directors of $27,000 thousand and $34,431 thousand, respectively, were estimated on the basis of the Company' s net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's articles of incorporation. Such amounts were recognized as operating expenses for the years ended December 31, 2021 and 2020, Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and will be charged to profit or loss. The number of shares to be distributed was calculated based on the closing price of the Company's ordinary shares, one day prior to Board of Directors meeting. There was no difference between the amounts approved in the Board of Directors meeting and the estimated amounts disclosed in the 2021 and 2020 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	
	2021	2020
Dividend income	$ 8,509	6,222
Foreign exchange gain (losses)	12,009	(2,349)
Gains on disposal of property, plant and equipment	98	769
Gains on disposal of investments	-	3,755
Gains (losses) on financial assets at FVTPL	9,383	7,627
Delivery service income	12,620	13,539
Other gains and losses	30,022	26,429
	$ 72,641	**55,992**

(ii) Finance costs

The details of finance costs were as follows:

	For the Years Ended December 31	
	2021	2020
Interest expense		
Bank loans	**$ 10,651**	**11,354**

(iii) Interest income

The details of interest income were as follows:

	For the Years Ended December 31	
	2021	2020
Interest income from bank deposits	$ 802	4,995
Other	1,016	3,437
	$ 1,818	**8,432**

(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 59% and 57%, 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 have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected losses. Please refer to Note 4(f) for the decision made by Company as to whether or not its credit risk is to have 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, including the estimated interest payments but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
December 31, 2021						
Non-derivative financial liabilities						
Unsecured bank loans (USD)	$ 54,312	54,504	54,504	-	-	-
Unsecured bank loans (NTD)	450,000	452,340	452,340	-	-	-
Secured bank loans (NTD)	1,050,000	1,069,098	5,751	5,751	755,708	301,888
Short-term notes and bills payable	500,000	500,000	500,000	-	-	-
Non-interest bearing liabilities	859,078	859,078	859,078	-	-	-
	$ 2,913,390	**2,935,020**	**1,871,673**	**5,751**	**755,708**	**301,888**
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**

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, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD : NTD	$ 15,045	27.69	415,578	11,168	28.508	318,000
CNY : NTD	5,010	4.341	21,745	-	-	-
Non-monetary items						
USD : NTD	8,479	27.69	234,769	6,153	28.508	175,286
Financial liabilities						
Monetary items						
USD : NTD	1,961	27.69	54,312	3,789	28.508	108,027

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, 2021 and 2020 would have increased (decreased) the pre-tax net income for the years ended December 31, 2021 and 2020 by $4,942 thousand and $3,082 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

The Company' s foreign exchange gains or lossess on monetary items, including both realized and unrealized were as follows:

	2021		2020	
	Foreign exchange gains (losses)	Average exchange rate	Foreign exchange gains (losses)	Average exchange rate
USD	$ 11,952	28.0127	(2,349)	29.568
CNY	57	4.343	-	-

(Continued)

(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, 2021	**December 31, 2020**
Fixed rate instruments:		
Financial assets	$ 12,254	146,816
Financial liabilities	500,000	-
	$ (487,746)	**146,816**
Variable rate instruments:		
Financial assets	$ 1,254,072	556,730
Financial liabilities	1,554,312	108,027
	$ (300,240)	**448,703**

The following sensitivity analysis is based on the risk exposure to interest rates risk of derivative and non-derivative financial instruments on 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 $1,201 thousand and $1,795 thousand for the years ended December 31, 2021 and 2020, respectively, assuming all other variable factors remaining constant. This is mainly due to the Company's variable rate borrowing and cash advances for accounts receivable 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			
	2021		2020	
	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%	**$ 3,941**	**3,378**	**7,291**	**3,683**
Decrease 5%	**(3,941)**	**(3,378)**	**(7,291)**	**(3,683)**

(Continued)

(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:

