



VE WONG[®]

味王股份有限公司

VE WONG CORPORATION

2021

ANNUAL REPORT

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

I. Spokesperson & Deputy Spokesperson

Spokesperson

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Branches / (05)591-2111 ~5

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Fengtian Plant / (05)591-2111 ~5

No14, Fengtian Road, DabiTownship, Yunlin County

III. Stock Transfer Agent

Name /**Capital Securities Corporation. Transfer Agency Service Department**

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Phone / (02)2702-3999

Website/ <http://www.capital.com.tw>

IV. Auditors

Name /**PKF Taiwan**

Auditors / Lin, Kuan-Zhao, Wen, Ming-Yu

Address / 4F, 118 Xingshan Road, Neihu District, Taipei City

Phone / (02) 8792-2628

Website / <http://www.pkf.com.tw>

V. Overseas Securities Exchange: Nil

VI. Corporate Website <http://www.vewong.com>



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I. Letter to Shareholders

1. Preface

Due to the repeated ups and downs of the COVID-19 pneumonia epidemic, it has impacted the stability of many industries and supply chains. Not only is there a shortage of work and materials, but international freight has been blocked in ports, ship schedules have been delayed, and freight rates have soared, which has contributed to the overall soaring of raw material prices, such as construction materials, livelihood supplies, Food and catering prices have risen in turn, making consumers and businesses feel the pressure of inflation. In addition, the outbreak of the Ukrainian-Russian war this year has further contributed to the increase in the cost of purchasing raw materials for the company, which has made the profit erosion even worse.

Such industrial predicament is testing the resilience of the management team. In recent years, due to the planned update and addition of equipment, attracting outstanding talents, strengthening personnel training, and stabilizing the company's financial structure, the company's operating physique has become more sound and more competitive. I hope that with the concerted efforts of the top and bottom of the company, we can break through the adversity and usher in the company's opportunity.

2. Business Performance Report for 2021

I would like to report the operating status of 2021 to all shareholders:

1. Performance

The company's annual 2021 consolidated total turnover was NT\$ 5,824,838,000 (the same below). The combined net profit after tax was NT\$ 697,030,000 with a net profit margin of 12%.

2. Main product sales

Unit: NT\$ thousand

products item	2021	2020	Increase (decrease)
Condiment	3,995,060	4,219,669	(224,609)
Instant Foods	1,526,007	1,513,166	12,841
others	303,771	310,865	(7,094)
Total	5,824,838	6,043,700	(218,862)

3. Operation report

The company's annual 2021 consolidated net operating income totals NT\$ (the same hereinafter) NT\$ 5,824,838,000. Among them, the cost of goods sold is NT\$3,928,723,000 operating expenses were NT\$1,030,051,000, and non-operating income and expenses are net losses of NT\$51,591,000, pre-tax net profit was NT\$917,196,000 income tax expense was NT\$220,166,000, and the net profit for the current period is NT\$ 697,030,000.

4. Research and design of present:

1. Selected non-genetically modified soybean crisp, after a long period of fermentation and production of premium raw shoyu, every drop is precious. Ingredients are used as local raw materials to present clean labels and the uniqueness of soy sauce for consumers.
2. Using TFL (Total Food Liquefaction) technology is the purpose to a whole food, 100% whole food without food additive or decreased food additive and salt to present clean label products.
3. Due to senior citizens and sub-replacement fertility, we have stepped whole foods and into the senior food industry, finding that whole foods and functional foods decrease body burden and designing the liquid food using vegetables and whole food nutrition for senior citizens.
4. Fast food products is certified by "Eatender", and awarded the "Taiwan Staining Product Competition," and the "Taiwan Anti-Covid-19 Set Meals Product Competition" from the Agriculture and Food Agency to enhance the company's brand and exposure.
5. Adding the TFL vegetables into handmade noodles to increase nutrition, elastic and flavor, seasoning, and fast food products combined with "local raw material", "Cuisine of Southeast Asia", and "exotic cuisine". The Little Prince series snack noodles used the brand advantage to create product value. Meeting the diverse choices and preferences of consumers.
6. Research and innovate various products, extend the product image of existing brands, and increase products' added value.

3. Summary of Business Operation Plans for 2022

The impact of the COVID-19 in 2022 was still affected, the public are fatigued about the epidemic, and the demand for instant noodles and instant food decreased. However, in order to maintain the competitiveness of Taiwan's overall food industry, the equipment update is still ongoing: 1. The equipment is continuously updated and automated: the new soy sauce preparation building is currently under construction. The board of directors agreed to add new equipment to the instant noodle factory to improve automated production capacity, and has now entered the stage of contracting and construction. The fast food group has newly purchased filling machines. Affected by the epidemic, manufacturers cannot enter the country to adjust equipment. Equipment manufacturers have been asked to speed up the final equipment adjustment, launch mass production as soon as possible, and increase product diversity to meet future market demand. 2. Launch new products and continue to focus on personalized products to meet the future personalized market. 3. Development of idle assets, continue to handle the application process, and develop as soon as possible. 4. Foreign investment, increase production capacity to meet customer needs and create higher performance.



The above operation plan will require all colleagues to set goals and plans to make an all-out effort, to achieve the trust of all shareholders.

4.Look forward to the company development strategy

In the face of changes in the business environment and consumer market, we must think about what will happen to the food market in the future? As the impact of the epidemic on the global economy and consumption habits is far-reaching and long-lasting, especially when the epidemic is severe, the most direct impact is on the tourism and catering industries, resulting in a sharp drop in out-of-home food. Instead, there are great opportunities for home cooking. To improve, and this is where the business opportunity lies.

In the past, most of the company's products were raw materials, such as soy sauce and monosodium glutamate products. Considering that the modern family structure and lifestyle are different from those of the past, in the era of "new, speed, real, simplicity", we should also keep pace with the times and introduce new products. Utilizing the equipment and technology of the company's seasoning production line and normal temperature conditioning bag, we actively develop various ready-to-eat products of simply heating. The company can provide delicious, healthy and safe dishes, and can also supply small packaged products to meet the needs of single or small family consumers.

With the booming development of e-commerce channels and delivery platforms, food companies with brand reputation can provide high-quality products with reliable sources of raw materials and production steps that meet hygienic and safety conditions, which can provide consumers with more choice and safety guarantee. It is also the company's mission and self-expectation.

5.The Impact of the External Competitive Environment, Regulatory

Environment, and Macroeconomic Conditions

Last year (2021) was affected by the continuous global epidemic, which caused shipping costs and material prices to rise. This year, the epidemic spread rapidly in Taiwan, and a large number of confirmed cases broke out, which greatly affected the domestic retail, tourism, tourism, and catering markets. The war also led to disturbances in the supply chain, causing countries around the world to fall into the whirlpool of inflation and price hikes. As a result, the procurement costs of the company's main raw materials, such as soybeans, wheat, flour, palm oil, etc., have risen sharply, making the overall manufacturing cost is rising, and the operating pressure is intensifying. In response to the challenges of the environment, we will be committed to the control of raw material costs, which will be reflected in the selling price in a timely manner, and grasp the changes between the selling price and sales, so as to flexibly adjust the company's pricing and sales strategies.

Although affected by the above-mentioned unfavorable factors, food technology and inspection technology continue to improve, and the EU and other countries are increasingly strict with food inspection standards and food safety checks, and there is no room for relaxation. Therefore, in addition to improving product quality more strictly to comply with the food regulations of various countries, we have further updated the national standards and inspection methods for pesticide residues, animal drug residues and related pollutants in 2011, and put forward more stringent specifications to ensure that Safety of food raw materials.

In this regard, the company also re-examined the self-management and inspection plan, and based on the key points of risk management in the Hazard Analysis and Risk-Based Preventive Controls (HARCP) system, strengthened supplier management, and even provided guidance to enable Suppliers grow together.

In addition, the company cleans the ingredients of new and old products, and uses pure raw materials provided by "Green TFL Co., Ltd.". Existing products have successfully obtained the certification of the clean label in 2021, so as to fulfill the corporate social responsibility. The challenges brought about by the epidemic and inflation are still going on. The company Ve Wong will continue to move forward with a consistent and down-to-earth attitude, continue to provide consumers with stable, safe and hygienic food.

Chairman **Chen, Ching-Fu**





II. Company Profile

1. Date of Incorporation

The company was established on July 4, 1959.

2. Company History

- 1959 1.The company was originally named “China Fermentation Industry Co., Ltd.” and was established in Taipei in April.
 2.In September of the same year, one monosodium glutamate plant was built in Shulin Township and was named the Taipei Plant. The company entered into technical cooperation with Japan's Kyowa Hakko Kogyo Co., Ltd. and introduced its patented fermentation technology and a full set of automation equipment. The construction of the Taipei Plant was completed in August of the following year and started the production of MSG.
- 1964 The company launched a capital increase for the first time to expand equipment and increase production and applied for the listing of its shares to become a public company.
- 1966 The company actively developed overseas investment business, and cooperated with overseas Chinese businessmen in Southeast Asia such as Vietnam, Thailand, Philippines, and Indonesia to set up plants to produce MSG.
- 1970 1.The company was renamed “Ve Wong Fermentation Industry Corporation” to make the company name consistent with the product trademark.
 2.The company cooperated with Japan’s Myojo Food Industrial Co., Ltd. to manufacture instant noodles and diversify its business.
- 1972 In view of the strategy of diversification, the equipment of the Taipei Plant in Shulin Township was insufficient. In the same year, a new plant, named Fengtian Plant, was built in Fengtian Industrial Park, Yunlin County.
- 1975 The first phase of construction of the Fengtian Plant was completed as scheduled. In October of the same year, the production of instant noodles, seaweed soup, and canned beverages was started; in the second phase construction plan, a high-end brewed soy sauce production plant was to be built.
- 1978 1. In order to seek unification, promote the rationalization of operations, and comply with the government's policy of encouraging enterprises to merge for industry development, the company merged “Ve Wong Soy Sauce & Canning Industrial Co., Ltd.” It renamed its plant to “Ve Wong Sanchong Plant.”
 2. In July of the same year, the Fengtian Plant began to produce Kim Ve Wong Soy Sauce for consumers.
- 1979 1.The company was renamed “Ve Wong Corporation.”
 2.The company reinvested in “The World Champion Co., Ltd.” in December of the same year.
- 1983 The company introduced from Japan Retort Pouch (sterilized conditioning package, also known as Liduo Pouch) for the Fengtian Plant and launched the Kim Ve Wong Brand Instant Noodle Soup Beef Flavor with this packaging, which was well received by consumers after the launch.

- 1984 1. In view of the demand of the instant noodle market, an instant noodle production plant was built in Xsiangshan, Hsinchu.
2. In August of the same year, the Taipei Plant launched Kim ve wong IG Glutamate, and the Fengtian Plant launched conditioned foods (pre-cooked fast foods of Chinese style).
- 1986 In June, the Sanxia Packaging Material Printing Factory was moved to the Sanchong plant. In September of the same year, it was approved and registered as the Ve Wong Co., Ltd. Sanchong Plant by the Ministry of Economic Affairs. It was designated to produce packaging materials.
- 1990 The company strengthened its company-wide target management and tracking; in the same year, the Taipei Plant was awarded the Food GMP Excellence Mark, and the Fengtian Plant was awarded the excellent plant for industrial pollution prevention.
- 1991 1. The company's current year earnings were transferred to a capital increase for share allotment, and the capital increased to NT\$1,687,977,000.
2. In the same year, the company's soy sauce and instant noodles of its Fengtian Plant were both awarded the GMP Excellence Mark.
3. In March, the company established a joint venture, "Saigon Ve Wong Co., Ltd." with the Vietnamese shareholder "Ho-Chi-Minh-City food company."
- 1992 The company's instant noodle series "Hot of Hots," won the 1992 Marketing Communication Excellence Award - first prize in the Republic of China and the first prize of International MCEI.
- 1993 The company's Fengtian Plant's beverages, conditioned foods, and the Hsinchu Plant's instant noodles were awarded the Food GMP Excellence Mark.
- 1994 The company's Taipei Plant was awarded ISO-9002 international quality assurance certification.
- 1996 1. The company signed a contract with "Indonesia's Sungai Budi Group" to establish a joint venture company "P.T. Ve Wong Budi Indonesia" to produce MSG.
2. In May, the Sanchong Plant, which produced packaging materials, ceased production and switched to a joint venture with "Fujimori Kogyo Co., Ltd. of Japan" to establish "Summit Packing Industrial Co., Ltd." to produce Packaging materials.
- 1997 1. In October, the company was divided into five business divisions: food, trade, automobile, construction and general development. The company also signed a technical assistance and business cooperation agreement with "Japan's Toyo Suisan Kaisha, Ltd."
2. The application for the development of the World Champion Industrial and Commercial Integrated District obtained the development permit from the Ministry of the Interior.
- 1998 1. In January, the company's Fengtian Plant won the ISO-9002 international quality assurance certification.
2. In May, the company invested and established "Wong Ching Motors Co., Ltd." to distribute Subaru cars.
3. In August, a joint venture with Indonesia, "P.T. Ve Wong Budi Indonesia" started producing MSG.



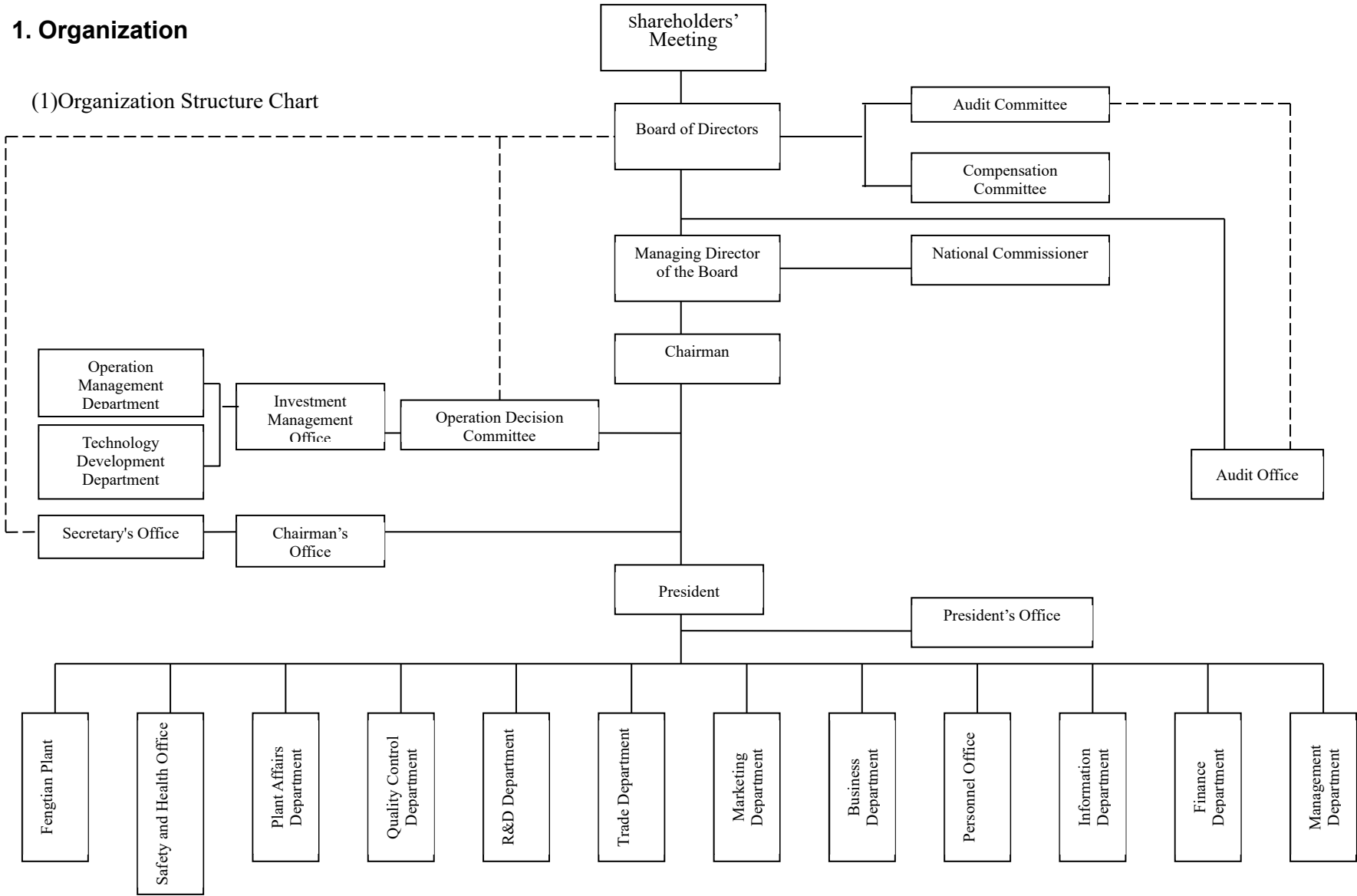
- 2000 The Fengtian Plant added the MSG packaging group, dedicated to MSG packaging.
- 2001 “Wong Ching Motors Co., Ltd.” closed its business on April 30.
- 2002
 - 1. In January, the noodle-making set L-6 of the company's Fengtian Plant was awarded the Food GMP Excellence Mark certification.
 - 2. In April, the company's Fengtian Plant won the ISO-9001: 2000 international quality assurance certification.
- 2003 The company established the Subsidiary “Tai Ve Co., Ltd.” and “Weiguan Co., Ltd.”
- 2004
 - 1. The company was awarded the Excellent Supplier of Welfare Products by the Welfare General Office of the Ministry of Defense for three consecutive years.
 - 2. The company invested in Thailand’s “Siam Ethanol Export Co., Ltd.” in August.
- 2005
 - 1. The board of directors decided to “invest, build and sell by the company on its own” the company’s land and buildings in Lanya Section, Shilin District, Taipei.
 - 2. The soy sauce production line of the company's Fengtian Plant was once again awarded the Food GMP Premium Manufacturer certification.
- 2006
 - 1. In July, the seven categories of products: soy sauce, instant noodles, conditioned fast food, canned beverages, instant soup, MSG, and flavored seasonings of the company's Fengtian Plant passed ISO-22000 (ISO-9001 and HACCP) Food Safety Management System certification of the Bureau of Standards-Metrology and Inspection, Ministry of Economic Affairs.
 - 2. The soy sauce production line of the company's Fengtian Plant was once again awarded the Food GMP Premium Manufacturer certification.
- 2007
 - 1. The company invested in “Koh Kong Plantation Co., Ltd.” in Cambodia in March.
 - 2. The company purchased 35% of the shares of “Saigon Ve Wong Co., Ltd.” from the Vietnamese shareholder “Ho-Chi-Minh-City food company” to make it a 100% wholly-owned subsidiary of the company, and renamed it “Saigon Ve Wong Co., Ltd.”
- 2008
 - 1. The company invested in “Koh Kong Sugar Industry Co., Ltd.” in Cambodia in January.
 - 2. In October, the company transferred the equity of “Siam Ethanol Export Co., Ltd.”
- 2009 The company established the Yunlin branch in October.
- 2010
 - 1. In November, the important subsidiary “Tai Ve Co., Ltd.” merged with the sub-subsidiary company “Weiguan Co., Ltd.”
 - 2. The earnings were transferred to the capital increase, and the capital was increased to NT\$2.4 billion.
- 2011 In November, the subsidiary “Summit Packing Industrial Co., Ltd.” completed the relocation of its plant from Sanchong, New Taipei City to Fengtian Industrial Park, Dapi Township, Yunlin County.
- 2012
 - 1. In May, the subsidiary Summit Packing Industrial Co., Ltd. changed its business address from Sanchong District, New Taipei City to Zhongshan District, Taipei City.
 - 2. The subsidiary Thai Fermentation Industry Co., Ltd. invested in “Fuji Nihon Thai Inulin Co., Ltd.” (22.5% shareholding).

- 2013 The US Food and Drug Administration (USFDA) inspected the plants, and the instant noodle plant and the soy sauce plant passed the management operation assessment.
- 2014 The indirect investment “Fuji Nihon Thai Inulin Co.,Ltd.” officially went into production and began to sell inulin products at home and abroad.
- 2015 The Vietnam plant and the Fengtian Plant each added an instant noodle production line.
- 2016 1.In September, the company transferred the shares of “Champion Fermentation Co., Ltd. of Thailand” to its subsidiary Thai Fermentation Industry Co., Ltd. for organization consolidation to strengthen management efficiency.
2.In December, Thai Fermentation Industry Co., Ltd. transferred the shares of its indirect investment “Fuji Nihon Thai Inulin Co.,Ltd..”
- 2017 1.In March, the land purchase for the second phase of the Chiayi Dapumei Precision Machinery Industrial Park was completed. The groundbreaking ceremony for the new plant was held on October 5 to build a plant with a floor area of approximately 3,000 pings meters. It is expected that after the completion of the new plant at the end of 2018, it will serve as a production base for the subsidiary Summit Packing Industrial Co., Ltd..
2.In October, the Fengtian plant's soy sauce group added the installation of Y2 pressing machinery and equipment, which is scheduled to be completed by the end of October 2018.
3.In December, the US Food and Drug Administration (USFDA) inspected the plant again, and the Fengtian Plant fully passed the management assessment.
- 2018 In September, a joint venture company “Green TFL Co., Ltd.” was established with “Real Green Foods Co., Ltd.” to produce refined whole vegetable and fruit products.
- 2019 The Y2 pressing machinery and equipment added to the Fengtian plant's soy sauce group.It was completed in 2019 and started production.
- 2020 1.The company cooperated with the EasyCard Corporation to launch the "Ve Wong MSG Shape Eastcard" in January and the "Prince Noodle 50th Anniversary 3D Shape EasyCard " in August.
2.In October, the 50th anniversary of the of Prince Noodle Launched and the award ceremony of the "7th Little Prince Love Graffiti Painting Competition", the company donated to the "Republic of China Autism Foundation" ceremony was held.
3.Ve Wong XO Soy Sauce-Jiaodidi (Gan) won the special award of "FUN FOOD TAIWAN" in the brewed product category of "FUN FOOD TAIWAN" hosted by the Industrial Development Bureau of the Ministry of Economic Affairs.
- 2021 1.In May, Ve Wong "Braised Taro Chicken with Green Onions", Ve Wong "Pumpkin Soup", Ve Wong "Sweet Taro Soup" were selected for the "2021 Eatender" selection activity of the Council of Agriculture.
2.In October, Ve Wong "Porridge with chicken and red quinoa," was selected in the selection activity of "Standing Foods of Domestic Agricultural and Grain Raw Materials" hosted by the Agriculture and Food Agency of the Council of Agriculture.
3. In November, Ve Wong "Pumpkin Soup" won the award of "FUN FOOD TAIWAN" of "FUN FOOD TAIWAN" hosted by the Industrial Development Bureau of the Ministry of Economic Affairs.

III. Corporate Governance Report

1. Organization

(1) Organization Structure Chart



(2) The business of each main department is as follows:

Department	Business
Audit Office	In charge of company audit and internal control, the business audit of various units, and investigation of employee violations.
Chairman's Office	Comprehensively manage the affairs assigned by the chairman and arrange various data. The Secretary's Office is set up under the Chairman's Office to manage the company's board meetings, confidential matters, seals, and overseas business trips of directors and employees.
Operation Decision Committee	The Investment Management Office is set up under the Operation Decision Committee. The Investment Management Office is in charge of evaluating, recommending, and executing domestic and foreign investment projects reviewed by the Company's Operation Decision Committee and comprehensive management of domestic and foreign investment businesses. The Investment Management Office has units such as the Technology Development Department and Operation Management Department, which are in charge of the technology integration, technology development, and operation management of the company's domestic and foreign investment business and other related affairs.
President's Office	Assisting the President in handling related business.
Management Department	In charge of the company's general affairs, documents, files, stock affairs, assets, vehicle management, domestic and foreign procurement, legal affairs, and other affairs that are not in the control of other departments.
Finance Department	In charge of the company's financial, accounting, taxation, budget, and final accounts preparation, and handling domestic and foreign investment business-related accounting matters.
Information Department	In charge of the company's overall information system planning, implementation, coordination, and control, and supervising the implementation of computer operations in various units.
Personnel Office	In charge of the company's employee recruitment, appointment and dismissal, salary adjustment, transfer, rewards and punishments, and labor insurance, national health insurance, training, and labor relations.
Business Department	In charge of the company's business target formulation and target achievement rate reporting, domestic product sales channel development and management, products for sale in and out of warehouse and distribution management, and all management matters of the headquarters' business office and shipping center.
Marketing Department	In charge of marketing research, marketing data collection, marketing strategy planning and new product development of its product management.
Trade Department	In charge of the company's merchandise export, foreign market development, quotation, contract, letter of credit, delivery, and cost calculation.



Department	Business
R&D Department	In charge of improving the company's existing products, the development of new products, the collection, research and storage of domestic and foreign technical data, and the handling of foreign technical cooperation matters.
Quality Control Department	In charge of the company's quality control plan formulation, quality control education plan and implementation, raw materials and product sampling inspection, customer complaint handling, and supervision of plant quality control units.
Plant Affairs Department	In charge of the formulation of production plans of the company's production units, assisting in implementing environmental protection work, and assisting in handling domestic and foreign investment-related production technology and machinery and equipment related matters.
Safety and Health Office	In charge of the formulation, planning, promotion, implementation, coordination, supervision, inspection, guidance and improvement of the company's safety and health management plan and establishing a safety and health management system.
Fengtian Plant	Responsible for the company's product manufacturing, processing, packaging, storage and transportation, quality management, management and maintenance of production machinery and equipment, plant public relations and employee management, security, and hygiene.

2. Information on the company directors, supervisors, president, vice presidents, assistant vice presidents, and heads of all company divisions and branch units:

1. Board Members

1-1 Information Regarding Board Members

April 30, 2022

Job title(note.1)	Nationality or Record of Birth	Name	Gender Age (Note 2)	Date of Assignment	Term of office	Date of First Assignment (Note.3)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (Note 4)	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Chairman	R.O.C	Great Pacific Navigation Co, Ltd. Representative Chen, Ching-Fu	-	July 14, 2021	3 years	September 16, 2000 September 16, 2000	8,355,959	3.482	8,355,959	3.482	—	—	—	—	National Cheng Kung University	Chairman of The World Champion Co., Ltd./ Tai Ve Co., Ltd. Director of Green Total Food Liquefaction Co., Ltd./ Thai Fermentation Industry Co., Ltd. Managing Director of Formosa TV				
	R.O.C		/ Male 61~70				907,798	0.378	1,014,798	0.423										
Managing Director	R.O.C	Chen, Kung-Pin	Male 71~80	July 14, 2021	3 years	June 27, 2003	4,000,267	1.667	4,000,267	1.667	248,884	0.104	—	—	Tamkang University	President of Ve Wong Corporation/ Tai Ve Co., Ltd./ The World Champion Co., Ltd. Chairman of Summit Packing Industrial Co., Ltd./ Summit Packing Industrial Co., Ltd. Director of Thai Fermentation Industry Co., Ltd.				
Managing Director	R.O.C	Kan, Chin-Yu	Male 61~70	July 14, 2021	3 years	June 25, 2009	5,703,728	2.377	5,703,728	2.377	—	—	—	—	Nan Jeon University of Science and Technology	Chairman of Hotel Sense Director of Shihlin Electric & Engineering Corp./ The World Champion Co., Ltd./ Tai Ve Co., Ltd.				
Managing Director	R.O.C Japan	Whole Green Trading Co., Ltd. Representative Egawa Manwa	- / Male 61~70	July 14, 2021	3 years	June 28, 2006	3,064,604 0	1.277 0	3,064,604 0	1.277 0	—	—	—	—	Waseda University (Japan)	Director of Summit Packing Industrial Co., Ltd./ The World Champion Co., Ltd./ Tai Ve Co., Ltd./ Green Total Food Liquefaction Co., Ltd./ Saigon Ve Wong Co., Ltd./ Thai Fermentation Industry Co., Ltd.	Director	Egawa Hirokazu	brother	

Job title(note.1)	Nationality or Record of Birth	Name	Gender Age (Note 2)	Date of Assignment	Term of office	Date of First Assignment (Note.3)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (Note 4)	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Director	R.O.C Japan	Oversea Fruits Trading Co., Ltd. Representative Egawa Hirokazu	- Male 61~70	July 14, 2021	3 years	June 21, 2012	7,215,354 0	3.006 0	7,215,354 0	3.006 0	- -	- -	- -	- -	Aoyama Gakuin University(Tokyo)	Director of Saigon Ve Wong Co., Ltd.	Managing Director	Egawa Manwa	brother	
Director	R.O.C R.O.C	Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi	Male 61~70	July 14, 2021	3 years	June 11, 1999	8,759,761 230,909	3.650 0.096	8,759,761 230,909	3.650 0.096	- -	- -	- -	- -	Master of Business Administration, University of Hawaii	Supervisor of The World Champion Co., Ltd./ Green Total Food Liquefaction Co., Ltd./ Tai Ve Co., Ltd. Director of Thai Fermentation Industry Co., Ltd. Chairman of Wan Yuan Textiles Co., Ltd./ Chien Shun Trading Co., Ltd.				
Director	R.O.C R.O.C	Syuan Yuan Industrial Co., Ltd. Representative / Chang Rong-Jun	- Male 61~70	July 14, 2021	3 years	June 28, 2006 August 10, 2021	3,700,005 301	1.542 0.000	3,700,005 301	1.542 0.000	- -	- -	- -	- -	Master of Management, National Yunlin University of Science and Technology	Supervisor of Taichung International Entertainment Corporation / Shanghai Village Culinary Co., Ltd.				
Director	R.O.C R.O.C	Fu Tai Investment and Development Co., Ltd. Representative Chou, Hai-Kuo	- Male 61~70	July 14, 2021	3 years	June 26, 1997 June 26, 1997	1,896,990 0	0.790 0	1,896,990 0	0.790 0	- -	- -	- -	- -	Da Der Commercial and Technical School	Director of Summit Packing Industrial Co., Ltd./ Saigon Ve Wong Co., Ltd. Chairman of Ding Wang Marketing Co., Ltd. / Ding Chang Marketing Co., Ltd. / Ding Pet Marketing Co., Ltd.				
Director	R.O.C R.O.C	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau	- Male 61~70	July 14, 2021	3 years	May 28, 1993 May 28, 1993	1,822,668 35,425	0.759 0.015	1,822,668 35,425	0.759 0.015	- -	- -	- -	- -	Department of Statistics / National Chengchi University	Chairman & President of Chung Ho Spinning Co., Ltd.				
Director	R.O.C R.O.C	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee	- Male 71~80	July 14, 2021	3 years	June 01, 1994 June 01, 1994	1,129,369 978,850	0.471 0.408	1,129,369 978,850	0.471 0.408	- 199,622	- 0.083	- -	- -	Master's degree / University of Minnesota	Chairman of K Line (Taiwan) Ltd. / Chuan Lun Investment Co., Ltd. /Joy Medical Devices Corp. Director of King Polytechnic Engineering Co., Ltd./ Summit Packing Industrial Co., Ltd.				



Job title(note.1)	Nationality or Record of Birth	Name	Gender Age (Note 2)	Date of Assignment	Term of office	Date of First Assignment (Note.3)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (Note 4)	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Director	R.O.C	Her Yeu Trading Co., Ltd.	-	July 14, 2021	3 years	June 01, 1994	274,741	0.114	274,741	0.114					Soochow University	President of Thai Fermentation Industry Co., Ltd.				
	R.O.C	Representative / Lee, Chi-Lung	Male 71~80			June 26, 2018	333	0.000	333	0.000	45,128	0.019	—	—						
Director	R.O.C	Overseas Bros Co., Ltd.	-	July 14, 2021	3 years	June 26, 2018	22,784,966	9.494	22,784,966	9.494					Higher Vocational Education	Chairman of ChuanWei Investment Co., Ltd.				
	R.O.C	Representative / Chen, Yueh-Feng	Female 71~80			January 31, 2020	487,446	0.203	487,446	0.203	—	—	—	—						
Independent Director (Managing Director)	R.O.C	Liao, Chi-Fang	Male 61~70	July 14, 2021	3 years	June 23, 2015	0	0	0	0	—	—	—	—	Master of Business Administration / National Taiwan University	Convenor of the Audit Committee and Compensation Committee of Ve Wong Corporation President of Formosa TV				
Independent Director	R.O.C	Chiang, Wen-Chang	Male 71~80	July 14, 2021	3 years	June 26, 2018	0	0	0	0	—	—	—	—	Department of Agricultural Chemistry / NTU Master and Ph.D., Institute of Food Science and Technology, College of Bioresource and Agriculture, University of Tokyo, Japan	Member of the Audit Committee of Ve Wong Corporation Professor Emeritus, Institute of Food Science and Technology, College of Bioresource and Agriculture, NTU. Chairman of Kuang Ta Foods Corp.				
Independent Director	R.O.C	Hu, Dong-Huang	Male 81~90	July 14, 2021	3 years	July 14, 2021	110,000	0.046	110,000	0.046	—	—	—	—	Department of Shipping and Transportation Management, National Taiwan Ocean University	Member of the Audit Committee and Compensation Committee of Ve Wong Corporation Head of United Pacific Shipping Agency Co., Ltd./ TLS Pacific Co., Ltd.				

Note 1: Institutional shareholders are to have the name of institutional shareholders and representatives presented separately (for the representative of institutional shareholders, the name of the institutional shareholders should be indicated) and fill in Table below.

Note 2: Please list the actual age and express it in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the date of being elected as the director or supervisor for the first time and with the discontinuity stated, if any.

Note 4: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 5: The chairman of the company and the general manager or equivalent (the top manager) are the same person, are relatives of each other, such as spouse or one parent, should explain the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors and should More than half of the directors have not served as employees or managers, etc.) related information.

※Note: Syuan Yuan Industrial Co., Ltd. was taken office from July 14, 2021, Yang Zheng was appointed the representative of the corporate director, and Zhang Rong-Jun took over the representative of the corporate director from August 10, 2021.



1-2. Major Shareholders of Institutional Shareholders

April 30, 2022

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Great Pacific Navigation Co, Ltd.	Chen Xi-He	25.21
	Egawa Manwa	25.19
	Chen, Yueh-Feng	17.47
	Chen, Chin-He	12.60
	Egawa Shurei	7.63
	Chen, Ching-Fu	8.02
	Zhiyi Linghua	3.82
	Egawa Chiho	0.05
	Wan Kuo Trading Co., Ltd.	0.01
Oversea Fruits Trading Co., Ltd.	Great Pacific Navigation Co, Ltd.	62.82
	Chen, Yueh-Feng	24.00
	Chen, Rong-Xiang	12.02
	Chen Yen, Jin-Yheh	0.52
	Chen, Xi-He	0.20
	Egawa Norikazu	0.20
	Chen, Wan-He	0.24
Overseas Bros Co., Ltd.	Chen, Yueh-Feng	18.23
	Chen, Ching-Fu	19.52
	Great Pacific Navigation Co., Ltd.	36.04
	Egawa Shurei	25.42
Her Yeu Trading Co., Ltd.	Great Pacific Navigation Co., Ltd.	29.86
	Egawa Hirokazu	14.83
	Egawa Norikazu	14.83
	Egawa Manwa	14.83
	Wan Kuo Trading Co., Ltd.	12.76
	Hao Shine Trading Co., Ltd.	12.76
	Egawa Taketada	0.10
	Chen, Ching-Fu	0.03
Whole Green Trading Co., Ltd.	Chen, Ching-Fu	85.17
	Great Pacific Navigation Co., Ltd.	5.17
	Chen, Yueh-Feng	4.83
	Chen, Ling-Ling	2.41
	Chen, Rong-Xiang	2.41
Chien Shun Trading Co., Ltd.	Du, Heng-Yi	72.45
	Ting Chien Co., Ltd.	19.64
	Du, Jun-Xian	2.50
	Du, Jun-De	3.04
	Shueh, Shiue-Jen	1.55
	Ting Fang Investment Co., Ltd.	0.08
	Du, Wan-Quan Charity Foundation	0.02
	Du, Ming-You	0.54
	Du, Guan-En	0.18

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Syuan Yuan Industrial Co., Ltd.	Huang, Chin-Ze	34.81
	Chen, Hong-Mo	9.80
	Ke, Zong-Zhi	25.00
	Hong, Yao-Ming	30.39
Fu Tai Investment and Development Co., Ltd.	San-Le Investment Development Co., Ltd.	81.00
	Tan-Tung Investment Co., Ltd.	5.67
	Tan-Tse Enterprise Co., Ltd.	5.70
	Tan-Lien Investment Co., Ltd.	4.93
	Shen-Po investment Co., Ltd.	2.66
	Yang, Shi-An	0.01
	Yang, Wen-Hu	0.01
	Yang, Chen-Wen	0.01
	Yang, Tong	0.01
Hsieh Mei Enterprise Co., Ltd.	Yeh, Ying-Mei	16.28
	Yeh, Chii-Jau	15.47
	Yeh, Ying-Xian	12.42
	Chen, Zang-Gu	10.88
	Yeh, Yuan-Zhu	9.10
	Tseng, Shu-Yun	6.35
	Chang Shin Investment Co., Ltd.	6.25
	Yeh, Ying-Qiu	5.80
	Lai, Rong-Nian	3.25
	Yeh, Chei-Fang	2.55
Chuan Lun Investment Co., Ltd.	Lai, Chee-Lee	30.00
	Lai, Jay-Lun	24.00
	Chen, Pi-Chuan	22.25
	Lai, Hsiao-Lun	17.52
	Chiang, Pei-Yu	5.74
	Lai, Hsing-Chien	0.49

Note 1: If the director or supervisor is the representative of the institutional shareholders, the name of the institutional shareholders should be indicated.

Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders. If the major shareholders are institutional shareholders, please fill out Table below.

Note 3: If a legal person shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed before the opening is the name of the investor or donor (refer to the announcement of the Judicial Yuan for inquiries) and the capital contribution or donation ratio. If the donor has passed away should add the note "deceased".



1-3. Major shareholder of the major institutional shareholders

April 30, 2022

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Great Pacific Navigation Co, Ltd.	As the previous table of Major Stockholders of Institutional Shareholders	
Wan Kuo Trading Co., Ltd.	Chen, Yueh-Feng	41.33
	Egawa Hirokazu	8.67
	Chen, Ching-Fu	29.27
	Great Pacific Navigation Co, Ltd.	2.00
	Egawa Taketada	1.33
	Egawa Norikazu	8.67
	Egawa Manwa	8.67
Hao Shine Trading Co., Ltd.	Chen, Yueh-Feng	86.00
	Chen, Ching-Fu	13.86
	Chen, Rong-Xiang	0.14
Ting Chien Co., Ltd.	Karbo Holding Ltd. (B.V.I.)	45.00
	Cheery Holding Ltd. (B.V.I.)	45.00
	Du, Heng-Yi	7.00
	Shueh, Shiue-Jen	1.67
	Du, Wan-Quan Charity Foundation	0.33
	Ting Sing Co., Ltd.	1.00
Ting Fang Investment Co., Ltd.	Du, Heng-Yi	43.28
	Ting Sing Co., Ltd.	23.70
	Shueh, Shiue-Jen	4.11
	Ting Chien Co., Ltd.	1.58
	Chien Shun Trading Co., Ltd.	27.01
	Du, Wan-Quan Charity Foundation	0.32
Sun Disc Co., Ltd.	Chen, Hong-Mo	5.04
	Chen, Qing-Gui	5.04
	Lee, Xing-Jin	5.04
	Ni, Zhi-Hao	4.88
	Fu Tai Investment and Development Co., Ltd.	80.00
San-Le Investment Development Co., Ltd.	Fu Tai Investment and Development Co., Ltd.	33.33
	Tan-Lien Investment Co., Ltd.	12.80
	Donghai Fermentation Industry Corporation	9.33
	Kao-Tien Investment Co., Ltd.	5.51
	Mei-Te Investment Co., Ltd.	4.18
	Yung-Jen Investment Co., Ltd.	3.63

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
	Yang, Zheng	3.33
	Yang, Wen-Hu	3.22
	Yang, Kun-Xiang	3.00
	Kao-Chi Investment Co., Ltd.	2.97
Tan-Tung Investment Co., Ltd.	Tung-An Investment Co., Ltd.	29.63
	Mei-Te Investment Co., Ltd.	32.04
	Kao-Tien Investment Co., Ltd.	32.59
	Xiong, Zhen-Zhen	0.37
	Yang, Wen-Hu	3.70
	Yang, Chen-Wen	0.93
	Yang, Tong	0.74
Tan-Tse Enterprise Co., Ltd.	Kao-Chi Investment Co., Ltd.	24.55
	Yang-Chi Investment Co., Ltd.	24.55
	Huang-Pin Investment Co., Ltd.	24.45
	Yung-Jen Investment Co., Ltd.	25.00
	Yang, Meng-Da	0.09
	Yang, Yong-Huang	0.45
	Yang, Kun-Xiang	0.45
	Yang, Kun-Chou	0.45
Tan-Lien Investment Co., Ltd.	Yang, Tou-Xiong	2.40
	Yang, Shi-An	33.50
	Yang, Shi-Fu	10.00
	Yang, Shi-Qing	28.50
	Yang, Shi-Guang	20.00
	Lin, Bi-Zhu	0.20
	Yang, Yu-Xuan	2.70
	Yang, Yu-De	2.70
Shen-Po Investment Co., Ltd.	Pinzheng Investment Co., Ltd.	26.27
	Danpo Investment Co., Ltd.	25.85
	Chung-Ya Investment Co., Ltd.	15.25
	Danpo Investment Co., Ltd.	13.14
	Yang, Yun-De	6.74
	Yang, Zong-Zhan	3.98
	Yang, Fu-Cheng	3.98
	Yang, Zheng	2.54
	Yang, Shi-Xi	1.19
	Yang, Kai-Li	1.06
Chung Shin Investment Co., Ltd.	Yeh, Xun-Wan	30.40
	Yeh, Xun-Yang	16.00
	Tseng, Shu-Yun	10.00
	Yeh, Yuan-Zhu	10.00
	Yeh, Chii-Jau	8.64



Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
	Hsieh Mei Enterprise Co., Ltd.	8.00
	Yeh, Ying-Xian	6.00
	Yeh, Ying-Qin	5.60
	Yeh, Chei-Fang	2.00

Note 1: If the major shareholders in Table 1 are institutional shareholders, please state the name of the institutional shareholders.

Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders.

Note 3: If a legal person shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed before the opening is the name of the investor or donor (refer to the announcement of the Judicial Yuan for inquiries) and the capital contribution or donation ratio. If the donor has passed away should add the note "deceased".

2. Information of Directors

1. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Chen, Ching-Fu	- With more than five years of business professional and corporate business experience, rich practical experience in the food industry, and leadership skills. - Served as the Managing Director of the Company. - The current Chairman of the Company/ The World Champion Co., Ltd./ Tai Ve Co., Ltd./ Saigon Ve Wong Co., Ltd.; Director of Green Total Food Liquefaction Co., Ltd./ Thai Fermentation Industry Co., Ltd. - There are no matters related to Article 30 of the Company Act.	Not applicable	None
Chen, Kung-Pin	- With more than five years of business professional and corporate business experience, rich practical experience in the food industry, and leadership skills. - Served as the Managing Director of the Company. - The current President of the Company/ Tai Ve Co., Ltd./ The World Champion Co., Ltd.; Chairman of Summit Packing Industrial Co., Ltd./ Green Total Food Liquefaction Co., Ltd.; Director of Thai Fermentation Industry Co., Ltd. - There are no matters related to Article 30 of the Company Act.	Not applicable	None

Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Kan, Chin-Yu	• With more than five years of business professional and corporate business experience. • Served as the Managing Director of the Company • The current Chairman of Hotel Sense; Director of Shihlin Electric & Engineering Corp./ The World Champion Co., Ltd./ Tai Ve Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Egawa Manwa	• With more than five years of business professional and corporate business experience. • Served as the Managing Director of the Company • The current Director of The World Champion Co., Ltd./ Summit Packing Industrial Co., Ltd./ Tai Ve Co., Ltd./ Green Total Food Liquefaction Co., Ltd./ Saigon Ve Wong Co., Ltd./ Thai Fermentation Industry Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Egawa Hirokazu	• With more than five years of business professional and corporate business experience • Served as the Director of the Company. • The current Director of Saigon Ve Wong Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Du, Heng-Yi	• With more than five years of business professional and corporate business experience. • Served as the Resident Supervisor of the Company. • The current Chairman of Wan Yuan Textiles Co., Ltd./ Chien Shun Trading Co., Ltd.; Supervisor of The World Champion Co., Ltd./ Green Total Food Liquefaction Co., Ltd./ Tai Ve Co., Ltd.; Director of Thai Fermentation Industry Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Chang, Rong-Jun	• With more than five years of business professional and corporate business experience. • The current Supervisor of Taichung International Entertainment Corp./ Shanghai Village Culinary Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Chou, Hai-Kuo	• With more than five years of business professional and corporate business experience. • Served as the Director of the Company. • The current Chairman of Ding Wang Marketing Co., Ltd. / Ding Chang Marketing Co., Ltd. / Ding Pet Marketing Co., Ltd.; Director of Summit Packing Industrial Co., Ltd./ Saigon Ve Wong Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None



Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Yeh, Chii-Jau	• With more than five years of business professional and corporate business experience. • Department of Statistics, National Chengchi University • Served as the Director of the Company. • The current Chairman and President of Chung Ho Spinning Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Lai, Chee-Lee	• With more than five years of business professional and corporate business experience. • Served as the Director of the Company. • The current Chairman of K LINE (Taiwan) Ltd./ Chuan Lun Investment Co., Ltd. /Joy Medical Devices Corp.; Director of King Polytechnic Engineering Co., Ltd./ Summit Packing Industrial Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Lee, Chi-Lung	• With more than five years of business professional and corporate business experience. • Served as the Director of the Company. • The current President of Thai Fermentation Industry Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Chen, Yueh-Feng	• With more than five years of business professional and corporate business experience. • Served as the Director of the Company. • The current Chairman of Chuan Wei Investment Co., Ltd. • There are no matters related to Article 30 of the Company Act.	Not applicable	None
Liao, Chi-Fang	• With more than five years of work experience in business, accounting, and corporate business • Master of Business Administration, National Taiwan University • Previously served as Financial Director of a public offering company, good at cost-benefit assessment and financial control, with accounting or financial expertise. • The current Independent Director of the Company; Convenor of the Audit Committee and Compensation Committee; President of Formosa TV • There are no matters related to Article 30 of the Company Act.	• Does not have a spouse or family relationship within the second degree of kinship with other directors. • No government, legal person, or its representative be elected as stipulated by Article 27 of the Company Act. • None of the incidents stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have occurred. • Meet the qualification of Independent Director by “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	None

Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Chiang, Wen-Chang	• With more than five years of business professional and corporate business experience. • Department of Agricultural Chemistry, NTU; Master and Ph.D., Institute of Food Science and Technology, College of Bioresource and Agriculture, University of Tokyo, Japan. • The current Independent Director of the Company; Member of the Audit Committee and Compensation Committee; Chairman of Kuang Ta Foods Corp. • There are no matters related to Article 30 of the Company Act.	• Does not have a spouse or family relationship within the second degree of kinship with other directors. • No government, legal person, or its representative be elected as stipulated by Article 27 of the Company Act. • None of the incidents stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have occurred. • Meet the qualification of Independent Director by “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	None
Hu, Dong-Huang	• With more than five years of business professional and corporate business experience. • The current Independent Director of the Company; Member of the Audit Committee and Compensation Committee; Head of United Pacific Shipping Agency Co., Ltd./ TLS Pacific Co., Ltd. • There are no matters related to Article 30 of the Company Act.	• Does not have a spouse or family relationship within the second degree of kinship with other directors. • No government, legal person, or its representative be elected as stipulated by Article 27 of the Company Act. • None of the incidents stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have occurred. • Meet the qualification of Independent Director by “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	None



2. Board Diversity and Independence

(1) Board Diversity

According to Article 20 of the Company's "Corporate Governance Best Practice Principles" and the "Procedures for Election of Directors and Supervisors", the composition of the board of directors should consider diversity, and formulate an appropriate diversity policy according to its own operation, operation type and development needs, which should include but It is not limited to the following two standards and management objectives: 1. Basic conditions and values: gender, age, nationality, and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc. In addition, directors should generally have the knowledge, skills, and qualities necessary to perform their duties. The overall ability of the board of directors should be: 1. Operational judgment ability, 2. Accounting and financial ability, 3. Operation and management ability, 4. Crisis handling ability, 5. Industry knowledge, 6. International market outlook, 7. Leadership ability, 8. Decision-making ability. The 21st and 22nd directors of the company are all 15 members (there are 1 female and 14 male members, and the age distribution of the 22nd directors: 7 people are 61 to 70 years old, accounting for 43.75%, and 9 are over 71 years old. people, accounting for 56.25%)., two of the directors live in Japan because of multiculturalism, and they generally have the knowledge, skills, and qualities necessary to perform their duties.

The diversity of the current board members of the company is as follows:

Diversification Core items Name	Basic Component								Professional Knowledge and Ability							
	Nationality	Gender	Employed	Age			Length of term of independent directors.		Operating Judgment	Accounting & Financial	Operating Management	Crisis Management	Industry Knowledge	Global Market Knowledge	Leadership	Decision-making
				61-70	71-80	81-90	Less than 3 years	3-6 years								
Chen, Ching-Fu	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Chen, Kung-Pin	R.O.C.	Male	-	-	V	-	-	-	V	V	V	V	V	V	V	V
Kan, Chin-Yu	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Egawa Manwa	Japan	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Egawa Hirokazu	Japan	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Du, Heng-Yi	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Chang, Rong-Jun	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Chou, Hai-Kuo	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Lai, Chee-Lee	R.O.C.	Male	-	-	V	-	-	-	V	V	V	V	V	V	V	V
Yeh, Chii-Jau	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Lee, Chi-Lung	R.O.C.	Male	V	-	V	-	-	-	V	V	V	V	V	V	V	V
Chen, Yueh-Feng	R.O.C.	Female	-	-	V	-	-	-	V	V	-	V	-	V	V	V
Liao, Chi-Fang	R.O.C.	Male	-	V	-	-	-	V	V	V	V	V	V	V	V	V
Chiang, Wen-Chang	R.O.C.	Male	-	-	V	-	-	V	V	V	V	V	V	V	V	V
Hu, Dong-Huang	R.O.C.	Male	-	-	-	V	V	-	V	V	V	V	V	V	V	V

The current board of directors of the company consists of 15 directors. The specific management objectives and achievement of the diversity policy of the board of directors are as follows:

Management Goals	Achievement
The number of independent directors shall not be less than one-fifth of the number of directors.	Reached.
Board members shall include at least one female director.	Reached.
No more than two directors shall be spouses or relatives within the second degree of kinship.	Reached.
The number of directors who also serve as managers of the company shall not exceed one-fifth of the number of directors.	Reached.

(2) Board Independence

There are currently 15 members of the board of directors of the company, including 3 independent directors, which comply with “no less than one-fifth of the number of directors” stipulated by the Securities and Exchange Act and the Company's Articles of Incorporation. The professional qualifications, shareholding, part-time restrictions, independence determination, nomination and selection methods, the exercise of powers and other matters to be complied with by independent directors shall be handled in accordance with the Securities and Exchange Act and relevant laws and regulations.

2. Information of President, Vice President, Assistant Vice President, and heads of all the Company divisions

April 30, 2022

Title (Note.1)	Nationality	Name	Gender	Elected (inauguration) Date	Shares		Shareholding of spouse and underage children		Shareholdings in the names of others		Work experience (academic degree) (note.2)	Position(s) held concurrently in the Company and/or in any other company	Managers who are Spouses or Within Two Degrees of Kinship			Remark (note.3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C.	Chen, Kung-Pin	Male	March 01, 2007	4,000,267	1.667	248,884	0.104	—	—	Tamkang College of Arts and Sciences	—	—	—	—	
Deputy General Manager	R.O.C.	Lee, Chi-Lung	Male	May 01, 2016	333	0.000	45,128	45,128	—	—	Soochow University	—	—	—	—	
Associate Manager	R.O.C.	Cheng, Xuan-Zhang	Male	January 15, 2010	0	0	18,000	0.008	—	—	MBA Wright University	—	—	—	—	
Associate Manager	R.O.C.	Chang, Bo-Zhou	Male	January 15, 2010	0	0	—	—	—	—	Soochow University	—	—	—	—	
Manager	R.O.C.	Wei, Jing-Xiong	Male	January 01, 2000	0	0	—	—	—	—	Soochow University	—	—	—	—	
Manager	R.O.C.	Kuo, Chang-Cheng	Male	April 07, 2005	1,026	0	—	—	—	—	Chinese Culture University	—	—	—	—	
Manager	R.O.C.	Yu, De-Pu	Male	September 01, 2019	0	0	—	—	—	—	Master / National Chung Hsing University	—	—	—	—	
Manager	R.O.C.	Chen, Rong-Xian	Male	September 01, 2019	0	0	—	—	—	—	Fu Jen Catholic University	—	—	—	—	
Factory Director	R.O.C.	Zheng, Ming-Tang	Male	April 24, 2012	0	0	—	—	—	—	National Pingtung Agricultural College	—	—	—	—	
Manager of Finance and Accounting	R.O.C.	Lu, Wen-Chieh	Male	November 12, 2021	0	0	—	—	—	—	National Taipei University	—	—	—	—	

Note 1: It should include the information disclosure of the General Manager, Deputy General Manager, Associate Manager, department heads, and branch officers; also, the position equivalent to General Manager, Deputy General Manager, or Associate Manager.

Note 2: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 3: The President or equivalent (the top manager) and the chairman of the company are the same person, are relatives of each other, such as spouse or one parent, should explain the reasons, rationality, necessity, and corresponding measures (such as increasing the number of independent directors and should more than half of the directors have not served as employees or managers, etc.) related information.

Note: 1. Associate Manager Chang, Bo-Zhou was retired on August 30, 2021.

2. Manager Kuo, Chang-Cheng was retired on February 28, 2022.



3. Remuneration Paid to Directors, General Manager, Deputy General Manager

Unit: NT\$ thousand

Job Title	Name (Note 1)	Remuneration of Director								The sum of A, B, C, and D in proportion to Earnings (Note 10)		Remuneration in the capacity as employee								The sum of A, B, C, D, E, F, and G to Earnings (Note 10)		Whether remuneration from any reinvested other than subsidiaries is received? (I) (Note 11)
		Remuneration (A) (Note 2)		Pension (B)		Retained Earnings Distribution (C) (Note 3)		Professional practice (D) (Note 4)				Salaries, bonus, and special subsidies (E) (Note 5)		Pension (F)		Employee bonus from earnings (G) (Note 6)						
		the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	Cash dividend	Stock dividend	Cash dividend	Stock dividend	the Company	Companies included in the financial statement (Note 7)	
Chairman	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	3001	3001	245	245	13606	13606	2312	5567	4.28%	5.01%	2949	2949	-	-	98	-	98	-	4.96%	5.69%	None
Managing Director	Chen, Kung-Pin																					
Managing Director	Kan, Chin-Yu																					
Managing Director	Whole Green Trading Co., Ltd. Representative / Egawa Manwa																					
Director	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung																					
Director	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu																					
Director	Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo																					
Director	Syuan Yuan Industrial Co., Ltd. Representative / Yang, Kun-Chou																					
Director	Syuan Yuan Industrial Co., Ltd. Corporate Director Representative / Yang, Zheng, Chang, Rong-Jun																					
Director	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau																					
Director	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee																					
Director	Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi																					



Job Title	Name (Note 1)	Remuneration of Director								The sum of A, B, C, and D in proportion to Earnings (Note 10)		Remuneration in the capacity as employee						The sum of A, B, C, D, E, F, and G to Earnings (Note 10)		Whether remuneration from any reinvested other than subsidiaries is received? (J) (Note 11)		
		Remuneration (A) (Note 2)		Pension (B)		Retained Earnings Distribution (C) (Note 3)		Professional practice (D) (Note 4)				Salaries, bonus, and special subsidies (E) (Note 5)		Pension (F)		Employee bonus from earnings (G) (Note 6)						
		the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	Cash dividend	Stock dividend	Cash dividend	Stock dividend		the Company	Companies included in the financial statement (Note 7)
Director	Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng																					
Independent Director (Managing Director)	Liao, Chi-Fang		-		-																	
Independent Director	Kuo, Kong- Chuan	-			-	2815	2815	627	627	0.77%	0.77%	-		-	-	-	-	-	-	0.77%	0.77%	None
Independent Director	Chiang, Wen-Chang											-										
Independent Director	Hu,Dong-Huang																					
1. Please describe the policy, system, standards and structure of independent directors' compensation and the correlation with the amount of compensation paid based on the responsibilities, risks, and time commitment. The remuneration payment is estimated in accordance with the company's articles of association and processed after discussion by the board of directors and a report at the shareholders meeting. The actual payment has been made with reference to the results of the director's performance evaluation and the recommendations after discussion by the remuneration committee for the board of directors' reference and will be implemented after approval. 2. Remuneration to Directors providing service to entities within the Company's most recent financial reporting period (such as serving as non-employee consultants), in addition to remuneration disclosed in the above table: None.																						

