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

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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.

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Non-Consoidated Balance Sheets	4
5. Non-Consoidated Statements of Comprehensive Income	5
6. Non-Consoidated Statements of Changes in Equity	6
7. Non-Consoidated Statements of Cash Flows	7
8. Notes to the Non-Consoidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the financial statements	8
(3) New standards, amendments and interpretations adopted	8～9
(4) Summary of significant accounting policies	9～25
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	25～26
(6) Explanation of significant accounts	26～59
(7) Related-party transactions	59～63
(8) Pledged assets	64
(9) Commitments and contingencies	64
(10) Losses due to major disasters	64
(11) Subsequent events	64
(12) Other	65～66
(13) Other disclosures	
(a) Information on significant transactions	67～69
(b) Information on investees	69～70
(c) Information on investment in mainland China	70
(d) Major shareholders	71
(14) Segment information	71
9. List of major account titles	72～81

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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.

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(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.

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

TAISUN ENTERPRISE CO., LTD.

Notes to the Non-Consoidated Financial Statements

For the years ended December 31, 2021 and 2020

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

(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.

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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.

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

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.

(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.

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.

(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.

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.

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

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.

(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.

(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.

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.

(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.

(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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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**

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

	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.

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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**

(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**

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.

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**

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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.

(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**

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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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.

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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	-	-

(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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

	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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

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.

(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.

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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(12) Other:

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

	For the Years Ended December 31					
	2021			2020		
By funtion / By item	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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

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

(i) Loans to other parties:

(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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares (thousands)	Percentage of 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)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

(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.