	December 31, 2021				
		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	$ 712	-	712	-	712
Non derivative financial assets					
Listed Stocks	51,272	51,272	-	-	51,272
Beneficiary Certificate-Open-end Funds	33,190	33,190	-	-	33,190
Subtotal	85,174	84,462	712	-	85,174
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 97,375	97,375	-	-	97,375
Shares of stock unlisted on domestic markets	1,155	-	-	1,155	1,155
Subtotal	98,530	97,375	-	1,155	98,530
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,268,500	-	-	-	-
Notes and accounts receivables (including related parties)	1,371,954	-	-	-	-
Other receivables (including related parties)	40,729	-	-	-	-
Other financial asset-current	12,254	-	-	-	-
Other financial asset-non current	10,968	-	-	-	-
Subtotal	2,704,405	-	-	-	-
Total	**$ 2,888,109**	**181,837**	**712**	**1,155**	**183,704**
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	$ 1,481	-	1,481	-	1,481
Financial liabilities at amortized cost					
Short term loans	$ 504,312	-	-	-	-
Short term notes and bills payable	500,000	-	-	-	-
Notes and accounts payable (including related parties)	499,244	-	-	-	-
Other payables (including related parties)	370,640	-	-	-	-
Long term loans (including current portion)	1,050,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	4,219	-	-	-	-
Subtotal	2,928,415	-	-	-	-
Total	**$ 2,929,896**	**-**	**1,481**	**-**	**1,481**

(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 accounts receivable (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**	**1,369**	**1,155**	**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 loans	$ 108,027	-	-	-	-
Notes and accounts payable (including related parties)	462,226	-	-	-	-
Other payables (including related parties)	365,613	-	-	-	-
Long term loans (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**

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.

(Continued)

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.

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.

(Continued)

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 2021 and 2020. In addition, there have been no transfers from each level for the years ended December 31, 2021 and 2020.

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.

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	· Not applicable
		·Market illiquidity discount (as of December 31, 2021,and 2020 were both 25%)	· 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	· Not applicable
		·Market illiquidity discount (as of December 31, 2021,and 2020 were both 25%)	· The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)

(Continued)

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, 2021						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	12	(12)
December 31, 2020						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	12	(12)

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 exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

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

(Continued)

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, 2021 and 2020, the percentage of net sales of two specific clients invested by the Company through equity method were 52% and 51% 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.

2) Investment

The credit risk exposure for 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, corporate organization and government agencies 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 Company's subsidiaries and CENTRAL UNION OIL CORP. (the Company' s long-term equity investment company through joint venture agreement). As of December 31, 2021 and 2020, the Company did not provide any endorsement and guarantee for CENTRAL UNION OIL CORP.

(Continued)

(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, 2021 and 2020, the Company' s unused credit line amounted to $3,839,265 thousand and $4,321,885 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.

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.

(Continued)

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 policy is to manage its capital of safeguard the capacity to continue as a going concern, returns for continue to provide returns for 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, 2021	December 31, 2020
Total liabilities	$ 3,240,296	1,808,572
Less: cash and cash equivalents	(1,268,500)	(580,448)
Net debt	**$ 1,971,796**	**1,228,124**
Total equity	**$ 6,985,982**	**7,026,465**
Adjusted equity	**$ 8,957,778**	**8,254,589**
Debt-to-equity ratio	**22.01 %**	**14.88 %**

Note：The debt-to-equity ratio of the current period is higher than that of the previous period, mainly due to the increase in long-term borrowings.

(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, 2021 and 2020 were from foreign exchange movement.

(7) Related-party transactions:

(a) Names and relationship with the Company

The following are related parties that had transactions with the Company during the periods covered in the non-consolidated 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 DISTRBUTION CENTER CO., LTD	Equity-accounted Investee's Subsidiary by the Company (associates)
RE-YI DISTRIBUTION SERVICE CO., LTD.	〃

(Continued)

Name of related party	Relationship with the Company
TAISUN FOODS & MARKETING CO., LTD. (Note)	Affiliate related parties (other related parties)
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	A subsidiary of the Company
TAIWAN NIKOMART CO., LTD.	〃
CHUANG HSIN TRAFFIC CO., LTD.	〃
TAISUN YUAN CO., LTD.	〃
TAISUN (CAYMEN) INVESTMENT CO., LTD.	〃
TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD.	〃
TAISUN (HERBAL) CO., LTD.	〃

Note：No longer a related party since March 1, 2021.

(b) Significant transactions with related parties

(i) Sale of Goods to Related Parties

	For the years ended December 31	
	2021	2020
Subsidiaries:		
PIN-TAI DISTRIBUTION ENTERPRISE CO.	$ 1,914,135	1,782,814
Other subsidiaries	-	453
Associates:		
CENTRAL UNION OIL CORP.	2,625,270	1,836,951
Other associates	17,936	10,923
Other related parties	22,207	162,998
	$ 4,579,548	**3,794,139**

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 transaction for PIN-TAI DISTRIBUTION, ENTERPRISE CO. LTD 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.