*It should include the information disclosure of the Director(non-independent director), and the Independent Directors.

Breakdown of remuneration

Breakdown of remuneration of Directors	Name of Director			
	Total (A+B+C+D)		Total (A+B+C+D+E+F+G)	
	the Company (Note 8)	Companies included in the financial statement H (Note 9)	the Company (Note 8)	All investees I (Note 9)
Less than NT\$1,000,000	Kuo, Kong- Chuan Hu, Dong-Huang Syuan Yuan Industrial Co., Ltd. Representative / Yang, Kun-Chou Syuan Yuan Industrial Co., Ltd. Corporate Director Representative / Yang, Zheng, Chang, Rong-Jun	Kuo, Kong- Chuan Hu, Dong-Huang Syuan Yuan Industrial Co., Ltd. Representative / Yang, Kun-Chou Syuan Yuan Industrial Co., Ltd. Corporate Director Representative / Yang, Zheng, Chang, Rong-Jun	Kuo, Kong- Chuan Hu, Dong-Huang Syuan Yuan Industrial Co., Ltd. Representative / Yang, Kun-Chou Syuan Yuan Industrial Co., Ltd. Corporate Director Representative / Yang, Zheng, Chang, Rong-Jun	Kuo, Kong- Chuan Hu, Dong-Huang Syuan Yuan Industrial Co., Ltd. Representative / Yang, Kun-Chou Syuan Yuan Industrial Co., Ltd. Corporate Director Representative / Yang, Zheng, Chang, Rong-Jun
NT\$1,000,000 (inclusive)~NT\$2,000,000	Chen, Kung-Pin Kan, Chin-Yu Whole Green Trading Co., Ltd. Representative / Egawa Manwa Her Yeu Trading Co., Ltd. Representative /Lee, Chi-Lung Oversea Fruits Trading Co., Ltd. Representative /Egawa Hirokazu Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng Liao, Chi-Fang Chiang, Wen-Chang	Kan, Chin-Yu Her Yeu Trading Co., Ltd. Representative /Lee, Chi-Lung Oversea Fruits Trading Co., Ltd. Representative /Egawa Hirokazu Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng Liao, Chi-Fang Chiang, Wen-Chang	Kan, Chin-Yu Whole Green Trading Co., Ltd. Representative / Egawa Manwa Her Yeu Trading Co., Ltd. Representative /Lee, Chi-Lung Oversea Fruits Trading Co., Ltd. Representative /Egawa Hirokazu Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng Liao, Chi-Fang Chiang, Wen-Chang	Kan, Chin-Yu Her Yeu Trading Co., Ltd. Representative /Lee, Chi-Lung Oversea Fruits Trading Co., Ltd. Representative /Egawa Hirokazu Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng Liao, Chi-Fang Chiang, Wen-Chang
NT\$2,000,000 (inclusive)~NT\$3,500,000	-	Chen, Kung-Pin Whole Green Trading Co., Ltd. Representative / Egawa Manwa	-	Whole Green Trading Co., Ltd. Representative / Egawa Manwa
NT\$3,500,000 (inclusive)~NT\$5,000,000	-	-	Chen, Kung-Pin	-
NT\$5,000,000 (inclusive)~NT\$10,000,000	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu Chen, Kung-Pin
NT\$10,000,000 (inclusive)~NT\$15,000,000	-	-	-	-
NT\$15,000,000 (inclusive)~NT\$30,000,000	-	-	-	-
NT\$30,000,000 (inclusive)~NT\$50,000,000	-	-	-	-
NT\$50,000,000 (inclusive)~NT\$100,000,000	-	-	-	-
NT\$100,000,000 above	-	-	-	-
Total				

Note 1: Names of directors should be separately disclosed (Institutional shareholders should disclose the names of the institutional shareholders and representatives separately). The amount of remuneration should be disclosed in summary. If a director concurrently serves as the President or Senior Vice President, this Form and Form (3-1) or (3-2) must be filled out.

Note 2: It refers to the directors' compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).

Note 3: It refers to the remuneration of directors to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of the board of directors and such proposal has not yet been submitted to the Shareholders' Meeting for approval.

Note 4: It refers to the relevant expenses for business operations paid to directors for the recent year (including transportation allowance, special allowance, various allowances, and the provision of dormitory and vehicle, etc.). When a car, house, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such an amount shall not be included in the remuneration.

Note 5: It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, transportation allowance, special allowance, and the provision of dormitory and vehicle received by the director(s) who concurrently serve(s) as employee(s) (including President, Senior Vice President, and other managerial officers and employees) in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such an amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 6: It refers to the employee remuneration (including stock and cash) received by the directors who concurrently serve(s) as employee(s) (including concurrent President, Senior Vice President, and other managerial officers and employees) in the recent year. It is required to disclose the amount of employee remuneration to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of the board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such an amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form 1-3 shall be filled out as well. For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated.

Note 7: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including the Company).

Note 8: Disclose the name of the directors in the respective range of total remuneration received from the Company.

Note 9: Disclose the name of the directors in the respective range of total remuneration received from all the companies included in the consolidated financial statements (including the Company).

Note 10: It refers to the net income of the recent year. After the adoption of IFRS.

Note 11: a. It is required to specify in this column the relevant remuneration amount the directors of the Company received from the reinvested companies other than the subsidiaries.

b. If the Company's director has received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column J. In addition, the column title shall be revised as "All reinvested companies."

c. Compensation shall mean the remuneration, reward, employee bonus, and expense for business operation paid to the Company's director(s) by the reinvested companies other than the subsidiaries and such directors concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

* The concept of the "compensation" disclosed in this Form is different from the income defined under the Income Tax Law. Therefore, the purpose of this Form is for information disclosure not for taxation.

※ Note : (1) Representative of Syuan Yuan Industrial Co., Ltd.: Yang, Kun-Chou was served until July 13, 2021.

(2) Syuan Yuan Industrial Co., Ltd. was taken office from July 14, 2021, Yang Zheng was appointed the representative of the corporate director, and Zhang Rong-Jun took over the representative of the corporate director from August 10, 2021.

(3) Independent Director Kuo, Kong- Chuan served until July 13, 2021.

(4) Independent Director Hu, Dong-Huang took office on July 14, 2021.



Remuneration of General Manager, Deputy General Manager

Unit: NT\$ thousand

Job Title	Name	Salary (A)		Pension (B) (Note1)		Salaries, bonus, and special subsidies (C) (Note 2)		Employee bonus allocated from earnings (D) (Note 3)				The sum of A, B, C and D in proportion to Earnings (Note 4)		Whether remuneration from any reinvested other than subsidiaries is received? (Note 6)
		the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company		Companies included in the financial statement (Note 5)		the Company	Companies included in the financial statement (Note 5)	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
General Manager	Chen, Kung-Pin	2355	2355	-	-	594	594	98	-	98	-	0.68%	0.68%	None

*It should include the information disclosure of the General Manager, Deputy General Manager, Associate Manager, department heads, and branch officers; also, the position equivalent to President, Deputy President, or Associate Manager.

Note 1: Names of General Manager and Deputy General Manager should be separately disclosed. The amount of remunerations should be disclosed in summary. If a director concurrently serves as the General Manager or Deputy General Manager, this Form and Form (1-1) or (1-2) must be filled out.

Note 2: It refers to the General Manager and Deputy General Manager's salary, special responsibility allowance, and severance pay.

Note 3: It refers to the bonuses, incentives, transportation allowance, special allowance, the provision of dormitory and vehicle, and other compensations received by the General Manager and Deputy General Manager in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 4: It refers to the employee remuneration (including stock and cash) received by the General Manager and Deputy General Manager that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form 1-3 shall be filled out as well. For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 5: Disclose the total amount of remuneration paid to the General Manager and Deputy General Manager by all the companies (including the Company) included in the consolidated financial statements.

Note 6: Disclose the name of the General Manager and Deputy General Manager in the respective range of total remuneration received from all the Company.

Note 7: Disclose the total amount of remuneration paid to the General Manager and Deputy General Manager by all the companies (including the Company) included in the consolidated financial statements. Disclose the name of the General Manager and Deputy General Manager in the respective range of total remuneration received.

Note 8: It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 9:a. It is required to specify in this column the relevant remuneration amount the General Manager and Deputy General Manager of the Company received from the reinvested companies other than the subsidiaries.

b. If the General Manager and Deputy General Manager have received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column E. In addition, the column title shall be revised as "All reinvested companies."

c. Remuneration shall mean the compensation, reward, employee bonus, and expense for business operation paid to the Company's the General Manager and Deputy General Manager by the reinvested companies other than the subsidiaries and such the General Manager and Deputy General Manager concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

* The concept of the "compensation" disclosed in this Form is different from the income defined under the Income Tax Law. Therefore, the purpose of this Form is for information disclosure not for taxation.



3. Employee bonus amount paid to managerial officers

April 30, 2022
Unit: NT\$ thousand

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Proportion to Earnings After Tax (%)
Managerial officer	General Manager	Chen, Kung-Pin	0	328	328	0.07%
	Associate Manager	Cheng Xuan-Zhang				
	Manager	Wei, Jing-Xiong				
	Manager	Yu, De-Pu				
	Manager	Chen, Rong-Xian				
	Factory Director	Zheng, Ming-Tang				
	Manager of Finance and Accounting	Lu, Wen-Chieh				

Note 1: Names and job titles of each individual should be separately disclosed. The amount of remunerations can be disclosed in summary.

Note 2: It refers to the employee remuneration (including stock and cash) received by the managerial officers that are distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of the board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 3: The scope of application for managers is defined in accordance with the Tai.Chai.Chen (III) No. 0920001301 Letter dated March 27, 2003, by the SEC as follows:

- (1) General Manager and the equals
- (2) Deputy General Manager and the equals
- (3) Associate Manager and the equals
- (4) General Manager of Finance Department
- (5) General Manager of Accounting Department
- (6) Managerial officers and the individuals authorized to sign

Note 4: If Directors, General Manager, and Deputy General Manager have collected employee remuneration (including stock and cash), in addition to filling out Form 1-2, please fill out this Form too.

4. Compare and explain the total remuneration paid to the directors, supervisors, the president, and vice presidents of the Company in the most recent two years as a proportion of the Company and consolidated financial statement's net profit after tax in the individual or respective financial report, and explain the remuneration policy, standard and combination, the procedure for setting remuneration, and its correlation with business performance and future risks:

- (1) An analysis of the proportion of the total remuneration paid to the directors, supervisors, the president, and vice presidents of the Company as a proportion of the Company's net profit after tax in the individual or respective financial report:

The Company's total remuneration paid to directors, supervisors, the president, and vice presidents as a proportion of the company's net profit after tax is shown in the following table. The total remuneration in 2021 was slightly higher than in 2020, and the proportion of net profit after tax decreased, but there was no significant change. The total remuneration for 2020 and 2021 is not higher than the industry level and is reasonable.

The Company has set up the Audit Committee to replace the supervisor on June 26, 2018. There is still some supervisor's remuneration in 2018, and there has been no supervisor's remuneration since 2019.

Year	Net profit after tax (Thousand New Taiwan Dollars)	Category	Directors' total remuneration as a proportion of net profit after tax	The total remuneration of the president and vice presidents as a proportion of net profit after tax
2020	429,096	The Company	5.16%	0.68%
		Consolidated financial statement in the consolidated statement	5.97%	0.68%
2021	447,878	The Company	5.05%	0.68%
		Consolidated financial statement in the consolidated statement	5.77%	0.68%

- (2) Remuneration policies, standards and combinations, procedures for determining remuneration, and their relevance to business performance and future risks:

The directors of the Company's remuneration standards have been stipulated in the Company's Articles of Incorporation. The remunerations of the president and vice presidents are determined in accordance with the company's regulations while considering market levels and the operating performance, as well as the Company's ability to pay in response to future risks. Besides, the remunerations are all approved by the Company's Compensation Committee and the board meeting.



4. Implementation of Corporate Governance

(1) Operations of Board of Directors

The Board held **6 (A)** meetings in 2021. The attendance record of the Directors is listed below:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remark
Chairman	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	6	0	100%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Managing Director	Chen, Kung-Pin	6	0	100%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Managing Director	Kan, Chin-Yu	6	0	100%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Managing Director	Whole Green Trading Co., Ltd. Representative / Egawa Manwa	0	6	0%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Director	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu	0	6	0%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Director	Syuan Yuan Industrial Co., Ltd. Representative / Yang, Kun-Chou	1	2	33.3%	Former term. Re-election on July 14, 2021. There should be 3 meetings
Director	Syuan Yuan Industrial Co., Ltd.	2	1	66.7%	New term. Re-election on July 14, 2021. There should be 3 meetings
Director	Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo	6	0	100%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Director	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee	6	0	100%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Director	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau	4	2	66.7%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Director	Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi	6	0	100%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Director	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung	0	6	0%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Director	Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng	6	0	100%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Independent Director	Liao, Chi-Fang	6	0	100%	Re-elected. Re-election on July 14, 2021. There

(Managing Director)					should be 6 meetings
Independent Director	Kuo, Kong-Chuan	3	0	100%	Former term. Re-election on July 14, 2021. There should be 3 meetings
Independent Director	Chiang, Wen-Chang	6	0	100%	Re-elected. Re-election on July 14, 2021. There should be 6 meetings
Independent Director	Hu, Dong-Huang	3	0	100%	New term. Re-election on July 14, 2021. There should be 3 meetings

Other items to be specified:

- Should one of the following occur, the meeting date, period, content of the resolution, opinions of all Independent Directors, and the Company's handling of the opinions of the Independent Directors shall be clearly stated:
 - All the listed items in Article 14-3 of the Securities and Exchange Act.
 - In addition to the aforementioned, the items in board resolutions regarding which Independent Directors have voiced opposing or qualified opinions on the record or in writing.

Board of Directors	Discussions and Resolutions	Matters Specified in Article 14-3 of the Securities and Exchange Act	Independent directors oppose or reservations
12 th Meeting of 21 st Board Mar. 25, 2021	1. Issues of employee compensation in 2020 and the amount of employee compensation for each manager.	V	
	2. Amount of 2020 remuneration for directors.	V	
	3. Amount of 2020 remuneration paid to independent directors.	V	
	4. Appointment of CPAs' Remuneration of Certified Public Accountants and Independent Assessment of Accountants in 2021.	V	
13 th Meeting of 21 st Board May 11, 2021	1. Set up a Corporate Governance Officer.	V	
3 rd Meeting of 22 nd Board Nov. 12, 2021	1. Appointment and dismissal of Manager of Financial and Accounting.	V	
Independent directors oppose or reservations: None			
The company's handling of independent directors' opinions: None			
Resolution result: .all present directors approved.			

- In instances where a Director's circumvention is due to a conflict of interest, the minutes shall clearly state the Director's name, contents of the motion and resolution thereof, the reason for such circumvention and the voting status:
 - On March 25, 2021, when the 12th meeting of the 21st session of the board of directors discussed the Company's 2020 manager-employee compensation proposal, Chen, Kung-Pin, the managing director and general manager, has his own interest in this case. He withdrew in accordance with the law and participated in the discussion, voting, and did not represent Egawa Manwa to exercise the voting rights.
 - At the 12th meeting of the 21st session of the Board of Directors on March 25, 2021, when the Company's 2020 non-independent directors' remuneration proposal was discussed, non-independent directors Chen, Ching-Fu、Chen, Kung-Pin、Kan, Chin-Yu、Du, Heng-Yi、Chou, Hai-Kuo、Lai, Chee-Lee had their own interests, in this case, so they evaded in accordance with the law, did not participate in the discussion and voting, and did not



represent Egawa Hirokazu、Egawa Manwa、Lee, Chi-Lung、Yang, Kun-Chou、Yeh, Chii-Jau to exercise their voting rights.

3) When the 12th meeting of the 21st session of the Board of Directors on March 25, 2021, discussed the Company's 2020 independent directors' remuneration proposal, the independent directors Liao, Chi-Fang、Kuo, Kong-Chuan、Chiang, Wen-Chang had their own interests, in this case, so they withdrew in accordance with the law. Did not participate in the discussion and voting.

3. Measures were undertaken during the current year and past year (including the establishment of the Audit Committee, improvement of info transparency, etc.) in order to strengthen the functions of the Board of Directors and assessment of such implementation

In order to assist directors to perform their duties and enhance the effectiveness of the board of directors, a Corporate Governance Manager has been established in accordance with the law, and the "Standard Operating Procedures for Processing Directors' Requests" has been amended by the Board of Directors on November 12, 2021, to ensure that board procedures and all applicable laws and regulations are complied with.

Note 1: The names of corporate shareholders and names of representatives shall be disclosed in case the director and Independent Director are corporate organizations.

Note 2: (1) In case any director or supervisor resigns before the end of the year, mark the date of resignation on the remarks and the actual attendance rate (%) is calculated by the number of meetings attended during his/her term at the Board of the Directors and the number of actual attendances for calculation.

(2) In case of any director and supervisor reelection before the end of the year, fill in the new and former directors and supervisors in addition to marking the director and supervisor as the new or former term, and date of reelection. The actual attendance rate (%) is calculated by the number of meetings attended during his/her term at the Board of the Directors and the number of actual attendances for calculation.

(2) Assessment of the implementation of the Board of Directors

Assessment Circle (Note 1)	Assessment Period (Note 2)	Assessment Scope (Note 3)	Assessment Measure (Note 4)	Assessment Content (Note 5)
Execute once a year	January 01, 2021 to December 31, 2021	Overall board performance evaluation, functional committee performance evaluation	Internal self- evaluation by the board of directors	➤ The overall board performance evaluation includes: participation in the company's operations, improvement of the decision-making quality of the board of directors, board composition and structure, director selection and continuous education, internal control, etc., a total of 45 measurement items. Overall Board Performance Evaluation Results: Excellent ➤ The performance evaluation of the audit committee includes: participation in the company's operations, awareness of the responsibilities of the functional committee, improvement of the decision-making quality of the functional committee, the composition of the functional committee and the selection of members, internal control, etc., total of 24 measurement items Overall, the audit committee Evaluation Results: Excellent ➤ The performance evaluation of the salary and compensation

Assessment Circle (Note 1)	Assessment Period (Note 2)	Assessment Scope (Note 3)	Assessment Measure (Note 4)	Assessment Content (Note 5)
				committee includes: the degree of participation in the company's operations, the awareness of the responsibilities of the functional committee, the improvement of the decision-making quality of the functional committee, the composition of the functional committee, and the selection of members, total of 20 measurement items Overall, the salary and compensation committee Evaluation Results: Excellent
Execute once a year	January 01, 2021 to December 31, 2021	Performance evaluation of individual board members	Board member self-evaluation	➤ The performance evaluation of individual directors includes mastery of company goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuous education, internal control, etc., a total of 20 measurement items. ➤ The performance evaluation results of the above-mentioned individual directors have been recorded in the 4th meeting of the 22nd session of the Board of Directors of the Company on March 30, 2022.

Note1: Fill in the assessment cycle of the board evaluation, such as / Yearly.

Note2: Fill in the assessment period of the board evaluation, such as / Jan 01, 2019, to December 31, 2019.

Note3: The assessment scope of the board evaluation, such as / Board, individual Director, or functional Committees (incl. Audit Committee and Remuneration Committee)

Note4: The assessment measures of the board evaluation, such as / Board internal assessment, Director's self-appraisal, Peer assessment, appoint external professional organizations and experts, or other assessment methods deemed appropriate.

Note5: The assessment measure for the Board shall include the following:

1. Involvement in the Company's operation, quality improvement of the Board's decision-making, the composition and structure of the Board, the assignment and continual education of Directors, and internal control.
2. Self-appraisal measures for the individual Director shall include the following: (1) Control of the corporate goal and mission (2) Cognition of Director's duty. (3) Involvement in the Company's operation (4) Internal relation management and communication (5) The assignment and continual education of Directors (6) Internal control
3. Assessment measure for the functional committees shall include the following: (1) Involvement in the Company's operation (2) Cognition of functional committee's duty (3) Quality improvement of the Board's decision-making (4) The composition and assignment of the functional committee (5) Internal control.



(3) Operations of Audit Committee

The Audit Committee held **four (A)** meetings in 2021. The attendance record of Independent Directors is listed below:

Job Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Managing & Independent Director	Liao, Chi-Fang	4	0	100%	Re-elected. Re-election on July 14, 2021. There should be 2 meetings
Independent Director	Kuo, Kong- Chuan	2	0	100%	Re-elected. Re-election on July 14, 2021. There should be 2 meetings
Independent Director	Chiang, Wen-Chang	4	0	100%	Re-elected. Re-election on July 14, 2021. There should be 2 meetings
Independent Director	Hu, Dong-Huang	2	0	100%	Re-elected. Re-election on July 14, 2021. There should be 2 meetings

Other items to be recorded:

1. The Audit Committee shall record the convene date, the term, the content of the proposal the Board Meeting, and the resolution of the Audit Committee and the Company's treatment to the resolution of the Audit Committee if any of the following circumstances occurs.

(1) Items listed in Article 14-5 of the Securities and Exchange Act.

(2) In addition to the preceding matters, other matters have not been approved by the Audit Committee and have been approved by more than two-thirds of all Directors.

Board of Directors	Discussions and Resolutions	Matters Specified in Article 14-5 of the Securities and Exchange Act	Not approved by the Audit Committee, but approved by more than 2/3 of all directors
12 th Meeting of 21 st Board Mar. 25, 2021	1. The 2020 Internal Control Effectiveness Assessment Judgment Form of the "Internal Control System Composition Element Judgment Form".	V	
	2. The company's 2020 consolidated financial statements, individual financial statements, and business reports.	V	
	3. Appointment of CPAs' Remuneration of Certified Public Accountants and Independent Assessment of Accountants in 2021.	V	
13 th Meeting of 21 st Board May 11, 2021	1. Set up a Corporate Governance Officer.	V	
3rd Meeting of 22nd Board Nov. 12, 2021	1. Appointment and dismissal of Manager of Financial and Accounting.	V	
Independent directors oppose or reservations: None			
The company's handling of independent directors' opinions: None			
Resolution result: .all present directors approved			

2. The names of Independent Directors, the contents of the proposals, the reasons for avoidance of conflicts of interest and the participation of voting shall be clearly recorded if there is any implementation of avoidance of conflicts of interest to any Independent Director:

- There is no circumvention of interest since the proposals of the audit committee this year have no interest in independent directors.

3. Communication between the Independent Directors and the internal audit directors and CPAs (please record the covered major issues, methods, and results of the communication for the Company's financial and business conditions):

Methods	Object of communication	Covered major issues	Results of the communication
11 th Meeting of 1 st Audit Committee Mar. 23, 2021 Report / proposal discussion	Finance Department Audit Office.	1. Internal audit business report 2. Proposed a discussion proposal on the "Judgment Table for the Components of the Company's Internal Control System for the Year 2020". 3. Proposed a discussion proposal on "The Company's 2020 Internal Control System Statement". 4. Proposed a discussion proposal on "The Company's 2020 Annual Consolidated Financial Statements, Individual Financial Statements, and Business Reports". 5. Proposed a discussion proposal on "The Company's 2020 Earnings Distribution Table". 6. Proposal for the discussion of "The Company's 2021 Annual Appointment of Certified Public Accountants, Remuneration of Certified Public Accountants and Independent Assessment of Accountants".	Approved without objection
12 th Meeting of 1 st Audit Committee May 06, 2021 Report / proposal discussion	Finance Department Audit Office.	1. The company self-concluded financial report for the first quarter of 2021. 2. Internal audit business report.	Approved without objection
1 st Meeting of 2 nd Audit Committee Aug.06, 2021 Report / proposal discussion	Finance Department Audit Office.	1. The company self-concluded financial report for the second quarter of 2021. 2. Internal audit business report.	Approved without objection
2 nd Meeting of 2 nd Audit Committee Nov.05, 2021 Report / proposal discussion	Finance Department Audit Office.	1. The company self-concluded financial report for the third quarter of 2021. 2. Internal audit business report. 3. Proposed the audit work plan discussion proposal of "the company's 2022 annual audit work schedule" and "the audit office's 2022 annual work schedule deployment schedule".	Approved without objection
3 rd Meeting of 2 nd Audit Committee Mar.24, 2022 Report / proposal discussion	Finance Department Audit Office.	1. Internal audit business report 2. Proposed a discussion proposal on the "Judgment Table for the Components of the Company's Internal Control System for the Year 2021". 3. Proposed a discussion proposal on "The Company's 2021 Internal Control System Statement". 4. Proposed a discussion proposal on "The Company's 2021 Annual Consolidated Financial Statements, Individual Financial Statements, and Business Reports". 5. Proposed a discussion proposal on "The Company's 2021 Earnings Distribution Table". 6. Proposal for the discussion of "The Company's	Approved without objection



			2022 Annual Appointment of Certified Public Accountants, Remuneration of Certified Public Accountants and Independent Assessment of Accountants".	
	Send by email or face-to-face communication about 1~2 months.	Audit Office.	Audit report and follow-up report	Execute according to the laws and regulations
	Mar. 23, 2021 The 11 th Audit Committee Report of the 1 st Session	CPA	Report on the 2020 accountant's audit report, key audit matters, the impact of the COVID-19 epidemic, matters related to financial reporting, important amendments to the Company Act, important amendments to the Exchange, and important announcements from the FSC.	Without objection
	Mar. 23, 2020 Accountant Letter Inquiry	CPA	Governance matters learned by accountants in the audit of Ve Wong Corporation's 2020 annual financial statements.	Informed, no other comment
	Mar. 19, 2021 Accountant Letter Inquiry	CPA	Governance matters learned by accountants in the audit of Ve Wong Corporation's 2020 annual financial statements.	Informed, no other comment
	Apr. 08, 2021 Accountant Letter Inquiry	CPA	Governance matters learned by accountants in the audit of Ve Wong Corporation's 2021 annual financial statements.	Informed, no other comment
	May 12, 2021 Accountant Letter Inquiry	CPA	Regarding the governance matters learned by the accountant from the review of the financial statements of the first quarter of the year 2021 of Ve Wong Corporation.	Informed, no other comment
	Aug. 11, 2021 Accountant Letter Inquiry	CPA	Regarding the governance matters learned by the accountant from the review of the financial statements of the second quarter of the year 2021 of Ve Wong Corporation.	Informed, no other comment
	Nov. 09, 2021 Accountant Letter Inquiry	CPA	Regarding the governance matters learned by the accountant from the review of the financial statements of the third quarter of the year 2021 of Ve Wong Corporation.	Informed, no other comment
	Dec. 07, 2021 Accountant Letter Inquiry	CPA	The accountant is entrusted to check the 2021 consolidated financial statements of Ve Wong Corporation and its subsidiaries and the governance matters of the individual financial statements of Ve Wong Corporation. It is in the planning stage.	Informed, no other comment
	Mar. 24, 2022 Accountant Letter Inquiry	CPA	Governance matters learned by accountants in the audit of Ve Wong Corporation's 2021 annual financial statements.	Informed, no other comment
	Mar. 24, 2022 The 3 rd Audit Committee Report of the 2 nd Session	CPA	1. Report on the 2021 accountant's audit report, key audit matters, the impact of the COVID-19 epidemic, matters related to financial reporting, and important announcements from the TWSE. 2. Letter to the Company, "In order to cooperate with the internal job transfer of the firm, the auditing accountants for financial statement review and subsequent financial statement auditing from the first quarter of 2022 will be certified by Lin, Kuan-Zhao and Wen, Ming-Yu. adjusted to accountants Lin, Kuan-Zhao and Chang, Huei-Yu."	Informed, no other comment

Note:

* Where Independent Directors may be relieved from duties before the end of the fiscal year, please specify their date of discharge in the "Remarks" Section. Their actual attendance rate (%) to the Audit Committee session shall be calculated on the basis of the number of

meetings called and actual number of sessions he/she attended, during his/her term of office.

* Where an election may be held for filling the vacancies of Independent Directors before the end of the fiscal year, please list out both the new and the discharged Independent Directors and specify the new, the discharged, and the reelected Independent Directors and the election date in the 'Remarks' Section. Their actual attendance rate(%) of the Audit Committee meetings shall be calculated on the basis of the number of meetings called and the actual number of sessions he/she attended, during his/her term of office.

(4)The state of the company's implementation of corporate governance, any discrepancy of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such discrepancy:

Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
1. Is the company in compliance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and disclosed its own corporate governance best practice principles?	✓		The Company has established its own "corporate governance best practice principles" and disclosed them on MOPS and the Company's website.	The operating conditions listed on the left comply with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
2. Equity structure and shareholders' equity of the company?				
(1)Has the company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and lawsuits, and implemented them in accordance with the procedures?	✓		(1)In addition to formulating stock affairs handling procedures, the company also has a spokesperson and a deputy spokesperson to handle shareholder suggestions, doubts, disputes and litigation matters. It implements them in accordance with the procedures to protect shareholders' rights.	The operating conditions listed on the left comply with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(2)Does the company have a list of major shareholders and ultimate controllers of major shareholders who actually control the company?	✓		(2)The company keeps at any time the list of major shareholders who actually control the company and the final controllers of major shareholders and regularly reports the changes in the shareholdings of directors and managers.	
(3)Has the company established and implemented the risk control and firewall mechanism with related enterprises?	✓		(3)The company and its affiliated companies have established "Procedures for Acquisition or Disposal of Assets," "Operating Procedures for Loaning Funds to Others," and "Operating Procedures for Endorsement Guarantees." They have established relevant controls in accordance with the company's internal control system.	
(4)Does the company have internal regulations that prohibit insiders of the company from buying and selling securities using non-public information?	✓		(4)The company has formulated the operating procedures and control points of the "Management Measures for Prevention of Insider Trading" and implements them in accordance with the operating procedures.	
3. Composition and responsibilities of the board of directors				
(1)Has the board of directors formulated and implemented	✓		(1)In accordance with Article 20 of the Company's "Code of Practice on Corporate	The operating conditions listed on the left comply with the Corporate Governance



Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
diversified policies on the composition of its members?	✓		Governance" and "Methods for Election of Company Directors", the composition of the board of directors should be diversified, and appropriate diversified policies. The members of the board should be set in accordance with its own operations, business models, and development needs. It should include but not be limited to the following two standards and management objectives: 1. Basic conditions and values: gender, age, nationality, and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc. And the board members should be universal possess the necessary knowledge, skills, and literacy to perform duties. The board of directors should have the following knowledge: 1. Operational judgment ability, 2. Accounting and financial ability, 3. Operation management ability, 4. Crisis management ability, 5. Industry knowledge, 6. International market outlook, 7. Leadership ability, 8. Decision-making ability. The 21 st and 22 nd directors of the Company are all 15 members (there are 1 female and 14 male members, and the age distribution of the 22 nd directors: 7 people are 61-70 years old, accounting for 43.75%, and 9 are over 71 years old. people, accounting for 56.25%)., two of the directors live in Japan. There are multicultural and full of the knowledge necessary to perform their duties. Skills and literacy (attached table 1).	Best Practice Principles for TWSE/TPEX Listed Companies.
(2) In addition to setting up a compensation committee and an audit committee according to law, has the company voluntarily set up other functional committees?	✓		(2) In addition to the establishment of the Business Decision-making Committee, the Remuneration Committee, and the Audit Committee in accordance with the law, the company also established the cross-departmental Corporate Social Responsibility Execution Committee to be responsible for the formulation and promotion of corporate social responsibility. In the future, other functional committees will be set up according to the assessment of the legal environment, company operation, and management needs.	
(3) Has the company established performance evaluation measures and methods for the board of directors, conducted	✓		(3) The company's board of directors resolved to approve the "Board Performance Evaluation Method" in May 2020, and the evaluation method was approved in March	

Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
performance evaluation annually and regularly, reported performance evaluation results to the board of directors, and applied them to the reference of salary and remuneration of individual directors and nomination and renewal? (4) Does the company regularly evaluate the independence of the independent auditor?	✓		2022. The board of directors had reported the results of the performance evaluation on file. (4) The Company evaluates the independence of its independent auditors based on the independence evaluation items every year and submits the results to the Audit Committee and the board meeting for approval. 1. The Company's independent auditors provide the company's "Accountant's Independence Statement" every year. 2. In addition, the rotation of the company's independent auditors is also handled in compliance with relevant regulations.	
4. Is the listed or OTC company equipped with the competent and appropriate number of corporate governance personnel, and has it designated the corporate governance director to be responsible for corporate governance-related matters (including but not limited to providing information required by directors and audit committees to carry out business, assisting directors and audit committees in complying with laws and regulations, managing related matters of the board of directors' meeting and shareholders' meeting in accordance with laws, taking minutes of the board of directors' meeting and shareholders' meeting, etc.)?	✓		The Company's governance is supervised, authorized, managed, and executed by the heads of various departments. The Management Department of the company and outsourced stock affairs agency provide directors with the necessary information to perform business, handle company registration, change registration, shareholder affairs, and shareholders' meeting-related matters, and assist in the development and legal compliance of the operating company. The Secretary's Office is responsible for handling matters related to the board meeting and various committees and preparing meeting minutes; the company's Audit Office is responsible for supervising corporate governance-related matters. In addition, in the year 2021, the director of corporate governance will be appointed in accordance with the legal procedures. The main responsibilities are to handle matters related to the board of directors and the shareholders' meeting in accordance with the law, to provide directors with the information needed to perform their business, to collect the latest legal developments related to operating companies to assist directors in compliance. To assist directors in appointment and continuing education, etc. The training hours and courses of the corporate governance supervisor are implemented in accordance with laws and regulations and are disclosed in the public information observatory.	The operating conditions listed on the left comply with the provisions of the Corporate Governance Best Practice Principles.



Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
5. Has the company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder area on the company's website, and properly respond to major corporate social responsibility issues of concern to stakeholders?	✓		The Company has established a spokesperson system and has a dedicated area on the company's website for stakeholders. Through telephone and e-mail and other information delivery methods, the company always maintains smooth communication channels with stakeholders. In addition, relevant issues are designed into questionnaires every two years, and stakeholders such as suppliers, distributors, media/online communities, consumers, etc. of the Company are invited to consider the scores and summarize the identification and identification of the importance of each aspect. and ranking, and assess the issues that stakeholders are currently most important and concerned about by the Company. In this way, we can collect the issues that the stakeholders are concerned about, and check whether the various activities implemented by the company respond to the stakeholders. Therefore, the relevant stakeholders' concerns and communication methods are as shown in (Attached Table 2), and please also refer to the chapter "Identification and Communication of Stakeholders and Concerned Issues" in the company's corporate social responsibility report.	The operating conditions listed on the left are in compliance with the provisions of the Corporate Governance Best Practice Principles.
6. Has the company appointed a professional agency to handle the affairs of the shareholders' meeting?	✓		The Company has appointed a professional stock affairs agency (Capital Securities Co., Ltd.) to handle the shareholders' meeting's relevant affairs and various stock affairs.	The operating conditions listed on the left comply with the provisions of the corporate governance best practice principles.
7. Information Disclosure (1) Has the company set up a website to disclose financial and corporate governance information?	✓		(1) The company has set up a website (URL: www.vewong.com) and regularly updates and discloses financial, business, and corporate governance information.	The operating conditions in columns (1) and (2) on the left comply with the requirements of the Corporate Governance Best Practice Principles.
(2) Does the company adopt other ways of information disclosure (such as setting up an English website, appointing a dedicated person to be responsible for the collection and disclosure of the company's information, implementing the spokesperson system, and placing on the company's website the process of the seminar for institutional investors)?	✓		(2) The company appoints a dedicated person to be responsible for collecting and disclosing company information, updating the company website at any time, and disclosing relevant information on the MOPS in accordance with the law. 1. The company has a spokesperson and deputy spokespersons in accordance with regulations to implement the spokesperson system. 2. The briefing data and audio-visual information for the corporate briefings, which the company annually organizes and participates in, have been announced on the MOPS and the company's website for review by the public.	



Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
	✓		the company has established quality standards and established good partnerships with suppliers.	
	✓		(4) The situation of directors' advanced training: The company actively arranges directors' further training, discloses information on the further training of directors on the MOPS and the company's website (Schedule 2), and encourages them to participate in other related courses.	
	✓		(5) Implementation of risk management policies and risk measurement standards: The company has established a decision-making authority system in its operation and management. Clearly, it regulates the execution of responsibilities at all levels in order to minimize the probability of risk occurrence. The company's necessary management regulations are all resolved by the board meeting or the shareholders' meeting. The company's major operational policies, investment cases, endorsement guarantees, capital loans, bank financing, and other major proposals have been evaluated and analyzed by the appropriate authority and responsibility departments and implemented in accordance with the resolutions of the board of directors. The audit office also draws up its annual audit plan based on the risk assessment results. Really implement; to implement the supervision mechanism and control the implementation of various risk management.	
	✓		(6) Implementation of customer policies: The company adheres to the concept of customer first, delicious, and healthy, and quality first to manage a wide range of customers and consumers. To serve the majority of consumers and investors, we have set up a toll-free service line 0800-221121 and the webmaster@vewong.com.tw mailbox to provide consumers or customers with a smooth communication channel.	
	✓		(7) Circumstances in which the company purchases liability insurance for directors: The company has insured liability insurance for all directors and submitted a report to the board of directors in August 2021.	
9. Please explain the improvement of the corporate governance evaluation results according to the finding issued by the Corporate Governance Center of the Taiwan Stock Exchange Corporation for the latest year and put forward the priorities and measures for those that have not been improved. Based on the results of the "Corporate Governance Evaluation" in 2021, the company will prioritize improvements for				

Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
the following unscored items as explained below: (1) Amendment of Article 20 of the Company's Corporate Governance Best Practice Principles to strengthen the management objective of the diversity of board members and disclose it on the Company's website. (2) The Company's internal audit management methods were updated and disclosed on the company's website. (3) On the Company's website, publicly explain the scope of responsibility of the corporate governance supervisor and the training situation. (4) The company will continue to evaluate the feasibility of future improvements for the parts that have not yet been scored.				

Note 1: Regardless of whether the operation status is checked “Yes” or “No,” it should be stated in the summary description column.

Table 1--Diversification of individual directors in 2021

Diversification Projects Name of Directors	Country of Citizenship	Gender	Operation Judgment	Accounting and financial analysis	Operating Management	Crisis Management	Industry Knowledge	International Market view	Leadership	Decision Making
Chen, Ching-Fu	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Kung-Pin	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Kan, Chin-Yu	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Egawa Manwa (Note1)	Japan	Male	✓	✓	✓	✓	✓	✓	✓	✓
Egawa Hirokazu (Note1)	Japan	Male	✓	✓	✓	✓	✓	✓	✓	✓
Du, Heng-Yi	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Syuan Yuan Industrial Co., Ltd./ Representative: Chang, Rong-Jun (Inaugurated on August 10, 2021)	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Yang, Kun-Chou (Retired on July 14, 2021)	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chou, Hai-Kuo	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Yeh, Chii-Jau	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Lai, Chee-Lee	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Lee, Chi-Lung	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Yueh-Feng	R.O.C.	Female	✓	✓	✓	✓	-	✓	✓	✓
Liao, Chi-Fang	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Kuo, Kong- Chuan (Retired on July 14, 2021)	R.O.C.	Male	✓	✓	✓	✓	-	✓	✓	✓
Chiang, Wen-Chang	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Hu, Dong-Huang (Retired on July 14, 2021)	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
The age distribution of directors is 61-70 years old, 7 people account for 43.75%, and 9 people over 71 years old account for 56.25%.										
Note1: Director living in Japan, with Japanese nationality and culture.										



Table-2 Stakeholders are concerned about substantive issues, communication channels and frequency, and the company's response unit list

Stakeholder	Concerned about substantive issues	Communication frequency, channel, and method	Response unit
Shareholders/ Board of Directors	■ Compliance ■ Operation performance ■ Sustainable development strategy ■ Risk control ■ Corporate Governance and Anti-Corruption	Annual general meeting of shareholders and irregular corporate briefings Quarterly Board of Directors Announce important information in accordance with the regulations of the competent authority Regular announcement of financial statements/annual reports/CSR reports Information disclosure on the company's official website (irregular) Stock agency (irregular) Investor Services Internal Contact Window of the Company (irregular) Speaker system (irregular)	Spokesman Management Department Secretary room
Employees/ Unions	■ Occupational Safety and Health ■ Labor Relations ■ HR strategy ■ Recourse Mechanism	Quarterly labor-management meetings, trade union supervisory meetings, safety, and health committee Annual trade union member congress Stakeholders' area on the company's official website (irregular) Occasionally internal bulletin boards, intranet sites, e-mails Quarterly or irregular employee welfare committee	Personnel Department
Consumer	■ Customer Health and Safety ■ Product Traceability Management ■ Recourse Mechanism ■ Product Innovation and Service ■ Privacy Protection	Stakeholders' area on the company's official website (irregular) Little Prince Living House (FB), Company LINE Customer Service (Ve Wong CS) (irregular) 0800 Toll-free line and mailbox (irregular) Regularly publish CSR reports Irregular annual satisfaction survey, irregular face-to-face sales in stores	Business Unit/ Quality Control Department/ Fengtian Plant/ Marketing Department
Community and sponsors	■ Community relations ■ Wastewater and waste ■ Greenhouse Gas and Energy Management ■ Recourse Mechanism	Complaint Mechanism of Public Complaint Form (irregular) Irregular visits to community activities or material sponsorship Regularly publish CSR reports	Related units of Fengtian Plant, Marketing Department, and Business Department
Supplier	■ Procurement practice ■ Supply chain management ■ Recourse Mechanism ■ Product Traceability Management	Stakeholders' area on the company's official website (irregular) Irregular visit to the factory for evaluation, telephone, and email communication Telephone number and mailbox for reporting violations of integrity management practices	Management Department
Distributors and commissioned OEMs	■ Product Innovation and Service ■ Product Traceability Management ■ Customer Health and Safety	Annual satisfaction survey from time to time Face-to-face sales by sales staff from time to time Stakeholders' area on the company's official website (irregular)	Business Unit/ Quality Control Department/ Fengtian Plant/ Marketing Department

Stakeholder	Concerned about substantive issues	Communication frequency, channel, and method	Response unit
Government	■ Compliance ■ Marketing and Labeling ■ Customer Health and Safety ■ Occupational Safety and Health ■ Wastewater and waste ■ Greenhouse Gas and Energy Management ■ Water Resource Management	Irregular decree publicity meeting, official letter round trip Unscheduled business interviews, telephone communications Unscheduled legal inspection Announce important information in accordance with the regulations of the competent authority Regular announcement of financial statements/annual reports/CSR reports	Personnel/ Purchase/ Finance/ Produce/ Marketing and Sales Department
Media and Online Community	■ Compliance ■ Corporate Governance and Anti-Corruption ■ Customer Health and Safety ■ Product Innovation and Service	Spokesman system (irregular) The Little Prince Living House (FB) Occasional text messages or phone calls	Spokesman Secretary room
Bank	■ Operation performance ■ Corporate Governance and Anti-Corruption ■ Compliance	Public information site Company website Business interview Telephone communication	Finance Department

Table-3 The 2021 continued advanced program of Directors is as follows:

Title	Name	Elected (inauguration) Date	Advancement Date		Organizer	Course Title Course name	Training Hours
			From	To			
Chairman	Chen, Ching-Fu	2021/07/14	2021/09/01	2021/09/01	Financial Supervisory Commission, Executive Yuan	The 13 th Corporate Governance Forum	6
Independent Director	Chiang, Wen-Chang	2021/07/14	2021/09/01	2021/09/01	Financial Supervisory Commission, Executive Yuan	The 13 th Corporate Governance Forum	6
Director	Yeh, Chii-Jau	2021/07/14	2021/09/01	2021/09/01	Financial Supervisory Commission, Executive Yuan	The 13 th Corporate Governance Forum	3
Director	Kan, Chin-Yu	2021/07/14	2021/09/08	2021/09/08	Taiwan Securities Association	IFRS 15.16 Accounting Principles for Recognition of Contract Revenue and Recognition of Lease Use Rights	3



(5) Establishment, functions, and operations of the Remuneration Committee:

1. Members profile of the Remuneration Committee

ID (Note1)	Requirements	Professional Qualifications and Experience	Independence criteria	Number of other public companies where the person holds the title as Remuneration Committee member
	Name			
Independent Director Convenor	Liao, Chi-Fang	Please refer to pages 24~25 (2) Information of directors 1. Disclosure of information on the professional qualifications of directors and the independence of independent directors		N/A
Other	Chen, Chi-Chang	• Have more than five years of work experience. • Qualified as a lawyer and currently a practicing lawyer.	• None of the provisions of Article 30 of the Company Act apply. • Does not have a spouse or family relationship within the second degree of kinship with other directors • No government, legal person or its representative be elected stipulates by Article 27 of the Company Act. • None of the incidents stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have occurred. • Meet the qualifications of independent directors in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	2
Independent Director	Kuo, Kong- Chuan	• Have more than five years of business professional and corporate business experience • President of Double Grace Trade Co., Ltd. • Former independent director, member of the audit committee and remuneration committee of the company, and the term was expired on July 13, 2021.	• None of the provisions of Article 30 of the Company Act apply. • Does not have a spouse or family relationship within the second degree of kinship with other directors • No government, legal person or its representative be elected stipulates by Article 27 of the Company Act. • None of the incidents stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have occurred. • Meet the qualifications of independent directors in the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.	N/A
Independent Director	Hu, Dong-Huang	Please refer to pages 24~25 (2) Information of directors 1. Disclosure of information on the professional qualifications of directors and the independence of independent directors		N/A

2. Operations of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) Current term of office: August 13, 2021~July 13, 2024. The Committee **held 2 (A)** meetings in the 2021 and the attendance of the Committee members is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Convener	Liao, Chi-Fang	2	0	100%	Re-elected on August 13, 2021. There should be 2 meetings.
Member	Chen Chi-Chang	2	0	100%	Re-elected on August 13, 2021. There should be 2 meetings.
Member	Kuo, Kong-Chuan	1	0	100%	Former term to July 13, 2021. There should be 1 meeting.
Member	Hu, Dong-Huang	1	0	100%	New term. Re-election on August 13, 2021. There should be 1 meeting.
Other Notes: 1. If the Board of Directors does not adopt, or amend, the Remuneration Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions (If the remuneration ratified by the Board of Directors is superior to that suggested by the Remuneration Committee, please specify the deviation and reasons thereof): N/A 2. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members, and the Company's handling of the said opinions: N/A					

Note 1. Where a Remuneration committee member may be relieved from duties before the end of the fiscal year, please specify their Resignation date in the "Remarks" Section. Their actual attendance rate (%) to the Remuneration committee session shall be calculated on the basis of the number of meetings called and the actual number of sessions he/she attended, during his/her term of office.

2. Where an election may be held for filling the vacancies of Remuneration committee's members before the end of the fiscal year, please list out both the new and the discharged Remuneration committee's members and specify the new, the discharged, and the reelected Independent Directors and the election date in the "Remarks" Section. Their actual attendance rate(%) of the Remuneration Committee's meetings shall be calculated on the basis of the number of meetings called and the actual number of sessions he/she attended, during his/her term of office.

(6) Performance of Sustainable Development and differences from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the reasons:

Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation (Note 2)	
1. Has the company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote corporate social responsibility, authorized by the board of directors to be handled by the senior management and reported to the board of directors?	✓		(1) In order to implement the implementation and management of affairs related to sustainable development, in 2016, the company established the "Corporate Social Responsibility Executive Committee" set up by the company's cross-department (including the Finance Department, Management Department, Marketing Department, Factory, Personnel, Quality Control, etc. 11 units). "Organization, which will be renamed "Sustainability Executive Committee" in 2022. The general manager serves as the chairman of the committee, and the two associates serve as deputy directors. Each department selects appropriate functional supervisors and employees, Every year,	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.



Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons								
	yes	no	Summary explanation (Note 2)									
			relevant persons in charge are convened to review the issues of concern to stakeholders, formulate risk management systems and implementation guidelines, and refer to them. The internationally accepted report preparation standards (GRI Standards) are used to prepare sustainable development reports and report the handling situation to the board of directors once a year. The report for 2020 was reported to the board of directors of the company on November 12, 2021.									
2. Does the company conduct risk assessment on environmental, social, and corporate governance issues related to the company's operation in accordance with the principle of materiality and formulate relevant risk management policies or strategies? (Note 2)	✓		(2) In accordance with the principle of materiality, the company conducts risk assessment of environmental, social, and corporate governance issues related to company operations, and formulates relevant risk management policies or strategies. Its risk management policy: Risk management is a management process, based on When discovering different actual or potential problems that have an impact on the company's operations, and taking corresponding measures. Therefore, the implementation of internal control is a continuous operation. Through continuous inspection of various operation and management operations, we discover facts that deviate from company policies, operating procedures, established goals or expected standards, and respond to the appropriate management level through feedback systems. , And take necessary corrective actions in response to the problem to ensure that the company's operations follow the original planning direction. And use internal containment methods to achieve the purpose of collusion, achieve effective control of risks and prevent the occurrence of operational malpractice. Please also refer to the relevant information in the company's corporate social responsibility report. Please refer to the chapter "Risk Management and Crisis Management" in the company's Corporate Social Responsibility report. <table><tr><th>Major Issues</th><th>Risk Assessment Items</th><th>Description</th></tr><tr><td rowspan="2">environmental risk</td><td>Regulations</td><td>■Build and switch to lower-polluting energy equipment. ■Reduced energy resource use produces a low greenhouse gas effect. ■Promote energy saving and carbon reduction</td></tr><tr><td>Climate Disaster</td><td>■Prevent extreme climate changes at any time, and how to reduce the probability of operational interruption and possible losses ■An energy-saving and carbon</td></tr></table>	Major Issues	Risk Assessment Items	Description	environmental risk	Regulations	■Build and switch to lower-polluting energy equipment. ■Reduced energy resource use produces a low greenhouse gas effect. ■Promote energy saving and carbon reduction	Climate Disaster	■Prevent extreme climate changes at any time, and how to reduce the probability of operational interruption and possible losses ■An energy-saving and carbon	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.
Major Issues	Risk Assessment Items	Description										
environmental risk	Regulations	■Build and switch to lower-polluting energy equipment. ■Reduced energy resource use produces a low greenhouse gas effect. ■Promote energy saving and carbon reduction										
	Climate Disaster	■Prevent extreme climate changes at any time, and how to reduce the probability of operational interruption and possible losses ■An energy-saving and carbon										

Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation (Note 2)	
			reduction plan is proposed every year as a basis for implementation Company Image ■Research on low-carbon production and green manufacturing ■Meet stakeholders' requirements for energy conservation, increase revenue, and invest in the development of energy-saving product packaging materials Occupational Safety ■Strengthen the inspection of the factory area, and immediately notify the relevant units to improve if the hardware facilities are found to be missing. ■Regular personnel education and training, feedback, new personnel education, and training, publicize the company's occupational safety and health policy. ■Before entering the factory for construction, hold an agreement organization meeting, implement hazard notification and publicize the company's occupational safety and health policy ■Sign the "Contractor's Work Safety Specification Agreement" with the contractor as the safety and hygiene guidelines during construction. Product Safety ■Products are designed to ensure quality, safety, taste, and health. ■Product safety assessment, specification formulation, and monitoring ■Product labels comply with relevant laws and regulations ■Food Manufacturing and Monitoring ■Set up laboratory analysis and testing to ensure product hygiene, safety, and quality ■Product traceability and tracking management ■Product inspection control and third-party verification ■Environmental hygiene and quality management of manufacturing sites Labor Relations ■Follow the laws to protect the rights and interests of employees ■Properly plan talent training programs ■Emphasis on employee welfare and workplace safety ■Cultivate diverse talents ■Recruiting the right talent through multiple channels	



Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation (Note 2)	
			Corporate Governance Internal Control and Legal Compliance The implementation of internal control is a continuous operation. Through continuous inspection of various operations and management operations, the facts that deviate from the company's policies, operating procedures, established goals or expected standards are found, and the feedback system is used to reflect it to the appropriate management level. And take necessary corrective actions to ensure that the operation of the enterprise follows the direction of the original plan and actually abides by the relevant laws and regulations. Fraud Prevention To achieve the purpose of collusion by means of internal containment, to effectively control risks and prevent the occurrence of operational malpractices. Strengthen the Functions of Directors ■ In order to enable directors to understand their legal responsibilities, plan relevant training topics for directors, and provide directors with the latest regulations, system development and policies every year. ■ Insure directors' liability insurance for directors, when directors have fulfilled their duties as good managers to perform business and protect their litigation or compensation. Stakeholder Communication ■ Analyze key stakeholders and key issues of concern every two years. ■ Establish various communication channels, actively communicate, and reduce confrontation and misunderstanding. Set up investor mailboxes, which will be handled and responded to by spokespersons or relevant units.	
3.Environmental issues				
(1) Has the company established an appropriate environmental management system according to its industrial characteristics?	✓		(1) In accordance with the food manufacturing industry regulations, the company has formulated operation management procedures for environmental management of air pollution, water pollution, and waste related to the environment to implement pollution control and prevention.	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.
(2) Is the company committed to improving resource utilization efficiency and using recycled materials with low impact on the	✓		(2) The company introduces specific resource utilization efficiency actions, such as using recycled materials and recyclable packaging materials to reduce the impact on the environment, hoping that	

Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation (Note 2)	
environment?			it may protect the environment and provide consumers with low carbon through long-term gradual actions and environment-friendly products.	
(3) Does the company assess the potential risks and opportunities of climate change for the enterprise now and in the future and take measures to deal with climate-related issues?	✓		(3)The company regularly reviews information on the impact of climate change on operating activities, continuously monitors direct and indirect greenhouse gas emissions, and implements its energy-saving and carbon reduction and greenhouse gas reduction strategies. However, as this issue's effectiveness is not significant, it is still seriously under review and responded to.	
(4) Does the company prepare statistics of greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	✓		(4) Please refer to pages 36~42 of the "Environmental Maintenance and Achievement" chapter of the Company's 2020 Sustainability Report for the relevant information listed above and (4) assessment items.	
4. Social issues				The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and International Human Rights Conventions?	✓		(1)The company complies with the Labor Standards Act, the Act of Gender Equality in Employment, and labor safety and health-relevant laws and regulations and formulated various measures such as "Employee Work Rules" and their operation management procedures. At the same time, it implements a pension system, and the employee welfare committee handles various employee welfare. The company has also established a labor union to coordinate labor relations to protect employees' legitimate rights and interests and the employment policy without discrimination.	
(2) Has the company established and implemented reasonable employee welfare measures (including compensation, vacation, and other benefits) and properly reflected the operating performance or results in employee compensation?	✓		(2) The company formulates and implements reasonable employee welfare measures (including remuneration, vacation, and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration. For relevant information, please refer to page 47~48 of the Company's 2020 Sustainability Report "Welfare Measures"	
(3) Does the company provide a safe and healthy working environment for its employees and conduct regular safety and health education for them?	✓		(3) In order to ensure the safety of employees, the company has set up access control measures, guards, and safeguards at night and on holidays. The company maintains workplace safety, and both the head office and the factory are insured with public accident liability insurance, and employees are regularly provided with safety and health	



Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation (Note 2)	
(4) Has the company established an effective career development training program for its employees? (5) Does the company follow relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and grievance procedures to protect consumers' rights and interests? (6) Does the company have a supplier management policy that requires suppliers to follow relevant specifications and implement environmental protection, occupational safety, and health or labor human rights issues?	✓ ✓ ✓		education. For related information, please refer to pages 49~52 for the "Occupational Safety and Health Maintenance" chapter of the Company's 2020 Sustainability Report. (4) The company formulates an employee education and training plan every year and conducts internal and external training based on actual conditions to strengthen the development of employees' own capabilities and professional capabilities. For related information, please refer to page 46 for the "Training and Education" chapter of the Company's 2020 Sustainability Report. (5) The company is committed to the food safety policy of "delicious and healthy, quality first" and the food safety goal of "quality, innovation, and delivery". Regarding consumer protection policies and appeal procedures, there are related operating standard procedures such as "Customer Complaints Handling", "0800 Free Service Line" and "Product Recycling Process and Handling", which are implemented in accordance with the established norms and actual operations. For related information, please refer to pages 19~32 for the "Product Responsibility and Health and Safety" chapter of the Company's 2020 Sustainability Report. (6) In order to ensure product quality and safety, the company requires suppliers to be approved by the local government to establish and register and be able to produce products that meet the company's required specifications or obtain third-party impartial unit quality verification and have been certified or provided by a third party. Food additives certification, sanitary inspection reports, etc. control mechanisms, and formulate "purchasing policy management guidelines", and set "supplier evaluation conditions for suppliers on safety, social, environmental and service issues" Management policies such as direction and direction are the basis for evaluating suppliers. For information on the company's raw material procurement management, please refer to pages 33~35 for the chapter "Raw Material Procurement Management" of the Company's 2020 Sustainability Report.	
5. Does the company prepare the corporate social responsibility report and other reports that disclose the company's non-financial information in accordance with the international reporting standards or guidelines?	✓		The company publishes a corporate social responsibility report every year, which is written in accordance with the framework published by the Global Reporting Initiative (GRI) and based on the core disclosure principles. For this report, Deloitte is appointed to perform independent and limited assurance on the selected indicators in accordance with	The operating conditions listed on the left comply with the Sustainable Development Best Practice

Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation (Note 2)	
Is the aforesaid report confirmed or guaranteed by a third-party verification unit?			R.O.C. Standards for Assurance Bulletin No. 1 "Assurance cases of audit or review of non-historical financial information." Market Observation Post System: http://mops.twse.com.tw/mops/web/t100sb11 , enter the company's stock code 1203 to query the Sustainability Report. And disclose the Sustainability Report for the current year and past years on the Company's website. https://www.vewong.com/ec99/ushop20069/profile_12.asp	Principles for TWSE/GTSM Listed Companies.
6. If the company has its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies," please state the implementation status and the differences: In March 2016, the board of directors of the company approved the "Corporate Social Responsibility Best Practice Principles," which include the promotion of corporate governance, the development of a sustainable environment, the maintenance of social welfare, and the strengthening of corporate social responsibility information disclosure so that the company's employees can follow together to manage the economic, environmental, and social risks and impacts. There are no major differences.				
7. Other important information to understand the operation of corporate social responsibility: 1. The Company has passed ISO22000 and ISO9001 certifications. In addition to gaining international credibility and enhancing corporate image through the evaluation of third-party certification bodies, the implementation of the systems can help establish a complete written system, procedures, and organization, which can not only leave the Company's technical documentation assets which may become a template for operational communication when necessary, making internal communication easier to grasp, but also improve management efficiency, effectiveness and work quality due to the establishment of a management system to maintain the stability and safety of product output to allow consumers to eat and use with peace of mind. In addition, the company issues and publishes corporate social responsibility reports with non-financial information, which will help investors and stakeholders understand the company's operations. 2. The Company's 2020 corporate social responsibility system promotion plan and implementation results are disclosed in the corporate social responsibility report of the current year and previous years on the Company's website. The URL is: https://www.vewong.com/ec99/ushop20069/profile_12.asp				

Note 1: Regardless of whether the operation status is checked as "Yes" or "No," it should be stated in the summary description column.