(Continued)

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 transaction is 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	
	2021	2020
Associates－processing cost	**$ 266,537**	**262,479**

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.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Accounts	Related party category	December 31, 2021	December 31, 2020
Note receivable	Other related parties	$ -	2,700
Account receivable	Subsidiaries-PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	444,419	406,490
	Associates-CENTRAL UNION OIL CORP.	363,762	269,069
	Other associates	4,753	2,917
	Other related parties	-	1,500
Other receivable	Subsidiaries-TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD.	21,745	57,551
	Subsidiaries-PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD	3,507	2,834
		$ 838,186	**743,061**

(Continued)

(iv) Payables from Related Parties

The payables from related parties were as follows:

Accounts	Related party category	December 31, 2021	December 31, 2020
Accounts payable	Associates	$ 10,863	2,282
Other payable	Subsidiaries	2,488	2,709
		$ 13,351	**4,991**

(v) Loans to related parties (included in the (iii) other recevables metioned above)

The Company's actual loan to related parties was as follows:

	December 31, 2021	December 31, 2020
Subsidiaries:		
TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD.	**$ 21,703**	**57,016**

As of December 31, 2021 and 2020, the Company's loan to related parties was calculated at an annual interest rate of 2.10% and 2.62% respectively, wherein the Company receives promissory notes as collateral. Also the Company evaluated that no bad debts were recognized for TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD. For the years ended December 31, 2021 and 2020, the interest revenue from the loan mentioned above were $919 thousand and $2,229 thousand respectively.

(vi) Leases

1) Rental revenue

	For the Years Ended December 31	
	2021	2020
Subsidiaries	**$ 528**	**528**

2) Rental expenditure

	For the Years Ended December 31	
	2021	2020
Subsidiaries	**$ 37**	**179**

The abovementioned leases were conducted under general market price, and the payments were paid (received) by months.

(Continued)

(vii) Other

1) For the years ended December 31, 2021 and 2020, the Company paid logistics fees, promotion fees and gift fees were as follows:

	For the Years Ended December 31	
	2021	2020
Subsidiaries	$ 33,873	28,064

2) For the years ended December 31, 2021 and 2020, the Company received information service fees and warehousing fees were as follows:

	For the Years Ended December 31	
	2021	2020
Subsidiaries	$ 3,943	3,829

3) For the years ended December 31, 2021 and 2020, the Company recogized dividends revenue as follows:

	For the Years Ended December 31	
	2021	2020
Associates：	$ 376,023	326,004
TAIWAN FAMILYMART CO., LTD.		
CENTRAL UNION OIL CORP.	32,000	24,000
Subsidiaries：		
CHUANG HSIN TRAFFIC CO., LTD	1,087	2,038
	$ 409,110	352,042

4) For the years ended December 31, 2021 and 2020, the Company recognized remunerations to directors as follows:

	For the Years Ended December 31	
	2021	2020
Associates：		
TAIWAN FAMILYMART CO., LTD.	$ 12,960	5,800
CENTRAL UNION OIL CORP.	507	359
	$ 13,467	6,159

(c) Key management personnel compensation

	For the Years Ended December 31	
	2021	2020
Short-term employee benefits	$ 61,774	67,936

(Continued)

(8) Pledged assets:

As of December 31, 2021 and 2020, the book value of pledged assets were as follows:

Asset	Purpose of pledge	December 31, 2021	December 31, 2020
Other current financial asset	Forward foreign exchange contranct and foreign exchange options	$ 4,154	4,276
Other current financial asset	Credit lines of short-term bank loans	-	142,540
Other current financial asset	Deposit guarantee from provisional execution	8,100	-
Investment througn equity method	Long-term bank loans	350,255	357,184
		$ 362,509	**504,000**

(9) Commitments and contingencies:

(a) Unused standby letters of credit

	December 31, 2021	December 31, 2020
Unused standby letters of credit	**$ 478,359**	**773,746**

(b) The following are the contract price and the amount paid on fixed assets:

	December 31, 2021	December 31, 2020
Signed-contract	**$ 300,766**	**286,285**
Paid-price	**$ 234,028**	**128,393**

(c) As of December 31, 2021 and 2020 the Company has issued a promissory note of $250,000 thousand and $160,000 thousand, respectively, 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					
	2021			2020		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	191,066	249,785	440,851	163,291	289,815	453,106
Labor and health insurance	20,909	17,410	38,319	18,005	15,406	33,411
Pension	8,778	7,613	16,391	7,729	8,329	16,058
Remuneration of directors	-	38,582	38,582	-	45,303	45,303
Others	13,890	9,723	23,613	11,616	9,148	20,764
Depreciation	68,007	7,665	75,672	56,960	7,438	64,398
Depletion	-	-	-	-	-	-
Amortization	-	2,495	2,495	-	2,686	2,686

For the years ended December 31, 2021 and 2020, the information on the number of employees and employee benefit expense of the Company is as follows:

	2021	2020
Numbers of employees	**556**	**537**
Numbers of directors (non-employee)	**7**	**4**
Average employee benefit expenses	**$ 946**	**982**
Average employee salary expenses	**$ 803**	**850**
Percentages of average employee salary expense	**(5.53)%**	
Remuneration of supervisors	**$ -**	**-**

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 its articles of incorporation.The chairman's and directors' remuneration are remunerated through their performance on their duties in the company by the its 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 its articles of incorporation. The actual allocation rate, which is reviewed by the Salary and Compensation Committee and be decided on the board meeting. 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.

(Continued)

(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 (economic) 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 company The contribution of the overall operation is approved and 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 to link the achievement of employees, 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	83,070	56,428	21,703	2.1%	2	-	Operation Requirements	-	Promissory Notes	21,703	698,598	1,397,196
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS CO., LTD.	Other receivables-related party	Yes	56,428	56,428	56,428	2.1%	2	-	Operation Requirements	-	Promissory Notes	56,428	234,789	234,789

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:None

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

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Fubon S&P US Preferred Stock ETF	-	Note 2	1,000,000	16,750	- %	16,750	
The Company	Yuanta Global Future Telecommunication ETF	-	〃	500,000	16,440	- %	16,440	
The Company	Stock-YI JINN INDUSTRIAL CO., LTD	-	〃	2,622,600	51,272	0.87 %	51,272	
The Company	Stock- CANDO CORPORATION	-	〃	256,923	-	0.07 %	-	
The Company	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	Note 3	333,000	20,946	- %	20,946	
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-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-FWOSOW INDUSTRY CO., LTD.		〃	3,765,000	76,429	1.17 %	76,429	
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	54	- %	54	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KERRY TJ LOGISTICS CO., LIMITED	-	〃	15,524	698	- %	698	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-WUS PRINTED CIRCUIT CO., LTD.	-	〃	729	27	- %	27	

(Continued)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-LITE-ON TECHNOLOGY CORPORATION	-	Note 3	6,260	399	- %	399	
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	41	- %	41	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-SILICON INTEGRATED SYSTEMS CORP.	-	〃	2,306	61	- %	61	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-China Development Financial Holding Corporation	-	〃	56,505	989	- %	989	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taishin Financial Holding Co., Ltd.	-	〃	102,478	1,942	- %	1,942	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Shin Kong Financial Holding Co., Ltd.	-	〃	20,225	223	- %	223	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CGS INTERNATIONAL, INC.	-	〃	565	20	- %	20	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	〃	10,351,332	282,591	2.07 %	282,591	
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	8,624	0.04 %	8,624	
TAIWAN NIKOMART CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	2,960,186	80,813	0.59 %	80,813	
TAIWAN NIKOMART CO., LTD.	Stock-CVS. COM CO., LTD.	-	Note 5	249,000	2,490	24.90 %	2,490	
CHUANG HSIN TRAFFIC CO., LTD.	Stock-Taitung Business Bank	-	Note 2	9,628	-	- %	-	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	368,524	10,061	0.07 %	10,061	
CHUANG HSIN TRAFFIC CO., LTD.	Stock-SYSGRATION LTD.	-	〃	42,451	1,696	0.03 %	1,696	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	〃	1,928	87	- %	87	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- Winbond Electronics Corporation	-	〃	5,305	180	- %	180	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- HUALON CORPORATION	-	〃	5,176	-	- %	-	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD	-	〃	38,760	-	- %	-	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- KUEI HUNG INDUSTRIAL CO., LTD	-	〃	22,000	-	- %	-	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- ORNATUBE ENTERPRISE CO., LTD.	-	〃	60,000	-	0.01 %	-	
CHUANG HSIN TRAFFIC CO., LTD.	Stock- POWERCHIP SEMICONDUCTER MAUFACTURING CO.	-	〃	38,995	2,776	- %	2,776	
TAISUN (CAYMAN) INVESTMENT LTD.	Stock-YAMAI LIMITED	-	〃	-	11,217	3.66 %	11,217	Note 4
TAISUN YUAN CO., LTD.	Stock-FWOSOW INDUSTRY CO., LTD.	-	〃	86,000	1,746	0.03 %	1,746	