Note 2: If the company has prepared a corporate social responsibility report, the summary description can be replaced by reviewing the corporate social responsibility report and the index page.

(7) Performance of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons:

Evaluation items	Operation status (note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	yes	no	Summary description	
1. Establishment of ethical corporate management policy and plan (1) Does the company have an ethical corporate management policy approved by the board of directors. Clearly, they state the ethical corporate management policy and practice in the	✓		The company has formulated the "Ethical Corporate Management Best Practice Principles" to be followed by the company's directors, managers, employees, assignees, or substantive controllers. The company also	The operations listed on the left comply with the Ethical Corporate Management Best Practice Principles for



Evaluation items	Operation status (note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	yes	no	Summary description	
internal regulations and external documents and the commitment of the board of directors and senior management to actively implement the corporate management policy? (2) Has the company established an evaluation mechanism for the risk of unethical behavior, regularly analyzed and evaluated the business activities with high unethical behavior risk within the business scope, and formulated a plan to prevent unethical behavior accordingly, which at least covers the preventive measures for the behaviors in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”? (3) Does the company stipulate the operating procedures, behavior guidelines, and disciplinary and grievance systems in its unethical behavior prevention plan and implement them, and regularly review and revise the plan?	✓		adopts preventive measures against each of the circumstances in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” or other business activities within the business scope that have a higher risk of dishonest behavior. The company has also established the “Principles for Handling Violation of Ethical Corporate Management,” and the punishment and appeal system for relevant violations have been implemented. In addition, the company’s “Corporate Integrity Code” Article 20 stipulates that relevant insider are prohibited from using information that is not available in the market to make a profit for the implementation of sentiments, and there has been no violation in 2021. In addition, at the 5th meeting of the 18th session of the board of directors in 2009, the company adopted the “Prevention of Insider Trading Management Control Points” to strengthen the company's good internal material information processing and disclosure mechanism, avoid improper information leakage, and ensure that the company publishes information to the outside world consistency and correctness.	TWSE/GTSM Listed Companies.
2.Implementation of ethical corporate management (1)Does the company assess its counterparties' ethical corporate management records and specify the ethical corporate management terms in the contracts it enters into with them? (2) Has the company set up a dedicated unit under the board of directors to promote ethical corporate management, and regularly (at least once a year) report to the board of directors its ethical corporate management policy and plan to prevent unethical behavior as well as its supervision of the implementation? (3) Does the company have a conflict-of-interest prevention policy to provide appropriate channels for explaining and implementing it?	✓	✓	(1)The company has formulated the “Ethical Corporate Management Best Practice Principles,” and there are rigorous operating specifications and procedures in the relevant management measures. For example, the “Purchasing Management Operating Standards” sets out procurement principles, rights and responsibilities, procedures... etc. to prevent the occurrence of unethical behavior. (2)The company does not have a dedicated (part-time) unit under the board of directors to promote ethical corporate management. In the future, the feasibility of establishment will be evaluated based on the legal environment, the company's operating conditions and management needs. (3)The company has formulated the “Code of Procedures for the Board Meeting of the Company.” Concerning meeting matters, if there is an interest related to a director himself or the legal person he represents, the	Except for the non-compliance of the second and fifth items in the operating conditions listed on the left, the remaining operating conditions comply with the requirements of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and there is no major difference.

Evaluation items	Operation status (note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	yes	no	Summary description	
(4) Has the company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit, according to the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the status of unethical behavior prevention accordingly, or entrusted an independent auditor to carry out the audit? (5) Does the company regularly conduct internal and external ethical corporate management?	✓ ✓		director shall explain the important content of his interest at the current board meeting; if there is possible harm to the interests of the company, the director shall not participate in but shall avoid the discussion and voting, and shall not act for other directors to exercise their voting rights. In addition, in order to implement Article 18 of the "Corporate Integrity Code" to prevent conflicts of interest, the company has established the "Principles for Handling Cases of Violation of Integrity" to follow, provide appropriate notification channels, and strengthen internal control and handling principles. No violations occurred in 2021. (4)The company has established an effective accounting system and internal control system in accordance with the law. Internal auditors regularly check the compliance with the internal control system in accordance with the law, and self-assessment is implemented to ensure the effectiveness of the internal control system and serve as the basis for the declaration of the internal control system, which is submitted to the board meeting for approval and implementation of the responsibility of ethical corporate management. (5)The company regularly organizes internal and external education and training such as related laws and regulations on integrity management to strengthen the firm commitment of relevant business colleagues to comply with integrity standards.	
3.Operation of the company's accusation system (1) Does the company have a specific accusation and reward system, establish a convenient accusation channel, and assign appropriate personnel to the accused person? (2) Has the company established the standard operating procedures for the investigation of accused matters, follow-up measures after investigation and the relevant confidentiality mechanism? (3) Does the company take measures to protect the accuser from improper treatment due to the accusation?	✓ ✓ ✓		The company has established a specific reporting and reward system and a list of e-mail addresses and contact numbers of relevant supervisors. The accusation channel is smooth. If there is any accusation case, it will be investigated and handled by the special personnel of the audit or personnel unit. According to the established "Reward and Punishment Management Measures," a Reward and Punishment Committee is set up to handle reward and punishment matters and deal with them impartially according to the norms to protect the parties involved and informers. In addition, in June 2017, the "Principles for Handling Cases of Violations of Integrity" was formulated, which includes the channels and methods of reporting, the process of reporting cases, and measures to protect whistleblowers.	The operations listed on the left comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.



Evaluation items	Operation status (note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	yes	no	Summary description	
4.Enhancement of information disclosure (1) Does the company disclose the content and promotion effect of its ethical corporate management best practice principles on its website and the MOPS?	✓		The company discloses its “Ethical Corporate Management Best Practice Principles” related information on its website and the MOPS.	The operations listed on the left comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
5.If the company has its own ethical corporate management best practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please state the differences between its operation and the principles: The company has established the “Ethical Corporate Management Best Practice Principles” and “Principles for Handling Violation of Ethical Corporate Management,” and there is no major difference in its operation with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.”				
6.Other important information helpful to understand the company's ethical corporate management operation: (such as the company's review and amendment of the ethical corporate management best practice principles) The company will continue to review and amend its “Ethical Corporate Management Best Practice Principles” and “Principles for Handling Violation of Ethical Corporate Management” in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” and follow them in operation.				

Note 1: Regardless of whether the operation status is checked “Yes” or “No,” it should be stated in the summary description column.

(8) Disclosure of access to Company Corporate Governance Best Practice Principles and related rules and regulations:

1. The company has set the "Principles of Practice for Corporate Governance", "Rules of Integrity Management", "Company Compensation Committee Organizational Rules" and "Audit Committee Organizational Rules" and other regulations related to corporate governance rules.
2. Please refer to the company's website <https://www.vewong.com/>

(9) Other information enabling a better understanding of Company Corporate Governance:

1. On May 13, 2021, the board of directors of the Company approved the establishment of the post of Corporate Governance Director, and appointed manager Wei, Jing-Xiong of the secretary office as the Corporate Governance Director (in compliance with the statutory qualifications of corporate governance director, the appointment date is June 30, 2021), responsible for corporate governance-related matters.
2. The Corporate Governance Director of the Company shall at least have the following terms of reference in charge of corporate governance matters:
 - (1) Handle matters related to the meeting of the board of directors and the shareholders' meeting in accordance with the law.
 - (2) Prepare the minutes of the board of directors and shareholders' meetings.
 - (3) Assist directors in their appointment and continuing education.
 - (4) Provide the information required by the directors to carry out their business.
 - (5) Assist directors in complying with laws and regulations.
 Other matters stipulated in the company's articles of association or contracts, etc.
3. Regarding the execution of the business in charge of corporate governance: All are carried out in accordance with the terms of reference listed above.

4. The implementation of advanced training for corporate governance supervisors is as follows:

No.	Organizer	Course Title	Advancement Date		Training Hours
			From	To	
1	Financial Supervisory Commission	The 13 th Taipei Corporate Governance Forum	2021/09/01	2021/09/01	6.0
2	Digital Governance Association	Directors and Supervisors Responsibility and Risk Management Seminar	2021/09/15	2021/09/15	3.0
3	Securities & Futures Institute	2021 Insider Trading Prevention Promotion Conference	2021/11/03	2021/11/03	3.0
4	Taiwan Institute for Sustainable Energy	Taishin 30 Sustainable Net Zero Summit Forum	2022/04/22	2022/04/22	3.0

5. For Other related information inquiries, please refer to the Market Observation Post System

<http://mops.twse.com.tw/mops/web/index> , The Company's stock code is 1203



(10) Status of internal control system

(1) Internal Control Declaration

Ve Wong Corporation.

Declaration of the Internal Control Declaration

Date: Mar. 30, 2022

The Company inspected the 2021 internal control system autonomously with the following results:

1. The Company is fully aware that the Board of Directors and the management are responsible for the establishment, implementation, and maintenance of the internal control system and it has been established accordingly. The purpose of its establishment was to reasonably ensure the fulfillment of effective operation and efficiency (including profit, performance, and protection of assets safety), and the reliability, timeliness, transparency, and regulatory compliance of financial reports.
2. The internal control system design has inherent limitations. No matter how perfect such control is, it can only provide reasonable assurance of the fulfillment of the three objectives referred to above. The effectiveness of such an internal control system could be influenced by changes in the environment and other circumstances. Therefore, the Company's internal control system has been designed with a self-monitoring mechanism so that corrective action will be activated immediately upon the identification of any nonconformity.
3. The Company has assessed the effectiveness of the design and implementation of the internal control system in accordance with criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria defined in "the Regulations" include five elements that depend on the management control process: (1) environment controls, (2) risk assessment, (3) control processes, (4) information and communications, and (5) supervision. Each of the five elements is then divided into sub-categories. Please refer to "the Regulations" for details.
4. The Company has implemented criteria for inspection of the internal control system referred to above to ascertain its effectiveness, design, and implementation.
5. The Company, based on the inspection results referred to above, declared (on December 31, 2021) that the internal control system, including the supervision and management of subsidiaries, is reasonably effective and achieves the objectives of operation and efficiency, the financial report is of reliability, timeliness, transparency and regulatory compliance.
6. The Declaration of Internal Control System is the main content of the Company's annual report and published prospectus. Any false statement and concealment of the published content referred to above involves liability set out in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. The Declaration of the Internal Control System was resolved at a meeting of the Board of Directors on March 30, 2022, with no objections by any of the 15 attending Directors. The contents of the declaration have been accepted without objection.

Ve Wong Corporation

Chairman:



General Manager



(2) The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: N/A

(11) Punishment of the Company or its internal personnel in accordance with the law, punishment of internal personnel by the Company for violating internal control system regulations, main deficiencies, and improvements during the recent year and up to the date of publication of this annual report: N/A

(12) Resolutions reached at a meeting of shareholders or by the Board of Directors during the recent year and up to the date of publication of this annual report:

1. Annual Meeting of Shareholders

Year	Dates	Resolutions	Implementation status
2021	2021/07/14	1. Approved 2020 business report and financial statements. 2. Approved the proposal for distribution of 2020 profits. 3. Approved Amendments to some provisions of the company's Articles of Incorporation. 4. Re-election of directors of the Company. 5. The case of lifting the non-compete restriction of the 22 nd session of directors of the company.	1. The form has been submitted to the competent authority for review and announcement in accordance with the company law and other relevant laws and regulations. 2. The cash dividend of NT\$1.10 per share was distributed on October 7, 2021 3. The Department of Commerce of the Ministry of Economic Affairs approved the change of registration on July 14, 2021. 4. 15 directors (including 3 independent directors) have been re-elected on July 14, 2021. 5. The resolution was passed in accordance with the law.

2. Board of Directors

Term of the Meeting	Date	Discussions and Resolutions
12 th Meeting of 21 st Term	2021/03/25	1. Approved the 2020 employee compensation issues and the amount of Manager staff compensation. 2. Approved the 2020 Director's remuneration rate and amount. 3. Approved the 2020 distributing remuneration amount of Non-independent Directors. 4. Approved the 2020 distributing remuneration amount of independent Directors. 5. Approved the proposal for 2020 "Evaluation and Judgment on the Effectiveness of Internal Control in the "Judgment Table of Components of Internal Control System". 6. Approved the proposal of the "Internal Control System Declaration". 7. Approved 2020 consolidated financial statements, individual financial statements, and business reports. 8. Approve the proposal for distribution of 2020 profits. 9. Approved the 2021 appointment of the certified accountant, certified accountant's remuneration, and accountant's independence assessment. 10. Approved amendments to some provisions of "Rules for the Election of Directors". 11. Approved the proposal for the re-election of the next board of directors. 12. Approved the proposal to convene the 2021 shareholders' meeting.



Term of the Meeting	Date	Discussions and Resolutions
		13. Approved to nominate candidates to participate in the next election of directors and supervisors of The World Champion Co., Ltd. 14. Approved to nominate candidates to participate in the next election of directors and supervisors of Tai Ve Co., Ltd. 15. Approved to nominate candidates to participate in the next election of directors and supervisors of Green TFL Co., Ltd. 16. Approved the appointment of Mr. Lin, Huo-Yi as the consultant of the company. 17. Approved the application to Bangkok Bank for the renewal of the comprehensive credit line. 18. Approved the application to Tai Ve Co., Ltd. for the loan limit case.
13 th Meeting of 21 st Term	2021/05/13	1. Approved the non-compete restriction of the 22 nd session of directors was lifted. 2. Approved to set up of the Corporate Governance Officer 3. Approved the list of director candidates nominated by shareholders who hold more than 1% of the total issued shares. 4. Approved the list of candidates for directors (including independent directors) nominated by the board of directors.
14 th Meeting of 21 st Term	2021/06/23	1. Approved changing the date and venue of the 2021 General Meeting of Shareholders.
1 st Meeting of 22 nd Term	2021/07/14	1. The election method of the 22 nd managing director. 2. The directors elected the 22 nd executive director from each other. 3. Case of General manager candidates and their treatment. 4. Approved the appointment of Mr. Egawa Taketada as the 22 nd Honorary Chairman.
2 nd Meeting of 22 nd Term	2010/08/13	1. Approved setting the base date for the payment of cash dividends for 2020 and other related matters. 2. Approved the appointment of three members of the fifth "Remuneration Committee". 3. Approved updating the soy sauce blending machinery and equipment and carrying out the planning and budgeting of the new plant construction. 4. Approved adding instant noodle production line, snack noodle automatic packaging line, and plan and budget for related plant renovation work. 5. Approved the application for a comprehensive credit extension, short-term guarantee loan, and export quota renewal from the Dadaocheng Branch of Taiwan Cooperative Bank 6. Approved the application to Taiwan Cooperative Bank Zhongshan Branch for the renewal of the comprehensive credit line. 7. Approved the application to First Commercial Bank Zhongshan Branch for the renewal of the comprehensive credit line. 8. Approved the application to Mega International Commercial Bank Zhongshan Branch for the renewal of the comprehensive credit line. 9. Approved the application to Taiwan Business Bank Zhongshan Branch for comprehensive credit line and import and export line renewal. 10. Approved the application to the business department of Hua Nan Commercial Bank for mortgage loan and export quota renewal.
3 rd Meeting of 22 nd Term	2021/11/12	1. Approved the company's "2022 Annual Audit Plan". 2. Approved the amendment of some provisions of "Standard Operating Procedures for Processing Directors' Request". 3. Approved the appointment of the fifth director and chairman of Saigon Ve Wong Co., Ltd. 4. Approved the appointment of the new general manager of Saigon Ve Wong Co.,

Term of the Meeting	Date	Discussions and Resolutions
		Ltd. 5. Approved the appointment and dismissal of financial and accounting supervisors. 6. Approved the application to Bank of Taiwan Zhongshan Branch for a comprehensive credit extension and export quota renewal case. 7. Approved the application to Bank SinoPac for the renewal of the comprehensive credit line.
4 th Meeting of 22 nd Term	2022/03/30	1. Approved the 2021 employee compensation issues and the amount of Manager staff compensation. 2. Approved the 2021 Director's remuneration rate and amount. 3. Approved the 2021 distributing remuneration amount of Non-independent Directors. 4. Approved 2021 distributing remuneration amount of independent Directors. 5. Approved the proposal for 2021 "Evaluation and Judgment on the Effectiveness of Internal Control in the "Judgment Table of Components of Internal Control System". 6. Approved the proposal of the "Internal Control System Declaration". 7. Approved 2021 consolidated financial statements, individual financial statements, and business reports. 8. Approve the proposal for distribution of 2020 profits. 9. Approved the 2021 appointment of the certified accountant, certified accountant's remuneration, and accountant's independence assessment. 10. Approved the amendment of some provisions of the articles of association of the company. 11. Approved the amendment to the "Procedures for the Acquisition or Disposal of Assets" section. 12. Approved the proposal to convene the 2022 shareholders' meeting. 13. Approved the appointment of Mr. Lin, Huo-Yi as the consultant of the Company. 14. Approved the application to Bangkok Bank for the renewal of the comprehensive credit line. 15. Approved the application to Tai Ve Co., Ltd. for the loan limit case.

(13) Recorded or written statements of dissent made by any Director or Supervisor to important resolutions passed by the Board of Directors during the recent year and up to the date of publication of this annual report: N/A

(14) Summary of discharge and resignation of parties relating to the annual report (Chairman, General Manager, Chief Accountant, Financial Officer, Chief Internal Auditor, and R&D Officer) in the recent year and up to the date of publication of this annual report:

Summary of Resignation and Dismissal of Relevant Persons of the Company

April 30, 2022

Job Title	Name	Appointment Date	Date of Dismissal	Reason for resignation or dismissal
Head of Finance and Accounting	Kuo, Chang-Cheng	2003.09.01	2021.11.12	Job Adjustment

Note: The relevant persons of the company refer to the chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor and R&D supervisor.



5. Information on CPA professional fees

(1) Step Table of CPA professional fees

Unit: NT\$ thousand

Firm Name	CPA Name	Duration of Audit	Audit Fee	Non-audit Fee	Total	Remark
PKF Taiwan	Lin, Kuan-Zhao	Jan.01, 2021~ Dec.31, 2021	2,750	Tax Compliance Audit 380 Annual Report Review 120 Direct Deduction Check 120 Information check about salary of full-time employees who are not in a managerial position 5 Change registration of directors and supervisors 7	3,382	
	Wen, Ming-Yu	Jan. 01, 2021~ Dec.31, 2021				

Note: If the company has changed accountants or accounting firms this year, please list the audit period, explain the reasons for the change in the remark's column, and disclose the audit and non-audit public fees paid in sequence. Non-audit public fees and should be annotated to explain its service content.

(2) In the case of a change of CPA firm and the audit fees for the year of the change are less than those of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A

(3) In the case of the audit fees being 15% less than that of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A

6. Information about Replacement of CPA

(1)Former CPA: N/A

(2)Successive CPA: N/A

(3)The written response of the former CPA to article 10-6-1 and article 10-6-2-3 of the standards: N/A

7. Information regarding the Chairman, General Manager, and Financial or Accounting Manager of the company who has worked with the CPA firm which conducts the Audit of the Company or an affiliate of said firm in the recent year: N/A

8. Assessment of Accountant's Independence

The company assesses the independence of the independent auditors at least once a year. After obtaining a declaration of independence issued by the independent auditors and assessment in accordance with the independence evaluation standards, based on the evaluation results of the following elements, accounts Lin, Kuan-Zhao and Wen, Ming-Yu of PKF Taiwan meet the company's independence assessment standards and are adequate to serve as the company's independent auditors. The company has submitted the results to the meeting on March 25, 2021 for review and approved.

Elements of independent assessment of independent auditors:

- 1)The independent auditors' declaration of independence.
- 2)Auditing or non-auditing services provided by the independent auditors must be reviewed in advance to ensure that the non-auditing services will not affect the audit results.
- 3)The same independent auditors have not performed certification services continuously for more than seven years.
- 4)Annually through the accountant's competency questionnaire to consolidate the assessment results of the accountant's independence

Evaluation items	evaluation result	Independence
1. Whether there has been a fraud, breach of trust, embezzlement, forgery of documents, or criminal conduct in business, shall be determined by the declaration of more than one year of imprisonment.	no	yes
2. Whether there is a guardianship or auxiliary declaration has not been revoked.	no	yes
3. Whether it has been declared bankrupt and has not yet been restored.	no	yes
4. Whether or not he was dismissed as a civil servant, and his suspension period has not yet expired.	no	yes
5 When the accountant is entrusted with the business of the company, whether he has not considered the manpower, time, and risk level required for the entrusted case as a whole, unreasonably charged remuneration, and used improper methods to solicit business.	no	yes
6. Does the accountant have the following behaviors: (1) Agree to others to perform business in their own name. (2) Perform business in the name of another accountant. (3) Employed by a person who is not qualified as an accountant to perform accountant business. (4) Taking advantage of the accountant's status is an unfair competition in industry and commerce. (5) Perform business in matters of interest to them. (6) Use the name of an accountant as a guarantor outside the accountant business. (7) Purchase of movable or immovable property managed by the business. (8) Requesting, contracting, or receiving illegal benefits or rewards. (9) Soliciting business by improper methods. (10)Promotional advertisements other than opening, relocation, merger, entrusted by clients, and introduction by accounting firms. (11)Leak business secrets without the permission of the designated agency, client, or person under investigation. (12)Other actions determined by the competent authority to affect the accountants' credibility.	no	yes



Evaluation items	evaluation result	Independence
7.Does the accountant have the following behaviors: (1) To be employed by the company as a regular job, to receive a fixed salary or to serve as a director or supervisor. (2) Served as a director, supervisor, manager of the company, or an employee who has a significant influence on visa cases and has resigned for less than two years. (3) The person in charge or manager of the company has a spouse, direct blood relative, direct in-law, or second relative and other internal collateral blood relatives. (4) I, my spouse, and minor children have an investment or financial benefit relationship with the company. (5) I or my spouse, minor children and the company have funds to borrow. (6) To perform management consulting or other non-visa business enough to affect independence. (7) Inconsistent with the regulations governing the rotation of accountants, handling accounting affairs on behalf of others, or other regulations that can affect independence by the competent authority in business matters.	no	yes

9.The Situation of equity transfer or changes to equity pledge of directors, supervisor, managers, or shareholders holding more than 10% of Company shares in the most recent year up to the publication date of this report:

Title	Name	2021		01/01/2022~04/30/2022	
		Shares increase (decrease)	Pledge shares increase (decrease)	Shares increase (decrease)	Pledge shares increase (decrease)
Chairman	Great Pacific Navigation Co., Ltd.	0	0	0	0
	Representative / Chen, Ching-Fu	118,000	0	33,000	0

Note 1 : Shareholders holding greater than a 10 percent stake in the Company should be remark as major shareholders.

Note 2 : If the transferees of shareholding transfer or shareholding pledge are related party, it should fill in the following table.

10. Top 10 shareholders and their relationships:

The data of Top 10 shareholders and their relationships

Name (Note 1)	Own Shareholding		Spouse and minor children's shareholding		Shareholding in name of others		Name, the relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code (Note 3)		Remark
	Quantity of shares	Share holding	Quantity of shares	Share holding	Quantity of shares	Share holding	Name	Relationship	
Hao Shine Trading Co., Ltd. Representative / Egawa Hirokazu	23,609,447	9.837%	—	—	—	—			
Chuan Wei Investment Co., Ltd. Representative / Chen, Yueh-Feng	23,424,026	9.760%	—	—	—	—	Oversea Fruits Trading Co., Ltd.	Same chairman in charge	
Overseas Bros Co., Ltd. Representative / Chen, Ling-Ling	22,784,966	9.494%	—	—	—	—			
VEDAN Enterprise Corporation Representative / Yang, Tou-Hsiung	14,537,628	6.057%	—	—	—	—	San-Le Investment Development Co., Ltd.	Same chairman in charge	

Name (Note 1)	Own Shareholding		Spouse and minor children's shareholding		Shareholding in name of others		Name, the relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code (Note 3)		Remark
	Quantity of shares	Share holding	Quantity of shares	Share holding	Quantity of shares	Share holding	Name	Relationship	
You Shan Investment Co., Ltd. Representative / Chen, Hung-Mo	12,559,458	5.233%							
San-Le Investment Development Co., Ltd. Representative / Yang, Tou-Hsiung	10,385,024	4.327%	—	—	—	—	VEDAN Enterprise Corporation	Same chairman in charge	
Luo Weixin Investment Co., Ltd. Representative / Hsieh, Yun-Jie	10,139,669	4.252%	—	—	—	—			
Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi	8,759,761	3.650%	—	—	—	—			
Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	8,355,959	3.482%	—	—	—	—			
Oversea Fruits Trading Co., Ltd. Representative / Chen, Yueh-Feng	7,215,354	3.006%	—	—	—	—	Chuan Wei Investment Co., Ltd.	Same chairman in charge	

Note 1: Names of the top-10 shareholders must be listed, respectively. For institutional shareholders, the title of such institutional shareholder and the name of the representative(s) shall be listed, respectively.

Note 2: The percentage of shareholding shall be calculated by taking into account the shares held by the shareholder, his/her spouse, children of minor age, and other persons holding shares in his/her name.

Note 3: For the shareholders referred to above including legal person and natural person, shall have the relationship disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.



11. The number of shares held by the Company and Company Directors, Supervisor, managerial officers, and the entities directly or indirectly controlled by the Company in a single company and calculating the consolidated shareholding percentage of the above categories.

Comprehensive shareholding ratio

As of December 31, 2021

Unit/ Thousand shares /%

Long-term Investment (note)	Invested by the Company		Invested by Directors, Supervisor, Management, and enterprises controlled by the Company directly or indirectly		Combined Investment	
	Shares	%	Shares	%	Shares	%
The World Champion Co., Ltd.	15,999	99.99%	0	0.00%	15,999	99.99%
Summit Packing Industrial Co., Ltd.	9,505	95.05%	495	4.95%	10,000	100.00%
Tai Ve Co., Ltd.	82,323	79.93%	20,666	20.07%	102,989	100.00%
Green TFL Co., Ltd.	2,600	65.00%	200	5.00%	2,800	70.00%
Saigon Ve Wong Co., Ltd.	—	100.00%	0	0.00%	—	100.00%
Thai Fermentation Industry Co., Ltd.	204	48.66%	0	0.00%	204	48.66%
Samoa Ve Wong International Ltd.	50	100.00%	0	0.00%	50	100.00%
Samoa Best Founder Corporation	5,328	100.00%	0	0.00%	5,328	100.00%
Koh Kong Sugar Industry Co., Ltd. (Cambodia)	20(shares)	11.98%	0	0.00%	20(shares)	11.98%

Note : It is investments accounted for using the equity method of the Company.

IV. Capital Overview

1. Capital and shares

(I) Company's Capital and Any issuance of Shares

Unit: NT\$ thousand, 1000 shares

Year	Month	Issuing Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
			Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Others
1991	July	10	240,000,000	2,400,000,000	168,797,700	1,687,977,000	surplus capitalization245,261,610		Tai-Tsai-Cheng (1) No. 01599 dated July 19, 1991
1995	June	10	240,000,000	2,400,000,000	182,301,516	1,823,015,160	surplus capitalization 16,879,770		Tai-Tsai-Cheng (1) No.38016 dated June27, 1995
							capital reserve 118,158,390		
1997	October	10	240,000,000	2,400,000,000	194,654,662	1,946,546,620	surplus capitalization 6,858,480		Tai-Tsai-Cheng (1) No.71748 dated October02, 1997
							capital reserve 116,672,980		
1998	June	10	240,000,000	2,400,000,000	209,253,762	2,092,537,620	surplus capitalization 48,663,660		Tai-Tsai-Cheng (1) No.01599 dated June22, 1998
							capital reserve 97,327,340		
2009	August	10	240,000,000	2,400,000,000	219,716,450	2,197,164,500	surplus capitalization104,626,880		Jing-Kung-Cheng -Fa-Zi No. 0980040301 dated August 12, 2009
2010	August	10	240,000,000	2,400,000,000	240,000,000	2,400,000,000	surplus capitalization202,835,500		Jing-Kung-Cheng -Fa-Zi No. 0990043971 dated August 20, 2010

Unit: share / April 30, 2022

Type of share	Authorized Capital Stock			Remark
	Outstanding Shares (listed)	Unissued Shares	Total	
Registered common stock	240,000,000	0	240,000,000	

Self - Registration System to issue securities: None



(2) Shareholder structure

As of April 30, 2022

Shareholder structure Quantity	Government apparatus	Financial organization	Other juridical persons	Foreign institution or foreigner	Individuals	Total
Number of persons	0	5	213	75	39,757	40,050
Shares	0	13,050	181,737,407	4,594,380	53,655,163	240,000,000
Shareholding Percentage (%)	0.00%	0.01%	75.72%	1.91%	22.36%	100.00%
Note: The company does not have any mainland China equity holdings.						

Note: Primary listing of Listed and OTC companies and Emerging Stock companies should disclose the proportion of their Mainland-Area owned shares; Mainland Area investment refers to the Mainland area people, legal persons, organizations, other institutions or companies that invest in third regions as stipulated in Article 3 of the “Regulations Governing Investment in Taiwan Area by Mainland Area Investors”.

(3) Shareholding Distribution Status

1) Common Shares

As of April 30, 2022

Class of Shareholding (Unit: Share)	Number of Shareholders	Number of Shares Owned (Shares)	Shareholding ratio(%)
1 ~ 999	35,594	1,840,716	0.77%
1,000 ~ 5,000	3,590	6,606,352	2.75%
5,001 ~ 10,000	393	2,862,966	1.19%
10,001 ~ 15,000	153	1,851,709	0.77%
15,001 ~ 20,000	60	1,080,577	0.45%
20,001 ~ 30,000	73	1,814,505	0.76%
30,001 ~ 40,000	32	1,137,422	0.47%
40,001 ~ 50,000	12	539,523	0.22%
50,001 ~ 100,000	46	3,162,384	1.32%
100,001 ~ 200,000	31	4,397,495	1.83%
200,001 ~ 400,000	16	4,160,778	1.73%
400,001 ~ 600,000	8	4,195,390	1.75%
600,001 ~ 800,000	6	4,276,778	1.78%
800,001 ~ 1,000,000	4	3,725,097	1.55%
1,000,001 and above	32	198,348,308	82.65%
Total	40,050	240,000,000	100.00%

2) Diversification of special shares: None

(4)Major Shareholders (Top 10 shareholders or with Shareholdings greater than 5%)

As of April 30, 2021

Major Shareholders	Quantity of shares	Total shares owned (Shares)	Shareholding ratio (%)
Hao Shine Trading Co., Ltd.		23,609,447	9.837%
Chuan Wei Investment Co., Ltd.		23,424,026	9.760%
Overseas Bros Co., Ltd.		22,784,966	9.494%
VEDAN Enterprise Corporation		14,537,628	6.057%
You Shan Investment Co., Ltd.		12,559,458	5.233%
San-Le Investment Development Co., Ltd.		10,385,024	4.327%
Luo Weixin Investment Co., Ltd.		10,139,669	4.225%
Chien Shun Trading Co., Ltd.		8,759,761	3.650%
Great Pacific Navigation Co, Ltd.		8,355,959	3.482%
Oversea Fruits Trading Co., Ltd.		7,215,354	3.006%

(5)Market Price, Net Value, Earnings and Dividends per Common Share of Latest two years

Item		Year	2020	2021	As of April 30, 2022
Market price per share (Note 1)	Highest		38.60	39.95	34.50
	Lowest		24.45	31.00	31.55
	Average		30.46	34.54	33.25
Net value per share	Before distribution		21.48	21.96	-
	After distribution		20.58	20.86	-
Earnings per share	Weighted Average Outstanding Shares		237,706	237,706	-
	EPS		1.81	1.88	-
Dividends per Share	Cash Dividend		1.1	1.1 (Note5)	-
	Stock Dividends	Dividends from Retained Earnings	-	-	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends		-	-	-
Investment Return Analysis	Price / Earnings Ratio(Note 2)		16.83	18.37	-
	Price / Dividend Ratio(Note 3)		27.69	31.40	-
	Cash Dividend Yield Rate(Note 4)		0.036	0.032	-

Note 1: The source of the information is the website of the Taiwan Stock Exchange Corporation (TWSE)

Note 2: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 3: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 4: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 5: The 2021 earnings distribution proposal has been resolved by the board of directors, with a cash dividend of NT\$1.10 per share, which has yet to be approved by the shareholders meeting.



(6) Company dividend policy and implementation status

1. Dividend policy:

The Company's industrial environment is frequently changing, and the company is in a stage of stable growth in the life cycle. Considering the company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, if the company has earnings after its annual settlements, after income tax payments for profit-making businesses in accordance with the law and making up previous years' losses, 10% shall be first allocated as the legal reserve and the special reserve as required by the Securities and Exchange Act. If there is a remaining balance, then based on the actual profit and funding situation of the year and after the board meeting's resolution, a shareholder dividend distribution scheme can be proposed to the shareholders' meeting for resolution.

2. Status of execution:

The Company's 2021 after-tax net profit is NT\$447,877,475. According to the Securities and Exchange Act, the Company Act, the letters of the competent authority, and the company's Articles of Incorporation, the proposed distribution scheme is as follows:

- (1) 10% of NT\$42,412,834 will be set aside as the legal reserve.
- (2) Distribution of dividends to shareholders: A cash dividend of NT\$1.1 per share, a total cash dividend amount of NT\$264 million.

This case will be handled in accordance with relevant regulations after the resolution of the general shareholders' meeting on June 22, 2022.

(7) The impact on the company's operating performance and earnings per share by the allotted bonus shares to be proposed at the shareholders' meeting

The company has not prepared and announced financial forecasts and has not allotted bonus shares; so this is not applicable.

(8) Remuneration of employees and directors

1. The amount or range of the remuneration of employees and directors as stated in the Articles of Incorporation

➤ Article 34 of the Company's Articles of Incorporation:

If the Company makes a profit in the year, it shall allocate 2% as the employees' remuneration and less than 5% as the directors' remuneration. However, if the company still has a cumulative loss, it shall reserve the compensation amount in advance.

2. The accounting treatment when there is a discrepancy between the actual distribution amount and the estimated amount, based on the estimated cash amount of remuneration for employees and directors, and based on share number calculation for employees' remuneration to be distributed in stock for the current period:

➤ According to the distribution plan of the Company's management, the estimates are made in proportion to the current year's pre-tax net profit before deducting employees' remuneration and director's remuneration, and recognized as the current year's expenses. Suppose there is any difference between the estimated amount above and the actual payment amount. In that case, it shall be handled according to the change of accounting estimate and recorded in the payment year.

3. Remuneration distribution approved by the board meeting:

(1) The amount of employees' remuneration and directors' remuneration distributed in cash:

In 2021, the Company's estimated employees' remuneration and directors' remuneration were NT\$10,946,956 and 16,420,434, respectively. According to the company's management's distribution plan, the estimates are made in proportion to the current year's pre-tax net profit before deducting employees' remuneration and director's remuneration.

(2) The amount of employees' remuneration distributed in stock as a proportion of the sum of the after-tax net profit in the individual or respective financial report and the total employees' remuneration for the current period: N/A

4. The actual distribution of remuneration for employees and directors in the previous year:

➤ The amount of employees' remuneration and directors' remuneration for 2020 was NT\$10,878,278 and NT\$16,317,417, respectively, both of which were paid in cash. The aforementioned employees' remuneration and directors' remuneration were expensed in 2020, and the book amounts are no different from the amounts proposed by the board meeting on March 25, 2021.

(9) The situation of the company's share buyback:

In 2021 and as of the annual report's printing date, the Company did not buy back its shares.

2. Corporate Bonds: None.

3. Preferred Stock: None.

4. Global Depositary Receipts: None.

5. Employee Stock Options: None.

6. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

7. Financing Plans and Implementation

(1) Finance Plans

For each uncompleted public issue or private placement of securities, and for such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits.

Not applicable.

(2) Implementation

The plan execution (If the progress or the expected effect of each plan is not fulfilled), the root causes should be specified.

Not applicable.



V. Operation Highlights

1. Business Scopes

(1) Description of Operation

- (1) A102060 Food Dealers
- (2) C102010 Manufacture of Dairy Products
- (3) C103050 Manufacture Canning, Freezing, Dehydration, Pickled of Food
- (4) C104010 Manufacture Sugar Confectionery
- (5) C104020 Manufacture Bakery and Steam Products
- (6) C105010 Edible Oil and Fat Manufacturing
- (7) C106010 Grain Husking, Manufacture of Grain Mill Products, Starches and Starch Products
- (8) C108010 Carbohydrate Manufacturing
- (9) C109010 Manufacture of Seasoning
- (10) C110010 Beverage Manufacturing
- (11) C114010 Food Additives Manufacturing
- (12) C199010 Manufacture of Noodles, Couscous and Similar Farinaceous Products
- (13) C199020 Edible Ice Manufacturing
- (14) C199030 Instant Meal Box Food Manufacturing
- (15) C199040 Beans Processed Food Manufacturing
- (16) C199990 Manufacture of Other Food Products Not Elsewhere Classified
- (17) C201010 Feed Manufacturing
- (18) C601030 Paper Containers Manufacturing
- (19) C801010 Basic Chemical Industrial
- (20) C801120 Manufacture of Man-made Fibers
- (21) C802060 Veterinary Drug Manufacturing
- (22) C802070 Agro-pesticide Manufacturing
- (23) C805030 Plastic Daily Necessities Manufacturing
- (24) C805070 Reinforced Plastic Products Manufacturing
- (25) C805990 Other Plastic Products Manufacturing
- (26) F101040 Wholesale of Livestock and Poultry
- (27) F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products
- (28) F102020 Wholesale of Edible Fat and Oil
- (29) F102030 Wholesale of Tobacco and Alcohol
- (30) F102040 Wholesale of Nonalcoholic Beverages
- (31) F102170 Wholesale of Foods and Groceries
- (32) F103010 Wholesale of Animal Feeds
- (33) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (34) F106010 Wholesale of Hardware
- (35) F106020 Wholesale of Daily Commodities
- (36) F107070 Wholesale of Veterinary Drugs
- (37) F108040 Wholesale of Cosmetics
- (38) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (39) F110010 Wholesale of Clocks and Watches
- (40) F113020 Wholesale of Electrical Appliances

- (41) F114010 Wholesale of Motor Vehicles
- (42) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (43) F119010 Wholesale of Electronic Materials
- (44) F121010 Wholesale of Food Additives
- (45) F199990 Other Wholesale Trade
- (46) F201010 Retail Sale of Agricultural Products
- (47) F201020 Retail Sale of Livestock Products
- (48) F201990 Retail Sale of Other Agricultural, Livestock and Aquaculture Products
- (49) F202010 Retail Sale of Feeds
- (50) F203010 Retail Sale of Food, Grocery and Beverage
- (51) F203020 Retail Sale of Tobacco and Alcohol
- (52) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (53) F206010 Retail Sale of Hardware
- (54) F206020 Retail Sale of daily commodities
- (55) F207070 Retail Sale of Veterinary Drugs
- (56) F208040 Retail Sale of Cosmetics
- (57) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (58) F210010 Retail Sale of Watches and Clocks
- (59) F213010 Retail Sale of Electrical Appliances
- (60) F214010 Retail Sale of Motor Vehicles
- (61) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (62) F219010 Retail Sale of Electronic Materials
- (63) F221010 Retail of Food Additives
- (64) F299990 Retail Sale of Other Products
- (65) F301020 Supermarkets
- (66) F399010 Convenience Stores
- (67) F401010 International Trade
- (68) G801010 Warehousing
- (69) H701010 Housing and Building Development and Rental
- (70) H701020 Industrial Factory Development and Rental
- (71) H701040 Specific Area Development
- (72) H701050 Investment, Development and Construction in Public Construction
- (73) H701060 New Towns, New Community Development
- (74) H703100 Real Estate Leasing
- (75) IZ06010 Tally Packaging
- (76) JA01010 Automobile Repair
- (77) F401161 Tobacco Products Import
- (78) F401171 Alcohol Products Importation
- (79) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.



2) Business Proportion:

Item	Operation proportions in 2021 Ratio (%)
Seasonings	69%
Instant Food	26%
Other	5%
Total	100%

(2) Industry Overview

1. The current situation and development of the overall economic environment and the food industry

According to the “ITIS Industry Review and Prospects of the Food Industry in the Fourth Quarter of 2021 and the Whole Year” estimated by the Food Institute, the output value of the food industry in 2021 is estimated to be approximately NT\$681.9 billion, an increase of 6.19% from last year. In terms of epidemic prevention in Taiwan, people's livelihood consumption and pace of life are relatively stable compared to international daily changes and fears. However, the pressure of the band-wise increase in international raw materials continues to expand, and the epidemic has encouraged more processed foods to innovate and satisfy the economy. Therefore, the animal and vegetable oil manufacturing, vegetable and fruit processing and preservation industry, animal feed manufacturing industry, and aquatic product processing and preservation industry, etc. The output value grew by more than 12%. The tension of the epidemic has caused global shipping shortages and port congestion, which will affect our country's import and export trade in 2021. The value of the food exports in 2021 was estimated to be NT\$110.0 billion, a slight decrease of 0.70% from last year. Although the international shipping problem restricted the export of the overall product, the export growth of animal and vegetable oils (47.96%) and alcoholic beverages (37.29%) was relatively bright throughout the year. Frozen food exports of major export items decreased by 14.63% compared with the same period last year. Because of its large proportion, it indirectly affected the performance of the overall food export value. In terms of imports. The value of food imports for the year is estimated to be NT\$ 256.4 billion, a decrease of 4.03% from last year. Such as animal and vegetable oils (5.59%) increased significantly. Analysis from STEP. (see the table below)

Society	The state of residence and zero contact formed in a world with relatively unfree environment, consumers are eager to go abroad, eager for safety to receive more attention, and eager for a new social atmosphere of interpersonal interaction, coupled with global sustainability, social issues and personal cognition with different conscious feelings and awakenings. The new normal business opportunities formed by new consumer demands and living environment are waiting to be discovered and satisfied.
Technology	Emphasize the spark of innovation in cross-industry and digital technology integration, deepen the sense of technology, experience and personalization of food, and the potential of scientific and technological investment in the food ecosystem will be deeply tapped.

Economic	In a highly uncertain economic state, regardless of regional economic and trade relations or the movement of new economic sectors, the business opportunity environment and business model will continue to change.
policy	The policy direction and political relationship of various countries, and the concerns and actions on food and global climate issues will continue to be reflected in the new policy norms.

Coupled with the continuous confrontation and consumption of the Russian-Ukrainian war at the beginning of the year, the supply of energy, food, and minerals to the world will affect the continuous rise of raw materials and materials. In response to 2021 global food ecological changes and the uncertainty that the influenza of the COVID-19 epidemic, it is necessary to strengthen the resilience of the food industry and business operations. In response to the global economic environment and the subsequent COVID-19 epidemic, countries are gradually opening up and unblocking, tending to stabilize and recover, according to the ITIS research team of the Food Institute, the output value of the food industry in 2022 is expected to be NT\$7.144 billion, with a growth rate of 4.77%

The food industry in Taiwan is a highly mature and highly competitive market. In recent years, the occurrence of food safety incidents has led to insufficient consumer confidence in domestic products. As a result, foreign products have sprung up to enter the domestic market, and market competition has become more intense. Constantly testing the capabilities of operators, urging them to continuously innovate products and implement food safety, and develop products that consumers can trust. However, in response to the current personnel or logistics control policies in countries where the COVID-19 epidemic is spreading, the international policy environment and the diversity of concerns are the real challenge to the global operations of food manufacturers.

2. The relevance of the industry's upper, middle and lower stream

The food industry is a domestic demand-driven market, and the domestic market is mature and saturated. Compared with other industries, it is a labor-intensive industry. The raw materials needed are affected by domestic and foreign climate, epidemics, economic situations, laws and regulations, preservation conditions, and even policies of other countries. Sometimes excessive fluctuations will have a huge impact on costs. The industry can do little about the situation and decentralize procurement sources and make pre-judgments to adjust purchases or develop new products as a response.

The sales of products in the food industry are mainly through business channels (such as group meals, catering, processing plants, etc.) and modern channels in the home market (such as convenience stores, supermarkets, mass merchandise stores, etc.). Modern channels are limited due to limited shelf space; besides, in recent years, foreign products and the channel's own brands have been increasing, and some of the channels transformed into compound stores. The shelf space available for display by domestic companies is continuously compressed, and the market competition becomes more intense. In addition, the channel costs are increasing year by year, and product profits are squeezed. In order to avoid the erosion of profits, it is necessary to develop high value-added products. On business channels, because the price is one of the



important factors of customer purchase, in order to ensure profits, product development should be tailored to meet different customer needs and reduce direct price competition.

3. Trends of products Development

Under the changing trends of the social environment such as demographic changes, a faster pace of life, and reduced meal preparation time, the use of technology in different fields to create more diverse flavors and convenient lifestyles is a quite obvious trend in the food market. In recent years, Taiwan has been in close contact with Southeast Asia. About 1.22 million new residents, new second-generation and migrant workers from Southeast Asia will change Taiwan's food demand and flavors. According to Euromonitor, an international market research company, the global retail scale of instant meal products is expected to grow to US\$92.1 billion in 2020, with a CAGR of 1.5%. With the evolution of consumer lifestyles in the Taiwanese market, consumers continue to prefer convenient, delicious, exquisite, and high-quality instant meals, resulting in the instant meal market's rapid growth. Coupled with high-density channel deployment, and under the trend of popularity of such restaurants, consumers will increase their habit of buying and eating ready-to-eat food through various channels, which will expand and drive the development of related products. It is estimated that the country's ready-to-eat meal market will grow at an average annual rate of 5.8% from 2016 to 2020. The above-mentioned data shows that both domestic and foreign instant meal markets have room for high growth. In recent years, Taiwan has been affected by the phenomenon of a declining birthrate, aging, late marriage, and even non-marriage, and the population structure and lifestyle have changed. According to each county and city's household structure table in 2021 from the Department of Household Registration, M.O.I., 5,006,893 households have two people or less, accounting for 55.59% of the total number of 9,006,580 households, or more than half. Small families are most popular, resulting in a continuous increase in the population eating out. According to statistics from the Ministry of the Interior, Taiwan's elderly population (over 65 years old) accounted for 14.1% of the total population at the end of March 2018, which passed the "aged society" threshold of 14.0% defined by the United Nations for the first time. It increased to 16.85% in 2021 totaling 3,939,033 people. In addition, the anti-food additive trend triggered by food safety gradually makes the use of natural materials a trend for products. At present, many domestic companies have tried to adjust their product development strategies in this direction by launching the "Clean Label" project, which seeks to reduce food additives and adopts the product upgrade strategy of using natural ingredients as additives. Some of them focus on products with no fragrance and no coloring for a new image of food to return to the familiar taste of ancient times and emphasize that the product retains the ingredients' original taste. Various manufacturers' moves show that the country's future direction of food development is in line with the international development trend. Consumers value additive-free, natural, healthy, and environmentally friendly food and products with local ingredients to reduce carbon emissions during transportation.

In the face of increasingly difficult challenges and to achieve the company's goals, the company's future product development shall conform to the following trends:

- (1) Simple formula, fewer additives, low calorie, low salt, and low sugar products that meet the health impression.
- (2) Develop products with smaller specifications to meet the needs of small families.
- (3) Research products with upgraded taste, good digestion, and nutritional value suitable for silver-hair group, nursing, and disaster prevention.
- (4) For the different customers of the business market, tailor-make products that meet their needs.

4. Product Competition

The domestic food industry is a mature and fiercely competitive industry. Although domestic players have inherent advantages, as foreign products occupy more and more channel shelves, market competition is becoming fierce. After food safety incidents, the government's food safety regulations are becoming more and more stringent. In order to ensure consumers' confidence in its products, the company has invested a lot of manpower and cost. It has done its best in traceability management for checking food safety to ensure product quality. The equipment is renewed and automated to increase and accelerate production capacity and reduce labor costs.

(3) Research and Development (R&D)

1. Outlay & Achievements of Research and development

Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
2020	NTD 8,491.863	Instant Noodles: ▪ Bags — Wine cooked chicken flavor (launched in Nov 2020), medicinal cuisine with pork flavor (launched in Nov 2020), spicy, medicinal cuisine flavor, Korean style sour and spicy flavor (vegan), barbecue pork flavor. ▪ Bowls (1100 c.c.) — Spicy hot pot flavor (launched in Oct 2020), stewed chicken with green onion flavor, yuzu pepper flavor. ▪ Entrusted with other food company for original equipment manufacturer and original design manufacturer (OEM/ODM) — Soul spicy flavor packaged in a bowl for Jinbo selection (launched in Jul 2020), Korean style spicy flavor packaged in a bag for Leezen, Korean army stew pot flavor packaged in a paper bowl for AGV, dried noodles with beef flavor for Da-Wan Yakinku, crispy sparerib rice noodles flavor packaged in a bowl for Puli Farmer association, spicy hot pot flavor packaged in a bowl for Puli Farmer association, spicy, medicinal cuisine flavor packaged in a bowl for Puli Farmer association, OEM for DIN TAI FUNG and packaged in a bowl, spicy hot pot flavor for KIKIFGSHOP. ▪ Snack noodles — Prince: plum flavor, spicy hot pot flavor, teriyaki flavor, garlic flavor, shrimp with garlic flavor, sour onion flavor, basil with Chinese mahogany, mountain litsea. ▪ Noodles — Non-fried pumpkin noodles from Ho Chin Foods. ▪ Improved quality: Raw material modification —



Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
		Dried fish cake from So An, milk flavor from Treasure Chemical, chicken flavor from Natural Wind Taiwan, ginseng flavor powder from TEEC, lime flavor from First Aromatics, fried shrimp flavor from SHIONO, dried goji from Shincheng, dried mushroom from Chao Su frozen Food, maltodextrin from Jecheng and Brenntag, Exported to France changed the package, soy protein from YIH YUAN Food, dried seaweed from Jofont (the second supplier), beef powder from Chen Yu, sesame oil from Flavor Full, dried ginger from HS Food (the second supplier), smoked bacon powder from TEEC, food additive from So An. Fast Foods/Instant Soups : ■Fast Foods— Stewed Chicken with Taro (launched in December 2019, Epidemic Prevention Foods Made with Taiwan's Farm-product Raw Materials), Dehulled Adlay with Herbal Soup, Sweet Dehulled Adlay with White Fungus Soup, Basil Vegetarian Mixed Food, Miso-flavored Ground Pork, Ginger Pork, The melody of Hungry cow &. Newton (Taiwan Canned Product Innovation Design Competition), Nanyang Curry beef. ■Hot Pot Soup Bases— Thai Tom Yum Soup(launched in October, 2020), Pickled Cabbage Hot Pot Soup, Laksa Stock, Miso Stock. ■Instant Rice— Rice, Rice with 3 Treasures Oats, Rice with Dehulled Adlay and Soy, Rice with Dehulled Adlay and Black bean. ■Porridges— Porridge with Chicken &. Red Quinoa, Porridge with Salmon &. Red Quinoa, Porridge with Tuna &. Red Quinoa. ■Vacuum Retort Pouch— Japanese Chashu Pork, Chicken, Beef. Thick Soups made with TFL Products—Pumpkin Soup(launched in December 2019, Epidemic Prevention Foods Made with Taiwan's Farm-product Raw Materials), Sweet Taro Soup, Mushroom Soup, French Mushroom Soup. ■OEM Products— National Kaohsiung University of Hospitality and Tourism—Mushroom Pork with Sarcodia Suieae, Mushroom and Mixed Vegetables with Sarcodia suieae. Yanex— Braised Chicken with Hua-Diu Wine, Braised Beef. AGV: Retort Pouch with Instant Noodle— Tuna flake. Tai Won— Braised Mixed Vegetables, Mushrooms Soup. Leezen: Retort Pouch with Instant Noodle— Thai Tom Yum Soup, Red Curry, Green Curry, Laksa. Leezen: Hot Pot Soup Bases— Ginger Duck Soup, Spicy Hot Pot Soup, Pickled Cabbage Hot Pot Soup. HE JIN— Braised Beef Soup. Micky— Vegetarian Curry. Long Tan— Fermented Pineapple pickle. ■Cup Soups— Cellophane Noodles-Yuzu Kosho(launched in January

Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
		2020),Cellophane Noodles- Thai Tom Yum Soup(launched in January 2020). Flavor Seasonings : ▪OEM Products — Wei Chuan -Vegetable flavor seasoning (OEM), bonito flavor seasoning (OEM), formosa plastics Group-Monosodium glutamate solution 40~41% (OEM). Beverages : ▪TFL products — TFL vegetable paste (launched in September 2020), TFL taro paste (launched in October 2020), ▪TFL beverages — Soy drink with Almond (launched in December 2020),Soy drink with coffee, Soy drink with Black tea, Soy drink save at room temperature, Soy drink with Matcha, Soy drink with adlay, Soy drink with adlay and red bean, Soy drink with rose, Soy drink with Oat and Mixed nuts, Soy drink with Chestnut (limited edition). ▪ Outsourcing products — Ve Wong asparagus drink CAN325mL (June 2020 production), Champion asparagus drink CAN325mL (October 2020 production), Ve Wong asparagus drink PET 350mL, Emergency canned food (100% pineapple juice, TFL 100% carrot puree, TFL 100% pumpkin puree, TFL 100% mixed juice drink), Mixed porridge-Chinese style(Transfer OEM). Soy sauce : ▪KIM VE WONG soy sauce (Non-GMO 1.6L) (launched in November 2020), Moromi soy sauce, XO soy sauce— JIAO DI DI (amazake flavor) (396mL), XO soy sauce— JIAO DI DI(Shaoxing flavor) (396mL), XO soy sauce— JIAO DI DI(original flavor) (396mL). ▪Seasoning soy sauce — XO×2021 Plum dipping sauce (396mL), Teriyaki sauce, Kimchi sauce, Plum sauce, Orange barbecue sauce, Garlic barbecue sauce, Shaddock sauce, Bonito with Kombu tsuyu soup, Pineapple sauce, Plum dressing, Moromi barbecue sauce, Moromi barbecue sauce (vegan), Moromi barbecue sauce (miso flavor), Moromi barbecue sauce (Sichuan pepper flavor), Moromi sauce, Moromi with Soy sauce, Moromi with Amazake sauce, Moromi sauce (Brown Job's Tears flavor), Soy sauce (wine flavor), Thick Soy sauce (wine flavor). ▪Original equipment manufacturer (OEM)— Carrefour soy sauce(Non-GMO, 1.6L), Terra Treasures green with yellow plum sauce, Terra Treasures soy sauce(green plum flavor), TA-TUNG soy sauce(Non-GMO), Luen Tong Cooperative Farm thick soy sauce(Non-GMO), A-SHA soy sauce(Non-GMO), Mellow soy sauce(Non-GMO, 5L). ▪Institutional packaging seasoning soy sauce — SAN JING FROZEN FOOD soy sauce and thick soy sauce, SAN JING FROZEN FOOD soy sauce(CVS only), SAN JING FROZEN FOOD eel sauce, PING ROUN soy sauce(5L). ▪Fermentation test — Non-GMO soy sauce(fermentation by red adlay), Non-GMO aged brewed soy sauce test..



Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
2021	NTD 9,768,911	Instant noodles: ▪Bags— Spicy medicinal cuisine flavor, clam seafood flavor, bonito kumbu flavor, vegetable with chicken flavor, sesame soy milk flavor (will be launched in 2022), spicy hot pot flavor. ▪Export product— Wine cooked chicken flavor, spicy hot pot flavor. ▪Bowls (1100 c.c.)— Wine cooked beef flavor, pomelo pepper flavor, vegetable with chicken flavor, curry laksa flavor, sesame soy milk flavor (will be launched in 2022), spicy beef with kimchi flavor, pickled mustard beef flavor. ▪Bowls (750 c.c.)— Pineapple chicken flavor, pineapple clam flavor. ▪Non fried noodles— Classic spicy with Sichuan pepper flavor (will be launched in 2022), soybean paste with beef flavor(will be launched in 2022), toona paste flavor(vegan)(will be launched in 2022), pesto sauce flavor, tomato flavor, sesame paste flavor. ▪Entrusted with other food companies for original design manufacturer (ODM). Spicy hot pot flavor for KIKIFGSHOP, Japanese-style pork flavor packaged in a paper bowl for A.G.V., Korean army stew pot flavor packaged in a paper bowl for A.G.V. ▪Snack noodles— Basil &. toona flavor, teriyaki chicken flavor, garlic flavor, garlic &. shrimp flavor, sour cream &. onion flavor, braised beef flavor, smoked pork flavor, litsea flavor, NENE CHICKEN-cheese flavor, NENE CHICKEN-spicy cheese flavor. ▪Noodles— Non-fried pumpkin noodles (wave style) (will be launched in 2022) produced by SUN CHI FOOD CO.,LTD. (pumpkin puree produced by Green TFL Co., Ltd.), Non-fried pumpkin noodles (flat style) (will be launched in 2022) produced by SUN CHI FOOD CO.,LTD. (pumpkin puree produced by Green TFL Co.,Ltd.), red quonia prince brand snack noodle. ▪Improved quality: Raw material modification— S.F.S CO.,LTD.-chilli spice(resin essential oil) 500,000 spiciness. CHAO SU FROZEN FOOD CO.,LTD.- Freeze - drying Mushrooms(spare parts). YIH YUAN FOOD CO.,LTD.- soy protein concentrate ArconT158-172(NON-GMO) MING TEH FOOD INDUSTRY CO.,LTD.- aged bean paste(crushed)(with xanthan gum). TSENG CHUAN CO., LTD.- sesame oil powder((SR-99113). GU WANG FOODS CO.,LTD. - all natural mushroom toona sauce. Flavor Seasoning : ▪IG-Enriched Monosodium Glutamate— Vewong- IG-Enriched plus monosodium glutamate (Export, 500g × 12

Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
		boxes) (launched in May 2021). ▪ OEM products — Formosa Plastics Group.-Monosodium glutamate solution 40~41% (launched in March 2021). ▪ Improved quality: Raw material modification — Material Modification: A-one beef flavor seasoning (Export) (changed beef powder). Fast Foods/Instant Soups : ▪ Fast foods — The melody of Hungry cow and Newton, Mapo braised plant-based meat, Taiwanese braised plant-based meat, plant-based meat with Thai basil flavor, curry with plant-based meatballs, curry with fresh mixed mushroom, sweet taro soup (launched in January 2021), assorted basil. ▪ Hot pot soup bases — Pickled cabbage hot pot soup. ▪ Instant rice — Rice. ▪ Vacuum retort pouch — Japanese chashu pork, chicken, beef. ▪ Porridges — Including porridge with chicken and red quinoa (launched in September 2021), porridge with salmon and red quinoa (launched in December 2021), porridge with pumpkin and red quinoa. ▪ Large packages — Including sesame oil Hericium Erinaceus (with handmade thin noodles), braised beef noodles soup (with handmade noodles), tomato beef noodles soup (with handmade noodles), sesame oil Hericium Erinaceus (single pack) (launched in December 2021), spicy duck blood. ▪ Clean label test — Including braised beef brisket, chicken curry, pork curry, beef curry, curry mushroom. ▪ OEM Products — Summit Packing Industrial Co., Ltd. — Sesame oil Hericium Erinaceus (launched in November 2021). Royal Chef International Co., Ltd. — Pork intestines fire pot, Mapo tofu sauce. Yanex International Co., Ltd.— Braised chicken with Hua-diu wine. National Kaohsiung University of Hospitality and Tourism— Mushroom pork with Sarcodia suieae, mushroom and mixed vegetables with Sarcodia suieae (send samples and end in January 2021). ▪ Improved quality : Storage test — Frozen storage test of ground skinless chicken breast. Raw material modification — Red curry chicken (paprika powder from Tomax enterprise), Zesauto-sauce (changed soy sauce), tomato paste and tomato ketchup (comat changed to Kagome), stewed chicken with taro (domestic soybean puree), seaweed tofu cup soup (paper cup), vegetarian instant laver soup (FD-Celery). Green TFL Co., Ltd. : ODM products —



Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
		▪Green TFL Co., Ltd. — TFL products — , TFL Taiwan Soy paste(launched in March 2021), TFL Dragon fruit paste, TFL Pumpkin paste(launched in March 2022). ▪TFL beverages — Soy drink with Oat and Mixed nuts, Soy drink with Chestnut, Vegetable soybean drink, Vegetable soybean puree soup, Taiwan Soy drink, Soy drink with amazake, Soy sauce : ▪ Non-GMO brewing soy sauce — XO soy sauce— Amazake flavor(396mL)(launched in January 2021), XO soy sauce—Shaoxing flavor(396mL), KIM VE WONG soy sauce(Non-GMO 150mL), All-purpose braising sauce(black tea flavor), XO soy sauce—Burdock flavor, XO soy sauce—Fortune Aroma Liqueur(Rose flavor, Butterfly Ginger flavor, Jasmine flavor), XO soy sauce—Wine flavor, Soy sauce—Red Barley flavor, Soy sauce—Red Barley flavor(secondary fermentation), Non-GMO aged brewed soy sauce. ▪Institutional packaging soy sauce — KIM VE WONG soy sauce(5L & 20L) (Non-GMO), Non-GMO soy sauce — (Total nitrogen 1.5& 1.7)5L & 20L, GMO soy sauce — (Total nitrogen 1.4& 1.5& 1.7) 5L & 20L. ▪Thick soy sauce — XO×2021 Plum dipping sauce (launched in January 2021), Spicy thick soy sauce, Thick soy sauce (Wine flavor), Thick soy sauce (Amazake & orange flavor), All-purpose sauce, Sanbeiji sauce (vegetarian), Kung Pao Sauce, Turmeric & Ginger Sauce. ▪Non-GMO moromi soy sauce — Moromi Barbecue sauce(curry flavor), Fruity-spicy moromi sauce(pineapple flavor), Spicy moromi soy sauce, Moromi soy sauce(red barley flavor), Moromi soy sauce(buckwheat flavor), Braised moromi soy sauce(black tea flavor), Moromi soy sauce(burdock & wolfberry flavor). ▪ Original equipment manufacturer (OEM) — SAN JING FROZEN FOOD—Seasoning soy sauce (Non-GMO Fu No.66) (20L) (launched in January 2021), PING ROUN seasoning soy sauce (Clean Label), PING ROUN seasoning soy sauce (No.B3 & No.B4 & Xin Ping No.2)(remove sweetener). ▪Fermentation test — Non-GMO soy sauce (fermentation by red adlay), Non-GMO aged brewed soy sauce test, Research project (National Taiwan University). ▪Improved quality: Raw material modification — Glycine and Sorbitol and Acetylated distarch adipate (Increase a new supplier), Product design changed (Fung No.4, Wu No.3, Xin No.3, Yu No.1, Yu No.2, Yu No.3, Liu No.3, Wei No.33, Luo No.3) 20L. ▪Others — Institutional packaging seasoning soy sauce.

Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
2022 (Jan ~Apr)		Instant noodles: ▪Bags— Spicy medicinal cuisine flavor, sesame soy milk flavor(will be launched in 2022), spicy hot pot flavor, sour bamboo shoots with chicken flavor. ▪Export product— Wine cooked chicken flavor, spicy hot pot flavor. ▪Bowls (1100 c.c.)— Curry laksa flavor, sesame soy milk flavor (will be launched in 2022), sour bamboo shoots with beef flavor, Huadiao wine cooked pork flavor. ▪Big Bowls(with retort pouch package)— Braised beef, fried garlic pork, sesame oil Hericium Erinaceus. ▪Non fried noodles— Classic spicy with Sichuan pepper flavor (will be launched by May 2022), soybean paste with beef flavor (will be launched by May 2022), toona paste flavor(vegan)(will be launched by May 2022), pesto sauce flavor, tomato flavor, sesame paste flavor. ▪Entrusted with other food companies for original design manufacturer (ODM) GOFRESH ENTERPRISE CO., LTD.- tonkotsu flavor, pomelo salt flavor, Mapo Tofu flavor. ▪Snack noodles— Basil & toona flavor (will be launched by May 2022), teriyaki chicken flavor (will be launched by May, 2022), NENE CHICKEN - cheese flavor (will be launched by April 2022), NENE CHICKEN - spicy cheese flavor (will be launched by April 2022), sour cream & onion flavor, braised beef flavor, smoked pork flavor. ▪Noodles— Non-fried pumpkin noodles (wave style) produced by SUN CHI FOOD CO.,LTD. (pumpkin puree produced by Green TFL Co.,Ltd.), Non-fried pumpkin noodles (flat style) produced by SUN CHI FOOD CO.,LTD. (pumpkin puree produced by Green TFL Co.,Ltd.) ▪Improved quality: Raw material modification— ZIMI CHEMICALS CO., LTD.-salt. TSENG CHUAN CO., LTD.-sesame oil powder((SR-99113). YIH YUAN FOOD CO.,LTD.-mushroom flavor. KUO SHENG FOODS INDUSTRIAL CO., LTD. -Freeze-drying beef. Fast Foods/Instant Soups : ▪Fast Foods— Mapo braised plant-based meat, Taiwanese braised plant-based meat, plant-based meat with Thai basil flavor, curry with plant-based meatballs, curry with fresh mixed mushroom. ▪Porridges— porridge with taro and red quinoa, porridge with pumpkin and red quinoa. ▪Large Packages— Spicy Soup With Duck Blood & Tofu. (500g/Pack). ▪Retort pouch (combine noodles with it)— Including braised beef noodle soup (instant noodles), garlic tonkotsu



Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
		(instant noodles), sesame oil Hericium Erinaceus (instant noodles), chicken curry (dried noodles), Thai basil chili pork (dried noodles). ▪ OEM Products — NIANG JIA — Porridge with chicken and red quinoa, porridge with salmon and red quinoa, porridge with vegetables. Royal Chef International Co., Ltd. — Pork intestines fire pot, Mapo tofu sauce. Vedan Enterprise Corporation — Yipin beef, braised beef. ▪ Clean label certification — Porridge with chicken and red quinoa, porridge with salmon and red quinoa, pumpkin soup, sweet taro soup. ▪ Improved quality: Raw material modification — porridge with salmon and red quinoa (Changed Salmon). Green TFL Co., Ltd. : ODM products — ▪ TFL products — TFL Mushroom residue, TFL Pumpkin paste (launched in March 2022),. ▪ TFL beverages — Soy drink with Jujube and Walnut, ▪ Outsourcing products — None. Soy sauce : ▪ Non-GMO brewing soy sauce — HOUSE WIFE soy sauce (Non-GMO 780mL) (will be launched by June 2022), Red mold soy sauce — (Addition ANIKSCIN 568-R) (To be launched 2022), XO soy sauce — Shaoxing flavor (396mL) (To be launched 2022), All purpose braising sauce (black tea flavor), XO soy sauce — Burdock flavor, XO soy sauce — Fortune Aroma Liqueur (Rose flavor, Butterfly Ginger flavor, Jasmine flavor), XO soy sauce — Wine flavor. ▪ Institutional packaging soy sauce — KIM VE WONG soy sauce (5L & 20L) (Non-GMO soy sauce), Non-GMO soy sauce — Total nitrogen 1.5 (5L & 20L), Non-GMO soy sauce — Total nitrogen 1.7 (5L & 20L), GMO soy sauce — Total nitrogen 1.5 (5L & 20L), GMO soy sauce — Total nitrogen 1.7 (5L & 20L), Clean Label — Natural brewing soy sauce, Clean Label — KIM VE WONG soy sauce, Clean Label — HOUSE WIFE soy sauce. ▪ Thick soy sauce — Spicy thick soy sauce (To be launched 2022), Red mold soy sauce — (Addition ANIKSCIN 568-R), Thick soy sauce (Wine flavor), Thick soy sauce (amazake & orange flavor), All-purpose sauce, Sanbeiji sauce (vegetarian), Kung Pao Sauce, Turmeric & Ginger Sauce. ▪ Non-GMO moromi soy sauce — Moromi Barbecue sauce (curry flavor), Fruity-spicy moromi sauce (pineapple flavor), Spicy moromi soy sauce, Braised moromi soy sauce (Black tea flavor). ▪ Institutional packaging seasoning soy sauce — Total nitrogen 1.41 (Non-GMO soy sauce) 1KL, T-HAM soy sauce — WEI XIAN Non-GMO soy sauce (20L), T-HAM Non-GMO light color

Year	Outlay (thousand)	Achievements
		(1) Developing new product flavors
		soy sauce(20L), T-HAM Non-GMO dark color soy sauce(20L). ■Improved quality: Raw material modification— PING ROUN seasoning soy sauce (No.B3 &. No.B4 &. No.Xin Ping 2) 20L(remove sweetener) (launched in March 2022). ■Others— Institutional packaging seasoning soy sauce.

2. Research and Development Plan for Future

1. Establishing and improving each product's core technology, developing new value-added products with delicious, healthy, and food safety.
2. The objective of soy sauce research and development is to provide the original taste of Moromi sauce and use local ingredients to present a unique and innovative taste. The waste reduction is more natural and safe. Small and various packaging for convenient cooking at home in a short time. Develop business channels to increase company profits.
3. Developing a convenient product for fast food junkies or short-term storage. 100% whole food and forward simple formula or clear label products which is focused on natural, health care, nutrition, wholesome and whole food.
4. Research the plant-based meat to create healthy and attractive products extending of instant food products.
5. The health-oriented market demand for instant noodles is based on tasty, healthy, and food safety. As the core concept, we design innovation and optimization products with diversity. Use together with “Fast food products” to enhance convenience.
6. Increasing flavors of the Little Prince series snack noodles. Using brand advantage to create product value.
7. Cooperating with the university to stimulate innovation and seek suitable employees, cultivates elites and sustainable development.
8. Implement the "World Global Village Concept," environment protection, waste reduction, and love for the earth.

(Note: As of the publication date on April 30, 2022)



(4) Long And Short-Term Business Development Plans

1.Short-term business development plan

- 1) Adjusting production capacity, outsourcing, outsourcing and importing in response to the epidemic situation to meet the rapidly changing needs of channels and consumers.
- 2) Improve product quality and increase consumers' sense of identity with the company.
- 3) Develop high value-added products to increase the company's profitability.
- 4) Deeply cultivate the modern channels, increase the opportunities for new products to be put on the shelves, in order to improve the performance.
- 5) Develop products that meet the packaging specifications sold by e-commerce channels to cope with the rapid development of e-commerce.
- 6) Actively operate a social platform to bring the young people closer.

2.Long-term business development plan

- 1) Brand management to increase consumers' favorability of the company.
- 2) Strengthen to cooperate with distributors, and create partnerships with distributors to create a win-win situation.
- 3) Expand foreign trade and increase the export scale of products.
- 4) In response to the phenomenon of an aging society, declining birthrate and ethnic diversity, as well as uncertain epidemics and food safety panic, to develop products that meet taste needs and health care.
- 5) Improve and expand factory equipment so that it has the ability and potential to produce products that meet the market and future needs, so as to expand business and reduce production costs.
- 6) Participate in social welfare activities and fulfill corporate social responsibilities.

2. Market and Sales Overview

(1) Market Analysis

1. Sales Percentage of the Company's Major Products

Major Product Categories	2021	2020
Seasonings	69%	70%
Instant Food	26%	25%
Others	5%	5%
Total	100%	100%

2. Sales Target for 2022

Unit: Thousand NT\$

Product Categories	Sales target	
	Domestic sales	Export
Seasonings	3,793,014	78,196
Instant Food	1,396,405	236,419
Others	528,178	10,401
Subtotal	5,717,597	325,016
Total	6,042,613	

3. Sales Region

Domestic market: The sales channels are all over Taiwan.

Foreign markets: The products are distributed on all five continents, but mainly in Southeast Asia, Europe and the United States.

4. Future market overview

“Food” is a necessity of people's livelihood. Although there are differences in different categories and different seasons, the market demand will still be more stable than other non-food items.

Taiwan's declining birthrate and aging society has caused changes in the family structure, and double-paying families are common. Coupled with the rise of consumer health awareness and other factors, products with the attributes of being natural, local, fresh, organic, healthy, nutritious and delicious, convenient and fast are future product development trends. After integration and refinement, the company's instant noodles, dim sum noodles, soy sauce, prepared fast food, instant soups, red wines and other series of products are still very marketable in the future. Products such as new-style condiments, instant noodles with a variety of tastes, and new products developed to meet the needs of Chinese New Year dishes and gift-giving can better meet consumers' needs.

5. Competitive Niches

The company has been established for 62 years, and its brand awareness has been deeply rooted in the country. Domestically, it has a stable financial status and an excellent domestic and foreign management team and the advantage of leading the market in fermentation equipment and production technology, as well as competitive niches such as business offices and logistics distribution systems all over Taiwan. No matter in the city, countryside or deep



mountain, every family can in a short time enjoy all kinds of high-quality, safe, convenient and delicious food carefully prepared by Ve Wong with professional and social responsibility. In the future, when cross-border online transaction regulations become more mature, our high-quality products can be brought to every corner of the world.

6. Favorable and Unfavorable Factors in the Long Term

Favorable factors:

- (1) The company continues to improve its quality and operating procedures and personnel integration to save expenses and reduce costs to enhance product sales competitiveness and increase the company's overall profit.
- (2) The company actively reforms its systems; in addition to the renewal of its production equipment, automation, and business rectification, the company is actively involved in other businesses with market development potential, which will help the company's long-term stable operation and future development.

Unfavorable Factors:

- (1) The price of raw materials and energy fluctuates rapidly, and the company's control over them is weak. In the event of a long-term sustained and large price increase, as it cannot be passed on to consumers immediately, the company needs to absorb it by itself, increasing the manufacturing costs and eroding the company's overall operating interests.
- (2) The competition in the industry is fierce, and competitors' strong publicity and launch of new products to seize the market have impacted the room for survival of the company's products.

Response Strategies for unfavorable factors:

- (1) Continue to strengthen research and development or introduce domestic and foreign "differentiated" new products with the market potential to create profits and adjust the sales proportion of high-margin products to maintain a continuous growth of mature and profitable products.
- (2) Strengthen the marketing planning function, make good use of emerging social media, rebuild brand positioning and popularity, and use brand management to indirectly enhance the company's corporate image, shape product attraction, and attract the favor of consumer groups.
- (3) Integrate business, marketing and research and development, adopt self-production, separation of production and sales, and import to launch products under the most favorable conditions to promote business performance and consolidate the market.

7. Ve Wong's Market Strategies and Actions

Facing the increasingly severe business environment of the food industry, the company will reposition its products, increase product value, reduce production costs, develop new niche products, expand new channels and marketing models, and actively strengthen channel commercialization activities, to grasp business opportunities and create a better business performance.

With the changes in population structure and lifestyles, the population of eating out continues to grow. The demand for household seasonings has decreased year by year, and the number of packaging types has also decreased, but the diversification increased. Among them, the household market, the main customer of Ve Wong MSG, is declining. On the one hand, in addition to maintaining sales in the traditional market, in recent years, Ve Wong MSG has actively strengthened its equipment, quality improvement and market expansion of the second and third generation seasonings, and continued to lock in the large-consuming restaurant meal and food processing business channels for deep cultivation and management; it also actively extends its products into household flavor seasonings with different tastes and different specifications. In addition to strengthening the promotion of soy sauce for business use, the company is actively developing non-genetically modified soy sauce on existing channels. It has successively launched products such as “XO Soy Sauce,” “Anka XO Soy Sauce,” “Mushroom Flavor Thick XO Soy Sauce,” “Chinese toon Basil flavor Thick XO Soy Sauce,” and other pure brewing high-quality soy sauce series products, so as to strengthen brand management to win consumer recognition, and increase the overall market share, turnover and profit.

The instant noodle battlefield continues to face soaring production costs and fierce impact from all parties. In order to consolidate and increase the market share of instant noodles, in addition to its continuous quality improvement efforts, Ve Wong has resolutely carried out production line automation, equipment purchases and noodle quality improvement to ensure the market leadership of stewed noodles. In addition, a variety of new products have been launched for the “Big Eater” bowl noodle series to satisfy consumers who like diverse tastes. Furthermore, we will strengthen the commercial display in the stores and continue to promote tasting activities in the stores in order to strive for stable growth in an environment of intense competition.

In order to diversify snacks and cater to consumers' health-conscious needs, products with a less salt recipe have been developed for the Little Prince series and have already been launched.

In addition to consolidating the original leading brand of the risotto series, Ve Wong Conditioned Food Pack further develops its products in the direction of diversified tastes, high added value, and light food for health, and launched the “Sesame Oiled Hericium erinaceus” new year dishes series, hoping to break through the current situation, and promote the current household market of conditioned food bags to the gift market, aiming to create the first brand of normal temperature fast food packs.

In addition to the product categories above, in order to expand the company's overall turnover and profit and operate different channels, Ve Wong selects and introduces a variety of foreign high-quality “red wines” for sale in Taiwan through the recommendation of market experts. They are deeply loved by the target groups and have laid a good foundation for Ve Wong’s wine channel operation.

Facing the severe test of the macro environment, every step is indeed full of arduous challenges. However, with the strengthening of R&D and innovation, active business diligence, and continuous marketing efforts, we hope to serve the public with delicious and healthy products and stride toward the dual goal of creating revenue and increasing the overall profit.



(2) Main applications and production process of major products

1. Major Products and Their Main Uses

(1) MSG

The common name of MSG is Mono-Sodium Glutamate. MSG is not only a nutrient, because of its delicious taste, but it has also long become the most popular condiment in food processing and daily meals. Ve Wong MSG has obtained ISO-9001 and ISO22000 certification and is a leading brand both at home and abroad (exported to more than 70 countries in the world). The company has successively worked with Japan Kyowa Hakko Kogyo Co., Ltd. and Japan Ajinomoto Co., Inc. for technical cooperation.

The Ig-Enriched Monosodium Glutamate, A-One Plus MSG, and flavor seasonings contain nucleotides. With just a little bit, they can show the flavor of seafood, chicken soup, mushrooms, and pork bones to make the food flavor better, suitable for both meats and vegetables.

And the flavor seasoning of "Eat in the right taste" is a new generation of seasoning innovation, which is convenient for cooking and can be done with one spoonful, without the need for additional salt and monosodium glutamate. The product design is based on the principle of simplification of the formula, not only the raw materials are strictly selected, but also no preservatives, sweeteners, and modified starches are added. Whether it is fried, boiled, stir-fried, braised and other dishes, as long as a small spoon, you can lock the natural and flavor of the ingredients and prepare a table full of fresh, sweet and healthy flavors.

(2) Instant noodles

Whether instant noodles are safe and hygienic is related to the correct use of fat and preservation methods. Therefore, instant noodles must be made with refined edible oil with good stability. The finished product must not be exposed to high temperature or sunlight but must be stored in a cool and dry place to avoid adverse changes. Once opened, it must be eaten as soon as possible. Nutrition experts suggest that people who often eat instant noodles should add eggs, shredded pork, and greens together. This will not only enhance the flavor but also give balanced nutrition and fiber. In addition, the well-known Prince Noodles are instant noodle snacks, a favorite of adults and children. The company subsequently launched many delicious and convenient products such as "Little Prince Noodles," "Prince Stewed Noodles," "Classic Eatery" series, "Chiaoshizhai" series, "Ve Wong Dried Noodle Master" and "Big Eater" series, all of which have set off a buying rush.

(3) Instant soups

Ve Wong Seaweed Soup is a nutritious soup seasoned with natural nourishing laver and bonito shavings. It contains rich amino acids, protein, etc. necessary for the human body and is loved by consumers, office workers and military personnel. It has stable growth. In order to cater to the needs of vegetarians, Ve Wong has also offered the laver soup for them. In order to increase the richness and convenience, we have also introduced ready-to-drink cupped soups of Laver and Tofu for convenience.

(4) Conditioned foods

In addition to the braised beef brisket, mushroom pork stew, curry chicken, red curry chicken, braised pork with tender bamboo shoot, curry pork, curry beef and black pepper pork of Ve Wong's pre-cooked fast foods of Chinese style series which have been deeply loved by consumers, to meet the trend of the new generation, the company has successively launched the vegetarian series -"Vegetable Stew" and "Curry Stewed Mushroom" to provide vegetarians with delicacies. It is actively developing new year dishes such as Sesame Oiled Hericium Erinaceus. They are convenient to store and carry, ready to eat and economical, and suitable for lunch, home leisure, outing, mountaineering, camping, hiking, gifts, worshipping, sailing, domestic and foreign travel, and storage during typhoons. They are indeed the most convenient instant delicacy for modern life.

(5) Soy sauces

According to the different brewing and processing methods, soy sauce can be divided into pure brewing, non-pure brewing, thick soy sauce, light soy sauce, and pot bottom oil. Only by using soybean and wheat as raw materials, coupled with good brewing conditions and equipment and strict quality control, can we produce a good soy sauce with excellent color, smell, and taste.

Ve Wong's series of soy sauce is not only of high quality, delicious and mellow, but is especially unique in that it is brewed in a closed indoor temperature-controlled ferment tank with the best sanitary management conditions. It is not contaminated with dust or dirt during the manufacturing process so consumers can enjoy it at ease. The well-known brands are Kim Ve Wong and Fuyou Soy Sauce. In addition, the company has successively developed XO Rarity Brand Soy Sauce, Thick XO Soy Sauce Series, Aged Soy Sauce, Brewed Soy Sauce, Zhen Gong Brewed Soy Sauce, Anka XO Soy Sauce, Royal Soy Sauce, Fuyou premium Soy Sauce, Sweet Soy Sauce... etc. which are all the best soy sauces for cooking and dipping to instantly activate your taste buds and are delicious and healthy.

(6) Canned beverages and snacks

Ve Wong beverage products mainly include Asparagus Dew, Mineral Water of cupped water; the canned product including canned peanuts and gluten; the snack includes the eight-treasure porridge. There are various packaging types such as iron cans, PP cups, and PET bottles. The packaging container is an indispensable companion when you are thirsty or hungry or when eating.

(7) Rice products

Saigon Ve Wong uses high-quality rice from the Jiulong River Plain in Vietnam and the unique water quality in the south for production. There are two types of rice products, pho, and kueyteow based on the shredded size. The pho is shredded 4mm wide and made 100% of rice, and the texture tastes soft; the kueyteow is 2.5mm wide with selected local starch added, and the texture is elastic. Both of them are very popular among consumers; when fresh pho and kwayteow are not available, rice products are the best choice.

The pho products currently include Shacha beef flavor, chicken flavor, shrimp and crab flavor, and vegetarian flavor. The kueyteow products have minced pork and vegetarian flavors.



(8) Soup powders

Saigon Ve Wong's soup noodles mainly use the natural unrefined sea salt in Vietnam as raw materials; they are rich in minerals and deeply loved by consumers. They have a special flavor when used for dipping fruits and seafood. They can also be used for cooking and seasoning, and have a good flavor whether fried, boiled, stir fried or braised.

The current products include fresh shrimp flavor, chicken flavor, minced pork flavor and iodized chicken flavor.

(9) Adhesive film for food processing

Summit Packing Industrial Co., Ltd. uses a variety of printing methods, and the products are divided into instant noodle packaging films, high-temperature resistant processing films, cold food films, frozen food films and other special-purpose films according to their use. Mainly used by food processing plants.

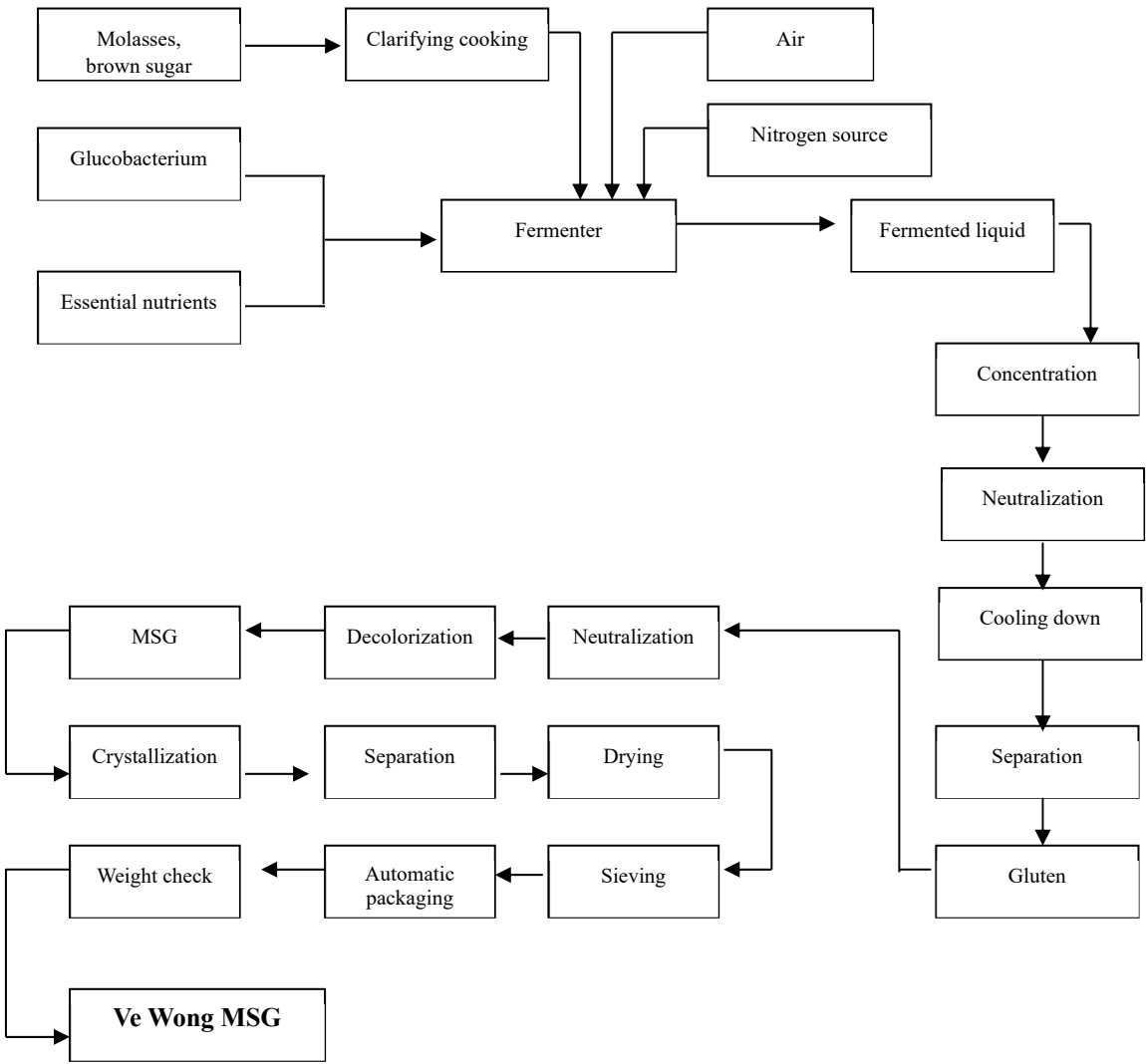
(10) Refined raw materials of agricultural products/drinks

Green TFL Co., Ltd. uses the Total Food Liquefaction (TFL) technology, a brand-new patented food processing technology that can fully utilize ingredients. Even inedible parts can be refined into an edible and delicious state without adding any chemicals and additives. In the production process, the nutrients are protected from being destroyed, and all the natural nutrients of the ingredients are retained. This unique technology is patented by the European Union, Australia, Taiwan, China, Japan and South Korea.

TFL technology can choose whether to break the cell wall or not according to the food's different characteristics and effects. At present, for household products, in addition to whole-bean milk, our main business products include refined soybean puree, refined pumpkin, refined purple sweet potato, refined brown rice...etc. for food processing plants.

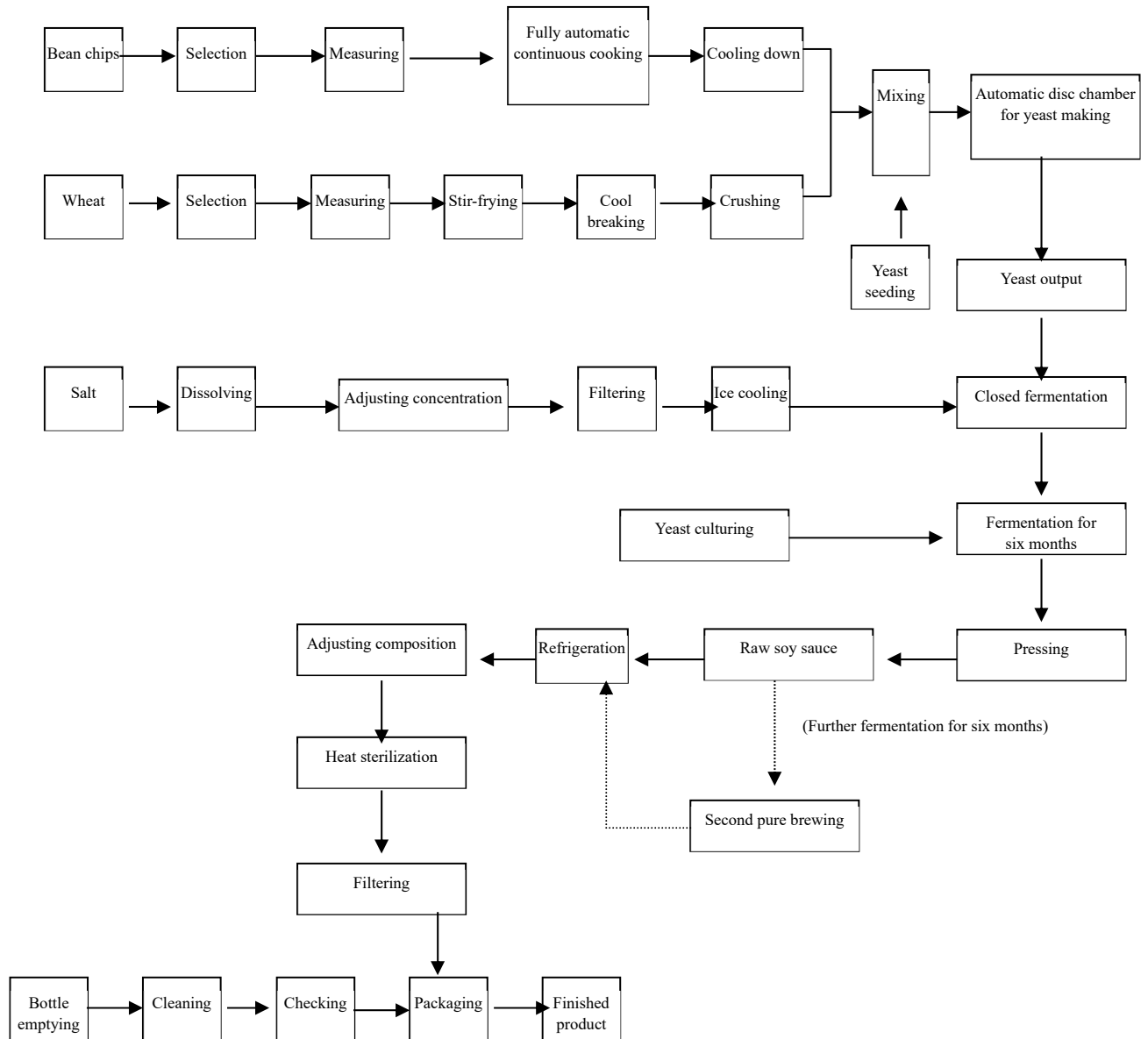
(3)Products Manufacturing Process

Ve Wong MSG Manufacturing process

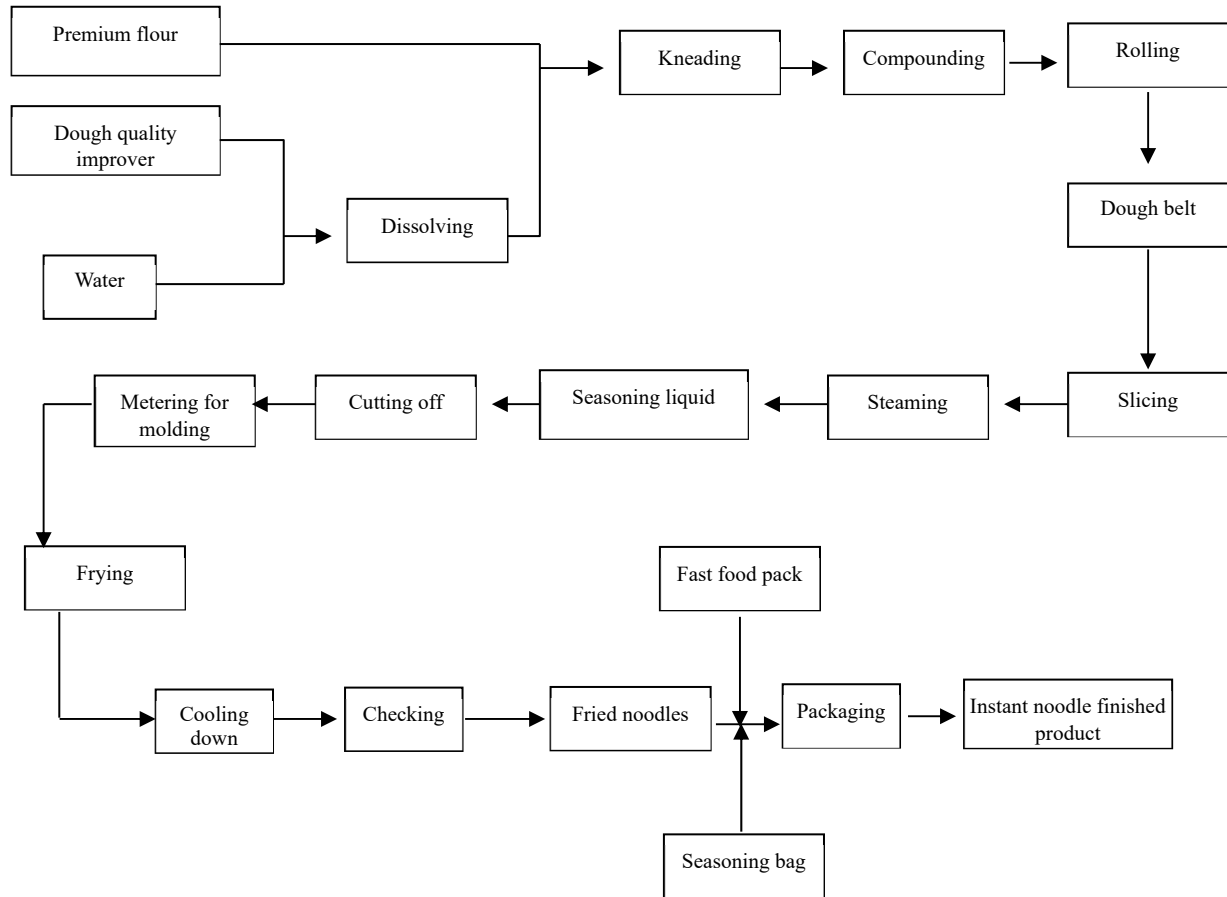




Ve Wong Soy Sauces Manufacturing process

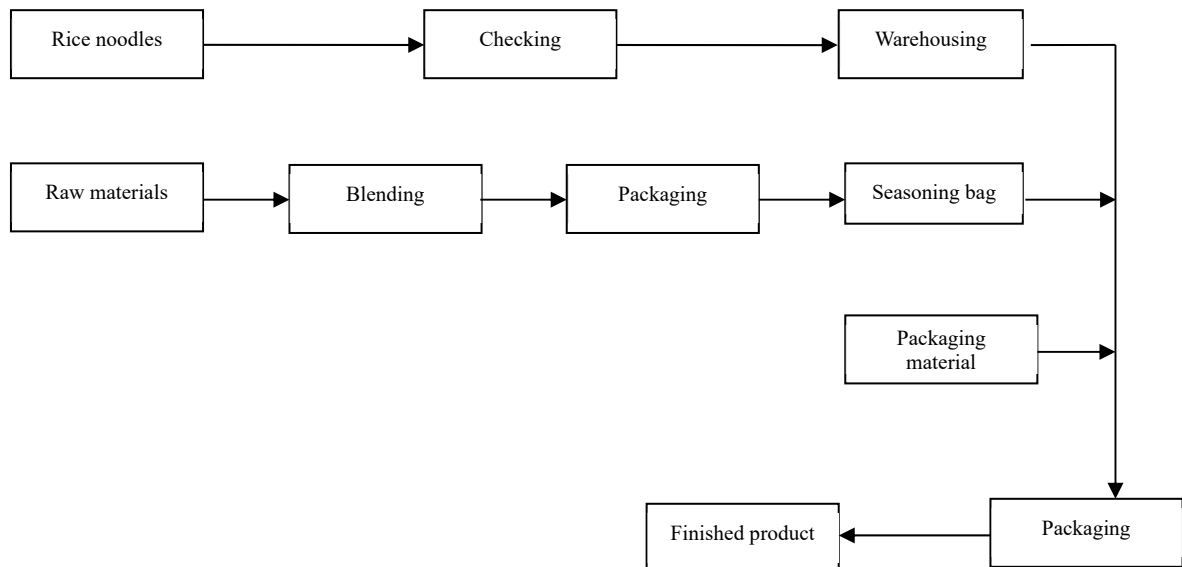


Ve Wong Instant Noodle Manufacturing process

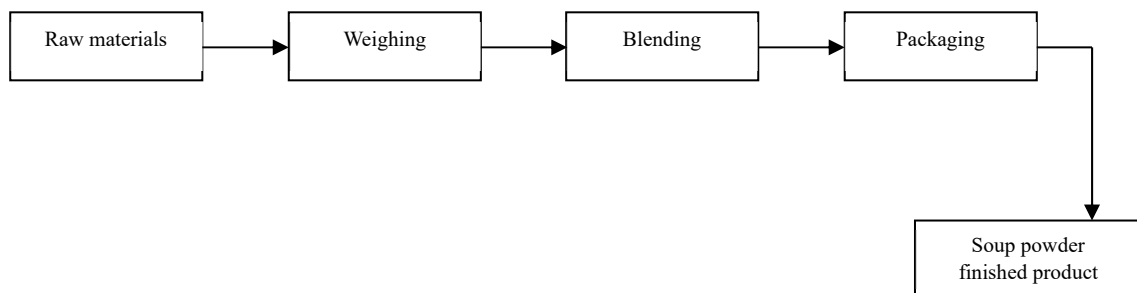




Saigon Ve Wong Rice Products Manufacturing process



Saigon Ve Wong's Soup Powder Manufacturing process



3. Supply Status of Main Materials

Product Group	Major Raw Materials	Source of Supply	Supply Situation
Condiment	Soy Wheat Potato flour Salt	United States, India, South America United States, Australia Thailand Domestic	Stable
Instant Foods	Flour Palm oil	Domestic Malaysia	Stable
Conditioned foods	Pork Beef Chicken	Domestic Australia, New Zealand Domestic	Stable
Canned foods	Peanut Gluten	Domestic Domestic	Stable
Fruit juice	Orange juice Guava juice Asparagus Dew	United States Domestic Domestic	Stable

4. Major suppliers and customers refer to those commanding a 10%-plus share of annual order volume in the Last Two Calendar Years.

1) The major suppliers with more than 10% of the total purchase amount

The major suppliers of the consolidated company in the last two years did not account for more than 10% of the total purchases of the consolidated company.

2) The major customers with more than 10% of the total sales amount

Unit: NT\$ Thousand

Item	2021				2020			
	Name	Amount	Percentage of total net sales[%]	Affiliation with the issuer	Name	Amount	Percentage of total net sales[%]	Affiliation with the issuer
1	AA	694,322	11.92	None	AA	750,522	12.42	None
	Others	5,130,516	88.08		Others	5,293,178	87.58	
	Net sales	5,824,838	100		Net sales	6,043,700	100	

Note 1 : List the name of the customers with more than 10% of the total sales amount, sales amount, and sales ratio in the last two years; however, it can also be identified with I.D. Number if the limitation of disclosure is stated in the signed contract, or the counterparty of the transaction is an unrelated individual.

Note 2 : The listed companies or OTC companies shall disclose the financial information that is audited or reviewed by a CPA as of the date of publication of the annual report.

5. Production volume and value in the last two years

Unit: NT\$ Thousand

Production Capacity Major products	Year	2021			2020		
		Capacity	Quantity	Amount	Capacity	Quantity	Amount
Seasonings		73,748mt	65,483mt	3,141,154	73,748mt	65,243mt	3,014,711
Instant Food		8,977Thousand boxes	7,445Thousand boxes	1,153,100	8,977Thousand boxes	7,796Thousand boxes	1,054,984
Others				392,200			517,894
Total				4,686,454			4,587,589

Note1. Production capacity refers to the quantity that the company can produce under normal operation using existing production equipment after measuring necessary shutdowns, holidays, and other factors.

Note 2. If the production of each product is substitutable, the production capacity may be combined, and an explanation shall be given.



6. Sales volume and value in the last two years

Unit: NT\$ Thousand

Major products	Year Sales Output	2021				2020			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Q'ty	Amount	Q'ty	Amount	Q'ty	Amount	Q'ty	Amount
Seasonings		54,953 mt	3,918,397	594 mt	76,663	55,350 mt	4,140,337	568 mt	79,332
Instant Food		6,201 Thousand boxes	1,305,055	1,213 Thousand boxes	220,952	6,088 Thousand boxes	1,243,126	1,113 Thousand boxes	270,041
Others			293,865		9,906		297,778		13,086
Total			5,517,317		307,521		5,681,241		362,459

3. Employees

April 30, 2022

year		2020	2021	As of April 30, 2022 (Note)
Total number of employees	Technical staff	1141	1083	1052
	Sales staff	535	507	501
	Management staff	273	258	248
	Total	1949	1848	1801
Average age		42.6	43.8	44.1
Average years of service		13.1	14.0	14.2
Academy Ratio(%)	Doctor	0.1%	0.1%	0.1%
	Master	2.1%	2.3%	2.3%
	College	25.6%	25.5%	25.9%
	Senior High School	39.4%	39.2%	39.5%
	Below Senior High School	32.8%	32.9%	32.2%

Note: The data for the current year as of the publication date of the annual report should be filled in.

Note: It is the employee information of the consolidated company.

4. Environmental Protection Expenditure Information

(1) Environmental Protection Policy

As a member of the earth, Ve Wong grows on the same land as the consumers. In addition to producing high-quality products, it also contributes to environmental protection. Therefore, “environmental prevention and sustainable development” is the company's established environmental protection policy. The company's compliance with environmental protection laws and regulations is implemented in the following five aspects:

1. Implementing pollution source permit management.
2. Promoting the reduction of air pollution emissions.
3. Improving resource recycling and reuse.
4. Promoting the recycling of industrial waste.
5. Strengthening the management of business waste.

(2) Management of Air Pollution, Water Pollution, Waste and Other Issues Affecting the Environment

The company complies with the food manufacturing industry's regulations to formulate operation management procedures for pollution prevention. In addition to establishing the “Environmental Protection Section” under the Fengtian Plant in the organizational structure, it also engages in water pollution treatment and air pollution control. One dedicated person for processing and waste disposal respectively performs related environmental management business.

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

The company has always attached great importance to environmental issues. As early as 1984, it signed a contract with the Collaborative Engineering Company of Japan to plan the installation of wastewater treatment equipment in the plant currently in smooth operation. In terms of waste treatment, the laboratory waste liquid was flew into the wastewater treatment plant in 2021. Because it is not included in the water pollution prevention and control operation permit, was fined NT\$6,000 by the Yunlin County Environmental Protection Bureau and made improvements. It has now applied to the Waste Management Section of the Environmental Protection Bureau for experiments. The laboratory waste liquid incineration project has been approved. The laboratory collects the waste liquid and finds a qualified transporter to transport it to the Sunny Friend incineration site for incineration.

(4) Response Strategies

1. The part for proposed improvement measures
 - (1) Firmly implement the management of fixed pollution sources, and check, update and file air pollutant emission data.
 - (2) Require construction companies to enter the plant to comply with environmental protection laws and regulations.
 - (3) The process discharged water in the plant is treated in the sewage treatment plant, and the waste is regularly cleaned up to the legal incineration plant for treatment.

2. Estimated environmental expenditure in the next three years:

Due to the recent general enhancement in environmental awareness and the concept of sustainable operation, the company has regarded pollution prevention and environmental



work as the responsibility of corporate operations; the estimated cost of equipment improvement in the next three years is NT\$70 million, so it is estimated that the company will have no major environmental protection treatment expenses in the next three years.

3. Impact after improvement

- (1) Impact on net profit: The expenditures and manpower related to environmental pollution equipment improvement account for a small proportion of the company's overall expenditures, so there is no direct impact on the company's profit and loss.
- (2) Impact on competitive position: Improvement incorporate environmental image and enhancement in industrial competitiveness.

4. The part with no countermeasures taken: None.

5. Labor relations

(1)Employee welfare measures, advanced studies, training, retirement systems, and their implementation status, as well as the agreements between labor and management and various employee rights protection measures:

1. Employee welfare measures, further studies, training, and implementation status:

The Company has an employee welfare committee, as well as various welfare measures such as club activities, travel subsidies, three-festival gifts, and wedding and funeral subsidies. The Company supports the workplace diversity policy, respects individual differences and uniqueness, and all types of employees can live together in the Company. The Company regularly organizes various employee studies and training to improve the quality of human capital and work quality. The total number of employee training hours in 2021 was 1,321.5 hours. Various training programs are employed to strengthen employee skills and enhance the Company's competitiveness. The Company helps employees plan personal careers so that employees' personal expectations can match the Company's needs.

2. Retirement system and implementation status:

In accordance with the Labor Standards Act provisions, the Company's retirement system has retirement measures for the company's employees, which belong to definite payment retirement measures. The pension payment standard is based on the number of service years, with 2 base points every full year. However, for the number of service years of more than 15, 1.3 base points will be given for every full year. The maximum total is limited to 45 base points. The service of less than half a year will be counted as half a year, and the service of more than half a year will be counted as one year. For those who are mentally or physically disabled and forced to retire due to their duties, an additional 20% will be given. The company allocates a monthly pension based on 15% of the total salary and deposits it in a special account at the Trust Department of the Bank of Taiwan, at the end of 2021, the balance of the retirement reserve account is NT\$399,715,584. The "Labor Pension Act" came into effect on July 1, 2005, and the measures included are definite allocation retirement measures. Employees may choose to continue to apply the Labor Standards Act's relevant pension provisions or apply the pension system of the Labor Pension Act and retain the number of working years before the Act was enacted. If the employee chooses the old system, then the above-mentioned pension system will be followed. If the new system is chosen, the company will withdraw 6% of the

employee's monthly salary and credit it to the "individual laborer's account" under the special pension account of the Labor Insurance Bureau. In 2021, the Company has paid a total of NT\$40,953 thousand in old-system pensions and set aside NT\$14,165 thousand in new-system pensions.

3. Status of labor-management agreements and employee rights protection measures:

The company fully implements the labor participation system and protects employees' rights and interests through labor-management meetings, labor union directors' and supervisors' meetings, labor union representative meetings, and other regular or irregular meetings, and then discusses the company's development together. In 2021, employee welfare or rights and interests were promoted through specific measures such as salary adjustments; the company will keep this spirit in the future and promote labor-management harmony.

(2) Losses incurred due to labor disputes in the most recent year and up to the publication date of the annual report, and disclosure of the estimated amount and corresponding measures that may occur at present and in the future:

There was no major labor dispute in the company in 2021 and as of the publication date of the annual report.

6. Cyber Security Management:

(1) Cyber security management strategy and structure:

Cyber security risk management framework, cyber security policy, specific management plan and resources invested in datacom security management, etc.