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: In June, 2021, CVS. COM. CO., LTD has been dissolved. The value of the related parties at that time was $2,490 thousand, and the Company had transferred it into other receivables.

(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

(Continued)

(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	(1,914,135)	(22) %	OA60	No significant difference to the general customers.	General purchases payments in 30~60 days	444,419	32%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Sale	(2,625,270)	(30) %	OA45~60	Deduct sales expenses related to CENTRAL UNION OIL CORP. based on market price	No comparable client	363,762	27%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Purchase	266,537	4 %	OA15	No comparable	No comparable client	(10,863)	(2)%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAISUN ENTERPRISE CO., LTD.	Ultimerte parent conpany	Purchase	1,914,135	98 %	OA60	No significant difference to the general customers	No comparable client	(444,419)	(99)%	
CHUANG SHIN TRAFFIC CO., LTD.	TAIWAN DISTRIBUTION CENTER CO., LTD.	Associates	Sale	(261,850)	(63) %	Physical distribution - OA30	No significant difference to the general customers	No significant difference to the general customers	23,499	50%	
CHUANG SHIN TRAFFIC CO., LTD.	RE-YI DISTRIBUTION SERVICE CO., LTD.	Associates	Sale	(127,268)	(31) %	Publication distribution - OA45	No significant difference to the general customers	No significant difference to the general customers	24,381	49%	

(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 363,762	8.30	-		363,762	-
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Account receivable 444,419	4.50	-		436,596	-

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

(b) Information on investees:

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

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of wnership	Carrying value			
The Company	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	284,067	284,067	27,203,632	73.92 %	22,484	5,234	(197)	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 %	177,404	44,982	30,467	Note 1, 2, 3
The Company	TAISUN YUAN Co., Ltd.	Taiwan	Investment management	5,000	5,000	500,000	100.00 %	21,332	10,496	10,496	
The Company	TAISUN (CAYMAN) INVESTMENT LTD	Cayman	Investments	1,498,670	1,498,670	40,290,000	100.00 %	234,769	68,560	68,560	
The Company	CENTRAL UNION OIL CORP.	Taiwan	Manufacturing, processing and sales of bean products	204,125	204,125	20,000,000	33.33 %	282,630	126,053	42,018	Note 2
The Company	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	2,341,622	2,341,622	50,136,417	22.46 %	3,027,676	1,343,957	301,860	
The Company	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26 %	7,868	2,191	(212)	Note 1
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21 %	96,380	2,191	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 %	30,365	5,234	〃	Note 3

(Continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of wnership	Carrying value			
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 %	3,612	1,343,957	120	

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, 2021	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 CO., LTD.	Operation, production and sales of food, beverages, snacks, canned products, etc.	761,475 (USD27,500)	(Note 1)	924,846 (USD33,400)	-	-	924,846 (USD33,400)	66,503	100.00%	66,503	160,242	-
Cheng Da Restaurant Investment Management (Sichuan) Co., Ltd.	Fresh bread and other food products	35,166 (USD1,270)	(Note 6)	17,168 (USD620)	-	-	17,168 (USD620)	-	3.66%	-	49	-
JIANGSU DA MAI FOODS CO., LTD.	Fresh bread and other food products	92,152 (USD3,328)	(Note 6)	20,214 (USD730)	-	-	20,214 (USD730)	-	3.66%	-	1,076	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
962,228	1,324,967	4,191,589

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 CO., LTD. and TAISUN (HERBAL) CO., 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 27.69 as of December 31, 2021.

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.

(iii) For details of capital lending to TATSUN ENTERPRISE (ZHANG ZHOU) FOODS CO., LTD., please refer to Note 13(a).

(Continued)

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
LONG BON INTERNATIONAL CO., LTD.	128,875,000	25.77 %
EVERWIN INVESTMENT CO., LTD	31,434,000	6.28 %
CHU-YU INVESTMENT LTD.	25,149,000	5.02 %

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2021.