1. Cyber Security Risk Management Framework

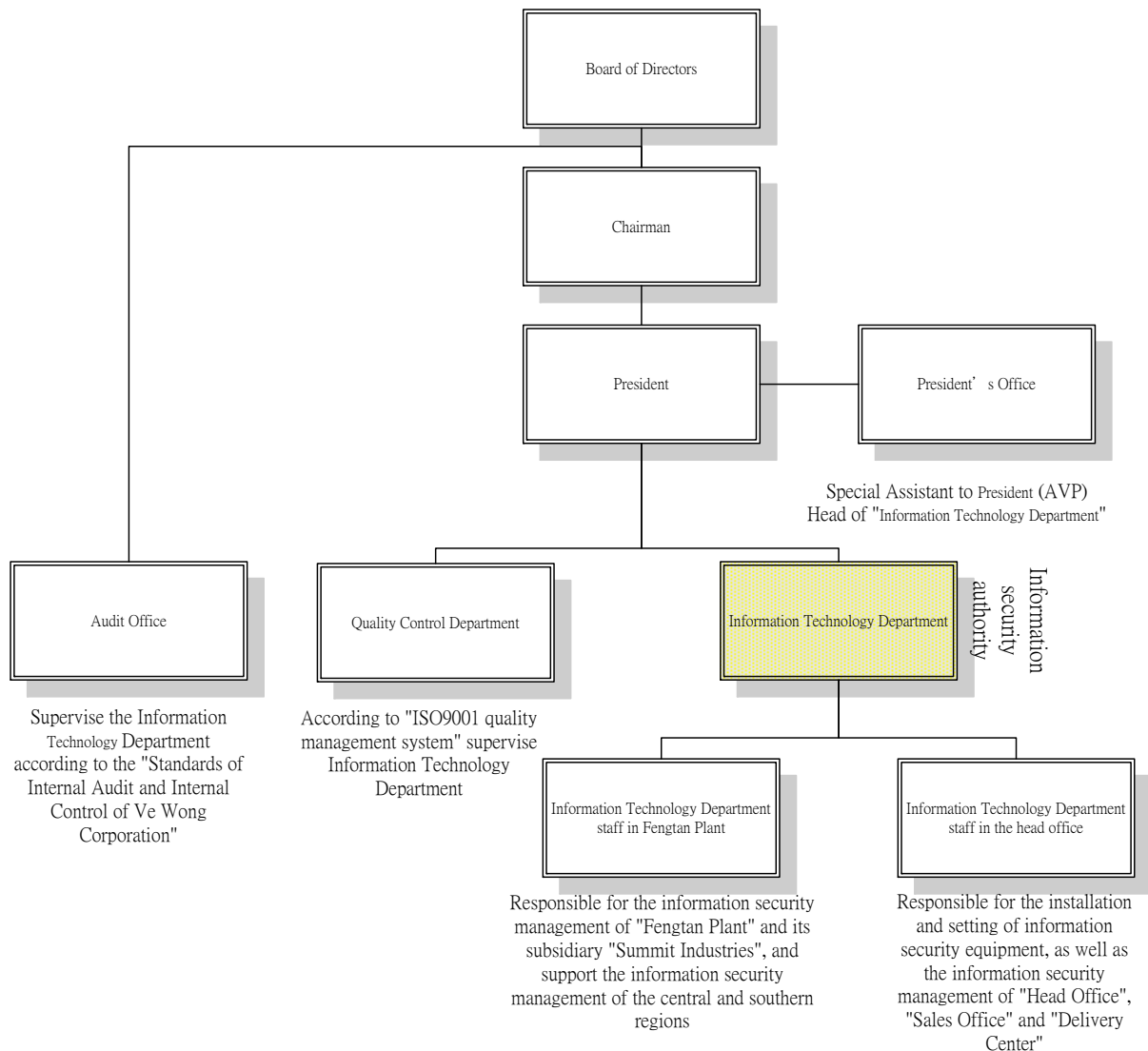
2. Cyber Security Policy

Enterprise Cyber Security Governance Organization

- The "Supervisory Unit" is the "Inspection Office" and the "Quality Control Department".
- The "Authority and Responsibility Unit" is the "Information Department", under which the "Information Department staff in the head office" (responsible for the installation and setting of cyber security equipment and the "Head Office", "Business Office", "Shipping Center" information security management) and "Information Department staff in Fengtian Plant" (responsible for the information security management of "Fengtian Plant" and its subsidiary "Summit Packing Industrial", supporting the information security management of the central and southern regions); the head of the "Information Department" is the "General Manager Special Assistant (Assistant)".



Enterprise Cyber Security Governance Organization and Management Structure



2. Cyber Security Policy

Enterprise Cyber Security Management Strategy and Structure

The "Information Department" holds a regular meeting every two weeks, based on the management cycle mechanism of "planning," "implementation," "checking" and "action," and reviews the information security policy together with the "Auditing Office" every year Suitability and Protection. The "Audit Office" will organize the audit status and suggested improvement matters according to the "Ve Wong Company Internal Audit and Internal Control Standards" into an "Annual Audit Report," which will be reviewed by the "Information Department" and submitted to the "Chairman" and the "Board of Directors." The "Quality Control Department" conducts internal audits according to the (ISO9001) information security standards.

3. Enterprise Cyber Security Risk Management and Continuous Improvement Framework

- Planning
 - Enterprise Information Security Risk Assessment
 - Information security risk management and countermeasure formulation
 - Follow the ISO9001 quality management system
- Implementation
 - Internet Security
 - Device Security
 - Application Security
 - Data Security Protection
- Checking
 - Information Security Continuous Monitoring
 - Confidential Information Protection Compliance Check
- Action
 - Review and improvement of cyber security measures
 - Cyber Security Threats and Technology Mastery
 - Cyber Security Promotion

4. Specific Management Plan

Multi-layer information security protection

- Internet Security
 - Import mature and stable network management technology.
 - Establish a network firewall, strengthen network control, and prevent computer viruses from spreading across machines and locations.
- Device Security
 - Whether it is a server or a personal computer, you must join a “domain,” install anti-virus software, and perform a computer virus scan before going online.
- Application Security
 - Develop application security self-checklists, evaluation criteria, and improvement goals for the development process.
 - Continue to strengthen the application security control mechanism and integrate it into the development process and platform.
- Implement data security protection
 - Product development materials are stored in independent storage devices and are not connected to other systems.
 - Implement account and authority management, and do not contact the system without authorization.
 - Outgoing mail control.



- Education training and advocacy

Increase employee alertness to email social engineering attacks.

Take advantage of every opportunity to educate and enhance employees' awareness of information security.

(2) Cyber security risks and countermeasures:

- The core of cyber security is “system and management,” and “information security system” is just a “tool.”
- The Company has established “system and management” many years ago; the early system connection method is “closed” (cannot be connected from the outside), so there is no external attack.
- The current system architecture is “centralized” (hosts are concentrated in the “head office”), and the system connection method is “open” (can be connected from the outside). Because of the implementation of “cyber security management,” it did not become a major information security incident.

(3) Major cyber security incident:

In the most recent year and as of the date of publication of the annual report, if the losses, possible impacts, and countermeasures caused by major cyber security incidents cannot be reasonably estimated, the fact that they cannot be reasonably estimated shall be stated. There were no major cyber security incidents.

7. Important Contracts: None

VI. Financial Information

I. The Balance Sheet / Income Statement / CPAs' Name and audit opinion for the Last Five Fiscal Years

(I) Consolidated Condensed Balance Sheet and Income Statement

1. Consolidated Condensed balance sheet

Unit: NT\$ thousands

Year Item		Financial information for the last five years(Note 1)					Financial information available up to March 31, 2022 (Note 5)
		2017	2018	2019	2020	2021	
Current assets		4,448,701	4,038,979	4,334,741	4,246,910	4,494,013	-
Long-term investment (Note 2)		325,788	343,819	364,310	426,364	454,500	-
Property, plant, and equipment(Note 3)		4,281,580	4,500,767	4,587,730	4,514,381	4,486,109	-
Intangible assets		-	-	-	-	-	-
Other assets		136,212	141,440	138,245	143,947	148,117	-
Total assets		9,192,281	9,025,005	9,425,026	9,331,602	9,582,739	-
Current liabilities	Before distribution	1,996,670	1,595,049	1,735,178	1,557,942	1,877,179	-
	After distribution	2,308,670	1,835,049	1,975,178	1,821,942	2,141,179	-
Non-current liabilities		1,586,538	1,550,308	1,474,274	1,461,278	1,454,140	-
Total liabilities	Before distribution	3,583,208	3,145,357	3,209,452	3,019,220	3,331,319	-
	After distribution	3,895,208	3,385,357	3,449,452	3,283,220	3,595,319	-
Shareholder's equity attributable to the parent company		4,544,112	4,731,181	4,997,527	5,155,421	5,269,673	-
Capital stock		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	-
Capital surplus		112,965	112,965	112,965	205,814	208,337	-
Retailed earnings	Before distribution	2,008,425	2,114,009	2,317,751	2,504,319	2,664,448	-
	After distribution	1,696,425	1,874,009	2,077,751	2,240,319	2,400,448	-
Other equity		61,186	142,671	205,275	83,752	35,352	-
Treasury stock		(38,464)	(38,464)	(38,464)	(38,464)	(38,464)	-
Non-controlling Interest		1,064,961	1,148,467	1,218,047	1,156,961	981,747	-
Total equities	Before distribution	5,609,073	5,879,648	6,215,574	6,312,382	6,251,420	-
	After distribution	5,297,073	5,639,648	5,975,574	6,048,382	5,987,420	-

Note1. The financial information of the most recent annual periods has been verified by CPAs.

Note2. The long-term investment includes non-current financial assets measured at fair value through profit and loss, financial assets measured at fair value through other comprehensive gains and losses, financial assets available for sale, financial assets measured at amortized cost, and financial assets measured at cost. Assets, investment in bond instruments without an active market, and investments using the equity method.

Note3. Real estate, plant, and equipment include real estate, plant, and equipment, use right assets, investment real estate and prepaid equipment payments.

Note4. The motion for allocation of cash dividend of 2021 had to be resolved by the annual shareholders' meeting.

Note 5. As of the publication date of the annual report, there is no financial information for the first quarter of 2022 after being reviewed.



2. Consolidated Condensed comprehensive income statement

Unit: NT\$ thousands

Item \ Year	Financial information for the last five years(Note 1)					Financial information available up to March 31, 2022 (Note 3)
	2017	2018	2019	2020	2021	
Operating income	6,195,171	6,081,031	6,323,237	6,043,700	5,824,838	-
Gross profit	2,020,256	1,970,005	1,979,955	2,043,922	1,896,115	-
Profit from operations	1,052,795	976,596	923,530	974,911	865,605	-
Non-Operating income and expense	(13,643)	43,426	30,952	(33,621)	51,591	-
Net income before tax	1,039,152	1,020,022	954,482	941,290	917,196	-
Net income of continuing operations	746,401	704,325	717,479	693,921	697,030	-
Loss of discontinued operation	-	-	-	-	-	-
Net income	746,401	704,325	717,479	693,921	697,030	-
Other comprehensive profit and loss (net)	(29,934)	66,965	108,232	(206,686)	(208,437)	-
Total comprehensive profit and loss	716,467	771,290	825,711	487,235	488,593	-
Net income attributable to parent company's shareholders	442,580	431,907	456,880	429,096	447,878	-
Net income attributable to noncontrolling interests	303,821	272,418	260,599	264,825	249,152	-
Total comprehensive profit and loss attributable to parent company's shareholders	402,725	456,629	506,346	305,045	375,729	-
Total comprehensive profit and loss attributable to noncontrolling interests	313,742	314,661	319,365	182,190	112,864	-
Earnings per share(Note 2)	1.86	1.82	1.92	1.81	1.88	-

Note 1. All annual consolidated financial reports are verified by CPAs.

Note 2. Earnings per share are calculated based on the weighted average number of shares outstanding in each year.

Note 3. As of the publication date of the annual report, there is no financial information for the first quarter of 2022 after being reviewed.

(2) Individual Condensed Balance Sheet and Income Statement

1. Individual Condensed Balance Sheet

Unit: NT\$ thousands

Item	Year	Financial information for the last five years (Note 1)					Financial information available up to March 31, 2022 (Note 5)
		2017	2018	2019	2020	2021	
Current assets		1,396,524	970,197	1,081,975	1,266,075	1,616,300	-
Long-term investment(Note 2)		4,098,426	4,281,093	4,321,117	4,282,422	4,140,509	-
Property, plant, and equipment(Note 3)		988,965	1,166,112	1,234,170	1,200,363	1,211,313	-
Intangible assets		-	-	-	-	-	-
Other assets		58,010	61,047	56,383	60,707	65,041	-
Total assets		6,541,925	6,478,449	6,693,645	6,809,567	7,033,163	-
Current liabilities	Before distribution	1,256,726	1,040,618	1,119,828	1,102,872	1,227,735	-
	After distribution	1,568,726	1,280,618	1,359,828	1,366,872	1,491,735	-
Noncurrent liabilities		741,087	706,650	576,290	551,274	535,755	-
Total liabilities	Before distribution	1,997,813	1,747,268	1,696,118	1,654,146	1,763,490	-
	After distribution	2,309,813	1,987,268	1,936,118	1,918,146	2,027,490	-
Equity attributable to shareholders of parent company		4,544,112	4,731,181	4,997,527	5,155,421	5,269,673	-
Common stock		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	-
Capital surplus		112,965	112,965	112,965	205,814	208,337	-
Retained earnings	Before distribution	2,008,425	2,114,009	2,317,751	2,504,319	2,664,448	-
	After distribution	1,696,425	1,874,009	2,077,751	2,240,319	2,400,448	-
Other equity		61,186	142,671	205,275	83,752	35,352	-
Treasury stocks		(38,464)	(38,464)	(38,464)	(38,464)	(38,464)	-
Non-controlling interests		-	-	-	-	-	-
Total equity	Before distribution	4,544,112	4,731,181	4,997,527	5,155,421	5,269,673	-
	After distribution	4,232,112	4,491,181	4,757,527	4,891,421	5,005,673	-

Note 1. All annual individual finance reports are verified by CPAs.

Note 2. Long-term investment includes non-current financial assets measured at fair value through profit and loss, financial assets measured at fair value through other comprehensive gains and losses, financial assets available for sale, financial assets measured at amortized cost, and financial assets measured at cost. Assets, investment in bond instruments without an active market, and investments using the equity method.

Note 3. Real estate, plant and equipment include real estate, plant, and equipment, use right assets, investment real estate and prepaid equipment payments.

Note 4. The motion for allocation of cash dividend of 2021 had to been resolved by the annual shareholders' meeting.

Note 5. As of the publication date of the annual report, there is no financial information for the first quarter of 2022 after being reviewed.



2. Individual comprehensive income statement

Unit: NT\$ thousands

Item \ Year	Financial information for the last five years (Note 1)					Financial information available up to March 31, 2022 (Note 3)
	2017	2018	2019	2020	2021	
Operating Income	2,183,116	2,241,479	2,175,267	2,321,441	2,311,453	-
Gross profit	663,668	680,273	650,364	703,925	668,669	-
Profit from operations	161,048	157,613	138,507	171,063	134,817	-
Non-Operating income and expense	376,699	428,053	391,550	345,655	385,164	-
Net income before tax	537,747	585,666	530,057	516,718	519,981	-
Net income of continuing operations	442,580	431,907	456,880	429,096	447,878	-
Loss of discontinued operation	-	-	-	-	-	-
Net income	442,580	431,907	456,880	429,096	447,878	-
Other comprehensive income (net after-tax)	(39,855)	24,722	49,466	(124,051)	(72,149)	-
Total comprehensive income	402,725	456,629	506,346	305,045	375,729	-
Earnings per share (Note 2)	1.86	1.82	1.92	1.81	1.88	-

Note 1. All annual consolidated financial reports are verified by CPAs.

Note 2. Earnings per share are calculated based on the weighted average number of shares outstanding in each year.

Note 3. As of the publication date of the annual report, there is no financial information for the first quarter of 2022 after being reviewed.

(3) The names of CPAs and their opinions for the most recent five years.

Year	Accounting Firm	CPAs' Name	Audit opinions
2017	PKF Taiwan	Wen, Ming-Yu \ Hsu, Ching-Hsien	Unqualified opinion
2018	PKF Taiwan	Lin, Kuan-Zhao \ Wen, Ming-Yu	Unqualified opinion
2019	PKF Taiwan	Lin, Kuan-Zhao \ Wen, Ming-Yu	Unqualified opinion
2020	PKF Taiwan	Lin, Kuan-Zhao \ Wen, Ming-Yu	Unqualified opinion
2021	PKF Taiwan	Lin, Kuan-Zhao \ Wen, Ming-Yu	Unqualified opinion

2. Financial analysis for the most recent five years

1. Consolidated financial analysis

Item(Note 3) \ Year(Note 1)		Financial analysis for the last five years					March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Financial structure (%)	Liabilities to assets	38.98	34.85	34.05	32.35	34.76	-
	Long-term fund for property, plant, and equipment	258.66	253.50	251.52	265.14	267.68	-
Liquidity analysis (%)	Current ratio	222.80	253.21	249.81	272.59	239.40	-
	Quick ratio	148.76	160.67	153.51	178.50	161.62	-
	Interest coverage ratio	79.16	94.11	67.29	66.74	64.98	-
Operation performance analysis	Receivables turnover (times)	12.04	12.31	12.93	12.76	12.95	-
	Average collection days	30.31	29.65	28.22	28.60	28.18	-
	Inventory turnover (times)	3.07	2.83	2.79	2.59	2.73	-
	Payables turnover (times)	9.17	9.25	10.90	10.31	9.04	-
	Average inventory turnover days	118.89	128.97	130.82	140.92	133.69	-
	Property, plant, and equipment turnover (times)	2.21	2.12	2.11	2.01	2.00	-
	Total assets turnover (times)	0.69	0.66	0.68	0.64	0.61	-
Profitability	Return on assets (%)	8.51	7.83	7.90	7.52	7.49	-
	Return on equity (%)	13.70	12.26	11.86	11.07	11.09	-
	Pre-tax income to paid-in capital ratio (%)	43.29	42.50	39.77	39.22	38.21	-
	Net income margin (%)	12.04	11.58	11.34	11.48	11.96	-
	EPS (NT\$)	1.86	1.82	1.92	1.81	1.88	-
Cash flow	Cash flow ratio (%)	41.27	45.24	25.65	69.60	51.41	-
	Cash flow adequacy ratio (%)	181.06	144.50	132.16	143.00	134.29	-
	Cash flow reinvestment ratio (%)	4.81	1.98	-0.46	6.29	4.47	-
Leverage	Operating leverage	1.12	1.13	1.15	1.15	1.15	-
	Financial leverage	1.01	1.01	1.01	1.01	1.01	-
Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:							
cash flow							
➤ The decrease in the cash flow ratio was mainly due to the increase in short-term debt and accounts payable in 2021, which increases current liabilities.							
➤ The decrease in cash reinvestment ratio was mainly due to the decrease in net cash flow from operating activities and the increase in cash dividend.							

Note 1: The above financial information for the year is the financial statement which has been audited by the accountant.

Note 2: As of the publication date of the annual report, there is no financial information for the first quarter of 2022 after being reviewed..

1. Financial structure

(1) Debt ratio = Total liabilities/total assets.

(2) Long term funds to property, plant, and equipment ratio = (Total shareholders' equity + non-current liabilities)/net property, plant, and equipment

2. Solvency

(1) Current ratio = Current assets/current liabilities

(2) Quick ratio = (Current assets - inventory - prepaid expenses)/current liabilities

(3) Times Interest Earned = Net income before tax and interest expense/current interest expense

3. Operating ability

(1) Accounts Receivable (including account receivable and note receivable from operating) turnover = Net sales/average Receivables (including account receivable and note receivable from operating) balance

(2) Average collection period = 365 days/ accounts receivable turnover



- (3) Inventory turnover (times) = Cost of goods sold/average inventory
 - (4) Accounts Payable (including Account payable and Note payable from operating) turnover = Cost of goods sold/average accounts payable (including Account payable and Note payable from operating)
 - (5) Average inventory turnover days = 365 days/ inventory turnover
 - (6) Property, plant, and equipment turnover (times) = Net sales/ average net average property, plant, and equipment
 - (7) Total asset turnover = Net sales/average total assets
4. Profitability
- (1) Return on total assets = [net income + interest expense x (1-tax ratio)]/average total assets
 - (2) Return on shareholder's equity = Net income/average total shareholder's equity
 - (3) Profit margin = Net income/ net sales
 - (4) Earnings per Share = (Net income attributable to parent company's shareholders - preferred stock dividend)/ weighted average number of shares issued
5. Cash flow
- (1) Cash flow ratio = Cash flow from operating activities/current liabilities
 - (2) Net cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends
 - (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends)/ (gross property, plant, and equipment + long-term investments + other non-current assets + working capital)
6. Leverage
- (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income
 - (2) Financial leverage = Operating income/ (operating income - interest expenses)

2. Individual financial analysis

Item(Note 3)		Year(Note 1)	Financial analysis for the last five years					Financial information available up to March 31, 2022 (Note 2)
			2017	2018	2019	2020	2021	
Financial structure (%)	Liabilities to assets		30.53	26.97	25.33	24.29	25.07	-
	Long-term fund for property, plant, and equipment		618.17	556.58	694.41	745.20	760.74	-
Solvency analysis (%)	Current ratio		111.12	93.23	96.61	114.79	131.64	-
	Quick ratio		82.74	56.62	60.99	80.99	100.33	-
	Interest coverage ratio		59.26	86.03	67.57	64.32	66.97	-
Operation performance analysis	Receivables turnover (times)		7.26	7.60	7.66	8.52	8.07	-
	Average collection days		50.27	48.02	47.65	42.84	45.22	-
	Inventory turnover (times)		3.94	4.31	3.99	4.29	4.41	-
	Payables turnover (times)		6.55	7.13	7.34	7.81	7.26	-
	Average inventory turnover days		92.63	84.68	91.47	85.08	82.76	-
	Property, plant, and equipment turnover (times)		2.67	2.44	2.44	2.96	3.02	-
	Total assets turnover (times)		0.34	0.34	0.33	0.34	0.33	-
Profitability	Return on assets (%)		7.02	6.72	7.03	6.45	6.56	-
	Return on equity (%)		9.91	9.31	9.39	8.45	8.59	-
	Pre-tax income to paid-in capital ratio (%)		22.40	24.40	22.08	21.52	21.66	-
	Net income margin (%)		20.27	19.26	21.00	18.48	19.37	-
	EPS (NT\$)		1.86	1.82	1.92	1.81	1.88	-
Cash flow (%)	Cash flow ratio (%)		30.33	44.69	24.10	54.04	39.66	-
	Cash flow adequacy ratio (%)		88.63	91.97	103.55	128.63	150.47	-
	Cash flow reinvestment ratio (%)		2.25	2.41	0.48	5.65	3.47	-
	Operating leverage		1.29	1.30	1.45	1.03	1.05	-
	Financial leverage		1.06	1.04	1.06	1.05	1.06	-
The cause of changes of more than 20% in financial rates over the last two years:								
1. Solvency								
The increase in quick ratio was mainly due to the increase in other financial assets, which resulted in an increase in current assets.								
2. Cash flow								
➤ The decrease in cash flow ratio was mainly due to the increase in inventory, accounts receivable and income tax payments in 2021, resulting in a decrease in net cash flow from operating activities and an increase in short-term debt, resulting in an increase in current liabilities.								
➤ The decrease in cash reinvestment ratio was mainly due to the decrease in net cash flow from operating activities and the increase in cash dividends.								

Note 1: The above financial information for the year is the financial statement which has been audited by the accountant.

Note 2: As of the publication date of the annual report, there is no financial information for the first quarter of 2022 after being reviewed..

1. Financial structure

(1) Debt ratio = Total liabilities/total assets.

(2) Long term funds to property, plant, and equipment ratio = (Total shareholders' equity + non-current liabilities)/net property, plant, and equipment

2. Solvency

(1) Current ratio = Current assets/current liabilities

(2) Quick ratio = (Current assets - inventory - prepaid expenses)/current liabilities

(3) Times Interest Earned = Net income before tax and interest expense/current interest expense

3. Operating ability



- (1) Accounts Receivable (including account receivable and note receivable from operating) turnover = $\text{Net sales} / \text{average Receivables (including account receivable and note receivable from operating) balance}$
 - (2) Average collection period = $365 \text{ days} / \text{accounts receivable turnover}$
 - (3) Inventory turnover (times) = $\text{Cost of goods sold} / \text{average inventory}$
 - (4) Accounts Payable (including Account payable and Note payable from operating) turnover = $\text{Cost of goods sold} / \text{average accounts payable (including Account payable and Note payable from operating)}$
 - (5) Average inventory turnover days = $365 \text{ days} / \text{inventory turnover}$
 - (6) Property, plant, and equipment turnover (times) = $\text{Net sales} / \text{average net average property, plant, and equipment}$
 - (7) Total asset turnover = $\text{Net sales} / \text{average total assets}$
4. Profitability
- (1) Return on total assets = $[\text{net income} + \text{interest expense} \times (1 - \text{tax ratio})] / \text{average total assets}$
 - (2) Return on shareholder's equity = $\text{Net income} / \text{average total shareholder's equity}$
 - (3) Profit margin = $\text{Net income} / \text{net sales}$
 - (4) Earnings per Share = $(\text{Net income attributable to parent company's shareholders} - \text{preferred stock dividend}) / \text{weighted average number of shares issued}$
5. Cash flow
- (1) Cash flow ratio = $\text{Cash flow from operating activities} / \text{current liabilities}$
 - (2) Net cash flow adequacy ratio = $\text{Five-year sum of cash from operations} / \text{Five-year sum of capital expenditures, inventory additions, and cash dividends}$
 - (3) Cash reinvestment ratio = $(\text{Net cash flow from operating activities} - \text{cash dividends}) / (\text{gross property, plant, and equipment} + \text{long-term investments} + \text{other non-current assets} + \text{working capital})$
6. Leverage
- (1) Operating leverage = $(\text{Net operating income} - \text{variable operating cost and expense}) / \text{operating income}$
 - (2) Financial leverage = $\text{Operating income} / (\text{operating income} - \text{interest expenses})$

3. Audit Committee's Report

VE WONG Corporation Audit Committee's Review Report

The Board of Directors has prepared the 2021 Business Report, Financial Statements, and proposal for deficit compensation. The CPA Lin, Kuan-Zhao and CPA Wen, Ming-Yu, members of the PKF Taiwan, have completed the audit of the financial statements and issued an audit report relating thereto. In addition, the Board of Directors has prepared and submitted to us the Company's 2021 business report and proposal for distribution of earnings. We, the Audit Committee members, have duly examined and determined such business report and proposal for distribution of earnings to be in line with the requirements under the Company Law and relevant laws and regulations. According to Article 14-4 of the Securities and Exchange Act and Article 219 of Company Law, we hereby submit this report.

To the 2022 General Shareholders' Meeting of Ve Wong Corporation,

The Convener of the Audit Committee:

Liao, Chi-Fang



March 24, 2022



4. Consolidated Financial Statements with Independent Auditors' Report of the most recent year

VE WONG CORPORATION and Subsidiaries Consolidated Financial Statements for the Years Ended December 31, 2021 and 2020 and Independent Auditors' Report

For the convenience of readers, in independent auditors' report and the accompanying consolidated statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or and difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the combined financial statements of VE WONG CORPORATION as of and for the year ended December 31, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, VE WONG CORPORATION and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

VE WONG CORPORATION

By

Ching-Fu, Chen
Chairman

March 30, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of VE WONG CORPORATION

Opinion

We have audited the accompanying consolidated financial statements of VE WONG CORPORATION and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of VE WONG CORPORATION and its subsidiaries as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of VE WONG CORPORATION and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for VE WONG CORPORATION and its subsidiaries's consolidated financial statements for the year ended December 31, 2021 are stated as follows :

Recognize of Sales revenue

The main operating income of VE WONG CORPORATION and its subsidiaries is sales revenue. We consider that whether the recognition time of sales revenue was present fairly, is an area of high concern in the audit.

Refer to Note IV (XVIII) for accounting policies on revenue recognition. Refer to Note V (I) for critical accounting judgments and key sources of estimation uncertainty on revenue recognition.

We performed the following audit procedures:

1. Understand and test the design and implementation effectiveness of the main internal control system for group operating income.
2. Understand and evaluate the rationality of the assumptions and methods for management to recognize sales revenue.

- 3.The selected transaction conditions are not FOB shipping point export transactions. Obtain the transaction conditions set by each customer for the export transaction, and select the period before and after the end of the reporting period to verify the export transaction vouchers to determine the appropriate deadline.
- 4.For domestic sales (delivery agent) transactions, send confirmation letter or obtain agent's transaction reconciliation data to determine whether the deadline is appropriate and the amount.
- 5.Select the period prior to and after the end of the reporting period, to check the various vouchers to ensure that the sales, sales returns, and sales discounts have been properly closed.
- 6.Reconcile the amount of income in the account with the amount issued by the invoice, and perform tests on major differences between the reconciled items.
- 7.Perform analytical procedures to find out if there are any abnormalities in the recognition of sales revenue.

Evaluation Impairment of Investments accounted for using the equity method and Goodwill

VE WONG CORPORATION and its subsidiaries regularly assess whether there are indication of impairment of goodwill. When estimating the future recoverable amount, the estimation involves a number of assumptions, including determining the discount rate and future financial forecasts. The high degree of uncertainty has a significant impact on the measurement result of the recoverable amount, which in turn affects the estimation of the amount of goodwill impairment. Therefore, we believe that VE WONG CORPORATION and its subsidiaries's assessment of the equity method of investment and goodwill impairment are the most important matters this year.

For the accounting policy on impairment, please refer to Note IV (XIII) Impairment of asset; to the major sources of uncertainty in the significant accounting judgments, estimates and assumptions in the assessment of impairment of goodwill, please refer to Note V (III).

We performed the following audit procedures :

- 1.Understand and test the design and implementation effectiveness of the main internal control system for impairment assessment.
- 2.Verify whether there are indication that investments accounted for using the equity method and goodwill impairment may occur, impairment testing and whether the accounting treatment is appropriate.
- 3.Assess the reasonableness of assumptions, future cash flow forecasts and discount rates used in impairment models.

Other – Using the reports of other independent accountants

Among the associates included in the consolidated financial statements of VE WONG CORPORATION and its subsidiaries, Hughes Biotech. Co., Ltd. (Hughes Biotech) which used the equity method to invest in 2021 and 2020, had its financial statements not audit by us, but was audited by other accountants. In addition, Koh Kong Sugar Industry Co., Ltd. (KSI) and Koh Kong Plantation Co., Ltd. (KPT) invested in Cambodia which used the equity method, its financial statements are in accordance with Thai Financial Reporting Standard for Non-publicly Accountable entities have not been audited by us but by other accountants. We have performed the necessary review procedures for the conversion of the financial statements of KSI and KPT into preparations in accordance with generally accepted accounting principles in the Republic of China. Therefore, our opinion on the financial statements of Hughes Biotech and the financial statements of KSI and KPT that the amount and various financial disclosure information listed in the financial statements of the investee companies before the adjustment are based on the audit reports of other accountants. As of December 31, 2021 and 2020, the above-mentioned three companies used the equity method to invest in 74,025 thousand NTD and 92,555 thousand NTD, respectively, accounting for 0.77% and 0.99% of the total consolidated assets. From January 1 to December 31, 2021 and 2020, the comprehensive profit and loss (including the share of the subsidiaries, associates and joint ventures recognized by the equity method and impairment loss) recognized by these

investee companies was (18,413) thousand NTD and (32,170) thousand NTD, accounting for 0.32% and 0.53% of net consolidated operating income, respectively.

VE WONG CORPORATION has prepared the parent company only financial statements for the 2021 and 2020, and the audit report with unqualified opinions issued by the accountant is on file for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing VE WONG CORPORATION and its subsidiaries'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 VE WONG CORPORATION and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are overseeing VE WONG CORPORATION and its subsidiaries's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VE WONG CORPORATION and its subsidiaries'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 VE WONG CORPORATION and its subsidiaries' ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause VE WONG CORPORATION and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within VE WONG CORPORATION and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 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 Kuan Chao Lin and Ming Yu Wen.

PKF Taiwan
Republic of China
March 30, 2022

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

For the convenience of readers, in independent auditors' report and the accompanying consolidated statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or and difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

As the consolidated financial statements are the responsibility of the management, PKF Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

VE WONG CORPORATION and Subsidiaries
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

ASSETS	Note	Decebmter 31, 2021		Decebmter 31, 2020	
		Amount	%	Amount	%
CURRENT ASSETS	IV				
Cash and cash equivalents	VI(I)	\$ 1,570,497	16	\$ 1,569,035	17
Financial assets measured at amortized cost -current assets	VI(III)	351,190	4	402,692	4
Notes receivable, net	VI(IV)	134,682	1	112,593	1
Accounts receivable, net	VI(IV)	329,026	4	323,266	4
Current tax assets	VI(XIX)	2,815	-	12,427	-
Inventories	VI(V)	1,449,604	15	1,428,081	16
Other financial assets	VI(VII)	599,964	6	314,781	4
Prepayments and other current assets	VI(XIII)	56,235	1	84,035	1
Total current assets		4,494,013	47	4,246,910	47
NONCURRENT ASSETS	IV				
Financial assets at fair value through profit or loss	VI(II)	-	-	44,895	-
Financial assets at fair value through other comprehensive income	VI(VI)	315,282	3	234,184	3
Financial assets measured at amortized cost -noncurrent assets	VI(III)	49,046	1	36,133	-
Investments accounted for using equity method	VI(VIII)	90,172	1	111,152	1
Property, plant and equipment	VI(IX) - VIII	2,878,613	30	2,931,866	31
Right-of-use assets	VI(X)	103,524	1	86,370	1
Investments properties	VI(XI) - VIII	1,429,414	15	1,441,223	16
Deferred income tax assets	VI(XIX)	37,181	-	41,109	-
Prepayments for equipment	VI(XII)	74,558	1	54,922	-
Refundable deposit		34,870	-	28,745	-
Other noncurrent assets	VI(XIII) - VII	76,066	1	74,093	1
Total noncurrent assets		5,088,726	53	5,084,692	53
TOTAL		\$ 9,582,739	100	\$ 9,331,602	100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES	IV				
Short-term loans	VI(XIV)	\$ 853,000	9	\$ 713,000	8
Notes payable		78,573	1	49,379	-
Accounts payable		458,947	5	281,330	3
Other payables		304,695	3	263,158	3
Current tax liabilities	VI(XIX)	68,579	1	126,669	2
Lease liabilities-current	VI(XV)	12,193	-	9,251	-
Other current liabilities		101,192	1	115,155	1
Total current liabilities		1,877,179	20	1,557,942	17
NONCURRENT LIABILITIES	IV				
Net defined benefit liability	VI(XVI)	284,805	3	300,998	3
Deferred income tax liabilities-land value increment tax		879,845	9	879,845	9
Deferred income tax liabilities -income tax	VI(XIX)	178,301	2	184,423	2
Lease liabilities-noncurrent	VI(XV)	93,110	1	77,090	1
Long-term deferred income	VI(XVII)	4,000	-	4,500	-
Other		14,079	-	14,422	-
Total noncurrent liabilities		1,454,140	15	1,461,278	15
Total liabilities		3,331,319	35	3,019,220	32
EQUITY	IV - VI(XX)				
Capital stock					
Common shares		2,400,000	25	2,400,000	26
Capital surplus					
From treasury stock transactions		40,970	-	38,447	-
From share of changes in equities of associates		167,367	2	167,367	2
Retained earnings					
Appropriated as legal capital reserve		419,563	4	376,906	4
Appropriated as special capital reserve		1,005,964	11	1,005,964	11
Unappropriated earnings		1,238,921	13	1,121,449	12
Other equity		35,352	-	83,752	1
Treasury stock	VI(VIII) - VI(XXI)	(38,464)	-	(38,464)	-
Total equity attributable to the owners of the parent company		5,269,673	55	5,155,421	56
Non-controlling interests	IV - VI(XX)	981,747	10	1,156,961	12
Total equity		6,251,420	65	6,312,382	68
SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS	IX - XII				
TOTAL		\$ 9,582,739	100	\$ 9,331,602	100

The accompanying notes are an integral part of the consolidated financial statements.
(With PKF Taiwan auditors' report dated March 30, 2022)

VE WONG CORPORATION and Subsidiaries
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	2021		2020	
		Amount	%	Amount	%
NET REVENUE	IV、VI(XXIV)、VII	\$ 5,824,838	100	\$ 6,043,700	100
OPERATING COSTS	IV、VI(IV)	3,928,723	67	3,999,778	66
GROSS PROFIT		1,896,115	33	2,043,922	34
OPERATING EXPENSES					
Marketing		694,919	12	731,548	12
General and administrative		327,060	6	323,988	6
Research and development		9,769	-	8,492	-
Expected credit loss on trade receivables		(1,238)	-	4,983	-
Total operating expenses		1,030,510	18	1,069,011	18
INCOME FROM OPERATIONS		865,605	15	974,911	16
NON-OPERATING INCOME AND EXPENSES	IV				
Interest income		13,472	-	19,665	-
Other income	VI(XXV)	11,092	-	10,337	-
Other gains and losses	VI(XXVI)、VII	59,071	1	(19,160)	-
Finance costs	VI(XXVII)	(14,334)	-	(14,317)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	VI(VIII)	(8,902)	-	(27,153)	(1)
Impairment loss	VI(VIII)、VI(IX)、VI(XI)	(8,808)	-	(2,993)	-
Total non-operating income		51,591	1	(33,621)	(1)
PROFIT BEFORE INCOME TAX		917,196	16	941,290	15
INCOME TAX EXPENSE	IV、VI(XIX)	(220,166)	(4)	(247,369)	(4)
NET PROFIT FOR THE YEAR		697,030	12	693,921	11
OTHER COMPREHENSIVE INCOME (LOSS)	IV				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		(32,532)	-	(2,528)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		81,098	1	(6,720)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		48,566	1	(9,248)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations		(256,023)	(5)	(192,609)	(3)
Share of the other comprehensive income (loss) of associates accounted for using the equity method		(980)	-	(4,829)	-
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
		(257,003)	(5)	(197,438)	(3)
Other comprehensive income (loss) for the year, net of income tax		(208,437)	(4)	(206,686)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 488,593	8	\$ 487,235	8
Net profit attributable to:					
Parent company shareholders		\$ 447,878		\$ 429,096	
Non-controlling interests		249,152		264,825	
Net income		\$ 697,030		\$ 693,921	
Total comprehensive income attributable to:					
Parent company shareholders		\$ 375,729		\$ 305,045	
Non-controlling interests		112,864		182,190	
Total comprehensive income		\$ 488,593		\$ 487,235	
EARNINGS PER SHARE	IV、IV(XXII)				
Basic		\$ 1.88		\$ 1.81	
Diluted		\$ 1.88		\$ 1.81	

The accompanying notes are an integral part of the consolidated financial statements.
(With PKF Taiwan auditors' report dated March 30, 2022)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

The accompanying notes are an integral part of the consolidated financial statements.
(With PKF Taiwan auditors' report dated March 30, 2022)

VE WONG CORPORATION and Subsidiaries
**CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before income tax	\$ 917,196	\$ 941,290
Adjustments for :		
Depreciation expense	131,056	147,668
Amortization expense	8,159	14,682
(Reversal of allowance) Expected credit loss on trade receivables	(1,238)	4,983
Net defined benefit liabilities	(48,725)	(32,350)
Reversal of allowance for inventory market price decline	(1,875)	(6,684)
Loss on Inventory scrap	5,066	13,296
Loss on disposal of property, plant and equipment	124	2,978
Impairment loss	8,808	2,993
Profit on fair value change of financial assets at fair value through profit or loss	(6,573)	(7,219)
Share of profit of associates accounted for using the equity method	8,902	27,153
Finance costs	14,334	14,317
Interest income	(13,472)	(19,665)
Dividend income	(11,092)	(10,337)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	(22,089)	60,040
Decrease (increase) in trade receivables	(3,863)	11,476
Decrease in prepayments and other current assets	30,587	29,883
Decrease (increase) in inventories	(24,714)	220,304
Increase (decrease) in notes payable and trade payable	206,811	(113,847)
Increase (decrease) in other payables	41,445	(24,810)
Decrease in deferred income	(500)	(500)
Decrease in other current liabilities	(13,963)	(4,308)
Cash generated from operations	1,224,384	1,271,343
Interest received	10,685	23,761
Dividends and other dividends received	11,092	11,280
Income tax received	19,513	10
Interest paid	(14,242)	(14,454)
Income tax paid	(286,362)	(207,466)
Net cash generated from operating activities	965,070	1,084,474
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from disposal financial assets at fair value through profit or loss	51,468	-
Decrease in financial assets measured at amortized cost	38,589	113,245
Increase in other financial assets	(285,183)	(314,022)
Acquisition of property, plant and equipment	(66,555)	(32,824)
Disposal of property, plant, and equipment	158	224
Increase in prepaid equipment purchase	(45,235)	(50,682)
Increase in refundable deposit	(6,125)	(2,064)
Increase in other noncurrent assets	(10,639)	(12,266)
Net cash used in investing activities	(323,522)	(298,389)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase (decrease) in short-term borrowings	140,000	(80,000)
Payment of the principal portion of lease liabilities	(17,034)	(14,514)
Increase (decrease) in other noncurrent liabilities	(343)	496
Dividends paid	(261,477)	(237,706)
Subsidiary paid cash dividends to non-controlling interests	(288,078)	(243,276)
Net cash used in financing activities	(426,932)	(575,000)
Effect of foreign exchange rate change	(213,154)	(159,694)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,462	51,391
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,569,035	1,517,644
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 1,570,497	\$ 1,569,035

The accompanying notes are an integral part of the consolidated financial statements. (With PKF Taiwan auditors' report dated March 30, 2022)

VE WONG CORPORATION and Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

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

I. GENERAL

VE WONG CORPORATION (the "Company"), was formerly known as "China Yeast Industry Co., Ltd.", was incorporated in April, 1959 in accordance with the Company Law and other relevant laws and regulations. It was renamed "VE WONG CORPORATION" in May 1979. The main business of the company is the production and sales of monosodium glutamate, soy sauce, instant noodles, canned food and beverages, as well as residential and building development, leasing and sales, industrial plant development, leasing and sales, investment and construction of public construction, and import of foreign tobacco, alcohol and beverages. The Company's shares have been listed and traded on the Taiwan Stock Exchange since 1963.

For the main operating activities and operating segments information of the Company and its subsidiaries (the consolidated company), please refer to Notes IV and XIV.

II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 30, 2022.

III. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

New standards, interpretations and amendments endorsed by FSC effective since 2021 are as follows :

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 4 "Temporary exemption for delayed application of IFRS 9"	January 1, 2021
Amendments to, IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendments to, IFRS 16-Related Discussions with COVID-19 after June 30, 2021	April 1, 2021

The above-mentioned amendments to IFRS 16 "Related Discussions with COVID-19 after June 30, 2021" can be applied in advance of January 1, 2021. The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

(II) Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2022

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2021
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	April 1, 2022
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	January 1, 2022

(III) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

As of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the consolidated company completes the evaluation.

IV. Summary of Significant Accounting Policies

The summary of the significant accounting policies adopted by the consolidated financial statements is described as follows :

(I) Statement of compliance

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

(III) Basis of consolidation

1. Principle for the preparation of consolidated financial statements

Control is achieved when the company is exposed to variable remuneration from the participation of the invests or has rights to such variable remuneration, and has the ability to influence such remuneration through its power over the investee. In particular, the company only controls the investor when the company has the following 3 control elements:

- (1) The power over the investee (that is, the existing right that gives him the current ability to lead relevant activities)
- (2) Risks or rights, from variable remuneration for the participation of the investee, and
- (3) The ability to use its power over the invested to affect the amount of investee compensation

When the company directly or indirectly holds less than a majority of the voting rights or similar rights of the investor, the company considers all relevant facts and circumstances to assess whether it has power over the investee, including:

- (1) Contract agreement with other voting rights holders of the investee
- (2) Rights arising from other contractual agreements
- (3) Voting rights and potential voting rights

When the facts and circumstances show that one or more of the 3 control elements has changed, the company will reassess whether it still controls the investee.

The consolidated financial statement includes the financial statements of the company and the entities (subsidiaries) controlled by the company. The financial statements of the subsidiaries shall

be included in the consolidated statements from the date when they obtain control, and until the date when they no longer have control.

The financial statements of the subsidiaries have been appropriately adjusted in material respects to make their accounting policies consistent with the accounting policies used by the company.

The major transactions, balances, income, and expenses and losses between the various entities of the consolidated company have been completely eliminated at the time of consolidated.

If the consolidated company loses control of a subsidiary, then

- (1) Derecognise assets (including goodwill) and liabilities of subsidiaries
- (2) Derecognise the book amount of any non-controlling interests
- (3) Recognise the fair value of the consideration received, if any
- (4) Recognise any investment retained in the former subsidiary at its fair value
- (5) Recognise any profit or loss as current profit and loss
- (6) Reclassification of the parent company previously recognized in other comprehensive profit and loss items as current profit and loss

2. The subsidiaries included in the consolidated financial statements

The preparation subject of consolidated financial statements of 2021 and 2020, including these entities as follows, The company, The World Champion Co., Ltd., Sammi Industrial Co., Ltd., Saigon Ve Wong Co., Ltd., Thai Fermentation Industry Co., Ltd. (including Champion Fermentation Co., Ltd.), Samoan Ve Wong International Ltd., Tai Ve Corporation, Samoa Best Founder Corporation, and Green TFL Co., Ltd.

The detail information of subsidiaries at the end of reporting period was as follows :

Name of subsidiary	Nature of business	Shareholding ratio		Whether to be included in the consolidated establishment	
		12.31.2021	12.31.2020	2021	2020
The World Champion Co., Ltd.	Sales of canned food and beverages, etc.	99.99%	99.99%	Yea	Yea
Sammi Industrial Co., Ltd.	Printing, manufacturing and trading of packaging materials and containers	100.00%	100.00%	Yea	Yea
Saigon Ve Wong Co., Ltd.	Manufacturing and sales of MSG and instant noodles	100.00%	100.00%	Yea	Yea
Thai Fermentation Industry Co., Ltd.	Manufacturing and sales of MSG	48.66%	48.66%	Yea (note1)	Yea (note1)
Champion Fermentation Co., Ltd.	Manufacturing and sales of MSG	48.66%	48.66%	Yea (note2)	Yea (note2)
Samoan Ve Wong International Ltd	General investment	100.00%	100.00%	Yea	Yea
Tai Ve Corporation	Residential and building development, lease and sale	100.00%	100.00%	Yea	Yea
Samoa Best Founder Corporation	General investment	100.00%	100.00%	Yea	Yea
Green TFL Co., Ltd.	Bean processed food manufacturing	70.00%	70.00%	Yea	Yea

Note 1: Thai Fermentation Industry Co., Ltd., whose direct and indirect shareholding percentage does not exceed 50%, are appointed by the Company as its general manager, so it is included in the consolidated entity.

Note 2: Champion Fermentation Co., Ltd., after the reorganization in 2016 and the acquisition of the remaining 51% non-controlling interests by Thai Fermentation Industry Co., Ltd., Champion Fermentation Co., Ltd. became the sub-subsidiary of the Company.

3.The subsidiaries that are not included in the consolidated financial statements:
Shareholding ratio

Name of investment company	Name of subsidiary	Nature of business	12.31.2021	12.31.2020	Remarks
Thai Fermentation Industry Co., Ltd.	K.S.L.IT Center Co., Ltd.	Technology Information Management	50.00%	50.00%	The total assets are not yet significant and there is no significant operating income
Thai Fermentation Industry Co., Ltd.	TFI Green Biotech Company Limited	Classification of organic fertilizers	50.00%	50.00%	The total assets are not yet significant and there is no significant operating income

4.Subsidiaries with significant non-controlling interests in the consolidated company

The total amount of non-controlling interests of the consolidated company as of December 31, 2021 and 2020 were \$981,747 and \$1,156,961, respectively. The information of significant non-controlling interests and subsidiaries are as follows :

Name of subsidiary	Main place of business	non-controlling interests		non-controlling interests	
		12.31.2021	12.31.2020	12.31.2021	12.31.2020
		Amount	Shareholding ratio	Amount	Shareholding ratio
Thai Fermentation Industry Co., Ltd.	Thailand	\$ 970,174	51.34%	\$ 1,145,234	51.34%

Aggregate financial information of subsidiaries:
Balance sheet

	Thai Fermentation Industry Co., Ltd.	
	12.31.2021	12.31.2020
Current assets	\$ 2,030,958	\$ 2,177,519
Noncurrent assets	395,166	430,152
Current liabilities	(437,912)	(289,219)
Noncurrent liabilities	(88,584)	(79,720)
Total net assets	\$ 1,899,628	\$ 2,238,732

Statements of comprehensive income

	Thai Fermentation Industry Co., Ltd.	
	2021	2020
Revenue	\$ 2,507,635	\$ 2,703,235
Profit before income tax	605,248	668,495
Income tax expense	(117,694)	(132,991)
Net income	487,554	535,504
Net profit attributable to non-controlling interests	(251,032)	(282,433)
Net profit for the year	236,522	253,071
Other comprehensive income (loss) for the year, net of income tax	(265,493)	(160,968)
Total comprehensive income for the year	\$ 222,061	\$ 374,536
Total comprehensive profit and loss attributable to non-controlling interests	\$ 114,739	\$ 199,798
Paid cash dividends to non-controlling interests	\$ 288,078	\$ 243,276

Cash flows

	Thai Fermentation Industry Co., Ltd.	
	2021	2020
Net cash generated from operating activities	\$ 708,684	\$ 681,745
Net cash generated from investing activities	59,143	10,436
(Next)		

(continued)		
Net cash used in financing activities	(567,465)	(494,253)
Effect of foreign exchange rate change	(188,329)	(121,554)
Net increase in cash and cash equivalents	12,033	76,374
Cash and cash equivalents at the beginning of the year	1,042,921	966,547
Cash and cash equivalents at the end of the year	<u>\$ 1,054,954</u>	<u>\$ 1,042,921</u>

5. In the third quarter of 2016, the subsidiary Thai Fermentation Industry Co., Ltd., which is included in the consolidated statement, acquired 200,000 ordinary shares of Champion Fermentation Co., Ltd. at 1,300 Baht per share (due to local laws and regulations in Thailand, out of which 5 shares are the equity is registered under the name of a natural person, and the registered equity of Thai Fermentation Industry Co., Ltd. is 199,995 shares). After the reorganization, Champion Fermentation Co., Ltd. became the sub-subsidiary of the Company, and the Company still has control.

(IV) Classification of assets and liabilities as current and non-current

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within 12 months from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within 12 months from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

(V) Foreign currency

Items include in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the company, The World Champion Co., Ltd., Summit Industrial Co., Ltd., Tai Ve Corporation and Green TFL Co., Ltd. is NTD, and the functional currency of Saigon Ve Wong Co., Ltd. is VND, The functional currency of Thai Fermentation Industry Co., Ltd. and Champion Fermentation Co., Ltd. is Baht, and the functional currency of Samoa Ve Wong International Ltd. and Samoa Best Founder Corporation is USD. When preparing consolidated financial statements, the operating results and financial status of each consolidated entity are converted into New Taiwan dollars.

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into NT\$ using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

(VI) Cash and cash equivalent

Cash and cash equivalent include cash reserves, and current deposit balance, and the Bank deposits of which the principal maturity is under 3 months, and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value.

(VII) Inventory

Inventories are recorded at cost and calculated using the weighted average method. When calculating product costs, variable manufacturing expenses are amortized based on actual output, and fixed manufacturing expenses are amortized based on the normal production capacity of production equipment. However, when the actual output is not much different from the normal output, it can also be amortized. According to the actual output; if the actual output is abnormally higher than the normal capacity, it will be allocated according to the actual output.

Inventories are measured at the lower of cost or net realizable value. Net realizable value refers to the estimated selling price, minus the estimated cost to be completed and the estimated cost required to complete the sale. When the comparative cost and the net realizable value are lower, the comparison is made item by item. If the net realizable value of the finished product is expected to be equal to or higher than the cost, the raw materials used for the production of the finished product will not be offset below the cost. When the price of the raw materials drops and the cost of the finished product exceeds the net realizable value, The raw material is reduced to the net realizable value. The amount of inventory reduced from cost to net realizable value is recognized as cost of goods sold, and the net realizable value of inventory is re-measured in each subsequent period. If the previous factors that caused the net realizable value of inventory to be lower than the cost have disappeared, there may be evidence When the net realizable value increases due to changes in economic conditions, the increase in the net realizable value of inventories is reversed within the scope of the original write-off amount and recognized as the decrease in the cost of goods sold for the current year.

(VIII) Investments accounted for using equity method

The consolidated company uses the equity method to account for its investments in associates. Financial statements of associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company. In any case, the difference between the end of the reporting period of the financial statements of associates and the Company shall not exceed 3 months. The main business of some associates is the sugar industry or its related industries. Due to industry characteristics (climate and harvest period and other factors), according to local business habits and accounting practices, their financial reporting period is based on the November system (that is, the accounting period is from November 1 of the current year to October 31 of the following year), but the difference from the end of the reporting period of the company's financial statements does not exceed 3 months.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the consolidated company's share of the profit or loss and other comprehensive income of the associate. An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. The consolidated company also recognizes the changes in the consolidated company's share of the equity of associates attributable in the consolidated company. When the consolidated company's share of losses of an associate equals or exceeds its interest in that associate, the consolidated company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the consolidated company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the consolidated company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the consolidated company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the consolidated company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The consolidated company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the consolidated company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities.

When the consolidated company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the consolidated financial statements only to the extent of interest in the associate that are not related to the consolidated company.

(IX) Property, plant and equipment

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less accumulated depreciation and any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified in the appropriate categories of property, plant and equipment when completed and ready for intended use.

For the original cost of some property on January 1, 2012 (the date of conversion to IFRS), the cost was determined based on the application of IFRS No. 1 exemption requirements.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method mainly over the following estimated useful lives: buildings - 15 to 55 years; machinery and equipment - 5 to 15 years; and Transportation Equipment 5 to 10 years; Miscellaneous equipment 3 to 8 years; Other equipment 3 to 12 years; Idled Assets 8 to 27 years. When the main components of property, plant and equipment have different service life, they are treated as separate items. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(X) Leases

If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is a lease or includes a lease

Lessor

The lessor classifies each lease as an operating lease or a finance lease. A lease that transfers almost all the risks and rewards attached to the ownership of the underlying asset is a financial lease; if a lease does not transfer almost all the risks and rewards attached to the ownership of the underlying asset, it is an operating lease.

If it is an operating lease, the lessor recognizes the lease payments as income on a straight-line basis, but if other systematic basis is more representative of the form of reduced use efficiency of the underlying asset, this basis applies. If it is a financial lease, the lessor shall recognize the financial lease receivables and the unearned financial income of the financial lease on the lease start date, and adopt a systematic and reasonable basis to allocate the financial income to the lease period, so that each period of the lease period has a fixed rate of return.

Lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease. The right-of-use asset is measured at cost, and the lease liability is based on the present value of the lease payment not yet paid on that date.

The right-of-use asset shall be depreciated, and its depreciation period shall be the earlier of the period from the beginning of the lease to the end of the useful life of the right-of-use asset or the expiration of the lease term; However, if the lessee will acquire the ownership of the leased asset at the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of the purchase option, the depreciation period is from the lease start date to the end of the useful life of the underlying asset.

Lease liabilities use the effective interest rate method to calculate interest expenses, so that the interest rate of each period calculated based on the lease liability balance is fixed. Lease payments are used to pay interest and reduce lease liabilities. The interest on lease liabilities is recognized in profit or loss

(XI) Investment properties

If the consolidated company's property is not for sale at the end of the reporting period, nor is it used for the production or provision of goods or services, or for management purposes, it is classified as investment properties.

An investment property is stated initially at its cost and measured subsequently using the cost model. For the original cost of investment properties on January 1, 2012 (the date of conversion to IFRS), the exemption provisions of IFRS No. 1 were selected and the cost was determined. Buildings on investment property are computed using the straight-line method mainly over the

following estimated useful lives of 5 to 27 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

(XII) Intangible Assets

1. Goodwill

The consolidated company chose to apply the exemption provisions of IFRS 1 for business combinations that occurred before January 1, 2012 (the date of transition to IFRS). Therefore, for the amount of goodwill generated by business combinations before that date, it is presented based on the amount recognized by the generally accepted accounting principles before adopted the IFRS. At the time of initial recognition, it is recognized as an asset at the original cost, and it will not be amortized in the subsequent period. It is measured by cost less accumulated impairment.

2. Other intangible assets

Other separately acquired intangible assets with a limited useful life are presented at cost minus accumulated amortization and accumulated impairment. The amortization amount is calculated on the basis of the 3 year service life based on the straight-line method. The estimated service life and amortization method are reviewed at the end of the reporting period. If there is any change in the estimate, the impact will be postponed and adjusted.

(XIII) Impairment of asset

At the end of each reporting period, the consolidated company reviews the carrying amounts of its assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is evaluated based on the present value of estimated future cash flows, discounted at the current market-determined rate, and certain risk assumptions which impact future cash flows.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

Goodwill shall be tested for impairment regularly every year, and the impairment loss shall be recognized in the profit and loss of the current year and shall not be reversed in subsequent periods.

(XIV) Financial instruments

Financial assets and financial liabilities are recognized only when the company becomes a party to the contractual terms of financial instruments. At the time of initial recognition, it should be measured at fair value. If it is not a financial asset or financial liability that is measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition or the issuance of the financial asset or financial liability should be added or subtracted. However, accounts receivable that do not contain a significant financial component should be measured as the transaction price when initially recognized.

Financial assets are only delisted when one of the following conditions is met : (1) Invalidation of contractual rights from cash flow of financial assets ; (2) Almost all risks and rewards of transferring ownership of financial assets, or almost all risks and rewards of ownership of the financial assets are neither transferred nor retained, and control of the financial assets is not retained.

For financial products with an active market, the fair value is based on the publicly quoted prices in the active market; for financial products without an active market, the fair value is estimated by the evaluation method.

The recognition and delisting of conventional transaction financial assets are based on the transaction day accounting treatment.

1. Financial assets

Financial assets are based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets. Financial assets held by the Company are classified into measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

Measured at amortized cost

If a financial asset meets the following two conditions at the same time, it will be measured at the amortized cost :

- a. Financial assets are held under a certain business model. The purpose of this model is to hold financial assets to collect contractual cash flows.
- b. The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

For financial assets measured at amortized cost, their benefits or losses are recognized in profit and loss, but if they are part of a hedging relationship, they are treated as hedging accounting.

Interest income is calculated using the effective interest method.

At fair value through other comprehensive income

If a financial asset meets the following two conditions at the same time, it will be measured at fair value through other comprehensive income :

- a. Financial assets are held under a certain business model whose purpose is achieved by collecting contractual cash flows and selling financial assets ; and
- b. The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Benefits or losses are recognized in other comprehensive profit and loss, except for derogation benefits or losses and foreign currency exchange gains and losses. When assets are delisted, the accumulated benefits or losses listed in other comprehensive profit and loss are reclassified from equity to profit and loss.

If the investment in a specific equity instrument that should be measured at fair value through profit and loss is not held for trading, nor is it a contingent consideration recognized in a business combination, an irrevocable choice can be made at the time of initial recognition and its subsequent fairness Changes in value are reported in other comprehensive income. In this case, the profit or loss is recognized in other comprehensive profits and losses, but dividends that are not investment cost recovery are included in the profits and losses. When assets are delisted, the accumulated benefits or losses listed in the other comprehensive profit and loss shall not be reclassified to profit and loss.

Measured at fair value through profit and loss

Financial assets are all measured at fair value through profit and loss, except when measured at amortized cost or at fair value through other comprehensive profits and losses.

At the time of initial recognition, financial assets can be irrevocably designated as measured at fair value through profit and loss to eliminate or significantly reduce. If not designated, it will be measured by using different basis to measure assets or liabilities or recognizing its benefits and losses. Or the recognition is inconsistent.

The benefit or loss is recognized in the profit and loss, but if it is part of the hedging relationship, it shall be treated as hedging accounting.

2. Financial liabilities

Financial liabilities shall be classified as measured at amortized cost, except for derivatives that do not comply with hedging accounting, designated as measured at fair value through profit and loss, and contingent consideration in a business combination that shall be classified as

measured at fair value through profit or loss. Measured, except for financial liabilities that are not in compliance with delisted transfers or continuous participation in transferring assets, financial guarantee contracts, and commitments to provide loans at lower than market interest rates.

3. Impairment

Financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive gains and losses, contract assets and loan commitments under applicable impairment regulations, and financial guarantee contracts to measure impairment based on the expected credit loss model. If the credit risk of a financial instrument has increased significantly since its initial recognition, the allowable loss is measured in the amount of expected credit loss during the duration of each reporting day ; If the credit risk of a financial instrument has not increased significantly since the initial recognition, the 12-month expected credit loss amount will be used to measure the allowable loss on the reporting date. However, the company's impact on transactions within the scope of IFRS 15 For accounts receivable or contract assets that do not contain significant financial components, the simplified method is adopted to measure the allowable loss based on the expected credit loss amount during the duration.

(XV) Reserve for liabilities

The reserve for liabilities shall be recognized when the consolidated company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(XVI) Employee benefits

Payments to the defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as an employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. °

(XVII) Government Grants

Government grants are recognized only when it is reasonably certain that the consolidated company will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government grants are recognized in the profit and loss on a systematic basis during the period when the related costs that they intend to compensate are recognized as expenses by the consolidated company. Government grants that are conditional on the acquisition, construction or other means of acquisition of non-current assets of the consolidated company are recognized as deferred income and transferred to profit and loss during the useful life of the relevant assets at a reasonable and systematic basis.

If the government grants are used to compensate for expenses or losses that have occurred, or is for the purpose of providing immediate financial support to the consolidated company and there is no future related costs, it is recognized in the profit and loss during the period when it can be received.

(XVIII) Revenue Recognition

Revenue is measured by the expected consideration in which the consolidated company has the right to acquire from the product transfer or labor service.

The consolidated company recognizes revenue from contracts with customers by applying the following steps:

- (1) Identify the contract with a customer;
- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognize revenue when (or as) the entity satisfies its performance obligations.

The consolidated company provides goods in accordance with the contract, recognizes revenue when meeting performance obligations, and usually meets performance obligations when transferring goods. The revenue generated by the provision of labor services in accordance with the contract is recognized, according to the degree of completion of the contract (output method or input method).

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Before the customer pays the consideration or before the payment can be received from the customer, the contract has been performed by transferring goods or services to the customer, and the performance amount is recognized as a contract asset. However, if there is an unconditional right to the consideration of the contract and it can be collected from the customer only after time has passed, the performance amount shall be recognized as a receivable.

The consideration received from customers prior to the Company having satisfied its performance obligations are accounted for as contract liabilities.

(XIX) Non-operating income

Dividends

Revenue is recognized when the Company's right to receive the dividends is established, which is generally when stockholders approve the dividend.

Interest income

Interest income is recorded using the effective interest method and recognized in profit or loss.

(XX) Income tax

The income tax consists of current income tax and deferred income tax. The current income tax and deferred income tax shall be recognized in profit or loss, other than the income tax related to combined entities, and items stated into other comprehensive income or stated into equity directly.

The current income tax includes the projected income tax payable or tax refund receivable based on the current taxable income (loss), and the adjustment of income tax payable or tax refund receivable in the previous years. The amount refers to the best estimates of the expected payables or receivables measured on the basis of the statutory tax rate or tax rate substantially enacted on the reporting date. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(XXI) Earnings per share

Basic earnings per share is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the current reporting period. The diluted EPS is calculated upon the adjustment of the effect of all potential diluted common stocks based on the income vested in the common stockholders and the number of shares of the weighted average outstanding common stock.

(XXII) Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as an expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(XXIII) Operating segments information

An operating segment is a component of an entity, that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). Whose operating results are regularly

reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the consolidated company's accounting policies, management is required to make judgments, estimates and assumptions based on historical experience and other factors that are considered to be relevant about the related information that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets or liabilities within the next fiscal year are discussed below.

(I) Revenue recognition

In principle, sales revenue is recognized when the profit-making process is completed. The withdrawal of related returns and discounts is based on historical experience and consideration of different contract conditions to estimate possible sales returns and discounts when the product is sold. The current period is recognized as deductions and refund liabilities of sales revenue (other payables and other current liabilities are accounted for), and the consolidated company regularly reviews the reasonableness of the estimates.

(II) Asset impairment assessment (except goodwill)

In the process of asset impairment assessment, the consolidated company needs to rely on subjective judgments, including identifying cash-generating units and determining the recoverable amount of cash-generating units based on asset usage patterns and industrial characteristics. Any estimates brought about by changes in economic conditions or company strategies Changes may cause significant impairment in the future.

(III) Goodwill impairment assessment

The assessment process of goodwill impairment relies on the subjective judgment of the consolidated company, including identifying the cash-generating unit, allocating assets and liabilities to the relevant cash-generating unit, allocating goodwill to the relevant cash-generating unit, and determining the recoverable amount of the relevant cash-generating unit.

(IV) Investment using the equity method impairment assessment

When there is an indication of impairment that the investment using equity method may have been impaired and the book value may not be recoverable, the consolidated company immediately conducts an impairment assessment on the investment. The management of the consolidated company assesses the impairment based on the operating conditions and future cash flow forecasts of the investee company, including the sales growth rate and capacity utilization rate estimated by the internal management of the investee company. The amalgamating company will also consider relevant market and industry profiles to determine the reasonableness of its underlying assumptions.

(V) Income tax

The uncertainty of income tax lies in the interpretation of complex tax regulations, the amount of taxable income generated in the future, the difference between the actual results and the assumptions made, or the changes in these assumptions in the future, which may lead to the recorded income Income tax benefits and expenses will be adjusted in the future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible

tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

As of December 31, 2021 and 2020, the carrying amount of deferred income tax assets was \$37,181 and \$41,109, respectively.

(VI) Net defined benefit liability

When calculating and determining the present value of employee benefit obligations, the consolidated company must use judgments and estimates to determine the relevant actuarial assumptions at the end of the financial reporting period, including the discount rate and the expected rate of return of the planned assets. Any change in actuarial assumptions may significantly affect the amount of the consolidated company's determined benefit obligations.

As of December 31, 2021 and 2020, the carrying amount of Net defined benefit liability was \$284,805 and \$300,998, respectively.

(VII) Estimated impairment of financial assets

The consolidated company adopts IFRS 9 to recognize the allowable loss of accounts receivable (including notes receivable and accounts receivable) based on the expected credit loss during the duration. The expected credit loss during the duration is based on historical experience and individual considerations. The financial status of customers and their industries and forward-looking information will be estimated and adjusted. If the expected cash received in the future is different from the original estimate, the difference will affect the book value of the receivables and allowance for losses in the year when the estimate is changed.

The consolidated company holds financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive gains and losses. Among them, the fair value measurement of the stocks of unlisted companies without an active market involves multiple assumptions. Including the used evaluation methods, decisions of comparable companies, price-to-earnings ratios and liquidity discounts, etc., subject to subjective judgment and high uncertainty, and the results of their measurement have an impact on financial statements.

As of December 31 2021 and 2020, the book value of notes and accounts receivable was \$463,708 (after deducting allowance for impairment loss of \$6,753) and \$435,859 (after deducting allowance for impairment loss of \$8,650).

In 2021 and 2020, the consolidated company recognized the financial asset evaluation benefits of stocks of unlisted companies with no active market was \$3,786 and \$3,140, respectively.

VI. Description of significant accounting items

(I) Cash and cash equivalent

	As at December 31,	
	2021	2020
Cash	\$ 1,292	\$ 1,529
Checking deposits	48,940	42,455
Demand deposits	135,047	158,271
Foreign currency deposits	1,344,342	1,089,969
Fixed deposit no more than 3 months	40,876	276,811
Total	\$ 1,570,497	\$ 1,569,035

1. The consolidated company did not pledge any cash and cash equivalents as collateral.

2. The market rate intervals of fixed deposit at the end of the reporting period were as follows :

	As at December 31,	
	2021	2020
Fixed deposit no more than 3 months	0.125%-0.50%	0.40%-1.50%

(II) Financial assets at fair value through profit or loss-noncurrent

	As at December 31,	
	2021	2020
Mutual funds	\$ -	\$ 37,676
Unlisted stocks	-	-
Subtotal	-	37,676
Valuation adjustment	-	7,219
Total	\$ -	\$ 44,895

The consolidated company disposed of the above-listed funds in 2021, resulting in realized appraisal benefits of \$6,573. Please refer to Note VI (XXVI).

(III) Financial assets measured at amortized cost -current assets

	As at December 31,	
	2021	2020
<u>Current assets</u>		
Fixed deposit -more than 3 months within 1 year	\$ 312,227	\$ 375,928
Mutual funds- more than 3 months within 1 year	38,963	26,764
Subtotal of current assets	351,190	402,692
<u>Noncurrent assets</u>		
Government Bonds- more than 1 year	8,341	9,553
Mutual funds-- more than 1 year	40,705	26,580
Subtotal of noncurrent assets	49,046	36,133
Total	\$ 400,236	\$ 438,825

	As at December 31,	
	2021	2020
<u>Market rate</u>		
Fixed deposit -more than 3 months within 1 year	0.27%-3.9%	0.39%-6.2%
Mutual funds- more than 3 months within 1 year	3.9%-6.1%	0.60%-4.0%
Government Bonds- more than 1 year	4.5%	4.5%
Mutual funds-- more than 1 year	5.15%-6.75%	6.1%

(IV) Notes and accounts receivable, net

	As at December 31,	
	2021	2020
<u>Notes receivable</u>	\$ 134,682	\$ 112,593
<u>Accounts receivable</u>	\$ 335,779	\$ 331,916
Less: allowance for impairment loss	(6,753)	(8,650)
Net accounts receivable	\$ 329,026	\$ 323,266

The consolidated company's average credit period for account receivables arising from the sale of goods is 90 days, and notes and accounts receivable are non-interest-bearing.

The consolidated company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experiences of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current direction of economic conditions at the reporting date. As of December 31, 2021 and 2020, the analysis of the consolidated company's expected credit losses on the notes and accounts receivable is as follows:

The ageing analysis of unimpaired receivables is as follows :

As at December 31, 2021			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 206,413	–	\$ –
Overdue within 90 days	–	–	–
Overdue for 91~180 days	3	–	–
Overdue over 181 days	–	–	–
Total	<u>\$ 206,416</u>		<u>\$ –</u>

As at December 31, 2020			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 221,958	–	\$ –
Overdue within 90 days	837	–	–
Overdue for 91~180 days	54	–	–
Overdue over 181 days	7	–	–
Total	<u>\$ 222,856</u>		<u>\$ –</u>

The analysis of the consolidated company's expected credit losses on the notes and accounts receivable is as follows:

As at December 31, 2021			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 259,267	1.00%	\$ 2,593
Overdue within 90 days	681	10.00%	68
Overdue for 91~180 days	10	50.00%	5
Overdue over 181 days	4,087	100.00%	4,087
Total	<u>\$ 264,045</u>		<u>\$ 6,753</u>

As at December 31, 2020			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 214,894	1.00%	\$ 2,149
Overdue within 90 days	285	10.00%	29
Overdue for 91~180 days	3	50.00%	1
Overdue over 181 days	6,471	100.00%	6,471
Total	<u>\$ 221,653</u>		<u>\$ 8,650</u>

The statement of changes in the impairment loss allowance for the notes and accounts receivable of the consolidated company is as follows:

	For the years ended December 31,	
	2021	2020
Beginning balance	\$ 8,650	\$ 5,312
Recognized impairment loss (reversal)	(1,745)	3,623
Effect of foreign exchange rate change	(152)	(285)
Ending balance	<u>\$ 6,753</u>	<u>\$ 8,650</u>

Regardless of other credit enhancements, the notes receivable that best represent the consolidated company's credit risk exposures as of December 31, 2021 and 2020 was \$134,682 and \$112,593, respectively; the most representative of the consolidated company the maximum amount of credit risk exposure of accounts receivable as of December 31, 2021 and 2020 were \$329,026 and \$323,266, respectively.

(V) Inventory

	As at December 31,	
	2021	2020
Raw materials	\$ 426,212	\$ 343,544
Supplies	49,405	58,413
Work in progress	313,479	607,466
Finished goods	470,599	382,342
Goods in transit	193,371	41,653
Total	1,453,066	1,433,418
Less: Allowance to reduce inventory to market	(3,462)	(5,337)
Net	<u>\$ 1,449,604</u>	<u>\$ 1,428,081</u>

The cost of inventories recognized as expense for the year :

	For the years ended December 31,	
	2021	2020
Cost of goods sold	\$ 3,895,424	\$ 3,963,679
Loss on discarding of inventory	5,066	13,296
Reversal of allowance for inventory market price decline	(1,875)	(6,684)
Income from sale of scraps	(4,049)	(3,812)
Subtotal	<u>(858)</u>	<u>2,800</u>
Rental cost	34,157	33,299
Total	<u>\$ 3,928,723</u>	<u>\$ 3,999,778</u>

The reversal of net realizable value and the decrease of the cost of goods sold were recognized due to the disposal of certain inventories, which were previously provided with an allowance for the price decline.

(VI) Financial assets at fair value through other comprehensive income-noncurrent

	As at December 31,	
	2021	2020
Listed stocks	\$ 100,543	\$ 100,543
Unlisted stocks	49,026	49,026
Subtotal	149,569	149,569
Valuation adjustment	165,713	84,615
Total	<u>\$ 315,282</u>	<u>\$ 234,184</u>

(VII) Other financial assets-noncurrent

	As at December 31,	
	2021	2020
Bank- special account for repatriation of overseas funds (Note)	\$ 580,354	\$ 300,560
Bank-restricted	12,679	11,367
Stimulus voucher	6,931	2,854
Total	<u>\$ 599,964</u>	<u>\$ 314,781</u>

Note : It is a special foreign exchange deposit account of the overseas fund repatriation management and taxation regulations applicable to the consolidated company's allocation of overseas dividend income, which is dedicated to investment planning expenditures.

(VIII) Investments accounted for using equity method

Name	Number of thousand shares	Book value	Percentage held
<u>As at December 31, 2021</u>			
<u>Investments in associates</u>			
<u>Unlisted companies :</u>			
PT Ve Wong Budi Indonesia	64	\$ -	49.00
Koh Kong Plantation Co., Ltd.	-	7,574	20.00
Koh Kong Sugar Industry Co., Ltd.	-	64,108	11.98
K.S.L. IT Center Co., Ltd.	5	3,675	50.00
TFI Green Biotech Company Limited	50	12,472	50.00
Hughes Biotech. Co., Ltd.	1,125	11,151	34.62
		98,980	
		(8,808)	
Total		<u>\$ 90,172</u>	
<u>As at December 31, 2020</u>			
<u>Investments in associates</u>			
<u>Unlisted companies :</u>			
PT Ve Wong Budi Indonesia	64	\$ -	49.00
Koh Kong Plantation Co., Ltd.	-	9,048	20.00
Koh Kong Sugar Industry Co., Ltd.	-	69,319	11.98
K.S.L. IT Center Co., Ltd.	5	4,487	50.00
TFI Green Biotech Company Limited	50	14,110	50.00
Hughes Biotech. Co., Ltd.	1,125	14,188	34.62
Total		<u>\$ 111,152</u>	

1. Disclosure matters and related instructions of PT Ve Wong Budi Indonesia :

- (1) In the second half of 2006, the Company was no longer able to participate in and control or understand the operations of PT Ve Wong Budi Indonesia, and the Company has indeed lost control of PT Ve Wong Budi Indonesia.
- (2) The Company invested in PT Ve Wong Budi Indonesia may suffer losses or damages, and whether it is likely to incur contingent liabilities, after consulting with legal experts to issue an opinion that: the company's obligations are limited to the amount of capital contributed and not exceeding the shareholders' assets.
- (3) The book balance of investment in PT Ve Wong Budi Indonesia, capital loans and advances to PT Ve Wong Budi Indonesia has all been reduced to zero in 2006.
- (4) PT Ve Wong Budi Indonesia was approved by the local court to conduct statutory liquidation procedures, and the Indonesian shareholders handled the liquidation matters in August 2015.

2. In addition to the above items, the consolidated company uses equity method of investment and its share of profits and losses and other comprehensive profits and losses, including Koh Kong Plantation Co., Ltd., Koh Kong Sugar Industry Co., Ltd. and Hughes Biotech. Co., Ltd., is based on the financial statements of the investee company audited by independent Auditors' report, to calculate, recognize and disclose various financial information.
3. The World Champion Co., Ltd., a subsidiary included in the consolidated financial statements, holds the Company's stocks, because the Company follows IAS 32 「Financial Instruments: Presentation」 and treats them as treasury stocks. On December 31, 2021 and 2020, the above transactions were reclassified and offset, and were classified as treasury stocks under the owner's equity, and the amount was both \$38,464. For the relevant details of treasury stocks, please refer to Note VI (XXI) of treasury stocks in the consolidated financial statements. In addition, in accordance with the relevant accounting treatment instructions of IAS 32 "Financial Instruments: Presentation", the Company shall pay \$2,523 and \$2,294, in cash dividends to The World Champion Co., Ltd. in 2021 and 2020, and use the equity method to offset the cash dividends based on the shareholding ratio. The profit and loss share of The World Champion Co., Ltd., and the adjustment of the "capital surplus-treasury stock transaction" amounted to \$2,523 and \$2,294.
4. In 2021, the Company recognized the associated company Hughes Biotech. Co., Ltd. as impairment loss \$8,808.
5. In order to comply with Cambodian laws and regulations, the company adjusted the investment organization of Cambodia's investment in the equity method, and established a subsidiary company "Best Founder Corporation" in Samoa with 100% of the company's shares to replace the company's original investment in Cambodia. "Koh Kong Plantation Co., Ltd." investment company.
- Koh Kong Sugar Industry Co., Ltd. and Koh Kong Plantation Co., Ltd. invested by the consolidated company, intends to increase capital in 2018. The company passed a resolution of the board of directors on April 11, 2018. Approved, not participating in the capital increase. The above-mentioned associate Koh Kong Sugar Industry Co., Ltd. and Koh Kong Plantation Co., Ltd., based on the audit report of the accountant: these investee companies have ceased business on October 31, 2018, and the management of the investee company was closed in February 2019, and publicly announced plans to close business for 3 years.
- The above-mentioned associate Koh Kong Sugar Industry Co., Ltd. has increased its capital in June 2020. The Company did not subscribe for new shares, according to the shareholding ratio, which reduced the shareholding ratio to 11.98%. However, the Company's assessment results still show that Koh Kong Sugar Industry Co., Ltd. still has significant influence (the power to participate in the financial and operational policy decisions of the investee has not changed), so its investment is still treated by the equity method. In 2020, the Company did not subscribe for new shares based on the shareholding ratio, which caused the shareholding ratio to change, and consequently the net value of its investment equity changed. According to the financial statements checked by the accountant, the capital reserve was calculated and adjusted to increase by \$90,555.
- In addition, the above-mentioned associates company Koh Kong Plantation Co., Ltd., as of June 30, 2020, has processed a capital reduction to make up for its losses. After the capital reduction, the consolidated company still holds 20.00% of its investment and still has significant influence.

The financial information on the consolidated company's significant Associate is summarized as follows :

	As at December 31,	
	2021	2020
Current assets	\$ 18,397	\$ 29,293
Noncurrent assets	\$ 1,464,770	\$ 1,439,771
Current liabilities	\$ 820,764	\$ 814,971
Noncurrent liabilities	\$ 82,463	\$ 14,499
Net assets	\$ 579,940	\$ 639,594
The consolidated company's rights	\$ 74,025	\$ 92,555

	For the years ended December 31,	
	2021	2020
Revenue	\$ 124	\$ 227
Net Loss	\$ (50,887)	\$ (151,986)
Total comprehensive income	\$ (59,654)	\$ (196,606)
Total profit and loss attributable to the consolidated company	\$ (8,625)	\$ (27,341)
Total other comprehensive profit and loss attributable to the consolidated company	\$ (980)	\$ (4,829)
Total comprehensive profit and loss attributable to the consolidated company	\$ (9,605)	\$ (32,170)

(IX) Property, plant and equipment

The movement of property, plant and equipment for the years ended December 31, 2021 and 2020 were as follows :

	Land	Buildings	Machinery and equipment	Transportation Equipment	Miscellaneous equipment	Other equipment	Idled Assets	Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2020	\$ 1,600,946	\$ 1,057,349	\$ 3,280,594	\$ 222,194	\$ 60,919	\$ 38,404	\$ 703,677	\$ 389	\$ 6,964,472
Additions	-	-	24,551	2,804	628	4,688	-	153	32,824
Disposals	-	(860)	(110,293)	(657)	(807)	(1,944)	-	-	(114,561)
Transferred	-	-	11,885	-	-	-	-	(523)	11,362
Effect of foreign exchange rate change	(10,458)	(29,519)	(135,503)	(6,651)	(1,552)	(176)	-	(19)	(183,878)
Balance at December 31, 2020	1,590,488	1,026,970	3,071,234	217,690	59,188	40,972	703,677	-	6,710,219
Additions	-	3,700	48,086	1,390	2,279	848	-	10,252	66,555
Disposals	-	(588)	(30,277)	(5,798)	(1,894)	(149)	-	-	(38,706)
Transferred	-	1,139	25,997	-	-	-	-	(1,537)	25,599
Effect of foreign exchange rate change	(16,957)	(37,822)	(197,364)	(9,646)	(2,152)	(296)	-	(607)	(264,844)
Balance at December 31, 2021	\$ 1,573,531	\$ 993,399	\$ 2,917,676	\$ 203,636	\$ 57,421	\$ 41,375	\$ 703,677	\$ 8,108	\$ 6,498,823

Accumulated depreciation

Balance at January 1, 2020	\$ -	\$ 697,334	\$ 2,884,650	\$ 172,316	\$ 55,771	\$ 21,224	\$ 15,526	\$ -	\$ 3,846,821
Depreciation	-	36,372	77,538	16,139	1,233	3,632	-	-	134,914
Disposals	-	(847)	(107,385)	(632)	(767)	(1,728)	-	-	(111,359)
Effect of foreign exchange rate change	-	(25,187)	(126,610)	(5,712)	(1,537)	(127)	-	-	(159,173)
Balance at December 31, 2020	-	707,672	2,728,193	182,111	54,700	23,001	15,526	-	3,711,203

(next)

(continued)

Depreciation	-	31,370	64,547	11,997	1,236	3,833	-	-	112,983
Disposals	-	(583)	(30,118)	(5,761)	(1,816)	(146)	-	-	(38,424)
Effect of foreign exchange rate change	-	(33,283)	(188,519)	(8,540)	(2,122)	(238)	-	-	(232,702)
Balance at December 31, 2021	\$ -	\$ 705,176	\$ 2,574,103	\$ 179,807	\$ 51,998	\$ 26,450	\$ 15,526	\$ -	\$ 3,553,060

Accumulated impairment

Balance at January 1, 2020	\$ 53,045	\$ -	\$ 121	\$ -	\$ 5	\$ -	\$ 7,138	\$ -	\$ 60,309
Add (less)	(7,349)	14,190	(7)	-	7	-	-	-	6,841
Balance at December 31, 2020	45,696	14,190	114	-	12	-	7,138	-	67,150
Balance at December 31, 2021	\$ 45,696	\$ 14,190	\$ 114	\$ -	\$ 12	\$ -	\$ 7,138	\$ -	\$ 67,150

Book value

December 31, 2020	\$ 1,544,792	\$ 305,108	\$ 342,927	\$ 35,579	\$ 4,476	\$ 17,971	\$ 681,013	\$ -	\$ 2,931,866
December 31, 2021	\$ 1,527,835	\$ 274,033	\$ 343,459	\$ 23,829	\$ 5,411	\$ 14,925	\$ 681,013	\$ 8,108	\$ 2,878,613

1. The property and plant proved mortgage conditions, please refer to note VIII.

2. As of January 1, 2020, some of the consolidated company's Property, plant and equipment are based on the real estate valuation report issued by an external independent professional appraisal agency and the consolidated company's evaluation. The recoverable amount (net fair value) is less than the book value \$60,309, and the accumulative impairment has been listed as \$60,309. Based on the real estate appraisal report issued by an external independent professional appraisal agency (price date: December 31, 2020) and the consolidated company's evaluation in 2020, the consolidated company resumed part of the Property, plant and equipment at the beginning of the period and listed the impairment loss of \$60,309 at the beginning of the period, and incurred impairment losses decreased by \$7,349. In 2020, the total loss of impairment of some Property, plant and equipment was \$14,190, and the net amount of impairment loss in 2020 increased by \$6,841. Therefore, the impairment loss was recognized \$6,841 in 2020. As of December 31, 2021 and 2020, the recoverable amount (net fair value) of some of the consolidated company's Property, plant and equipment was less than the book value of \$67,150, and the accumulated impairment after deduction was \$67,150.

3. According to the real estate appraisal report issued by an external independent professional appraisal agency and the consolidated company's evaluation, as of December 31, 2020, the total fair value of the above-mentioned Property, plant and equipment was \$6,116,343 (including the fair value belongs to the second level was \$5,680,035 and the fair value belongs to the third level was 436,308), according to the appraisal results of the consolidated company, the fair value of the above property, plant and equipment as at December 31, 2021 has not changed significantly.

4. Regarding the evaluation method of the fair value of Property, plant and equipment, the land in 2020 was mainly estimated by the comparison method and the income method or the land development analysis method (using each weight 30%~70%), and the building was estimated by the cost method and the income method or the comparison method (50% of each weight), the important assumption is the income capitalization rate (1.88%-4.77%) and the direct capitalization method of the income method (1.36%-3.74%).

(X) Right-of-use assets

The movement of right-of-use assets for the years ended December 31, 2021 and 2020 were as follows :

	Land	Bulidings	Transportation Equipment	Total of cost	Accumulated depreciation	Net
Balance at						
January 1, 2020	\$ 55,751	\$ 14,452	\$ 12,161	\$ 82,364	\$ (12,824)	\$ 69,540
Additions	25,325	3,233	3,327	31,885	-	31,885
Depreciation	-	-	-	-	(11,374)	(11,374)
Effect of foreign exchange rate change	(3,382)	(75)	(894)	(4,351)	670	(3,681)
December 31, 2020	77,694	17,610	14,594	109,898	(23,528)	86,370
Additions	-	19,076	16,920	35,996	-	35,996
Less	-	(10,870)	(10,748)	(21,618)	21,618	-
Depreciation	-	-	-	-	(16,729)	(16,729)
Effect of foreign exchange rate change	(868)	(121)	(2,150)	(3,139)	1,026	(2,113)
December 31, 2021	\$ 76,826	\$ 25,695	\$ 18,616	\$ 121,137	\$ (17,613)	\$ 103,524

The depreciation expenses of the right-of-use assets of the consolidated company in 2021 and 2020 were \$16,729 and \$11,374, respectively.

(XI) Investments properties

The movement of investments properties for the years ended December 31, 2021 and 2020 were as follows :

	Land	Bulidings	Other	Total of cost	Accumulated depreciation	Accumulated impairment	Net
Balance at							
January 1, 2020	\$ 1,470,335	\$ 72,659	\$ 64	\$ 1,543,058	\$ 58,982	\$ 38,830	\$ 1,445,246
Depreciation	-	-	-	-	1,380	-	(1,380)
Reversal on impairment loss	-	-	-	-	-	(3,848)	3,848
Effect of foreign exchange rate change	(6,343)	(713)	-	(7,056)	(565)	-	(6,491)
December 31, 2020	1,463,992	71,946	64	1,536,002	59,797	34,982	1,441,223
Depreciation	-	-	-	-	1,344	-	(1,344)
Effect of foreign exchange rate change	(10,285)	(1,156)	-	(11,441)	(976)	-	(10,465)
December 31, 2021	\$ 1,453,707	\$ 70,790	\$ 64	\$ 1,524,561	\$ 60,165	\$ 34,982	\$ 1,429,414

1. The cost model is adopted for the measurement after the recognition of the investments properties.
2. As of January 1, 2020, some of the consolidated company's investments properties were based on the evaluation of the real estate appraisal report issued by an external independent professional appraisal agency. The recoverable amount (net fair value) was less than the book value of \$38,830. The cumulative impairment is \$38,830. Based on the real estate appraisal report issued by an external independent professional appraisal agency (price date: December 31, 2020) and the consolidated company's evaluation, the above-mentioned Investments properties incurred impairment losses decreased by \$3,848, the consolidated company therefore recognized \$3,848 in reversal on impairment loss in 2020. As of December 31, 2021 and 2020, the recoverable amount (net fair value) of some of the consolidated company's investments properties was less than the book value of \$34,982, and the accumulated impairment after deduction was \$34,982.

3. The rental income from investments properties in 2021 and 2020 was \$56,554 and \$56,128, direct operating expenses incurred was \$34,157 and \$33,299, respectively.
4. According to the real estate appraisal report issued by an external independent professional appraisal agency and the consolidated company's evaluation, in 2020 was based on the external independent professional appraisal. According to the real estate valuation report issued by the institution, the fair value of the above-mentioned investments properties as of December 31, 2020 totaled \$3,919,528 (the fair value belongs to the second level), the fair value of the above Investments properties as at December 31, 2021 has not changed significantly.
5. Regarding the evaluation method of the fair value of investments properties, the land in the year of 2020 was mainly estimated by the comparison method and the income method or the land development analysis method (using each weight 30%~70%), and the building was estimated by the cost method and the income method or the comparison method (50% of each weight), its important assumptions was as follows :

	As at December 31, 2020
Income capitalization rate	1.235%-3.28%
Comprehensive rate of capital interest in land development analysis method	1.41%-3.74%

6. For the assets of the consolidated company pledged as collateral, please refer to note VIII.

(XII) Prepayments for equipment

	For the years ended December 31,	
	2021	2020
Prepayment for equipment and other equipment	\$ 74,558	\$ 54,922

(XIII) Prepayments and other assets

	As at December 31,	
	2021	2020
Prepayments to suppliers	\$ 1,504	\$ 3,195
Prepaid expenses	8,821	34,607
Other receivables	315,219	334,358
Less: allowance for impairment loss -other receivables	(310,096)	(310,096)
Overdue receivables	7,070	6,563
Less: allowance for impairment loss -overdue receivables	(7,070)	(6,563)
Goodwill	48,196	48,196
Other intangible assets	7,853	6,104
Miscellaneous	31,065	32,624
Other	29,739	9,140
Total	\$ 132,301	\$ 158,128
Current items	\$ 56,235	\$ 84,035
Noncurrent items	76,066	74,093
Total	\$ 132,301	\$ 158,128

Other receivables and overdue collections belong to the part of the receivables over one year, and all allowances for losses have been provided.

The statement of changes in the loss allowance is as follows:

	For the years ended December 31,	
	2021	2020
Beginning balance	\$ 316,659	\$ 315,299
Recognized impairment loss	507	1,360
Ending balance	\$ 317,166	\$ 316,659

The goodwill of the consolidated company was generated by the acquisition of 35% equity of Saigon Ve Wong Co., Ltd. in 2007. The consolidated company adopted value in use as the recoverable amount of the goodwill. The discount rates adopted on December 31, 2021 and 2020 were 1.5% and 2.0%, respectively.

(XIV) Short-term loans

	As at December 31,	
	2021	2020
Secured loans	\$ 530,000	\$ 430,000
Unsecured loans	323,000	283,000
Total	<u>\$ 853,000</u>	<u>\$ 713,000</u>
Range of interest rates	<u>0.95%-1.35%</u>	<u>0.975%-1.350%</u>

For the assets of the consolidated company pledged as collateral, please refer to note VIII.

(XV) Lease liabilities

The analysis of the consolidated company's lease liabilities is as follows:

	Minimum rent payment of future	Interest expense	Present value of minimum rent payment
As at December 31, 2021			
Not later than 1 year	\$ 15,695	\$ 3,502	\$ 12,193
Later than 1 year and not later than 5 years	47,333	10,849	36,484
Later than 6 year	74,173	17,547	56,626
Total	<u>\$ 137,201</u>	<u>\$ 31,898</u>	<u>\$ 105,303</u>
Lease liabilities-current	<u>\$ 15,695</u>		<u>\$ 12,193</u>
Lease liabilities-noncurrent	<u>\$ 121,506</u>		<u>\$ 93,110</u>
As at December 31, 2020			
Not later than 1 year	\$ 12,412	\$ 3,161	\$ 9,251
Later than 1 year and not later than 5 years	27,280	10,939	16,341
Later than 6 year	80,911	20,162	60,749
Total	<u>\$ 120,603</u>	<u>\$ 34,262</u>	<u>\$ 86,341</u>
Lease liabilities-current	<u>\$ 12,412</u>		<u>\$ 9,251</u>
Lease liabilities-noncurrent	<u>\$ 108,191</u>		<u>\$ 77,090</u>

The interest expense of the recognized lease liability in 2021 and 2020 was \$3,511 and \$2,982, respectively.

The amount of cash outflow for leases recognized in 2021 and 2020 was \$17,034 and \$14,514, respectively.

(XVI) RETIREMENT BENEFIT PLANS

1. Defined benefit plans

Those who have served the Company for more than 15 years and have reached the age of 55, or those who have served the Company for more than 25 years, or those who have worked for more than 10 years and have reached the age of 60 may apply for retirement. The pension payment is based on their years of service. And the average salary for the 6 months before the approved retirement is calculated. 2 bases will be given for every full year. After 15 years of working experience, 1.3 bases will be given for every full year. The maximum total is limited to 45 bases. Those who have completed half a year are calculated as half a year, and those who have completed half a year are calculated as 1 year. However, if the person is ordered to retire due to the loss of mind or body due to the performance of his duties, he may be ordered to retire based on the above-the mentioned base number, plus 20%. For those who originally enjoyed retirement compensation, an additional 2.6 base compensation will be issued upon retirement (not included in the maximum 45 bases of the retirement pension). For those who choose to apply the Labor Pension Act, the Company will allocate monthly pensions to individual labor accounts, and the old age of the applicable Labor Standards Act will be retained, but when calculating the pension base, the age of the applicable labor pension act will not be calculated.

The Company and Summit Industrial Co., Ltd.'s retirement policy is applicable to full-time employees who are formally hired. Retirement benefits are provided at 15% and 2% of the salary paid each month by adopting the part of the definite payment retirement method. The World Champion Co., Ltd. has no employees who are eligible for the old pension system. Saigon Ve Wong Co., Ltd.'s employees' seniority that existed before January 1, 2009 is subject to the

“Labor Law” of Vietnam, and the company should pay retirement subsidies to employees who leave the company. Thai Fermentation Industry Co., Ltd. adopted an employee benefit plan in 2011, which is a definite payment retirement method. This is a definite payment method for retirement. As a result of actuarial calculations, the company’s pension-related information is disclosed as follows :

(1) Actuarial assumptions for defined benefit plans :

<u>The Company and Summit Industrial Co., Ltd.</u>	As of December 31,	
	2021	2020
Discount rate	0.65%	0.30%
Expected rate of salary increase	2.00%-3.00%	2.00%

<u>Saigon Ve Wong Co., Ltd.</u>	As of December 31,	
	2021	2020
Discount rate	1.50%	2.00%
Expected rate of salary increase	2.00%	5.00%

<u>Thai Fermentation Industry Co., Ltd.</u>	As of December 31,	
	2021	2020
Discount rate	1.17%~1.36%	2.47~2.55%
Expected rate of salary increase	5.00%	5.00%

(2) Determine the expenses recognized in the defined benefit plans :

	For the years ended December 31,	
	2021	2020
Current service cost	\$ 6,761	\$ 6,692
Net interest expense	1,609	3,302
Recognized in profit or loss	<u>\$ 8,370</u>	<u>\$ 9,994</u>

(3) Recognized in other comprehensive income :

	For the years ended December 31,	
	2021	2020
Remeasurement of net defined benefit liabilities	<u>\$ (32,532)</u>	<u>\$ (2,528)</u>

(4) The adjustments to present value of defined benefit obligation and fair value of plan assets are as follows :

Item	As of December 31,	
	2021	2020
Present value of defined benefit obligation	\$ 699,490	\$ 711,356
Fair value of plan assets	(414,685)	(410,358)
Net defined benefit liabilities	<u>\$ 284,805</u>	<u>\$ 300,998</u>

(5) The changes in the present value of defined benefit obligation are as follows :

	For the years ended December 31,	
	2021	2020
Balance at January 1	\$ 711,356	\$ 719,305
Current service cost	6,761	6,692
Net interest expense	2,818	5,929
Benefits paid	(49,785)	(28,830)
Actuarial loss - experience adjustments	(2,802)	652
Actuarial loss - changes in demographic assumptions	900	153
Actuarial loss - changes in financial assumptions	30,242	7,455
Balance at December 31	<u>\$ 699,490</u>	<u>\$ 711,356</u>

(6) The changes in the fair value of plan assets are as follows :

	For the years ended December 31,	
	2021	2020
Balance at January 1	\$ 410,359	\$ 388,485
Contribution by employer	28,859	27,062
Benefits paid	(31,790)	(20,264)
Return on plan assets	7,257	15,075
Balance at December 31	<u>\$ 414,685</u>	<u>\$ 410,358</u>

(7) Sensitivity analysis

The sensitivity analysis of the consolidated company's defined benefit obligation is based on the discount rate and salary adjustment rate of actuarial assumptions. The discount rate and salary adjustment rate are calculated by adding or subtracting 0.25% before other actuarial assumptions remain unchanged :

a. Sensitivity analysis of discount rate :

	Discount rate			
	As of December 31,			
	2021		2020	
	Add 0.25%	Less 0.25%	Add 0.25%	Less 0.25%
Calculated based on simulation assumptions	\$ 688,494	\$ 710,806	\$ 688,697	\$ 712,397
Calculate according to the original hypothesis	699,490	699,490	700,371	700,371
Determine the loss of benefit obligation (benefits)	(10,995)	11,316	(11,674)	12,026
Determine the percentage change in benefit obligations	(1.57%)	1.62%	(1.67%)	1.71%

b. Sensitivity analysis of salary adjustment rate :

	Salary adjustment rate			
	As of December 31,			
	2021		2020	
	Add 0.25%	Less 0.25%	Add 0.25%	Less 0.25%
Calculated based on simulation assumptions	\$ 710,523	688,711	\$ 712,161	\$ 688,864
Calculate according to the original hypothesis	699,490	699,490	700,371	700,371
Determine the loss of benefit obligation (benefits)	11,033	(10,779)	11,790	(11,507)
Determine the percentage change in benefit obligations	1.58%	(1.54%)	1.68%	(1.64%)

(8) Expected future benefit payments are as follow

	As of December 31,	
	2021	2020
Expected to pay benefits in the next 1 year	\$ 47,369	\$ 45,490
Expected to pay benefits in the next 2~5 years	249,403	256,265
Expected to pay benefits more than 6 years	438,791	467,948
Total	<u>\$ 735,563</u>	<u>\$ 769,703</u>

- (9) The consolidated company expected contributions to the plan for the next year and the average duration of the defined benefit obligation are as follows :

	As of December 31,	
	2021	2020
The expected contributions to the plan for the next year	\$ 25,096	\$ 27,678
The average duration of the defined benefit obligation	6-7years	7years

2. Defined contribution plans

The employees of the Company, The World Champion Co., Ltd. and Summit Industrial Co., Ltd., may choose to continue to apply the relevant pension regulations of the "Labor Standards Act", or apply the pension system of the regulations and retain the working years before the regulations are applied. According to the regulations, the employer's monthly labor pension contribution rate shall not be lower than 6% of the employee's monthly salary. In 2021 and 2020, the consolidated company's pension contributions in accordance with the Labor Pension Act were \$15,551 and \$14,623, respectively.

(XVII) Long-term deferred income

The Company's subsidiary Summi Industrial Co., Ltd. received a government grant related to equipment grant amount to \$5,000 at the end of 2019. This grant accounts for long-term deferred income and is transferred gradually within the useful life of the relevant assets. As of December 31, 2021 and 2020, the balance of long-term deferred income was \$4,000 and \$4,500, respectively.

(XVIII) Operating lease

The consolidated company leased investments properties in 2021 and 2020. Since almost all the risks and rewards attached to the ownership of the underlying assets have not been transferred, these lease contracts are classified as operating leases. Please refer to note VI (XI) Investments properties.

The analysis of the maturity of lease receivable on December 31, 2021 and 2020 is as follows :

	As of December 31,	
	2021	2020
Under 1 year	\$ 56,666	\$ 55,074
More than 1 year but not more than 5 years	194,894	194,280
More than 5 years	18,874	63,995
Total	\$ 270,434	\$ 313,349

(XIX) INCOME TAX

1. Income tax expense consisted of the following :

Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2021	2020
Current tax expense recognized in the current year	\$ 179,507	\$ 228,365
Income tax adjustments on prior years	(6,956)	(967)
Separate taxation of dividend income	49,809	28,811
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	(2,194)	(8,840)
Income tax expense recognized in profit or loss	\$ 220,166	\$ 247,369

Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2021	2020
Deferred income tax expense		
Related to remeasurement of defined benefit obligation	\$ -	\$ -
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	-
Share of the other comprehensive income (loss) for using the equity method	-	-
Exchange differences on translating the financial statements of foreign operations	-	-
Total income tax recognized in other comprehensive income	<u>\$ -</u>	<u>\$ -</u>

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the years ended December 31,	
	2021	2020
Income before tax	\$ 917,196	\$ 941,290
Income tax expense at the statutory rate	\$ 258,469	\$ 267,021
Permanent difference	(85,037)	(55,884)
Temporary difference	1,432	10,066
Income tax on unappropriated earnings	4,643	7,162
Income tax adjustments on prior years	(6,956)	(967)
Separate taxation of dividend income	49,809	28,811
The origination and reversal of temporary differences	(2,194)	(8,840)
Income tax expense recognized in profit or loss	<u>\$ 220,166</u>	<u>\$ 247,369</u>

A reconciliation of current tax assets and liabilities and income tax expense recognized in profit or loss was as follows:

	2021	2020
Current tax expense recognized in the current year	\$ 179,507	\$ 228,365
Add : Current tax liabilities at beginning of year	126,669	79,918
Income tax adjustments on prior years	138	-
Separate taxation of dividend income	49,809	28,811
Effect of foreign exchange rate change	(3,989)	(3,733)
less : Paid	(283,555)	(206,692)
Current tax liabilities at end of year	<u>\$ 68,579</u>	<u>\$ 126,669</u>

	2021	2020
Current tax assets at beginning of year	\$ 12,427	\$ 10,696
Add : Provisional and withholding tax	2,807	774
Current income tax adjustment in previous years	7,094	967
Less : Received	(19,513)	(10)
Current tax assets at end of year	<u>\$ 2,815</u>	<u>\$ 12,427</u>

2. The movements of deferred tax assets and deferred tax liabilities were as follows :

	2021					
	Balance at January 1	Recognized in profit or (loss)	Recognized in other comprehensive income	Recognized in equity	Exchange difference	Ending balance
Temporary difference						
Unrealized inventory loss	\$ 622	\$ 17	\$ -	\$ -	\$ -	\$ 639
Unrealized exchange loss	6,611	1,061	-	-	-	7,672
Allowance for impairment loss	741	(40)	-	-	-	701
Unrealized employee benefit liabilities	20,832	(1,961)	-	-	-	18,871
Impairment loss on nonfinancial assets	894	645	-	-	-	1,539
Others	(173,014)	2,472	-	-	-	(170,542)
Deferred tax expense		<u>\$ 2,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net	<u>\$ (143,314)</u>					<u>\$ (141,120)</u>
Information expressed on the balance sheet						
Deferred tax assets	<u>\$ 41,109</u>					<u>\$ 37,181</u>
Deferred tax liabilities	<u>\$ 184,423</u>					<u>\$ 178,301</u>
	2020					
	Balance at January 1	Recognized in profit or (loss)	Recognized in other comprehensive income	Recognized in equity	Exchange difference	Ending balance
Temporary difference						
Unrealized inventory loss	\$ 382	\$ 240	\$ -	\$ -	\$ -	\$ 622
Unrealized exchange loss	1,432	5,179	-	-	-	6,611
Allowance for impairment loss	482	259	-	-	-	741
Unrealized employee benefit liabilities	21,150	(318)	-	-	-	20,832
Impairment loss on nonfinancial assets	894	-	-	-	-	894
Others	(176,494)	3,480	-	-	-	(173,014)
Deferred tax expense		<u>\$ 8,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net	<u>\$ (152,154)</u>					<u>\$ (143,314)</u>
Information expressed on the balance sheet						
Deferred tax assets	<u>\$ 33,695</u>					<u>\$ 41,109</u>
Deferred tax liabilities	<u>\$ 185,849</u>					<u>\$ 184,423</u>

3. Unrecognized deferred income tax assets and Deferred income tax liabilities

(1) Unrecognized deferred income tax assets

The consolidated company is not likely to have taxable income that can be realized or will return in the foreseeable future, and the unrecognized deferred income tax assets are as follows :

Deferred Income tax expense recognized in profit or loss	As of December 31,	
	2021	2020
Unrecognized deferred income tax assets :		
Loss deduction	\$ 320	\$ 1,256
Temporary difference	196,749	177,961
Total	<u>\$ 197,069</u>	<u>\$ 179,217</u>

(2) Unrecognized deferred income tax assets and liabilities related to investment subsidiaries and related companies

For foreign subsidiaries and foreign affiliates, the consolidated company did not recognize related deferred income tax assets/or deferred income tax liabilities due to the conversion differences in the financial statements of foreign operating institutions. Most of the consolidated company's investments are long-term in nature and will not be dealt with in the foreseeable future. The differences will not reverse in the foreseeable future, or the differences will not be realized in the foreseeable future.

Deferred Income tax expense recognized in other comprehensive income	As of December 31,	
	2021	2020
Unrecognized deferred income tax assets (liabilities) :		
Recognized in equity	<u>\$ 33,921</u>	<u>\$ 8,022</u>

4. The information on unused taxable losses of individuals within the group is as follows:

Year of occurrence	Amount of loss	Unused balance		Last deductible year
		2020	2019	
2016	\$ 4,246	\$ -	\$ 1,180	2026
2017	4,026	-	4,027	2027
2018	146	146	146	2028
2019	414	414	414	2029
2020	514	514	514	2030
2021	528	528	-	2031
		<u>\$ 1,602</u>	<u>\$ 6,281</u>	

5. Income tax assessments

The Company, The World Champion Co., Ltd., Summit Industrial Co., Ltd. and Tai Ve Corporation's income tax returns have been examined by the tax authority were as follows :

	Examined year
VE WONG CORPORATION	2019
Tai Ve Corporation	2020
The World Champion Co., Ltd.	2020
Summit Industrial Co., Ltd.	2020

(XX) Equity

1. Capital stock

The total authorized capital of the Company were \$2,400,000, separately at NTD10 par value with 240,000 thousand shares separately issued. The total authorized capital stated above was common share. As of December 31, 2021 and 2020, the shares issued were \$2,400,000 and 240,000 thousand shares based on the same denomination.

The balance of the Company's capital stock is as follows :

Items	Amount
Original subscription and cash capital increase	\$ 537,762
Capitalization of retained earnings	1,251,626
Capitalization of capital surplus	563,439
Capitalization of special capital reserve	47,173
Total	<u>\$ 2,400,000</u>

2. Capital surplus

Pursuant to the Company Act, the capital surplus may be used to offset a deficit; the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock may not be used for any purpose, except may be appropriate capital in accordance with the resolution of the shareholders meeting.

The capital reserve generated by the premium of the issued share capital shall not exceed the limit prescribed by relevant laws and regulations. The capital reserve can also be distributed in cash.

The balance of the Company's capital surplus is as follows :

Items	As of December 31,	
	2021	2020
Treasury stock trading	\$ 40,970	\$ 38,447
Changes in the net equity of the associates are recognized in accordance with the equity method	167,367	167,367
Total	<u>\$ 208,337</u>	<u>\$ 205,814</u>

3. legal capital reserve

Pursuant to the Company Act, the legal capital reserve shall be allocated until the total paid-in capital of the company. The legal capital reserve can be used to make up for losses; when the company has no losses, it can be approved by the shareholders meeting to issue new shares or cash with the legal capital reserve, but only if the reserve exceeds 25% of the paid-in capital.

According to the Ministry of Economic Affairs Letter No. 10802432410 dated January 9, 2020, when a company makes a statutory surplus reserve in accordance with Article 237 of the Company Law, it shall be handled by the company on the basis of "net profit after tax for the current period" Starting from the distribution of surplus in the financial statements for the year 2019, the statutory surplus reserve shall be set out as the basis for the statutory surplus reserve, but the company can extend it to 2020 after the current period's net profit after tax plus the amount of items other than the current period's net profit after tax included in the current year's undistributed surplus. The distribution of surpluses in the annual financial statements is applicable. There is no need to retrospectively adjust the statutory surplus reserve provided by the company in the past year. The Company began to apply the surplus distribution in the 2020 financial statements.

4. Special capital reserve

According to the regulations of the FSC, the listed company shall make a special surplus reserve for the net deduction of shareholders' equity in the account. When the deduction amount of shareholder's equity subsequently decreases, the special capital reserve may be transferred back to unappropriated earnings.

When first applying the IFRS approved by the FSC, the Company chose to adopt the exemption in IFRS 1 "First-time Adoption of International Financial Reporting Standards". The unrealized revaluation increment under the shareholder's equity was stated following the rule of using the fair value on the conversion date as the recognized cost to increase retained earnings. Pursuant to the regulations of Gin-Guan-Zheng-Fa-Zi No.1010012865 issued on April 6, 2012, a same amount of special reserves should be stated. When relative assets were used, disposed or reclassified, the original rate to state the special reserves could be used to reverse the allocation of earnings.

5. Distribution of earnings

According to the articles of association of the Company: If the Company makes a profit during the year, 2% shall be allocated for employee remuneration and 5% or less for directors and supervisors' remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance.

The Company's industrial environment is changeable, and the life cycle of the Company is in a stable growth stage. Considering the company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, if the Company has a surplus after its annual accounts, it will not be paid in accordance with the law. In addition to income tax for profit-making businesses and making up of losses in previous years, 10% of the statutory surplus reserve and special surplus reserve required by the Securities Exchange Law should be allocated first. If there is a surplus, it may be based on the actual profit and capital situation of the current year. After the resolution of the board of directors is passed, it is reported to the shareholders meeting to resolve the distribution of shareholder dividends.

At 2021, the Company's estimated total amount of employee compensation and directors and supervisors' compensation is \$27,196. According to the Company's management, distribution plan, the amount of pre-tax net profit for the year before the deduction of employee compensation and directors and supervisors' compensation is estimated at a rate and recognized It is the cost of the current year. However, if there is a discrepancy between the actual allotment amount and the estimated amount in the subsequent resolutions of the shareholders' meeting, it will be listed as the profit and loss of the year of the shareholders' meeting.

On July 14, 2021 and June 23, 2020, the Company passed the resolutions of the regular shareholders' meeting on the income distribution in 2020 and 2019, and the dividends per share and employee remuneration, directors and supervisors remuneration are as follows :

	2020	2019
Dividend per share (NTD)		
Cash	\$ 1.1	\$ 1
employee remuneration -Cash	\$ 10,878	\$ 11,159
Directors and supervisors remuneration	16,318	16,739
Total	\$ 27,196	\$ 27,898

There is no difference between the above-mentioned surplus distribution and the resolution of the company's board of directors.

The board of directors of the Company resolved on March 30, 2022 to pass the 2021 surplus distribution proposal as follows :

	Earnings distribution 2021	Dividend per share (NTD) 2021
legal capital reserve	\$ 42,413	
Cash dividend	264,000	\$ 1.1
Total	\$ 306,413	

The appropriation of earnings for 2021 is subject to the resolution of the stockholders in the stockholders' meeting.

Regarding the approval of the board of directors and the resolution of the shareholders meeting for the distribution of earnings, please go to the "Market Observation Post System" of the Taiwan Stock Exchange for inquiries.

The above-mentioned information on employee compensation and directors and supervisors' compensation can be inquired from the " Market Observation Post System " of the Taiwan Stock Exchange.

6. Dividend policy

The Company's industrial environment is changeable, and the life cycle of the Company is at a stage of steady growth. Considering the Company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, the Company's dividend policy comprehensively considers capital reserves and retention factors such as surplus, financial structure, capital budget and operating conditions determine the most appropriate method of distribution.

7. Other equity

The relevant exchange difference arising from the conversion of the net assets of the foreign operating organization from its functional currency into New Taiwan dollars is directly recognized as other comprehensive income and accumulated in the exchange differences on translating the financial statements of foreign operations under other equity items. For financial assets measured at fair value through other comprehensive gains and losses, changes in fair value are directly recognized as other comprehensive gains and losses, and accumulated under other equity items that are unrealized appraisal gains and losses for financial assets measured at fair value through other comprehensive gains and losses. It shall not be reclassified to profit or loss in subsequent periods. The actuarial gains and losses on the determined benefit plan are recognized under other comprehensive gains and losses, and immediately recognized as retained earnings, and cannot be reclassified to profit or loss in subsequent periods.