Taisun Enterprise Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 200
Cash in banks		
Foreign currency deposits	USD11,057,491.82 thousand (rate 27.69)	306,182
Foreign currency deposits	JPY28,254,116 thousand (rate 0.2406)	6,797
Check deposits		14,228
Current deposits		941,093
		$ 1,268,500

Statement of Account Receivable

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
Client A	Payment for goods	$ 100,944	
Client B	〃	53,851	
Client C	〃	50,328	
Client D	〃	41,434	
Client E	〃	23,471	
Others	〃	192,942	The year-end balance of each client does not exceed 5% of the account balance.
Total		462,970	
Less: Allowance for impairment		(31,280)	
Net account receivable		**$ 431,690**	

Taisun Enterprise Co., Ltd.

Statement of Account Receivables-Related Parties

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
CENTRAL UNION OIL CORP.	Payment for goods	$ 363,762	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	〃	444,419	
Others	〃	4,753	The year-end balance of each client does not exceed 5% of the account balance.
Total		812,934	
Less: Allowance for impairment		-	
		$ 812,934	

Statement of Prepayments

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Prepaayment	Prepayment to suppliers	**$ 609,207**

Taisun Enterprise Co., Ltd.

Statement of Inventories

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net Realizable Value	
Raw materials	$ 149,428	149,613	Market price is based on the selling price on the reporting date.
Materials	24,032	23,401	"
Work in process	173,624	173,367	"
Finished goods	317,635	321,122	"
Consumptive biological assets	26,023	26,436	"
Subtotal	690,742	**693,939**	
Less: Allowance for, and loss from, slow-moving inventories	(22,992)		
Total	**$ 667,750**		

Taisun Enterprise Co., Ltd.

Statement of Changes in Investments Accounted for Using the Equity Method

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Name of investee	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	$ 18,615	-	-	-	-	-	3,869	27,203,632	73.92 %	22,484	3.41	92,754	None
PIN-TAI DISTIBUTION ENTERPRISE CO., LTD.	21,255,839	131,578	-	-	-	-	-	45,826	21,255,839	99.93 %	177,404	23.02	489,314	"
TAISUN (CAYMEN) INVESTMENT CO., LTD.	40,290,000	175,286	-	-	-	-	(2,722)	62,205	40,290,000	100.00 %	234,769	0.21	234,789	"
CENTRAL UNION OIL CO., LTD.	20,000,000	272,778	-	-	-	32,000	-	41,852	20,000,000	33.33 %	282,630	14.5	284,982	"
TAIWAN FAMILYMART CO., LTD.	50,136,417	3,087,576	-	-	-	376,023	39	316,084	50,136,417	22.46 %	3,027,676	247.5	12,408,763	Note 3
CHUANG SHIN TRAFFIC CO., LTD.	1,358,480	8,509	-	-	-	1,087	-	446	1,358,480	13.26 %	7,868	11.70	15,172	None
TAISUN YUAN CO., LTD.	500,000	10,946	-	-	-	-	-	10,386	500,000	100.00 %	21,332	42.66	21,332	"
		$ 3,705,288		**-**		**409,110**	**(2,683)**	**480,668**			**3,774,163**			

Note 1: The decrease in the current period was due to the acquisition of cash dividends amounting to $409,110 thousand dollars from the invested companies.

Note 2: Adjustments using equity method comprised of gain or loss from subsidiaries and affiliated enterprises amounting to $452,992 thousand. Also, the capital reserve treasury shares amounted to $$19,051 thousand dollars and the change in other comprehensive income amounted to $8,891 thousand, as well as the unrealized gain or loss from downstream and upstream transactions amounted to $(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, 2021

(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.

Taisun Enterprise Co., Ltd.

Statement of Short-term Borrowings

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Creditor	Type	Ending blance	Contract period	Interest rate	Collateral	Note
Mega international Commercial Bank Co., Ltd.	Purchase Loan (Letter of Credit)	$ 2,335	2021.12.28~2022.3.28	0.76%	Commercial paper	
Mega international Commercial Bank Co., Ltd.	Purchase Loan (Letter of Credit)	14,879	2021.12.30~2022.3.30	0.77%	Commercial paper	
Hua Nan Commercial Bank Ltd.	Purchase Loan (Letter of Credit)	17,500	2021.12.29~2022.3.18	0.656%	None	
Hua Nan Commercial Bank Ltd.	Purchase Loan (Letter of Credit)	19,598	2021.12.29~2022.3.21	0.656%	None	
JihSun International Commercial Bank Co., Ltd.	Credit Loan	250,000	2021.12.03~2022.3.03	0.95%	None	
Hua Nan Commercial Bank Ltd.	Credit Loan	80,000	2021.12.14~2022.3.14	1%	None	
Land Bank of Taiwan	Credit Loan	120,000	2021.12.14~2022.5.13	1%	None	
		$ 504,312				

Taisun Enterprise Co., Ltd.