8. Non-controlling interests

Changes in non-controlling interests are as follows :

	For the years ended December 31,	
	2021	2020
Balance, January 1,	\$ 1,156,961	\$ 1,218,047
Attributable to non-controlling interests :		
Net income	249,152	264,825
Remeasurement of defined benefit plans	(8,783)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	4	-
Exchange differences on translating the financial statements of foreign operations	(127,509)	(82,635)
Decrease in non-controlling equity (Note)	(288,078)	(243,276)
Balance, December 31,	<u>\$ 981,747</u>	<u>\$ 1,156,961</u>

Note : It is the amount of dividends to non-controlling interests paid by the consolidated subsidiary.

(XXI) Treasury stocks

Cause	Subsidiary name	Number of shares as of January 1	Net Increase (Decrease)	Number of shares as of December 31
<u>12.31.2021</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865
<u>12.31.2020</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865

The Company's subsidiary, The World Champion Co., Ltd., holds shares of the company, with a cost of NTD\$16.86 per share, the market price of each share on December 31, 2021 and 2020 was NTD\$32.55 and NTD\$36.60, respectively.

(XXII) EARNINGS PER SHARE

The earnings per share and the weighted average number of ordinary shares used to calculate the earnings per share are as follows :

Net Profit for the Year

	2021	2020
Profit attributable to ordinary shareholders	\$ 447,878	\$ 429,096
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
Earnings used to calculate diluted earnings per share	<u>\$ 447,878</u>	<u>\$ 429,096</u>

Thousand shares

	2021	2020
The weighted average number of ordinary shares used to calculate basic earnings per share	237,706	237,706
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
The weighted average number of ordinary shares used to calculate the diluted earnings per share	<u>237,706</u>	<u>237,706</u>

The company has the option to settle compensation paid to employees in cash or stock. During the computation of diluted earnings per share, the company assumed the entire amount of the compensation or bonuses would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding, if the effect is dilutive. The Company's authorized capital has been issued in full, and employee compensation has been paid in cash. Therefore, the basic earnings per share and the diluted earnings per share are the same.

(XXIII) Employee benefits, depreciation and amortization expense

	Belonging to operating costs	Belonging to operating expenses	Total
<u>2021</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 353,914	\$ 434,138	\$ 788,052
Labor/health insurance expense	29,437	25,691	55,128
Pension expense (Note a)	14,709	9,212	23,921
Director's remuneration	-	25,861	25,861
Total	<u>\$ 398,060</u>	<u>\$ 494,902</u>	<u>\$ 892,962</u>
Depreciation expense	<u>\$ 95,981</u>	<u>\$ 35,075</u>	<u>\$ 131,056</u>
Amortization expense	<u>\$ 6,565</u>	<u>\$ 1,594</u>	<u>\$ 8,159</u>
<u>2020</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 372,282	\$ 427,719	\$ 800,001
Labor/health insurance expense	27,344	24,493	51,837
Pension expense (Note a)	13,360	11,257	24,617
Director's remuneration	-	25,607	25,607
Total	<u>\$ 412,986</u>	<u>\$ 489,076</u>	<u>\$ 902,062</u>
Depreciation expense	<u>\$ 110,198</u>	<u>\$ 37,470</u>	<u>\$ 147,668</u>
Amortization expense	<u>\$ 8,294</u>	<u>\$ 6,388</u>	<u>\$ 14,682</u>

Note a : please refer to note VI (XVI).

Note b : please refer to note VI (XX).

- 1.As of December 31, 2021 and 2020, the number of employees of the consolidated company was 1,898 and 1,972, respectively. The number of directors who are not part-time employees are 13.
- 2.The average employee benefit expenses in 2021 and 2020 were \$460 and \$447, respectively.
- 3.The average salary costs in 2021 and 2020 were \$418 and \$408, respectively, and the average increase in salary for employees in the two years was 2.45% and 3.03%, respectively.

(XXIV) Operating revenue

The analysis of the consolidated company's operating revenue is as follows:

	For the years ended December 31,	
	2021	2020
Sales revenue	\$ 5,768,284	\$ 5,988,202
Rental income	56,554	55,498
Total	<u>\$ 5,824,838</u>	<u>\$ 6,043,700</u>

The consolidated company's merchandise sales revenue is generated by the transfer of merchandise to customers at a certain point in time; rental income is generated by the gradual transfer of labor services to customers over time.

(XXV) Other income

	For the years ended December 31,	
	2021	2020
Dividend income		
From financial assets at fair value through other comprehensive income	\$ 11,092	\$ 10,337

(XXVI) Other gains and losses

	For the years ended December 31,	
	2021	2020
Net foreign currency exchange gains (losses)	\$ 37,920	\$ (33,507)
Loss on disposal of property, plant and equipment	(124)	(2,978)
Others	14,702	10,106
Fair value changes of financial assets mandatorily classified as at FVTP	6,573	7,219
Net	<u>\$ 59,071</u>	<u>\$ (19,160)</u>

The "Fair value changes of financial assets mandatorily classified as at FVTP" for the year 2021 above was \$6,573, which was the realized appraisal benefit of the disposal fund.

(XXVII) Finance costs

	For the years ended December 31,	
	2021	2020
Interest on bank loans	\$ 10,705	\$ 11,219
Interest on leases liabilities	3,511	2,982
Interest on deposit	118	116
Total	<u>\$ 14,334</u>	<u>\$ 14,317</u>

(XXVIII) Financial instruments

1. Types of financial instruments

	As at December 31,	
	2021	2020
Financial assets		
Measured at amortized cost		
Cash and cash equivalents	\$ 1,570,497	\$ 1,569,035
Notes and accounts receivable	463,708	435,859
Other financial assets	599,964	314,781
Financial assets measured at amortized cost	400,236	438,825
Refundable deposit	34,870	28,745
Subtotal	<u>3,069,275</u>	<u>2,787,245</u>

(next)

(continued)

Measured at fair value

Financial assets at fair value through profit or loss	-	44,895
Financial assets at fair value through other comprehensive income	315,282	234,184
Total	<u>\$ 3,384,557</u>	<u>\$ 3,066,324</u>

Financial liabilities

Measured at amortized cost

Short-term loans	\$ 853,000	\$ 713,000
Notes and accounts payable	537,520	330,709
Other payables	304,695	263,158
Lease liabilities	105,303	86,341
Total	<u>\$ 1,800,518</u>	<u>\$ 1,393,208</u>

2. Financial risk management objectives

The consolidated company's financial risk management objective is to manage exchange rate risk, interest rate risk, credit risk and liquidity risk related to operating activities. In order to reduce related financial risks, the consolidated company is committed to identifying, evaluating and avoiding market uncertainties in order to reduce the potential adverse effects of market changes on the consolidated company's financial performance.

The consolidated company does not trade financial instruments for speculative purposes. The consolidated company has established appropriate policies, procedures and internal controls for the above financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution period of financial management activities, the consolidated company must actually follow the relevant regulations of financial risk management.

3. Market risk

The main market risks that the consolidated company's operating activities impose on the consolidated company are foreign currency exchange rate changes and interest rate changes. In addition, the consolidated company uses its own funds and bank borrowings to flexibly adjust to meet operational needs. Because most of the consolidated company's floating interest rate net assets mature within one year, and the current market interest rates are already low, it is expected that there will be no significant interest rate changes risk, so does not use derivative financial instruments to manage interest rate risk.

(1) Foreign currency risk

Some of the consolidated company's operating activities and net investments in foreign operating institutions mainly trade in foreign currencies, so foreign currency exchange rate risks arise. In order to avoid a decrease in the value of foreign currency assets and fluctuations in future cash flows due to exchange rate changes, the consolidated company uses short-term loans to avoid exchange rate risks. The use of such financial instruments can help the consolidated company reduce but still cannot completely exclude the impact of foreign currency exchange rate changes.

The net investment of foreign operating institutions is a strategic investment, so the consolidated company does not hedge against it.

Sensitivity analysis of foreign currency exchange rate risk is mainly calculated based on foreign currency monetary items at the end of the financial reporting period. When NTD strengthens / weakened against the USD by 1%, the profit for the years ended December 31, 2021 and 2020 decreases/increases by \$19,053 and \$17,444, respectively.

(2) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments and changes in cash flow due to changes in market interest rates. The consolidated company's interest rate risk includes the above two.

The sensitivity analysis of interest rate risk is determined by the risk of non-derivative financial instrument interest rate risk at the end of the financial reporting period. If Interest rate increases / decreases by 1%, the profit for the years ended December 31, 2021 and 2020 decreases/increases by \$7,189 and \$6,763, respectively.

(3) Other price risks

The listed and unlisted equity securities and fund investments held by the consolidated company, the prices of these equity securities and fund investments will be affected by the uncertainty of the future value of the investment targets.

All of the consolidated company's major equity instrument investments must be approved by the consolidated company's board of directors.

The fund investment held by the consolidated company is measured at fair value through profit or loss; listed equity securities are measured at fair value through other comprehensive gains or losses; and unlisted equity securities are measured at fair value through profit or loss and other comprehensive income, respectively.

The price risk of the consolidated company's equity instruments and fund investments mainly comes from investments classified as fair value through profit or loss and fair value through other comprehensive income.

The sensitivity analysis of equity instruments and fund price risks is based on the change in fair value at the end of the financial reporting period. If the price of equity instruments and fund investment rise/fall 1%, the profit for the years ended December 31, 2021 and 2020 increases / decreases by \$3,153 and \$2,791, respectively.

4. Credit risk management

Credit risk refers to the risk of the consolidated company's financial losses caused by the counterparty's default. The consolidated company's policy is to try to trade with reputable objects to reduce the risk of financial loss. In addition to pre-transaction credit investigations, the consolidated company also continuously monitors credit risk insurance and counterparty credit status during the transaction process, and continues to diversify customer sources and expand overseas markets to reduce customer concentration.

The consolidated company had no credit risk concentrated on a single customer in 2021 and 2020, so the credit risk is indeed limited.

5. Liquidity risk

The consolidated company's goal of managing liquidity risk is to maintain cash and cash equivalents, highly liquid securities, and sufficient bank financing lines ensure that the consolidated company has sufficient financial flexibility.

In addition to lease liabilities based on discounted, the table below summarizes the maturity profile of the consolidated company's financial liabilities based on undiscounted contractual payments with carrying amounts that approximated contractual cash flows:

As at December 31, 2021					
	Within 6 months	7~12 months	1~2 years	2~5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 593,000	\$ 260,000	\$ -	\$ -	\$ 853,000
Notes and accounts payable	537,520	-	-	-	537,520
Other payables	277,328	27,367	-	-	304,695
Lease liabilities	5,813	6,380	36,484	56,626	105,303
Total	<u>\$ 1,413,661</u>	<u>\$ 293,747</u>	<u>\$ 36,484</u>	<u>\$ 56,626</u>	<u>\$ 1,800,518</u>
As at December 31, 2020					
	Within 6 months	7~12 months	1~2 years	2~5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 513,000	\$ 200,000	\$ -	\$ -	\$ 713,000
Notes and accounts payable	330,709	-	-	-	330,709
Other payables	235,962	27,196	-	-	263,158
Lease liabilities	5,370	3,881	16,341	60,749	86,341
Total	<u>\$ 1,085,041</u>	<u>\$ 31,077</u>	<u>\$ 16,341</u>	<u>\$ 60,749</u>	<u>\$ 1,393,208</u>

6. Foreign currency assets and liabilities with significant exchange rate fluctuations

The consolidated company's business involves a variety of non-functional currencies, so it is affected by exchange rate fluctuations, and there are large exchange rate fluctuations. Information about foreign currency assets and liabilities is as follows :

	<u>currency</u>	<u>Foreign Currency (thousand)</u>	<u>Exchange Rate</u>	<u>NTD (thousand)</u>
<u>Monetary items :</u>				
<u>As at December 31, 2021</u>				
Financial Assets				
Cash and cash equivalents	USD	3,507	27.63	\$ 96,899
Cash and cash equivalents	BATH	1,310,221	0.8141	1,066,651
Cash and cash equivalents	VND	181,634,428	0.00122041	221,668
Notes and accounts receivable	USD	693	27.63	19,138
Notes and accounts receivable	BATH	35,735	0.8141	29,092
Notes and accounts receivable	EUR	21	31.38	668
Other financial assets	USD	21,004	27.63	580,354
Financial Liabilities				
Notes and accounts payable	BATH	134,072	0.8141	109,148
<u>As at December 31, 2020</u>				
Financial Assets				
Cash and cash equivalents	USD	4,690	28.05	\$ 131,547
Cash and cash equivalents	BATH	1,130,047	0.9229	1,042,921
Cash and cash equivalents	VND	156,356,772	0.0012342	192,976
Notes and accounts receivable	USD	448	28.05	12,572
Notes and accounts receivable	BATH	54,473	0.9229	50,273
Other financial assets	USD	11,715	28.05	328,610
Financial Liabilities				
Notes and accounts payable	BATH	15,714	0.9229	14,502

Due to the various types of individual functional currencies of the consolidated company, it is impossible to disclose information on the exchange gains and losses of monetary financial assets and financial liabilities according to the foreign currencies that have a significant impact. The foreign currency exchange gains and losses of the consolidated company in 2021 and 2020 were losses of \$37,920 and gains of \$33,507, respectively.

	<u>currency</u>	<u>Foreign Currency (thousand)</u>	<u>Exchange Rate</u>	<u>NTD (thousand)</u>
<u>Non-Monetary items :</u>				
<u>As at December 31, 2021</u>				
Investments accounted for using equity method	USD	2,594	27.63	\$ 71,682
Investments accounted for using equity method	THB	19,834	0.8141	16,147
<u>As at December 31, 2020</u>				
Investments accounted for using equity method	USD	2,794	28.05	\$ 78,366
Investments accounted for using equity method	THB	21,831	0.9229	20,148

7. Fair value of financial instruments

(1) Fair valuation techniques for instruments measured at fair value

A. Measure the fair value of financial instruments based on amortized cost

The consolidated company's key management believes that the consolidated company's financial assets and financial liabilities measured at amortized costs are close to their fair values in the accompanying parent company only financial statements.

B. Fair valuation techniques for instruments measured at fair value

The fair value of financial assets and financial liabilities is determined by the following methods:

- The fair value of financial assets and financial liabilities with standard terms and conditions that are traded in an active market is determined with reference to market quotes.
- The fair value of stocks that are not publicly quoted is determined according to market methods analysis and multiple methods (a kind of market methods), and based on recognizing pricing models.

(2) The fair value recognized in the parent company only balance sheets.

The following table of the consolidated company provides analysis information of financial instruments measured by fair value after initial recognition, and reveals the analysis information by dividing the fair value into the following three levels according to the degree of observability :

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

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

Level 3 : Level 3 inputs are inputs that measure fair value to the extent that relevant observable inputs are not available in the market.

(3) Financial assets measured at fair value on a repeatability basis

The consolidated company's financial assets measured at fair value on a repeatability basis, and their fair value levels are as follows :

As at December 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	252,418	-	-	252,418
Unlisted shares	-	-	62,864	62,864
As at December 31, 2019				
Financial assets				
Financial assets at FVTPL				
Mutual funds	\$ -	\$ 44,895	\$ -	\$ 44,895
Unlisted shares	-	-	-	-
Financial assets at FVTOCI				
Listed shares	175,107	-	-	175,107
Unlisted shares	-	-	59,078	59,078

(4) Reconciliation of Level 3 fair value measurements of financial instruments

The consolidated company's financial assets measured at the 3 level of fair value are mainly financial assets at fair value through other comprehensive income. The reconciliation from January 1 to December 31, 2021 and 2020 is as follows :

	2021	2020
Balance at January 1	\$ 59,078	\$ 55,938
Recognized in other comprehensive income	3,786	3,140
Balance at December 31	\$ 62,864	\$ 59,078

(5) In 2021 and 2020, the consolidated company does not have a transfer fair value measurement of financial instruments between level 1 and level 2.

(XXIX) Capital management

The consolidated company's capital management goal is to be able to maintain the best capital structure before continuing to operate and grow, so as to provide shareholders with sufficient remuneration. The consolidated company's capital structure management strategy is based on factors such as the scale of the consolidated company's business, the future growth of the industry, product development blueprints and changes in the external environment to plan the required production capacity and what is needed to achieve this capacity plant equipment and corresponding capital expenditure; According to the characteristics of the industry, calculate the required working capital and cash, and estimate the possible product profit, operating profit rate and cash flow, consider the industry's business cycle fluctuations and product life cycle and other risk factors to determine the most appropriate capital for the consolidated company structure.

As the years ended December 31, 2021 and 2020, the consolidated company's rate of liabilities is as follows :

	As at December 31,	
	2021	2020
Total liabilities	\$ 3,331,319	\$ 3,019,220
Total assets	\$ 9,582,739	\$ 9,331,602
Rate of liabilities	35%	32%

The ratio on December 31, 2021 was lower than the ratio on December 31, 2020, which was mainly due to the decrease in short-term loans and accounts payable.

(XXVIII) Cash flow information

Reconciliation of liabilities arising from financing activities :

	Short-term loans
Balance at January 1, 2020	\$ 793,000
Financing Cash Flow :	
Increase Short-term loans	2,260,000
Repayment of short-term loans	(2,340,000)
Balance at December 31, 2020	713,000
Financing Cash Flow :	
Increase short-term loans	2,553,000
Repayment of short-term loans	(2,413,000)
Balance at December 31 , 2021	\$ 853,000

VII. Related Party Transactions

(I) Name of related parties and relationship with the related parties

Name of related party	Relationship with the consolidated company
Best Founder Corporation	Subsidiaries of the Company for using the equity method
PT Ve Wong Budi Indonesia	Associates of the Company for using the equity method

Koh Kong Sugar Industry Co., Ltd.	Associates of the Company for using the equity method
Koh Kong Plantation Co., Ltd.	Associates of Best Founder Corporation for using the equity method
Whole Green Trading Co., Ltd.	Corporate director of the Company
K.S.L. IT Center Co., Ltd.	Consolidated Subsidiary-A 50%-owned subsidiary of Thai Fermentation Industry Co., Ltd.
TFI Green Biotech Company Limited	Consolidated Subsidiary-A 50%-owned subsidiary of Thai Fermentation Industry Co., Ltd.

(II) Significant transactions with related parties

The transaction amount and balance between the Company and its subsidiaries have been eliminated when preparing the consolidated financial statements and have not been disclosed in this note. The details of the transactions between the Company and its subsidiaries and other related parties are disclosed as follows :

1. Sales

(1) The transaction amount is less than \$100,000 :

Name of related party	For the years ended December 31,	
	2021	2020
TFI Green Biotech Company Limited	\$ 2,541	\$ 3
Whole Green Trading Co., Ltd.	-	34,040
Total	\$ 2,541	\$ 34,043

Purchase price : In principle, the market price is determined by both parties.

Payment terms : Whole Green Trading Co., Ltd. pays by T/T.

(2) The transaction amount is more than \$100,000 : none.

2. Purchases : none

3. As the years ended December 31, 2021 and 2020, the Company's financing provided for related party is as follows :

Name of related party	Items	As at December 31,	
		2021	2020
PT Ve Wong Budi Indonesia	Overdue receivables	\$ 139,293	\$ 139,293
	Less: allowance for impairment loss	(139,293)	(139,293)
	Net	\$ -	\$ -

4. As the years ended December 31, 2021 and 2020, the Company's endorsements and guarantees providing for related party is as follows :

Name of related party	As at December 31,	
	2021	2020
Koh Kong Plantation Co., Ltd.	\$ 132,624	\$ 134,640
Koh Kong Sugar Industry Co., Ltd.	226,566	230,010
Total	\$ 359,190	\$ 364,650

5. Significant financial assets and liabilities with related parties

Name of related party	Items	For the years ended December 31,	
		2021	2020
PT Ve Wong Budi Indonesia	Overdue receivables	\$ 170,803	\$ 170,803
PT Ve Wong Budi Indonesia	Less: allowance for impairment loss	(170,803)	(170,803)
	Net	\$ -	\$ -

6. Others

Name of related party	Items	For the years ended December 31,	
		2021	2020
K.S.L.IT Center Co., Ltd.	Other loss	\$ 1,760	\$ 2,279
TFI Green Biotech Company Limited	Rental income	\$ -	\$ 254

(Price as agreed in the contract)

7. Compensation of key management personnel

Remuneration to key management personnel of the consolidated company includes the following:

	For the years ended December 31,	
	2021	2020
Short-term employee benefits(note)	\$ 28,907	\$ 28,515

Note : Short-term employee benefits include salary, bonus and employee compensation, etc.

The remuneration of directors and key management personnel is determined by the remuneration committee.

VIII. Pledged Assets

The following assets have been provided as collateral for borrowings and performance guarantees :

Pledged assets	Detail	As at December 31,	
		2021	2020
Property, plant and equipment	Land and building	\$ 1,759,494	\$ 1,771,010
Investments properties	Land and building	1,220,370	1,224,165
Financial assets measured at amortized cost	Government bonds, etc.	8,341	9,553
Total		\$ 2,988,205	\$ 3,004,728

IX. Significant Contingent Liabilities and Unrecognized Commitments

As the years ended December 31, 2021 and 2020, the consolidated company contingent liabilities and unrecognized commitments is as follows :

1. The unused letters of credit amount to USD\$157,000 and USD\$42,000, respectively.
2. Endorsements and guarantees providing to others was \$359,190 and \$364,650, respectively.
3. The deposit guarantee note of the letter of credit and the purchase was \$213,000 ; The deposit guarantee notes received was \$61,096 and \$52,781, respectively.

X. Significant Disaster Loss: None

XI. Significant Subsequent Events: None

XII. Others

- (I) Regarding issues such as "off-book earnings" that were questioned, the Company adjusted the number of shares and shareholding ratios of Thai Fermentation Industry Co., Ltd. at the end of the 1991, and adjusted the equity of Thai Fermentation Industry Co., Ltd. at the end of the 1991 to increase the accumulated surplus, and investment income, but as to whether there is an off-book surplus after the 1991, 33 shareholders have jointly petitioned the court to select an inspector for investigation and the prosecutor will also investigate it. The inspector selected by the Taiwan Taipei District Court submitted a supplementary report to the court on June 18, 2003, and the court has not issued any ruling instructions.
- (II) As of December 31, 2021, Ting Hsin Oil Co., Ltd. sued and requested the Company to pay \$2,144 for the goods. The case is being heard by the Taiwan Taipei District Court. The Company filed a counterclaim during the trial procedure and requested Ting Hsin Oil Co., Ltd. The Company caused damages of \$9,420 due to problematic lard. After the case was heard by the Taiwan Taipei District Court, this lawsuit ruled that the Company lost the lawsuit, and the counterclaim was

rejected with an illegal requirement. The Company was dissatisfied and filed a second-instance appeal and a counter-accusation respectively. After the Taiwan High Court heard the case, it found that the counter-accusation had reason to rule to abolish the original ruling and remanded it to the original trial. The Taiwan Taipei District Court of the original trial is in the process of hearing with Appeal Gengyi Yi Zih No. 1. in 2019 As for the appeal of the request for payment, the Company was ruled to lose the lawsuit. The Company filed a third-instance appeal against the request for payment. The Supreme Court partially abandoned it with Taishang Zi No. 1172 in 2020 and sent it back to the High Court of Taiwan, which was then approved by both parties. The parties agreed to stop the litigation and wait for the decision of the Taipei District Court with Appeal Gengyi Yi Zih No. 1. in 2019.

- (III) The Company's Taoyuan business office in 2020 Mr. Xu, a salesperson involved in the embezzlement of about 1.26 million, and the Company filed a criminal complaint with the Taiwan Taoyuan District Prosecutors Office for business embezzlement. As of the date of the inspection report, the case is still under trial. The Company has set aside a 100% allowance for losses, which has no significant impact on the Company's 2021 financial statements

The above litigation cases are still to be judged by the judiciary. The relevant results will depend on the judgment of the court. The above will only be disclosed in accordance with the principle of publicity.

XIII. Additional Disclosures

(I) Information on Significant Transactions :

1. Financing provided to others for the year ended December 31, 2021: Please refer to Table I.
2. Endorsements/Guarantees Providing for the year ended December 31, 2021 : Please refer to Table II.
3. Marketable securities held (excluding the equity held by invested subsidiaries, associates enterprises and joint ventures) for the year ended December 31, 2021 : Please refer to Table III.
4. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2021 : None.
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2021 : None.
6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2021 : None.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capita for the year ended December 31, 2021 : Please refer to Table V.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capita for the year ended December 31, 2021 : Please refer to Table IV.
9. Trading in derivative instruments for the year ended December 31, 2021 : None.
10. Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries : Please refer to Table V.

(II) Information on Investees :

1. Information on investees (excluding investments in mainland chian) for the year ended December 31, 2021 : Please refer to Table VI.
2. Information about invested business :
 - (1) Financing provided to others in 2021 : Please refer to Table I.
 - (2) Endorsements/Guarantees Providing in 2021 : Please refer to Table II.
 - (3) Marketable securities held (excluding the equity held by invested subsidiaries, associates enterprises and joint ventures) for the year ended December 31, 2021: Please see TABLE III attached.
 - (4) The amount of the accumulated purchase or sale of the same securities is over NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2021: None.
 - (5) Purchase amount of real property that exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2021: None.
 - (6) Amount for the disposal of real property exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2021: None.
 - (7) Amount of the purchase from and the sale to related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2021: None.

(8) Amount receivable from related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2021: None.

(9) Engaging in derivative transactions for the year ended December 31, 2021: None.

(III) Information about the investment in China: None.

(IV) Major Shareholders Information: Please refer to Table VII.

XIV. Operating Segments Information

(I) Operating segments revenue and operating results

The revenue and operating results of the continuing operations in the consolidated financial statement are analyzed according to the reportable segments as follows :

	Operating segments revenue		Operating segments profit and loss	
	For the years ended December 31,		For the years ended December 31,	
	2021	2020	2021	2020
Condiment business	\$ 4,501,465	\$ 4,755,388	\$ 730,291	\$ 811,083
Fast food business	1,526,011	1,513,166	129,153	173,133
Other	446,237	459,613	16,624	965
Total continuing business units	6,473,713	6,728,167	876,068	985,181
Less: income or profit and loss between operating segments	(648,875)	(684,467)	-	-
Revenue or profit and loss of operating segments and external customers	\$ 5,824,838	\$ 6,043,700	876,068	985,181
Other operating expenses			(10,463)	(10,270)
Income from operations			865,605	974,911
Interest income			13,472	19,665
Other income			11,092	10,337
Other gains and losses			59,071	(19,160)
Finance costs			(14,334)	(14,317)
Share of profit or loss of subsidiaries and associates accounted for using the equity method			(8,902)	(27,153)
Impairment loss			(8,808)	(2,993)
Profit before income tax			\$ 917,196	\$ 941,290

Segments profits refer to the profits earned by each segments, excluding other income, other interests and losses, financial costs, the share of profits and losses of affiliated companies and joint ventures that use the equity method, and the return of derogation losses. This measurement amount is provided to the chief operating decision maker to allocate resources to the department and evaluate its performance.

(II) Operating segments assets

	As at December 31,	
	2021	2020
Operating segments assets :		
Condiment business	\$ -	\$ -
Fast food business	-	-
Other	-	-

Note: The consolidated company discloses the measured amount of the assets of the reportable segments in accordance with the regulations, but because the measured amount of the assets of the consolidated company is not provided by the operating decision maker, there is no need to disclose the measured amount of the assets.

(III) Product type and labor service type

	For the years ended December 31,	
	2021	2020
Food manufacturing sales revenue	\$ 5,521,067	\$ 5,732,835
Packaging materials and other manufacturing and processing income	153,810	121,975
Other	149,961	188,890
Total	<u>\$ 5,824,838</u>	<u>\$ 6,043,700</u>

(IV) By region

	For the years ended December 31,	
	2021	2020
Taiwan	\$ 2,535,985	\$ 2,513,930
Thailand	2,056,257	2,225,925
Vietnam	1,232,596	1,303,845
Total	<u>\$ 5,824,838</u>	<u>\$ 6,043,700</u>

(V) Important customer information

There was no situation in which revenue from a single customer accounted for more than 10% of the net operating income of the consolidated income statement in 2021 and 2020.

TABLE I**VE WONG CORPORATION**
**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

No	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrow (note1 and note2)	Aggregate Financing Limits(note1 and note2)	Remarks
													Item	Value			
0	VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Other noncurrent assets-other	Y	\$ 139,293	(USD\$4.28 MILLION) \$ 139,293	\$139,293	-	Plant and operation needs	-	-	\$ 139,293	12,000 shares of PT Ve Wong Budi Indonesia	-	\$ 351,658	\$ 1,406,633	
1	Thai Fermentation Industry Co., Ltd.	Visawaphah Transportation Co., Ltd.	other current assets	N	532	4,719	230	7%	Company that needs short-term financing	-	Operating capital	-	-	-	189,963	949,814	Note3
2	Tai Ve Corporation	VE WONG CORPORATION	Other receivables-related parties	Y	80,000	80,000	-	1.03%	Company that needs short-term financing	-	Operating capital	-	-	-	140,428	813,539	Note3 Note4
Total						\$ 224,012											

Note1 : According to the operating procedures of the company's capital loan to others, the company's capital loan to a single enterprise shall not exceed 5% of the company's total assets, and the company's capital loan to others shall not exceed 20% of the company's total assets. For subsidiaries of the company, where short-term financing is necessary due to operating turnover, the cumulative balance of financing must not exceed 40% of the company's net worth.

Note2: According to the operating procedures of domestic reinvestment companies for loan to others, the total amount of funds loaned to others shall not exceed 20% of the total assets of the company, and the financing amount for a single enterprise shall not exceed 5% of the total assets of the company. However, if the company's parent company, subsidiaries, and all subsidiaries of the parent company are necessary for short-term financing due to operating turnover, the cumulative balance of the financing amount shall not exceed 40% of the company's net worth.

According to the operating procedures of overseas reinvestment company T Thai Fermentation Industry Co., Ltd., the total amount of funds loaned to others shall not exceed 50% of the company's net worth, and the amount of financing for a single enterprise shall not exceed 10% of the company's net worth.

Note3 : The ending balance of Tai Ve Corporation's fund loan to others was the fund loan and quota approved by the board of directors

Note4 : Consolidated statement has been written off.

TABLE II**VE WONG CORPORATION**
**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note2) (Note3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remarks
		Name	Relationship											
0	Ve Wong Corporation	Summit Industrial Co., Ltd.	The Corporation owns directly over 50% ownership of the investee company.	\$1,406,633	\$ 50,000	\$ 50,000 (USD\$4.8 MILLION)	\$ 33,000	\$ -	1%	\$ 2,109,949	Y	-	-	Note6
0	Ve Wong Corporation	Koh Kong Plantation Co., Ltd.	Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages (Note4)	1,406,633	136,704	132,624 (USD\$8.2 MILLION)	-	-	3%	2,109,949	-	-	-	
0	Ve Wong Corporation	Koh Kong Sugar Industry Co., Ltd.	Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages (Note4) (Note5)	1,406,633	233,536	226,566	-	-	4%	2,109,949	-	-	-	
1	Tai Ve Corporation	Ve Wong Corporation	The company direct and indirect owns over 50% ownership of the investee company	2,808,560	1,650,400	1,650,400	360,000	1,923,496	31%	2,808,560	-	Y	-	Note6
2	Tai Ve Corporation	The World Champion Co., Ltd.	A subsidiary jointly owned over 90% by the Company	561,712	144,100	141,900	-	332,346	3%	842,568	-	-	-	Note6
		Total				\$ 2,201,490								

Note1 : According to The company's endorsement and guarantee measures, the amount of endorsement, guarantee for a single company shall not exceed 20% of The company's total assets.

Note2 : According to The company's endorsement and guarantee measures, the amount of endorsement and guarantee shall not exceed 30% of The company's total assets.

Note3 : According to the regulations of the domestic reinvestment company's endorsement, guarantee, the amount of the endorsement, guarantee shall not exceed 30% of the company's total assets, the parent company that holds 100% of the direct and indirect voting shares of the reinvestment company shall not exceed the total assets of the reinvestment company.

Note4 : In order to comply with Cambodian laws and regulations, The company has adjusted the investment organization of Cambodia's investments under the equity method. Please refer to Note VI (VIII). The company's investment in Koh Kong Plantation Co., Ltd. was adjusted from direct investment to a company that holds 100% of the voting shares (ie Samoa Best Founder Corporation) due to the adjustment of the investment organization.

Note5 : The Company's endorsement, guarantee to Koh Kong Sugar Industry Co., Ltd. (KSI) is an endorsement, guarantee to the invested company by all the capitalist shareholders based on their shareholding ratio due to the joint investment relationship. KSI handled the capital increase in June 2020. The Company did not subscribe for new shares based on the shareholding ratio, resulting in a decrease in the shareholding ratio. The endorsement, guarantee balance at the end of 2021 was the endorsement, guarantee balance, based on the original shareholding ratio. As of December 31, 2021, KSI has not made any relevant borrowings. The Company will contact the investee company to adjust the endorsement, guarantee limit based on the current shareholding ratio in due course, or the letter of guarantee to be recovered when the loan amount expires.

Note6 : Consolidated statement has been written off.

TABLE III-1**VE WONG CORPORATION**
MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Relationship with the security issuer	Ledger account	Yearend				Remarks
				Number of thousand shares (Number of thousand unit)	Book value	Percentage held	Fair value	
VE WONG CORPORATION	<u>Listed stocks</u>							
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets measured at fair values through other comprehensive profit or loss- non-current	887	\$ 55,428	0.007%	\$ 55,428	
	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	"	45	2,857	-	2,857	
	Taishin Financial Holding Co., Ltd.	-	"	2,352	44,565	0.020%	44,565	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	43	2,255	-	2,255	
	Vedan International (Holdings) Co.,Ltd.	-	"	1,992	5,015	0.131%	5,015	
	Total				\$ 110,120		\$ 110,120	
	<u>Unlisted stocks</u>							
	Li Shih venture capital Co.,Ltd.	-	Financial assets measured at fair values through other comprehensive profit or loss- non-current	677	\$ 10,166	5.68%	\$ 10,166	
	Tai Fu International (Holdings) Co., Ltd.	-	"	1,500	15,317	4.32%	15,317	
	Jhong Sin investment Co.,Ltd.	-	"	1,043	37,381	0.33%	37,381	
	Total				\$ 62,864		\$ 62,864	
	<u>Unlisted stocks</u>							
	Wei Da Dian Ltd.	-	Financial assets measured at fair values through profit or loss- non-current	2	\$ -	0.18%	\$ -	
	Jhong Hua trade development Co., Ltd.	-	"	31	-	0.05%	-	
	Total				\$ -		\$ -	
	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 82,890		\$ 82,890	

TABLE III-2**VE WONG CORPORATION**

Information about invested business:
MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Relationship with the security issuer	Ledger account	Yearend				Remarks
				Number of thousand shares (Number of thousand unit)	Book value	Percentage held	Fair value	
The World Champion Co., Ltd.	<u>Listed stocks</u> Taishin Financial Holding Co., Ltd.	-	Financial assets measured at fair values through other comprehensive profit or loss-non-current	7,148	\$ 135,445	0.06%	\$ 135,445	Note
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	132	6,853	-	6,853	
	VE WONG CORPORATION	The company	"	2,294	74,666	0.96%	74,666	
	<u>Unlisted stocks</u> Jhong Hua trade development Co., Ltd.	-	Financial assets measured at fair values through profit or loss-non-current	Total 11	\$ 216,964		\$ 216,964	
Tai Ve Corporation	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 27,000		\$ 27,000	
Saigon Ve Wong Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 80,181		\$ 80,181	
Thai Fermentation Industry Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 122,115		\$ 122,115	
	Mutual funds	-	Financial assets measured at amortized cost -current assets		38,963		38,963	
				Total	\$ 161,078		\$ 161,078	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -noncurrent assets	-	\$ 49,046	-	\$ 49,046	
Champion Fermentation Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 41	-	\$ 41	

Note : Consolidated statement has been written off.

TABLE IV**VE WONG CORPORATION****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Impairment Loss	Remarks
					Amount	Actions Taken			
VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Associated Companies	Other non-current assets - other receivables (Include Interest receivable \$165,798 and Advance payment \$5,005) \$ 310,096	-	-	-	Note	\$ 310,096	

Note : Please refer to Note IV (VIII) " PT Ve Wong Budi Indonesia Disclosures and Related Explanations" under the investment using the equity method.

TABLE V**VE WONG CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

No	Company Name	Related Party	Relationship	Transaction Details			
				Item	Amount	Transaction terms	Percentage of combined total revenue or total assets (Note1)
0	Ve Wong Corporation	Summit Industrial Co., Ltd.	Parent company to subsidiary	Purchases (Note3)	\$ 125,390	-	10%
0	Ve Wong Corporation	Thai Fermentation Industry Co., Ltd.	Parent company to subsidiary	Purchases (Note3)	112,878		9%
1	Tai Ve Corporation	Ve Wong Corporation	Subsidiary to parent company	Guarantee (Note3)	1,650,400	-	-
1	Tai Ve Corporation	The World Champion Co., Ltd.	Subsidiary to parent company	Guarantee (Note3)	141,900	-	-

Note1 : The calculation of the ratio of the transaction amount of the consolidated total revenue or total assets. If it is an asset-liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, it is calculated as the cumulative amount in the period as a percentage of the consolidated total revenue.

Note2 : Important transactions are those with a purchase amount of NT\$100 million or more than 20% of the parent company's paid-in capital.

Note3 : Consolidated statement has been written off.

TABLE VI-1**VE WONG CORPORATION**
**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2020	December 31, 2019	Thousand shares	%	Carrying Amount			
VE WONG CORPORATION	The World Champion Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and sales of MSG, cans and beverages	\$ 138,443	\$ 138,443	15,999	99.99%	\$ 598,462	\$ 10,351	\$ 7,840	Note1
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and trading of packaging materials and containers printing MSG, instant noodles	89,843	89,843	9,505	95.05%	105,355	6,632	6,519	Note1
	Saigon Ve Wong Co., Ltd.	1707 Highway 1A An Phu Dong Ward District 12, Ho Chi Minh City, Vietnam		475,328	475,328	-	100.00%	628,034	112,095	112,095	Note1
	Thai Fermentation Industry Co., Ltd.	20 th FLKSL Tower, 503, Sriyudhya Rd., Bangkok, Thailand	Manufacturing and sales of MSG	233,090	233,090	204	48.66%	903,368	487,554	236,522	Note1
	Ve Wong International Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	General Investment Company	1,741	1,741	50	100.00%	6,499	(92)	(92)	Note1
	Tai Ve Corporation	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Residential, building, industrial plant development, lease and sale, real estate sales, lease, etc.	987,678	987,678	82,323	79.93%	1,626,039	7,539	6,028	Note1
	Best Founder Corporation.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	General Investment Company	169,198	169,198	5,328	100.00%	8,359	(1,417)	(1,417)	Note1 Note2
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Bean processed food manufacturing	26,000	26,000	2,600	65.00%	24,958	(528)	(344)	Note1
	Koh Kong Sugar Industry Co., Ltd.	No.205-207-209 Mao Tong Boulevard. Toul Svay Prey I, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia	Production, processing and sales of cane sugar	226,231	226,231	-	11.98%	64,108	(35,327)	(4,231)	Note3
	Hughes Biotech. Co., Ltd.	12F.-2, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei	Biotechnology Service Industry	20,250	20,250	1,125	34.62%	2,343	(8,774)	(3,037)	Note5
	PT Ve Wong Budi Indonesia	Wisma Budi, Lt. 7 Suite 701, J1. H.R. Rasuna Said, Kav C-6 Jakarta, Indonesia	Manufacturing and sales of MSG	180,811	180,811	64	49.00%	-	-	-	Note4
Total								\$ 3,967,525		\$ 359,883	

Note1 : Consolidated statement has been written off.

Note2 : In order to comply with Cambodian laws and regulations, the company has made adjustments to the investment organization of Cambodia's investments under the equity method. Please refer to Note VI (VIII) for the explanation.

Note3 : Associated company Koh Kong Sugar Industry Co., Ltd. ceased operations on October 31, 2018. In addition, the capital increase was processed on June 2020. The company's assessment results are still influential. Please refer to Note VI (VIII).

Note4 : Please refer to Note VI (VIII) "PT Ve Wong Budi Indonesia Disclosures and Related Explanations" under the investment using the equity method.

Note5 : Associated company Hughes Biotech. Co., Ltd. Book value \$2,343, which is the net amount after deducting the accumulated impairment \$8,808.

TABLE VI-2**VE WONG CORPORATION**
**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2020	December 31, 2019	Thousand shares	%	Carrying Amount			
The World Champion Co., Ltd.	Tai Ve Corporation	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Residential, building, industrial plant development, lease and sale, real estate sales, lease, etc.	\$ 397,959	\$ 397,959	20,666	20.07%	\$ 408,113	\$ 7,539	\$ 1,513	Note 1
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and trading of packaging materials and containers printing	4,950	4,950	495	4.95%	5,512	6,632	328	Note 1
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Bean processed food manufacturing	2,000	2,000	200	5.00%	1,920	(528)	(26)	Note 1
	Total			\$ 404,909	\$ 404,909			\$ 415,545	\$ 13,643	\$ 1,815	
Thai Fermentation Industry Co., Ltd.	K.S.L. IT Center Co., Ltd.	Thailand	Technology Information Management	\$ 486	\$ 486	0.5	50.00%	\$ 3,675	\$ (609)	\$ (304)	
	TFI Green Biotech Company Limited..	Thailand	Classification of organic fertilizers	4,576	4,576	50	50.00%	12,472	54	27	Note 1
	Champion Fermentation Co.,Ltd.	Thailand	Manufacturing and sales of MSG	236,289	236,289	199,995	99.99%	238,943	5,571	13,405	Note 4
	Total			\$ 241,351	\$ 241,351			\$ 255,090	\$ 5,016	\$ 13,128	
Best Founder Corporation	Koh Kong Plantation Co., Ltd.	No.205-207-209 Mao Tong Boulevard. Toul Svay Prey I, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia	Land development and sugarcane planting								
				\$ 82,580	\$ 82,580	-	20.00%	\$ 7,574	(6,785)	(1,357)	Note 2 Note 3

Note 1 : Consolidated statement has been written off.

Note 2 : In order to comply with Cambodian laws and regulations, the company has made adjustments to the investment organization of Cambodia's investments under the equity method.

Please refer to Note VI (VIII) for the explanation.

Note 3 : Associated company Koh Kong Plantation Co., Ltd. has ceased business on October 31, 2018. In addition, as of June 30, 2020, it has processed capital reductions to make up for losses. The combined company still has significant influence. Please refer to Note VI (VIII) Description.

Note 4 : For organizational reorganization in the third quarter of 2016, please refer to Note IV (III) for the explanation.

TABLE VII**VE WONG CORPORATION****Major Shareholders Information**

Major Shareholders	Shareholding	
	Number of Shares Held	Number of Shares Held
HAO SHINE TRADING CO., LTD.	23,609,447	9.83 %
Quanwei Investment Co., Ltd.	23,424,026	9.76 %
OVERSEAS BROS. CO., LTD.	22,784,966	9.49 %
VEDAN ENTERPRISE CORP.	14,537,628	6.05 %
You-Shan investment Co., Ltd.	12,559,458	5.23 %

**5. Standalone Financial Statements with Independent Auditors'
Report for the most recent year**

**VE WONG CORPORATION
Parent Company Only Financial Statements for the Years
Ended December 31, 2021 and 2020 and
Independent Auditors' Report**

For the convenience of readers, in independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or and difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of VE WONG CORPORATION

Opinion

We have audited the accompanying parent company only financial statements of VE WONG CORPORATION (the "Company"), which comprise the parent company only balance sheets as of December 31, 2021 and 2020, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2021 and 2020, and its parent company only financial performance and its parent company only 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2021 are stated as follows :

Recognize of Sales revenue

The main operating income of the Company is sales revenue. We consider that whether the recognition time of sales revenue was present fairly, is an area of high concern in the audit.

Refer to Note IV (XV) for accounting policies on revenue recognition. Refer to Note V (I) for critical accounting judgments and key sources of estimation uncertainty on revenue recognition.

We performed the following audit procedures :

1. Understand and test the design and implementation effectiveness of the main internal control system for operating income.

2. Understand and evaluate the rationality of the assumptions and methods for management to recognize sales revenue.
3. The selected transaction conditions are not FOB Taiwan's export transactions. Obtain the transaction conditions set by each customer for the export transaction, and select the period before and after the end of the reporting period to verify the export transaction vouchers to determine the appropriate deadline.
4. For domestic sales (delivery agent) transactions, send confirmation letter or obtain agent's transaction reconciliation data to determine whether the deadline is appropriate and the amount.
5. Select the period prior to and after the end of the reporting period, to check the various vouchers to ensure that the sales, sales returns, and sales discounts have been properly closed.
6. Reconcile the amount of income in the account with the amount issued by the invoice, and perform tests on major differences between the reconciled items.
7. Perform analytical procedures to find out if there are any abnormalities in the recognition of sales revenue.

Whether the ending balance of Investments accounted for using equity method is fair

We believe that Investments accounted for using the equity method as an important and main asset of the company. Therefore, it will adopt Investments accounted for using the equity method ending balance and Share of profit or loss of subsidiaries and associates accounted for using the equity method as a key audit matters.

Refer to Note IV(VII) for accounting policies on investments accounted for using the equity method. Refer to Note V(IV) for critical accounting judgments and key sources of estimation uncertainty of investments accounted for using the equity method.

We performed the following audit procedures :

1. Understand and test the design and implementation effectiveness of the main internal control system of the investment cycle.
2. Understand and evaluate the management methods and procedures for managing investment, as well as the assumptions and methods for recognizing related investment gains and losses and other comprehensive gains and losses.
3. Obtain or prepare a detailed list of investment changes, and check with the general ledger and subsidiary ledgers.
4. Verify whether the accounting treatment of changes in equity is appropriate.
5. Verify whether the subsidiary or Associates adopts the same accounting policies as the company for similar transactions and events under similar circumstances, and if there are differences, whether it has been adjusted.
6. When verify subsidiaries and using the equity method to recognize the share of profit and loss, understand the impact of major financial statements of major subsidiaries on the company's financial statements, and determine the impact of Associates on the fair expression of the company's financial reports in accordance with the Statements of Auditing Standards No. 51. If it is significant, it should be verify whether the financial report of the Associates has been processed in accordance with the " Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants " and the Statements of Auditing Standards.
7. Verify whether the unrealized gains and losses between Associates have been eliminated.
8. Verify whether the Associates' financial report date should be the same as that of the company. If there is a difference, whether to adjust the impact of major transactions or events that occurred between the Associates' financial report date and the company's financial report date; And check whether the difference between the end of the reporting period between the Associates and the company is less than three months.
9. Verify whether there are any signs that the equity method of investment may be impaired, impairment testing and accounting treatment are appropriate.

Evaluation Impairment of Investments accounted for using the equity method and Goodwill

The Company adopts the equity method of investment. When estimating the future recoverable amount, the estimation involves a number of assumptions, including determining the discount rate and adopting the prepared financial forecast for the next five years. It is prone to subjective judgment and highly advanced Uncertainty, resulting in a significant impact on the measurement of the recoverable amount, which in turn affects the estimation of the amount of goodwill impairment. Therefore, we believe that the Company assessment of the equity method of investment and goodwill impairment are the most important matters this year.

For the accounting policy on impairment, please refer to Note IV (XII) Impairment; to the major sources of uncertainty in the significant accounting judgments, estimates and assumptions in the assessment of impairment of goodwill, please refer to Note V (III).

We performed the following audit procedures:

1. Understand and test the design and implementation effectiveness of the main internal control system for impairment assessment.
2. Verify whether there are any indication that the equity method of investment may be impaired, impairment testing and accounting treatment are appropriate.
3. Verify whether there are indication that goodwill impairment may occur, impairment testing and whether the accounting treatment is appropriate.
4. Assess the reasonableness of assumptions, future cash flow forecasts and discount rates used in impairment models.

Other – Using the reports of other independent accountants

Among the associates included in the financial statements of the Company, Hughes Biotech. Co., Ltd.(Hughes Biotech) which used the equity method to invest in 2021 and 2020, had its financial statements not audit by us, but was audited by other accountants. In addition, Koh Kong Sugar Industry Co., Ltd. (KSI) invested in Cambodia and Koh Kong Plantation Co., Ltd. (KPT) invested by the Best Founder Coporation which used the equity method, its financial statements are in accordance with Thai Financial Reporting Standard for Non-publicly Accountable entities have not been audited by us but by other accountants. We have performed the necessary review procedures for the conversion of the financial statements of KSI and KPT into preparations in accordance with generally accepted accounting principles in the Republic of China. Therefore, our opinion on the financial statements of Hughes Biotech and the financial statements of KSI and KPT that the amount and various financial disclosure information listed in the financial statements of the investee companies before the adjustment are based on the audit reports of other accountants. As of December 31, 2021 and 2020, the above-mentioned three companies used the equity method to invest in 74,025 thousand NTD and 92,555 thousand NTD, respectively, accounting for 1.05% and 1.36% of the total assets. From January 1st to December 31st, 2021 and 2020, the comprehensive profit and loss (including the share of the subsidiaries, associates and joint ventures recognized by the equity method and impairment loss) recognized by these investee companies was (18,413) thousand NTD and (32,170) thousand NTD, accounting for 0.80% and 1.39% of net operating income, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements.

As part of an audit in accordance with the 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only 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 the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 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 reasonable be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kuan Chao Lin and Ming Yu Wen.

PKF Taiwan
Republic of China
March 30, 2022

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

For the convenience of readers, in independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or and difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

As the parent company only financial statements are the responsibility of the management, PKF Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive form the translation.

VE WONG CORPORATION

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	Note	Decebmmer 31, 2021		Decebmmer 31, 2020	
		Amount	%	Amount	%
CURRENT ASSETS	IV				
Cash and cash equivalents	VI(I)	\$ 223,406	3	\$ 246,424	3
Financial assets measured at amortized cost -current assets	VI(II)	82,890	1	28,050	1
Notes receivable, net	VI(III)	103,057	2	83,542	1
Notes receivable-related parties	VI(III) 、 VII	-	-	1	-
Accounts receivable, net	VI(III)	201,092	3	183,046	3
Accounts receivable-related parties	VI(III) 、 VII	848	-	855	-
Other receivables- related parties	VII	15,790	-	11,961	-
Current tax assets	VI(XVII)	2,807	-	12,195	-
Inventories	VI(IV)	379,992	5	363,495	5
Other financial assets	VI(VII)	599,964	9	314,781	5
Prepayments and other current assets	VI(XII) 、 VII	6,454	-	21,725	-
Total current assets		<u>1,616,300</u>	<u>23</u>	<u>1,266,075</u>	<u>18</u>
NONCURRENT ASSETS	IV				
Financial assets at fair value through profit or loss	VI(V)	-	-	44,895	1
Financial assets at fair value through other comprehensive income	VI(VI)	172,984	2	136,808	2
Investments accounted for using equity method	VI(VIII)	3,967,525	57	4,100,719	60
Property, plant and equipment	VI(IX) 、 VIII	763,125	11	765,786	11
Right-of-use assets	VI(X)	40,327	1	35,402	1
Investments properties	VI(XI) 、 VIII	355,607	5	364,672	5
Deferred income tax assets	VI(XIV)	25,477	-	30,375	1
Prepayments form equipment		52,254	1	34,503	1
Refundable deposit		31,183	-	25,307	-
Other noncurrent assets	VI(XII) 、 VII	8,381	-	5,025	-
Total noncurrent assets		<u>5,416,863</u>	<u>77</u>	<u>5,543,492</u>	<u>82</u>
TOTAL		<u>\$ 7,033,163</u>	<u>100</u>	<u>\$ 6,809,567</u>	<u>100</u>
LIABILITIES AND EQUITY					
CURRENT LIABILITIES	IV				
Short-term loans	VI(XIII) 、 VII	\$ 820,000	12	\$ 680,000	10
Notes payable		31,616	-	9,432	-
Accounts payable		164,571	2	158,251	2
Accounts payable-related parties	VII	40,629	1	47,676	1
Other payables	VII	152,526	2	148,941	2
Current tax liabilities	VI(XVII)	-	-	38,755	1
Lease liabilities-current	VI(XIV)	12,420	-	11,757	-
Other current liabilities		5,973	-	8,060	-
Total current liabilities		<u>1,227,735</u>	<u>17</u>	<u>1,102,872</u>	<u>16</u>
NONCURRENT LIABILITIES	IV				
Net defined benefit liability	VI(XV)	189,250	3	202,110	3
Deferred income tax liabilities-land value increment tax		139,094	2	139,094	2
Deferred income tax liabilities -income tax	VI(XVII)	177,613	3	183,747	3
Lease liabilities-noncurrent	VI(XIV)	26,552	-	22,277	-
Other		3,246	-	4,046	-
Total noncurrent liabilities		<u>535,755</u>	<u>8</u>	<u>551,274</u>	<u>8</u>
Total liabilities		<u>1,763,490</u>	<u>25</u>	<u>1,654,146</u>	<u>24</u>
EQUITY	IV 、 VI(XVIII)				
Capital stock					
Common shares		2,400,000	34	2,400,000	36
Capital surplus					
From treasury stock transactions		40,970	1	38,447	1
From share of changes in equities of associates		167,367	2	167,367	2
Retained earnings					
Appropriated as legal capital reserve		419,563	6	376,906	6
Appropriated as special capital reserve		1,005,964	14	1,005,964	15
Unappropriated earnings		1,238,921	18	1,121,449	16
Other equity		35,352	1	83,752	1
Treasury stock	VI(VIII) 、 VI(XIX)	(38,464)	(1)	(38,464)	(1)
Total equity		<u>5,269,673</u>	<u>75</u>	<u>5,155,421</u>	<u>76</u>
SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS	IX 、 XII				
TOTAL		<u>\$ 7,033,163</u>	<u>100</u>	<u>\$ 6,809,567</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.
(With PKF Taiwan auditors' report dated March 30, 2022)

VE WONG CORPORATION
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	2021		2020	
		Amount	%	Amount	%
NET REVENUE	IV - VI(XXII) - VII	\$ 2,311,453	100	\$ 2,321,441	100
OPERATING COSTS	IV - VI(IV) - VII	1,642,784	71	1,617,516	70
GROSS PROFIT		668,669	29	703,925	30
OPERATING EXPENSES					
Marketing		414,555	18	417,046	18
General and administrative		109,350	5	106,113	5
Research and development		9,768	-	8,492	-
Expected credit loss on trade receivables		179	-	1,211	-
Total operating expenses		533,852	23	532,862	23
INCOME FROM OPERATIONS		134,817	6	171,063	7
NON-OPERATING INCOME AND EXPENSES	IV				
Interest income		1,463	-	1,683	-
Other income	VI(XXIII)	7,045	-	6,307	-
Other gains and losses	VI(XXIV)	33,463	-	7,017	-
Finance costs	VI(XXV)	(7,882)	-	(8,160)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	VI(VIII)	359,883	16	341,801	15
Impairment loss	VI(VIII) - VI(IX) - VI(XI)	(8,808)	-	(2,993)	-
Total non-operating income		385,164	16	345,655	15
PROFIT BEFORE INCOME TAX		519,981	22	516,718	22
INCOME TAX EXPENSE	IV - VI(XVII)	(72,103)	(3)	(87,622)	(4)
NET PROFIT FOR THE YEAR		447,878	19	429,096	18
OTHER COMPREHENSIVE INCOME (LOSS)	IV				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		(18,412)	-	(6,106)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		36,176	-	(6)	-
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method		39,581	-	(3,135)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		57,345	-	(9,247)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations		(129,494)	(6)	(114,804)	(5)
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
		(129,494)	(6)	(114,804)	(5)
Other comprehensive income (loss) for the year, net of income tax		(72,149)	(6)	(124,051)	(5)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 375,729	13	\$ 305,045	13
EARNINGS PER SHARE	IV - IV(XX)				
Basic		\$ 1.88		\$ 1.81	
Diluted		\$ 1.88		\$ 1.81	

The accompanying notes are an integral part of the parent company only financial statements.
(With PKF Taiwan auditors' report dated March 30, 2022)

VE WONG CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

Item	Capital Surplus			Retained Earnings			Other Equity		Treasury stock	Total Equity
	Ordinary Shares	From treasury stock transactions	From share of changes in equities of associates	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
BALANCE, JANUARY 1, 2020	\$ 2,400,000	\$ 36,153	\$ 76,812	\$ 331,218	\$ 1,005,964	\$ 980,569	\$ 74,695	\$ 130,580	\$ (38,464)	\$ 4,997,527
Appropriation of the 2019 earnings										
Legal reserve	-	-	-	45,688	-	(45,688)	-	-	-	-
Cash dividends(10%)	-	-	-	-	-	(240,000)	-	-	-	(240,000)
Net profit for year ended December 31, 2020	-	-	-	-	-	429,096	-	-	-	429,096
Other comprehensive income (loss) for year ended December 31, 2020 net of income tax	-	-	-	-	-	(2,528)	(114,804)	(6,719)	-	(124,051)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	-	426,568	(114,804)	(6,719)	-	305,045
Changes in equity from investments in associates accounted for using the equity method	-	-	90,555	-	-	-	-	-	-	90,555
Dividends distributed to subsidiaries to adjust capital surplus	-	2,294	-	-	-	-	-	-	-	2,294
BALANCE, DECEMBER 31, 2020	2,400,000	38,447	167,367	376,906	1,005,964	1,121,449	(40,109)	123,861	(38,464)	5,155,421
Appropriation of the 2020 earnings										
Legal reserve	-	-	-	42,657	-	(42,657)	-	-	-	-
Cash dividends(11%)	-	-	-	-	-	(264,000)	-	-	-	(264,000)
Net profit for year ended December 31, 2021	-	-	-	-	-	447,878	-	-	-	447,878
Other comprehensive loss for year ended December 31, 2021, net of income tax	-	-	-	-	-	(23,749)	(129,494)	81,094	-	(72,149)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	424,129	(129,494)	81,094	-	375,729
Dividends distributed to subsidiaries to adjust capital surplus	-	2,523	-	-	-	-	-	-	-	2,523
BALANCE, DECEMBER 31, 2021	\$ 2,400,000	\$ 40,970	\$ 167,367	\$ 419,563	\$ 1,005,964	\$ 1,238,921	\$ (169,603)	\$ 204,955	\$ (38,464)	\$ 5,269,673

The accompanying notes are an integral part of the parent company only financial statements.
(With PKF Taiwan auditors' report dated March 30, 2022)

VE WONG CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before income tax	\$ 519,981	\$ 516,718
Adjustments for :		
Depreciation expense	74,892	82,983
Amortization expense	7,132	6,310
Expected credit loss on trade receivables	179	1,211
(Reversal of allowance) provision for inventory market price decline	(1,554)	1,196
Loss on inventories scrap	5,021	4,458
Loss on disposal of property, plant and equipment	279	3,039
Impairment loss	8,808	2,993
Share of profit of subsidiaries and associates accounted for using the equity method	(359,883)	(341,801)
Finance costs	7,882	8,160
Dividend income	(7,045)	(6,307)
Interest income	(1,463)	(1,683)
Gain on fair value change of financial assets at fair value through profit or loss	(6,573)	(7,219)
Changes in operating assets and liabilities		
Increase in notes receivable	(19,514)	(416)
Decrease (increase) in trade receivables	(18,218)	10,339
Decrease (increase) in other receivables	(3,829)	362
Decrease (increase) in prepayments and other current assets	16,124	(928)
Decrease (increase) in inventories	(19,964)	21,381
Increase in other noncurrent assets	(884)	(2,196)
Increase in notes payable and trade payable	21,457	16,919
Increase (decrease) in other payables	3,495	(3,359)
Increase (decrease) in other current liabilities	(2,087)	1,204
Net defined benefit liabilities	(31,272)	(22,142)
Cash generated from operations	192,964	291,222
Dividends received from subsidiaries	396,879	362,619
Other dividends received	7,045	6,307
Interest received	610	1,622
Interest paid	(7,792)	(8,302)
Income tax received	19,289	-
Income tax paid	(121,995)	(57,411)
Net cash generated from operating activities	487,000	596,057
CASH FLOWS FROM INVESTING ACTIVITIES :		
Increase in financial assets measured at amortized cost	(54,840)	(28,050)
Proceeds from disposal financial assets at fair value through profit or loss	51,468	-
Increase in other financial assets	(285,183)	(314,022)
Acquisition of property, plant and equipment	(28,560)	(15,115)
Increase in prepaid equipment purchase	(38,485)	(34,381)
Decrease (increase) in refundable deposit	(5,876)	65
Increase in other noncurrent assets	(9,604)	(4,491)
Net cash used in investing activities	(371,080)	(395,994)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase (decrease) in short-term borrowings	140,000	(70,000)
Payment of the principal portion of lease liabilities	(14,138)	(14,069)
Increase (decrease) in other noncurrent liabilities	(800)	482
Dividends paid	(264,000)	(240,000)
Net cash used in financing activities	(138,938)	(323,587)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(23,018)	(123,524)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	246,424	369,948
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 223,406	\$ 246,424

The accompanying notes are an integral part of the parent company only financial statements.
(With PKF Taiwan auditors' report dated March 30, 2022)

VE WONG CORPORATION

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

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

I. GENERAL

VE WONG CORPORATION (the "Company"), was formerly known as "China Yeast Industry Co., Ltd.", was incorporated in April, 1959 in accordance with the Company Law and other relevant laws and regulations. It was renamed "VE WONG CORPORATION" in May 1979. The Company's shares have been listed and traded on the Taiwan Stock Exchange since 1963.