Statement of Short-term Bills Payable

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Corporation name	Ending Balance	Contract Period	Interest Rate	Collateral	Note
Taiwan Copperative Bills Finance Corporation	$ 100,000	2021.12.13-2022.3.11	0.888%	None	
Grand Bills Finance Corporation	100,000	2021.12.13-2022.3.23	0.958%	None	
International Bills Finance Corporation	100,000	2021.12.13-2022.3.23	0.968%	None	
China Bills Finance Corporation	100,000	2021.12.13-2022.3.23	0.968%	None	
Ta Ching Bills Finance Corporation	100,000	2021.12.13-2022.3.23	0.968%	None	
	$ 500,000				

Statement of Account Payables

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
A	loan	29,832	
B	〃	25,077	
Other	〃	444,057	
Total		**$ 498,966**	

Note：The year-end balance of each vendor does not exceed 5% of the account balance.

Taisun Enterprise Co., Ltd.

Statement of Long-term Borrowings

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Ending balance	Contract period	Interest rate	Collateral	Note
JihSun International Commercial Bank		$ 300,000	2020.10.30~2023.07.21	1.00 %	Investment using equity method	
Taishin International Bank		450,000	2020.11.04~2023.11.03	1.06 %	Investment using equity method	
DBS Bank Limited		300,000	2021.10.15~2024.10.15	1.2588 %	None	
Net borrowings		**$ 1,050,000**				

Statement of Operating Revenue

For the year ended December 31, 2021

Item	Quantity	Amount
Soy powder and soybean	192,546 tons	$ 3,102,163
Beverage	13,036 thousand boxes	2,537,152
Cooking oil	35,440 tons	2,564,171
Livestock	15,893 tons	416,015
Others		30,888
Total		8,650,389
Less: Sales return		(15,370)
Sales discount		(12,306)
Net operating revenue		**$ 8,622,713**

Taisun Enterprise Co., Ltd.

Statement of Operating Costs

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cost of sales from manufacturing		
Raw material		
Raw material, January 1		$ 148,879
Add: Purchase		4,889,431
Less: Raw material, December 31		(149,428)
Transfer into expense		(1,446)
Inventory loss of raw materials		(421)
Disposal of raw materials		(327)
		4,886,688
Indirect raw materials		
Materials, January 1		27,221
Add: Purchase		1,007,610
Less: Materials, December 31		(24,032)
Transfer into expense		(409)
Disposal of materials		(150)
Inventory loss on materials		(16)
		1,010,224
Direct labor		136,508
Manufacturing expense		615,904
Work in process, January 1		106,365
Add: Purchase		542,825
Inventory gain on work in process		11,405
Less: Work in process, December 31		(173,624)
Disposal of work in process		(245)
Transfer into expense		(10)
Cost of finished goods		7,136,040
Finished goods, January 1		288,021
Add: Purchase		562,719
Less: Finished goods, December 31		(343,658)
Transfer into expense		(19,715)
Inventory loss on finished goods		(3,137)
Transfer into biological assets-non current		(4,749)
Disposal of finished goods		(4,166)
Loss from price loss of inventory		(207)
Revenue from sales of scraps		(2,727)
Inventory gain		(7,697)
Disposal of inventory		4,754
Cost of goods sold		7,605,478
Cost of lease		1,392
		$ 7,606,870

Taisun Enterprise Co., Ltd.

Statement of Selling Expenses

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Selling Expenses	Administrative Expenses	Total
Salary and wages expenses	$ 82,810	173,830	256,640
Transportation expense	91,097	373	91,470
Advertising expense	154,825	-	154,825
Taxes	67,020	3,047	70,067
Other	220,517	110,734	331,251
Total	**$ 616,269**	**287,984**	**904,253**

Note1: The year-end balance of each item does not exceed 5% of the account balance.