The main business of the company is the production and sales of monosodium glutamate, soy sauce, instant noodles, canned food and beverages, as well as residential and building development, leasing and sales, industrial plant development, leasing and sales, investment and construction of public construction, and import of foreign tobacco, alcohol and beverages.

II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 30, 2022.

III. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

New standards, interpretations and amendments endorsed by FSC effective since 2021 are as follows :

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 4 "Temporary exemption for delayed application of IFRS 9"	January 1, 2021
Amendments to, IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
Amendments to, IFRS 16-Related Discussions with COVID-19 after June 30, 2021	April 1, 2021

The above-mentioned amendments to IFRS 16 "Related Discussions with COVID-19 after June 30, 2021" can be applied in advance of January 1, 2021. The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

(II) Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2022

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2021
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	April 1, 2022
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	January 1, 2022

(III) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

As of the date the accompanying parent company only financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

IV. Summary of Significant Accounting Policies

The summary of the significant accounting policies adopted by the parent company only financial statements is described as follows:

(I) Statement of compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of Preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in these parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to the investments accounted for by the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

(III) Classification of assets and liabilities as current and non-current

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within 12 months from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within 12 months from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

(IV) Foreign currency

Items include in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional and presentation currency.

In preparing the parent company only financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in

foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NT\$ using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

(V)Cash and cash equivalent

Cash and cash equivalent include cash reserves, and current deposit balance, and the Bank deposits of which the principal maturity is under 3 months, and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value.

(VI)Inventory

Inventories are recorded at cost and calculated using the weighted average method. When calculating product costs, variable manufacturing expenses are amortized based on actual output, and fixed manufacturing expenses are amortized based on the normal production capacity of production equipment. However, when the actual output is not much different from the normal output, it can also be amortized. According to the actual output; if the actual output is abnormally higher than the normal capacity, it will be allocated according to the actual output.

Inventories are measured at the lower of cost or net realizable value. Net realizable value refers to the estimated selling price, minus the estimated cost to be completed and the estimated cost required to complete the sale. When the comparative cost and the net realizable value are lower, the comparison is made item by item. If the net realizable value of the finished product is expected to be equal to or higher than the cost, the raw materials used for the production of the finished product will not be offset below the cost. When the price of the raw materials drops and the cost of the finished product exceeds the net realizable value, The raw material is reduced to the net realizable value. The amount of inventory reduced from cost to net realizable value is recognized as cost of goods sold, and the net realizable value of inventory is re-measured in each subsequent period. If the previous factors that caused the net realizable value of inventory to be lower than the cost have disappeared, there may be evidence When the net realizable value increases due to changes in economic conditions, the increase in the net realizable value of inventories is reversed within the scope of the original write-off amount and recognized as the decrease in the cost of goods sold for the current year.

(VII)Investments accounted for using equity method

Investments accounted for using the equity method include investments in subsidiaries and associates. Financial statements of subsidiaries and associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company. In any case, the difference between the end of the reporting period of the financial statements of subsidiaries and associates and the Company shall not exceed 3 months.

1.Investment in subsidiaries

Subsidiaries are the entities controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of the equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Profits and losses resulting from downstream transactions are eliminated in full in the financial statements. Profits and losses transactions from upstream and transactions between subsidiaries are recognized in the financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

2. Investment in associates

The Company uses the equity method to account for its investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company. When the Company's share of losses of an associate equals or exceeds its interest in that associate, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over, the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investor had directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the financial statements only to the extent of interest in the associate that are not related to the Company.

(VIII) Property, plant and equipment

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified in the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method mainly over the following estimated useful lives: buildings - 15 to 55 years; machinery and equipment - 5 to 15 years; and Transportation Equipment 5 to 10 years; Miscellaneous equipment 3 to 8 years; Other equipment 3 to 12 years; 及 Idled Assets 8 to 20 years;. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(IX) Leases

If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is a lease or includes a lease.

Lessor

The lessor classifies each lease as an operating lease or a finance lease. A lease that transfers almost all the risks and rewards attached to the ownership of the underlying asset is a financial lease; if a lease does not transfer almost all the risks and rewards attached to the ownership of the underlying asset, it is an operating lease.

If it is an operating lease, the lessor recognizes the lease payments as income on a straight-line basis, but if other systematic basis is more representative of the form of reduced use efficiency of the underlying asset, this basis applies. If it is a financial lease, the lessor shall recognize the financial lease receivables and the unearned financial income of the financial lease on the lease start date, and adopt a systematic and reasonable basis to allocate the financial income to the lease period, so that each period of the lease period has a fixed rate of return.

Lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease. The right-of-use asset is measured at cost, and the lease liability is based on the present value of the lease payment not yet paid on that date.

The right-of-use asset shall be depreciated, and its depreciation period shall be the earlier of the period from the beginning of the lease to the end of the useful life of the right-of-use asset or the expiration of the lease term; However, if the lessee will acquire the ownership of the leased asset at the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of the purchase option, the depreciation period is from the lease start date to the end of the useful life of the underlying asset.

Lease liabilities use the effective interest rate method to calculate interest expenses, so that the interest rate of each period calculated based on the lease liability balance is fixed. Lease payments are used to pay interest and reduce lease liabilities. The interest on lease liabilities is recognized in profit or loss.

(X) Investment properties

If the company's property is not for sale at the end of the reporting period, nor is it used for the production or provision of goods or services, or for management purposes, it is classified as investment properties.

An investment property is stated initially at its cost and measured subsequently using the cost model. Buildings on investment property are computed using the straight-line method mainly over the following estimated useful lives of 20 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

(XI) Intangible Assets

1. Goodwill

The Company chose to apply the exemption provisions of IFRS 1 for business combinations that occurred before January 1, 2012 (the date of transition to IFRS). Therefore, for the amount of goodwill generated by business combinations before that date, it is presented based on the amount recognized by the generally accepted accounting principles before adopted the IFRS. At the time of initial recognition, it is recognized as an asset at the original cost, and it will not be amortized in the subsequent period. It is measured by cost minus accumulated impairment.

2. Other intangible assets

Other separately acquired intangible assets with a limited useful life are presented at cost minus accumulated amortization and accumulated impairment. The amortization amount is calculated on the basis of the 3 year service life based on the straight-line method. The estimated service life and amortization method are reviewed at the end of the reporting period. If there is any change in the estimate, the impact will be postponed and adjusted.

(XII)Impairment of asset

At the end of each reporting period, the Corporation reviews the carrying amounts of its assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is evaluated based on the present value of estimated future cash flows, discounted at the current market-determined rate, and certain risk assumptions which impact future cash flows.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

(XIII)Financial instruments

Financial assets and financial liabilities are recognized only when the company becomes a party to the contractual terms of financial instruments. At the time of initial recognition, it should be measured at fair value. If it is not a financial asset or financial liability that is measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition or the issuance of the financial asset or financial liability should be added or subtracted. However, accounts receivable that do not contain a significant financial component should be measured as the transaction price when initially recognized.

Financial assets are only delisted when one of the following conditions is met: (1) Invalidation of contractual rights from cash flow of financial assets; (2) Almost all risks and rewards of transferring ownership of financial assets, or almost all risks and rewards of ownership of the financial assets are neither transferred nor retained, and control of the financial assets is not retained.

For financial products with an active market, the fair value is based on the publicly quoted prices in the active market; for financial products without an active market, the fair value is estimated by the evaluation method.

The recognition and delisting of conventional transaction financial assets are based on the transaction day accounting treatment.

1. Financial assets

Financial assets are based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets. Financial assets held by the Company are classified into measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

Measured at amortized cost

If a financial asset meets the following two conditions at the same time, it will be measured at the amortized cost. :

- a. Financial assets are held under a certain business model. The purpose of this model is to hold financial assets to collect contractual cash flows.
- b. The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

For financial assets measured at amortized cost, their benefits or losses are recognized in profit and loss, but if they are part of a hedging relationship, they are treated as hedging accounting.

Interest income is calculated using the effective interest method.

At fair value through other comprehensive income

If a financial asset meets the following two conditions at the same time, it will be measured at fair value through other comprehensive income:

- a. Financial assets are held under a certain business model whose purpose is achieved by collecting contractual cash flows and selling financial assets; and
- b. The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Benefits or losses are recognized in other comprehensive profit and loss, except for derogation benefits or losses and foreign currency exchange gains and losses. When assets are delisted, the accumulated benefits or losses listed in other comprehensive profit and loss are reclassified from equity to profit and loss.

If the investment in a specific equity instrument that should be measured at fair value through profit and loss is not held for trading, nor is it a contingent consideration recognized in a business combination, an irrevocable choice can be made at the time of initial recognition and its subsequent fairness. Changes in value are reported in other comprehensive income. In this case, the profit or loss is recognized in other comprehensive profits and losses, but dividends that are not investment cost recovery are included in the profits and losses. When assets are delisted, the accumulated benefits or losses listed in the other comprehensive profit and loss shall not be reclassified to profit and loss.

Measured at fair value through profit and loss

Financial assets are all measured at fair value through profit and loss, except when measured at amortized cost or at fair value through other comprehensive profits and losses.

At the time of initial recognition, financial assets can be irrevocably designated as measured at fair value through profit and loss to eliminate or significantly reduce. If not designated, it will be measured by using different basis to measure assets or liabilities or recognizing its benefits and losses. Or the recognition is inconsistent.

The benefit or loss is recognized in the profit and loss, but if it is part of the hedging relationship, it shall be treated as hedging accounting.

2. Financial liabilities

Financial liabilities shall be classified as measured at amortized cost, except for derivatives that do not comply with hedging accounting, designated as measured at fair value through profit and loss, and contingent consideration in a business combination that shall be classified as measured at fair value through profit or loss. Measured, except for financial liabilities that are not in compliance with delisted transfers or continuous participation in transferring assets, financial guarantee contracts, and commitments to provide loans at lower than market interest rates.

3. Impairment

Financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive gains and losses, contract assets and loan commitments under applicable impairment regulations, and financial guarantee contracts to measure impairment based on the expected credit loss model. If the credit risk of a financial instrument has increased significantly since its initial recognition, the allowable loss is measured in the amount of expected credit loss during the duration of each reporting day; If the credit risk of a financial instrument has not increased significantly since the initial recognition, the 12-month expected credit loss amount will be used to measure the allowable loss on the reporting date. However, the company's impact on transactions within the scope of IFRS 15 For accounts receivable or contract assets that do not contain significant financial components, the simplified method is adopted to measure the allowable loss based on the expected credit loss amount during the duration.

(XIV) Reserve for liabilities

The reserve for liabilities shall be recognized when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(XV) Revenue Recognition

Revenue is measured by the expected consideration in which the Company has the right to acquire from the product transfer or labor service.

The Company recognizes revenue from contracts with customers by applying the following steps:

- (1) Identify the contract with a customer;
- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognize revenue when (or as) the entity satisfies its performance obligations

The company provides goods in accordance with the contract, recognizes revenue when meeting performance obligations, and usually meets performance obligations when transferring goods. The revenue generated by the provision of labor services in accordance with the contract is recognized, according to the degree of completion of the contract (output method or input method).

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Before the customer pays the consideration or before the payment can be received from the customer, the contract has been performed by transferring goods or services to the customer, and the performance amount is recognized as a contract asset. However, if there is an unconditional right to the consideration of the contract and it can be collected from the customer only after time has passed, the performance amount shall be recognized as a receivable.

The consideration received from customers prior to the Company having satisfied its performance obligations are accounted for as contract liabilities.

(XVI) Non-operating income

Dividends

Revenue is recognized when the Company's right to receive the dividends is established, which is generally when stockholders approve the dividend.

Interest income

Interest income is recorded using the effective interest method and recognized in profit or loss.

(XVII) Employee benefits

Payments to the defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as an employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

(XVIII) Income tax

The income tax consists of current income tax and deferred income tax. The current income tax and deferred income tax shall be recognized in profit or loss, other than the income tax related to combined entities, and items stated into other comprehensive income or stated into equity directly.

The current income tax includes the projected income tax payable or tax refund receivable based on the current taxable income (loss), and the adjustment of income tax payable or tax refund receivable in the previous years. The amount refers to the best estimates of the expected payables or receivables measured on the basis of the statutory tax rate or tax rate substantially enacted on the reporting date. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(XIX) Earnings per share

Basic earnings per share is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the current reporting period. The diluted EPS is calculated upon the adjustment of the effect of all potential diluted common stocks based on the income vested in the common stockholders and the number of shares of the weighted average outstanding common stock.

(XX) Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as an expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(XXI) Operating segments information

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

V.CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions based on historical experience and other factors that are considered to be relevant about the related information that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets or liabilities within the next fiscal year are discussed below.

(I) Revenue recognition

In principle, sales revenue is recognized when the profit-making process is completed. The withdrawal of related returns and discounts is based on historical experience and consideration of different contract conditions to estimate possible sales returns and discounts when the product is sold. The current period is recognized as deductions and refund liabilities of sales revenue (other payables and other current liabilities are accounted for), and the Company regularly reviews the reasonableness of the estimates.

(II) Asset impairment assessment (except goodwill)

In the process of asset impairment assessment, the Company needs to rely on subjective judgments, including identifying cash-generating units and determining the recoverable amount of cash-generating units based on asset usage patterns and industrial characteristics. Any estimates brought about by changes in economic conditions or company strategies Changes may cause significant impairment in the future.

(III) Goodwill impairment assessment

The assessment process of goodwill impairment relies on the subjective judgment of the Company, including identifying the cash-generating unit, allocating assets and liabilities to the relevant cash-generating unit, allocating goodwill to the relevant cash-generating unit, and determining the recoverable amount of the relevant cash-generating unit.

(IV) Investment impairment assessment using the equity method

When there are signs of impairment that an investment using the equity method may have been impaired and the carrying amount may not be recovered, the company immediately assesses the impairment of the investment. The management of the Company evaluates impairment based on the future cash flow forecast of the invested company, including the sales growth rate and capacity utilization rates estimated by the internal management of the invested company. The Company also considers the relevant market and industry profiles to determine the reasonableness of its relevant assumptions.

(V) Income tax

The uncertainty of income tax lies in the interpretation of complex tax regulations, the amount of taxable income generated in the future, the difference between the actual results and the assumptions made, or the changes in these assumptions in the future, which may lead to the recorded income. Income tax benefits and expenses will be adjusted in the future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

As of December 31, 2021 and 2020, the carrying amount of deferred income tax assets was \$25,477 and \$30,375, respectively.

(VI) Net defined benefit liability

When calculating and determining the present value of employee benefit obligations, the Company must use judgments and estimates to determine the relevant actuarial assumptions at the end of the financial reporting period, including the discount rate and the expected rate of return of the planned assets. Any change in actuarial assumptions may significantly affect the amount of the Company's determined benefit obligations.

As of December 31, 2021 and 2020, the carrying amount of Net defined benefit liability was \$189,250 and \$ 202,110, respectively.

(VII) Estimated impairment of financial assets

The Company adopts IFRS 9 to recognize the allowable loss of accounts receivable (including notes receivable and accounts receivable) based on the expected credit loss during the duration. The expected credit loss during the duration is based on historical experience and individual considerations. The financial status of customers and their industries and forward-looking information will be estimated and adjusted. If the expected cash received in the future is different from the original estimate, the difference will affect the book value of the receivables and allowance for losses in the year when the estimate is changed.

The Company holds financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive gains and losses. Among them, the fair value measurement of the stocks of unlisted companies without an active market involves multiple assumptions. Including the used evaluation methods, decisions of comparable companies, price-to-earnings ratios and liquidity discounts, etc., subject to subjective judgment and high uncertainty, and the results of their measurement have an impact on financial statements.

As of December 31 2021 and 2020, the book value of notes and accounts receivable was \$304,997 (after deducting allowance for impairment loss of \$2,022) and \$267,444 (after deducting allowance for impairment loss of \$1,843).

In 2021 and 2020, the Company recognized the financial asset evaluation benefits of stocks of unlisted companies with no active market was \$3,786 and \$3,140, respectively.

VI. Description of significant accounting items

(I) Cash and cash equivalent

	As at December 31,	
	2021	2020
Cash	\$ 626	\$ 570
Checking deposits	37,285	26,333
Demand deposits	96,652	97,999
Foreign currency deposits	88,843	65,422
Fixed deposit no more than 3 months	-	56,100
Total	<u>\$ 223,406</u>	<u>\$ 246,424</u>

1. The company did not pledge any cash and cash equivalents as collateral.

2. The market rate intervals of fixed deposit at the end of the reporting period were as follows:

	As at December 31,	
	2021	2020
Fixed deposit no more than 3 months	-	0.4%

(II) Financial assets measured at amortized cost -current assets

	As at December 31,	
	2021	2020
Fixed deposit -more than 3 months	<u>\$ 82,890</u>	<u>\$ 28,050</u>
Market rate	0.27%-0.33%	0.39%

(III) Notes and accounts receivable, net

	As at December 31,	
	2021	2020
<u>Notes receivable</u>	\$ 103,057	\$ 83,542
<u>Notes receivable</u> - related parties	-	1
Total	<u>\$ 103,057</u>	<u>\$ 83,543</u>
<u>Accounts receivable</u>	\$ 203,114	\$ 184,889
<u>Accounts receivable</u> - related parties	848	855
Less: allowance for impairment loss	(2,022)	(1,843)
Net accounts receivable	<u>\$ 201,940</u>	<u>\$ 183,901</u>

The Company's average credit period for account receivables arising from the sale of goods is 90 days, and notes and accounts receivable are non-interest-bearing.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experiences of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current direction of economic conditions at the reporting date. As of December 31, 2021 and 2020, the analysis of the Company's expected credit losses on the notes and accounts receivable is as follows:

The ageing analysis of unimpaired receivables is as follows:

	As at December 31,	
	2021	2020
Undue	\$ 105,114	\$ 85,678
Overdue within 30 days	-	-
Overdue for 31~60 days	-	-
Overdue over 61 days	-	-
Total	<u>\$ 105,114</u>	<u>\$ 85,678</u>

The analysis of the Company's expected credit losses on the notes and accounts receivable is as follows:

As at December 31, 2021			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 201,872	1.00%	\$ 2,019
Overdue within 90 days	33	10.00%	3
Overdue for 91~180 days	-	50.00%	-
Overdue over 181 days	-	100.00%	-
Total	<u>\$ 201,905</u>		<u>\$ 2,022</u>

As at December 31, 2020			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 183,541	1.00%	\$ 1,835
Overdue within 90 days	65	10.00%	6
Overdue for 91~180 days	3	50.00%	2
Overdue over 181 days	-	100.00%	-
Total	<u>\$ 183,609</u>		<u>\$ 1,843</u>

The statement of changes in the impairment loss allowance for the notes and accounts receivable of the Company is as follows:

	For the years ended December 31,	
	2021	2020
Beginning balance	\$ 1,843	\$ 1,992
Recognized impairment loss (reversal)	179	(149)
Ending balance	<u>\$ 2,022</u>	<u>\$ 1,843</u>

Regardless of other credit enhancements, the notes receivable that best represent the Company's credit risk exposures as of December 31, 2021 and 2020 was \$103,057 and \$83,543, respectively; the most representative of the Company the maximum amount of credit risk exposure of accounts receivable as of December 31, 2021 and 2020 were \$201,940 and \$183,901, respectively.

(IV) Inventory

	As at December 31,	
	2021	2020
Raw materials	\$ 83,720	\$ 82,591
Supplies	33,780	32,206
Work in progress	100,229	96,302
Finished goods	153,878	154,433
Goods in transit	9,939	1,071
Total	<u>381,546</u>	<u>366,603</u>
Less: Allowance to reduce inventory to market	<u>(1,554)</u>	<u>(3,108)</u>
Net	<u>\$ 379,992</u>	<u>\$ 363,495</u>

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2021	2020
Cost of goods sold	\$ 1,632,861	\$ 1,605,042
Rental cost	10,267	10,281
Loss on discarding of inventory	5,021	4,458
Reversal of allowance for inventory market price decline	(1,554)	(1,196)
Income from sale of scraps	(3,811)	(3,461)
Net	<u>\$ 1,642,784</u>	<u>\$ 1,617,516</u>

1. The reversal of net realizable value and the decrease of the cost of goods sold were recognized due to the disposal of certain inventories, which were previously provided with an allowance for the price decline.
2. As of the end of 2021 and 2020, the insurance coverage of inventory was \$343,671 and \$347,255, respectively.

(V) Financial assets at fair value through profit or loss-noncurrent

	As at December 31,	
	2021	2020
Mutual funds	\$ -	\$ 37,676
Unlisted stocks	-	-
Subtotal	-	37,676
Valuation adjustment	-	7,219
Total	<u>\$ -</u>	<u>\$ 44,895</u>

The Company disposed of the above-listed funds in 2021, resulting in realized appraisal benefits of \$6,573. Please refer to Note VI (XXIV).

(VI) Financial assets at fair value through other comprehensive income-noncurrent

	As at December 31,	
	2021	2020
Listed stocks	\$ 62,400	\$ 62,400
Unlisted stocks	49,026	49,026
Subtotal	111,426	111,426
Valuation adjustment	61,558	25,382
Total	<u>\$ 172,984</u>	<u>\$ 136,808</u>

(VII) Other financial assets

	As at December 31,	
	2021	2020
Bank- special account for repatriation of overseas funds (Note)	\$ 580,354	\$ 300,560
Bank-restricted	12,679	11,367
Stimulus voucher	6,931	2,854
Total	<u>\$ 599,964</u>	<u>\$ 314,781</u>

Note : It is a special foreign exchange deposit account of the overseas fund repatriation management and taxation regulations applicable to the Company's allocation of overseas dividend income, which is dedicated to investment planning expenditures.

(VIII) Investments accounted for using equity method

Name	Number of thousand shares	Book value	Percentage held
<u>As at December 31, 2021</u>			
<u>Investments in subsidiaries</u>			
<u>Unlisted companies :</u>			
The World Champion Co., Ltd.	15,999	\$ 598,462	99.99
Summit Industrial Co., Ltd.	3,802	105,355	95.05
(next)			

(continued)

Saigon Ve Wong Co., Ltd.	-	628,034	100.00
Thai Fermentation Industry Co., Ltd.	204	903,368	48.66
Ve Wong International Ltd.	50	6,499	100.00
Tai Ve Corporation	82,323	1,626,039	79.93
Best Founder Corporation	5,328	8,359	100.00
Green TFL Co., Ltd.	2,600	24,958	65.00
Subtotal		<u>3,901,074</u>	
<u>Investments in associates</u>			
<u>Unlisted companies :</u>			
Koh Kong Sugar Industry Co., Ltd.	-	64,108	11.98
Hughes Biotech. Co., Ltd.	1,125	11,151	34.62
PT Ve Wong Budi Indonesia	64	-	49.00
Subtotal		<u>75,259</u>	
Less: Accumulated impairment		<u>(8,808)</u>	
Net		<u>66,451</u>	
Total		<u>\$ 3,967,525</u>	

As at December 31, 2020

Investments in subsidiaries

Unlisted companies :

The World Champion Co., Ltd.	15,999	\$ 551,943	99.99
Summit Industrial Co., Ltd.	3,802	102,401	95.05
Saigon Ve Wong Co., Ltd.	-	627,218	100.00
Thai Fermentation Industry Co., Ltd.	204	1,069,133	48.66
Ve Wong International Ltd.	50	6,690	100.00
Tai Ve Corporation	82,323	1,624,621	79.93
Best Founder Corporation	5,328	9,904	100.00
Green TFL Co., Ltd.	2,600	25,302	65.00
Subtotal		<u>4,017,212</u>	
<u>Investments in associates</u>			
<u>Unlisted companies :</u>			
Koh Kong Sugar Industry Co., Ltd.	-	69,319	11.98
Hughes Biotech. Co., Ltd.	1,125	14,188	34.62
PT Ve Wong Budi Indonesia	64	-	49.00
Subtotal		<u>83,507</u>	
Total		<u>\$ 4,100,719</u>	

1. Disclosure matters and related instructions of PT Ve Wong Budi Indonesia :

- (1) In the second half of 2006, the Company was no longer able to participate in and control or understand the operations of PT Ve Wong Budi Indonesia, and the Company has indeed lost control of PT Ve Wong Budi Indonesia.
- (2) The Company invested in PT Ve Wong Budi Indonesia may suffer losses or damages, and whether it is likely to incur contingent liabilities, after consulting with legal experts to issue an opinion that: the company's obligations are limited to the amount of capital contributed and not exceeding the shareholders' assets.
- (3) The book balance of investment in PT Ve Wong Budi Indonesia, capital loans and advances to PT Ve Wong Budi Indonesia has all been reduced to zero in 2006.
- (4) PT Ve Wong Budi Indonesia was approved by the local court to conduct statutory liquidation procedures, and the Indonesian shareholders handled the liquidation matters in August 2015.

2. In addition to the above items, the investment using the equity method and its share of profits and losses and other comprehensive profits and losses are listed above, including The World Champion Co., Ltd. Summit Industrial Co., Ltd. Saigon Ve Wong Co., Ltd. Thai Fermentation Industry Co., Ltd. Ve Wong International Ltd., Tai Ve Corporation, Best Founder Corporation, Green TFL Co., Ltd., Koh Kong Sugar Industry Co., Ltd. and Hughes Biotechnology Co., Ltd. Calculate and recognize based on the financial statements audited by independent Auditors' report. For the share of profits and losses of subsidiaries, and associates accounted for using the equity method, please refer to Attached Table VI.

3. The above-mentioned subsidiary The World Champion Co., Ltd., which adopts the equity method, holds the Company's stocks, because the Company follows IAS 32 「Financial Instruments: Presentation」 and treats them as treasury stocks. On December 31, 2021 and 2020, the above transactions were reclassified and offset, and were classified as treasury stocks under the owner's equity, and the amount was both \$38,464, for the relevant details of treasury stocks, please refer to Note VI (XIX). In addition, in accordance with the relevant accounting treatment instructions of IAS 32 "Financial Instruments: Presentation", the Company shall pay \$2,523 and \$2,294 in cash dividends to The World Champion Co., Ltd. in 2021 and 2020, and use the equity method to offset the cash dividends based on the shareholding ratio. The profit and loss share of The World Champion Co., Ltd., and the adjustment of the "capital surplus-treasury stock transaction" amounted to \$2,523 and \$2,294.
4. In order to implement the professional division of labor, effectively enhance the operating efficiency of assets, and strengthen the overall competitiveness of the Company, the subsidiary Tai Ve Corporation in accordance with Article 185 of the Company Law and Article 27 of the Corporate Mergers and Acquisitions Law, will issue new shares as the acquisition, transfer The consideration of the assets, and set the base date for the transfer of land and buildings as January 6, 2004, the net book value of the transferred land and buildings was \$986,678 (include \$1,985,274 for land and \$68,596 for buildings reducing land value-added tax \$1,067,192), corresponding to the increase of the investment using the equity method.
5. In order to comply with Cambodian laws and regulations, the Company adjusted the investment organization of Cambodia's investment in the equity method, and established a subsidiary company "Best Founder Corporation" in Samoa with 100% of the company's shares to replace the company's original reinvestment in Cambodia. "Koh Kong Plantation Co., Ltd." investment company. The Company and its subsidiary "Samoa Best Founder Corporation" did not increase capital in Cambodia in accordance with the shareholding ratio in 2013, resulting in a decrease in the shareholding ratio (from 30% to 20%). However, the Company and its subsidiary "Samoa Best Founder Corporation" still has a significant influence on Koh Kong Plantation Co., Ltd. In addition, it did not increase the capital of the investment in Cambodia based on the shareholding ratio, which caused the net value of the investment to change. The amount of change was adjusted to increase the capital reserve and adopt the equity method. Total investment of \$76,812.
Koh Kong Sugar Industry Co., Ltd. invested by the Company and Koh Kong Plantation Co., Ltd. invested by Samoa Best Founder Corporation, a subsidiary, intends to increase capital in 2018. The Company passed a resolution of the board of directors on April 11, 2018. Approved, not participating in the capital increase.
The above-mentioned associate Koh Kong Sugar Industry Co., Ltd. and Koh Kong Plantation Co., Ltd., based on the audit report of the accountant: these investee companies have ceased business on October 31, 2018, and the management of the investee company was closed in February 2019. Publicly announced plans to close business for 3 years.
The above-mentioned associate Koh Kong Sugar Industry Co., Ltd. had increased its capital in June 2020. The Company did not subscribe for new shares according to the shareholding ratio, which reduced the shareholding ratio to 11.98%. However, the Company's evaluation Koh Kong Sugar Industry Co., Ltd. It still has significant influence (the power to participate in the financial and operating policy decisions of the investee has not changed), so its investment still adopts the equity method. In 2020, the company did not subscribe for new shares in accordance with the shareholding ratio, which caused the shareholding ratio to change, and consequently the net value of its investment equity changed. According to the financial statements audited by the accountant, the capital reserve was calculated and adjusted to increase by 90,555.
6. In the third quarter of 2016, the Company's subsidiary Thai Fermentation Industry Co., Ltd. acquired 200,000 ordinary shares of Champion Fermentation Co., Ltd. at 1,300 Baht per share (due to restrictions by local laws in Thailand, of which 5 shares are the equity is registered under the name of a natural person, and the registered equity of Thai Fermentation Industry Co., Ltd. is 199,995 shares). After the reorganization, Champion Fermentation Co., Ltd. became the grandson company of the Company, and the Company still has control.
7. In 2021, the Company recognized the associated company Hughes Biotech. Co., Ltd. as impairment loss \$8,808.
8. In 2021 and 2020, Thai Fermentation Industry Co., Ltd. resolved to distribute cash dividends of \$487,554 (630,000 thousand Baht equivalent) and \$473,892 (504,000 thousand Baht equivalent). The dividends that the Company can receive according to the proportion of shareholding are \$273,087 (306,585 thousand Baht equivalent) and \$230,616 (245,268 thousand Baht equivalent);

In 2021 and 2020 years, Saigon Ve Wong Co., Ltd. resolved to distribute cash dividends of \$106,106 (87,445,579 thousand VND equivalent) and \$124,804 (99,200,145 thousand VND equivalent), the dividends that the Company can receive according to the shareholding ratio are \$106,106 (87,445,579 thousand VND equivalent) and \$124,804 (99,200,145 thousand VND equivalent); In 2021 Summit Industrial Co., Ltd. resolved to distribute cash dividends of \$4,500, and the Company's dividends that can be allocated according to the shareholding ratio was 4,277; In 2021 Tai Ve Corporation resolved to distribute cash dividends of \$5,767, and the Company's dividends that can be allocated according to the shareholding ratio was 4,610; In 2021 and 2020 The World Champion Co., Ltd. resolved to distribute cash dividends of \$8,800 and \$7,200, respectively, the dividends that the Company can receive according to the shareholding ratio are \$8,799 and \$7,199, respectively. The above-mentioned surplus distributions are all regarded as investment deductions using the equity method.

9. In the 2021 and 2020, the Company has prepared a partnership Consolidated financial statements with The World Champion Co., Ltd., Summit Industrial Co., Ltd., Tai Ve Corporation, Saigon Ve Wong Co., Ltd., Thai Fermentation Industry Co., Ltd. (including Champion Fermentation Co., Ltd.), Samoa Ve Wong International Ltd., Samoa Best Founder Corporation and Green TFL Co., Ltd.

The financial information of the Company's significant Associate is summarized as follows :

Koh Kong Sugar Industry Co., Ltd. :	As at December 31,	
	2021	2020
CURRENT ASSETS	\$ 3,303	\$ 3,239
NONCURRENT ASSETS	\$ 1,216,708	\$ 1,257,202
CURRENT LIABILITIES	\$ 680,263	\$ 677,117
NONCURRENT LIABILITIES	\$ 4,446	\$ 4,513

	For the years ended December 31,	
	2021	2020
NET REVENUE	\$ 114	\$ 173
GROSS PROFIT	\$ (35,327)	\$ (10,303)
NET LOSS FOR THE YEAR	\$ (8,182)	\$ (124,039)
TOTAL COMPREHENSIVE INCOME	\$ (43,509)	\$ (165,331)

The adjustment from the listed summary financial information to the book amount of the equity of the Associate is listed below :

	As at December 31,	
	2021	2020
Net assets	\$ 535,302	\$ 578,811
Shareholding ratio	\$ 11.98%	\$ 20%
The company's rights	\$ 64,108	\$ 69,319
Book value of investment	\$ 64,108	\$ 69,319

(IX) Property, plant and equipment

The movement of property, plant and equipment for the years ended December 31, 2021 and 2020 were as follows:

	Land	Bulidings	Machinery and equipment	Transportation Equipment	Miscellaneous equipment	Other equipment	Idled Assets	Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2020 (next)	\$ 554,865	\$ 358,520	\$ 1,017,230	\$ 118,245	\$ 35,991	\$ 15,749	\$ 17,616	\$ -	\$ 2,118,216

(continued)

Additions	-	-	14,403	-	512	200	-	-	15,115
Disposals	-	(860)	(109,660)	(601)	(807)	(1,400)	-	-	(113,328)
Transferred	-	-	3,444	-	-	-	-	-	3,444
Balance at December 31, 2020	554,865	357,660	925,417	117,644	35,696	14,549	17,616	-	2,023,447
Additions	-	3,700	24,860	-	-	-	-	-	28,560
Disposals	-	(587)	(9,680)	(906)	(1,494)	(114)	-	-	(12,781)
Transferred	-	391	20,343	-	-	-	-	-	20,734
Balance at December 31, 2021	<u>\$ 554,865</u>	<u>\$ 361,164</u>	<u>\$ 960,940</u>	<u>\$ 116,738</u>	<u>\$ 34,202</u>	<u>\$ 14,435</u>	<u>\$ 17,616</u>	<u>\$ -</u>	<u>\$ 2,059,960</u>

Accumulated
depreciation

Balance at January 1, 2020	\$ -	\$ 277,359	\$ 839,374	\$ 84,688	\$ 31,444	\$ 13,749	\$ 13,273	\$ -	\$ 1,259,887
Depreciation	-	13,117	35,053	10,349	978	255	-	-	59,752
Disposals	-	(846)	(106,916)	(576)	(767)	(1,184)	-	-	(110,289)
Balance at December 31, 2020	-	289,630	767,511	94,461	31,655	12,820	13,273	-	1,209,350
Depreciation	-	9,162	32,998	8,336	926	254	-	-	51,676
Disposals	-	(583)	(9,523)	(869)	(1,416)	(111)	-	-	(12,502)
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 298,209</u>	<u>\$ 790,986</u>	<u>\$ 101,928</u>	<u>\$ 31,165</u>	<u>\$ 12,963</u>	<u>\$ 13,273</u>	<u>\$ -</u>	<u>\$ 1,248,524</u>

Accumulated
impairment

Balance at January 1, 2020	\$ 51,192	\$ -	\$ 120	\$ -	\$ 5	\$ -	\$ 4,343	\$ -	\$ 55,660
Add (less)	(7,349)	-	(6)	-	6	-	-	-	(7,349)
Balance at December 31, 2020	43,843	-	114	-	11	-	4,343	-	48,311
Balance at December 31, 2021	<u>\$ 43,843</u>	<u>\$ -</u>	<u>\$ 114</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 4,343</u>	<u>\$ -</u>	<u>\$ 48,311</u>

Book value

December 31, 2020	<u>\$ 511,022</u>	<u>\$ 68,030</u>	<u>\$ 157,792</u>	<u>\$ 23,183</u>	<u>\$ 4,030</u>	<u>\$ 1,729</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 765,786</u>
December 31, 2021	<u>\$ 511,022</u>	<u>\$ 62,955</u>	<u>\$ 169,840</u>	<u>\$ 14,810</u>	<u>\$ 3,026</u>	<u>\$ 1,472</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 763,125</u>

1. The property and plant proved mortgage conditions, please refer to note VIII.

2. As of the end of 2021 and 2020, the insurance coverage of Property, plant and equipment was \$234,247 and \$271,347, respectively.

3. As of January 1, 2020, some of the Company's Property, plant and equipment are based on the real estate valuation report issued by an external independent professional appraisal agency and the Company's evaluation. The recoverable amount (net fair value) is less than the book value \$55,660, and the accumulative impairment has been listed as \$55,660. Based on the real estate appraisal report issued by an external independent professional appraisal agency (price date: December 31, 2020) and the Company's evaluation in 2020, the above-mentioned Property, plant

and equipment incurred impairment losses decreased by \$7,349, the Company therefore recognized \$7,349 in reversal on impairment loss in 2020. As of December 31, 2021 and 2020, the recoverable amount (net fair value) of some of the Company's Property, plant and equipment was less than the book value of \$48,311, and the accumulated impairment after deduction was \$48,311.

4. According to the real estate appraisal report issued by an external independent professional appraisal agency and the company's evaluation, as of December 31, 2020, the total fair value of the above-mentioned Property, plant and equipment was \$808,627 (the fair value belongs to the second level), according to the appraisal results of the Company, the fair value of the above property, plant and equipment as at December 31, 2021 has not changed significantly.
5. Regarding the evaluation method of the fair value of Property, plant and equipment, the land in 2020 was mainly estimated by the comparison method and the income method (using each weight 40%~60%), and the building was estimated by the cost method, the important assumption is the income capitalization rate. (3.28%-3.97%)

(X) Right-of-use assets

The movement of right-of-use assets for the years ended December 31, 2020 and 2019 were as follows :

	Cost	Accumulated depreciation	Net
Balance at January 1, 2020	\$ 58,024	\$ 14,168	\$ 43,856
Additions	5,712	-	5,712
Disposals	(2,478)	(2,478)	-
Depreciation	-	14,166	(14,166)
December 31, 2020	61,258	25,856	35,402
Additions	19,076	-	19,076
Disposals	(10,870)	(10,870)	-
Depreciation	-	14,151	(14,151)
December 31, 2021	\$ 69,464	\$ 29,137	\$ 40,327

The depreciation expenses of the right-of-use assets of the Company in 2021 and 2020 were \$14,151 and \$14,166, respectively.

(XI) Investments properties

The movement of investments properties for the years ended December 31, 2021 and 2020 were as follows:

	Land	Bulidings	Total of cost	Accumulated depreciation	Accumulated impairment	Net
Balance at January 1, 2020	\$ 227,063	\$ 198,489	\$ 425,552	\$ (2,643)	\$ (38,830)	\$ 384,079
Depreciation	-	-	-	(9,065)	-	(9,065)
Impairment	-	-	-	-	(10,342)	(10,342)
December 31, 2020	227,063	198,489	425,552	(11,708)	(49,172)	364,672
Depreciation	-	-	-	(9,065)	-	(9,065)
December 31, 2021	\$ 227,063	\$ 198,489	\$ 425,552	\$ (20,773)	\$ (49,172)	\$ 355,607

1. The cost model is adopted for the measurement after the recognition of the investments properties.
2. As of the end of 2021 and 2020, the insurance coverage of Investments properties was \$186,827 and \$196,214, respectively.
3. As of January 1, 2020, some of the company's investments properties were based on the evaluation results of the real estate appraisal report issued by an external independent professional appraisal agency. The recoverable amount (net fair value) was less than the book

value of \$38,830. The cumulative impairment is \$38,830. Based on the real estate appraisal report issued by an external independent professional appraisal agency (price date: December 31, 2020) and the Company's evaluation, part of the investments properties at the beginning of the period and listed the impairment loss of \$38,830, and occur reversal on impairment loss is \$3,848. In 2020, the total loss of impairment of some investments properties was \$14,190, and the net amount of impairment loss in 2020 increased by \$10,342. Therefore, the impairment loss was recognized \$10,342 in 2020. As of December 31, 2021 and 2020, the recoverable amount (net fair value) of some of the Company's investments properties was less than the book value of \$49,172, and the accumulated impairment after deduction was \$49,172.

4. The rental income from investments properties in 2021 and 2020 was \$5,200 and \$5,376, direct operating expenses incurred was \$10,267 and \$10,281, respectively.
5. According to the real estate appraisal report issued by an external independent professional appraisal agency and the Company's evaluation, in 2020 was based on the external independent professional appraisal. According to the real estate valuation report issued by the institution, the fair value of the above-mentioned investments properties as of December 31, 2020 totaled \$367,457 (the fair value belongs to the second level), the fair value of the above Investments properties as at December 31, 2021 has not changed significantly.
6. Regarding the evaluation method of the fair value of investments properties, the land in the year of 2020 was mainly estimated by the comparison method and the income method or the land development analysis method (50% of each weight), and the cost method was used for the building, its important assumptions are as follows:

	As at December 31, 2020
Income capitalization rate	3.28%-4.77%
Comprehensive rate of capital interest in land development analysis method	1.41%

7. For the assets of the Company pledged as collateral, please refer to note VIII.

(XII) Prepayments and other assets

	As at December 31,	
	2021	2020
Prepayments to suppliers	\$ 961	\$ 1,890
Prepaid expenses	3,442	7,388
Other receivables	2,051	11,816
Overdue receivables	314,696	314,696
Less: allowance for impairment loss		
-overdue receivables	(314,696)	(314,696)
Other intangible assets	6,026	3,554
Other	2,355	2,102
Total	\$ 14,835	\$ 26,750
Current items	\$ 6,454	\$ 21,725
Noncurrent items	8,381	5,025
Total	\$ 14,835	\$ 26,750

Other receivables and collections belong to the part of the receivables over one year, and all allowances for losses have been provided.

The statement of changes in the loss allowance is as follows:

	For the years ended December 31,	
	2021	2020
Beginning balance	\$ 314,696	\$ 313,336
Recognized impairment loss	-	1,360
Ending balance	\$ 314,696	\$ 314,696

(XIII) Short-term loans

	As at December 31,	
	2021	2020
Secured loans	\$ 530,000	\$ 430,000
Unsecured loans	290,000	250,000
Total	\$ 820,000	\$ 680,000
Range of interest rates	0.950%-1.180%	0.975%-1.180%

For the assets of the Company pledged as collateral, please refer to note VIII.

(XIV) Lease liabilities

The analysis of the Company's lease liabilities is as follows:

	Minimum rent payment of future	Interest expense	Present value of minimum rent payment
As at December 31, 2021			
Not later than 1 year	\$ 12,792	\$ 372	\$ 12,420
Later than 1 year and not later than 5 years	26,950	398	26,552
Later than 6 year	-	-	-
Total	\$ 39,742	\$ 770	\$ 38,972
Lease liabilities-current	\$ 12,792		\$ 12,420
Lease liabilities-noncurrent	\$ 26,950		\$ 26,552
As at December 31, 2020			
Not later than 1 year	\$ 12,085	\$ 328	\$ 11,757
Later than 1 year and not later than 5 years	22,569	292	22,277
Later than 6 year	-	-	-
Total	\$ 34,654	\$ 620	\$ 34,034
Lease liabilities-current	\$ 12,085		\$ 11,757
Lease liabilities-noncurrent	\$ 22,569		\$ 22,277

The interest expense of the recognized lease liability in 2021 and 2020 was \$364 and \$434, respectively.

The amount of cash outflow for leases recognized in 2021 and 2020 was \$14,138 and \$14,069, respectively.

(XV) RETIREMENT BENEFIT PLANS

In accordance with the Labor Standards Act, Factory Law and Labor Pension Act, the Company has a retirement plan for officially hired employees.

1. Defined benefit plans

Those who have served the Company for more than 15 years and have reached the age of 55, or those who have served the Company for more than 25 years, or those who have worked for more than 10 years and have reached the age of 60 may apply for retirement. The pension payment is based on their years of service. And the average salary for the 6 months before the approved retirement is calculated. 2 bases will be given for every full year. After 15 years of working experience, 1.3 bases will be given for every full year. The maximum total is limited to 45 bases. Those who have completed half a year are calculated as half a year, and those who have completed half a year are calculated as 1 year. However, if the person is ordered to retire due to the loss of mind or body due to the performance of his duties, he may be ordered to retire based on the above-the mentioned base number, plus 20%. For those who originally enjoyed retirement compensation, an additional 2.6 base compensation will be issued upon retirement (not included in the maximum 45 bases of the retirement pension). For those who choose to apply the Labor Pension Act, the Company will allocate monthly pensions to individual labor accounts, and the

old age of the applicable Labor Standards Act will be retained, but when calculating the pension base, the age of the applicable labor pension act will not be calculated.

The Company's retirement policy is applicable to full-time employees who are formally hired. Retirement benefits are provided at 15% of the salary paid each month by adopting the part of the definite payment retirement method. As a result of actuarial calculations, the company's pension-related information is disclosed as follows:

(1) Actuarial assumptions for defined benefit plans:

	As of December 31,	
	2021	2020
Discount rate	0.65%	0.30%
Expected rate of salary increase	3.00%	2.00%

(2) Determine the expenses recognized in the defined benefit plans:

	For the years ended December 31,	
	2021	2020
Current service cost	\$ 2,695	\$ 3,409
Net interest expense	567	1,435
Recognized in profit or loss	\$ 3,262	\$ 4,844

(3) Recognized in other comprehensive income:

	For the years ended December 31,	
	2021	2020
Remeasurement of net defined benefit liabilities	\$ 18,412	\$ (6,106)

(4) The adjustments to present value of defined benefit obligation and fair value of plan assets are as follows:

Item	As of December 31,	
	2021	2020
Present value of defined benefit obligation	\$ 588,965	\$ 601,190
Fair value of plan assets	(399,715)	(399,080)
Net defined benefit liabilities	\$ 189,250	\$ 202,110

(5) The changes in the present value of defined benefit obligation are as follows:

	For the years ended December 31,	
	2021	2020
Balance at January 1	\$ 601,190	\$ 596,253
Current service cost	2,695	3,409
Net interest expense	1,743	4,037
Benefits paid	(40,953)	(20,669)
Actuarial loss - experience adjustments	(2,288)	573
Actuarial loss - changes in demographic assumptions	869	-
Actuarial loss - changes in financial assumptions	25,709	17,587
Balance at December 31	\$ 588,965	\$ 601,190

(6) The changes in the fair value of plan assets are as follows:

	For the years ended December 31,	
	2021	2020
Balance at January 1	\$ 399,080	\$ 378,107
Contribution by employer	25,372	26,580
Benefits paid	(31,790)	(20,263)
Return on plan assets	7,053	14,656
Balance at December 31	\$ 399,715	\$ 399,080

(7) Sensitivity analysis

The sensitivity analysis of the Company's defined benefit obligation is based on the discount rate and salary adjustment rate of actuarial assumptions. The discount rate and salary adjustment rate are calculated by adding or subtracting 0.25% before other actuarial assumptions remain unchanged:

a. Sensitivity analysis of discount rate :

	Discount rate			
	As of December 31,			
	2021		2020	
	Add 25%	Less 25%	Add 25%	Less 25%
Calculated based on simulation assumptions	\$ 578,494	\$ 599,742	\$ 590,102	\$ 612,613
Calculate according to the original hypothesis	588,965	588,965	601,190	601,190
Determine the loss of benefit obligation (benefits)	(10,471)	10,777	(11,088)	11,423
Determine the percentage change in benefit obligations	(1.78%)	1.83%	(1.84%)	1.90%

b. Sensitivity analysis of salary adjustment rate :

	Salary adjustment rate			
	As of December 31,			
	2021		2020	
	Add 25%	Less 25%	Add 25%	Less 25%
Calculated based on simulation assumptions	\$ 599,467	\$ 578,705	\$ 612,392	\$ 590,257
Calculate according to the original hypothesis	588,965	588,965	601,190	601,190
Determine the loss of benefit obligation (benefits)	10,502	(10,260)	11,202	(10,933)
Determine the percentage change in benefit obligations	1.78%	(1.74%)	1.86%	(1.82%)

(8) Expected future benefit payments are as follow

	As of December 31,	
	2021	2020
Expected to pay benefits in the next 1 year	\$ 42,051	\$ 40,232
Expected to pay benefits in the next 2~5 years	199,423	195,809
Expected to pay benefits more than 6 years	373,953	376,666
Total	<u>\$ 615,427</u>	<u>\$ 612,707</u>

(9) The company expected contributions to the plan for the next year and the average duration of the defined benefit obligation are as follows :

	As of December 31,	
	2021	2020
The expected contributions to the plan for the next year	<u>\$ 24,600</u>	<u>\$ 25,800</u>
The average duration of the defined benefit obligation	<u>7years</u>	<u>7years</u>

2. Defined contribution plans

The employees of the Company may choose to continue to apply the relevant pension regulations of the "Labor Standards Act", or apply the pension system of the regulations and retain the working years before the regulations are applied. According to the regulations, the employer's monthly labor pension contribution rate shall not be lower than 6% of the employee's monthly salary. In 2021 and 2020, the Company's pension contributions in accordance with the Labor Pension Act were \$14,165 and \$13,367, respectively.

(XVI) Operating lease

The Company leased investments properties in 2021 and 2020. Since almost all the risks and rewards attached to the ownership of the underlying assets have not been transferred, these lease contracts are classified as operating leases. Please refer to note VI (XI) Investments properties.

The analysis of the maturity of lease receivable on December 31, 2021 and 2020 is as follows :

	As of December 31,	
	2021	2020
Under 1 year	\$ 5,086	\$ 5,371
More than 1 year but not more than 5 years	8,028	12,200
More than 5 years	1,448	2,362
Total	<u>\$ 14,562</u>	<u>\$ 19,933</u>

(XVII) INCOME TAX

In 2021 and 2020, the corporate income tax rate was 20%, the basic tax rate on income was 12%. A reconciliation of current tax assets and liabilities and income tax expense and Current tax liabilities was as follows:

1. Income tax expense consisted of the following :

Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2021	2020
Current tax expense recognized in the current year	\$ 30,486	\$ 66,588
Income tax adjustments on prior years	(6,956)	(967)
Separate taxation of dividend income	49,809	28,811
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	(1,236)	(6,810)
Income tax expense recognized in profit or loss	<u>\$ 72,103</u>	<u>\$ 87,622</u>

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the years ended December 31,	
	2021	2020
Income before tax	<u>\$ 519,981</u>	<u>\$ 516,718</u>
Income tax expense at the statutory rate	\$ 103,996	\$ 103,344
Permanent difference	(80,056)	(54,377)
Temporary difference (next)	1,979	10,475

(continued)

Income tax on unappropriated earnings	4,567	7,146
Income tax adjustments on prior years	(6,956)	(967)
Separate taxation of dividend income	49,809	28,811
The origination and reversal of temporary differences	(1,236)	(6,810)
Income tax expense recognized in profit or loss	<u>\$ 72,103</u>	<u>\$ 87,622</u>

A reconciliation of current tax assets and liabilities and income tax expense recognized in profit or loss was as follows:

	2021	2020
Current tax expense recognized in the current year	\$ 30,486	\$ 66,588
Add : Current tax liabilities at beginning of year	38,755	-
Income tax adjustments on prior years	138	-
Separate taxation of dividend income	49,809	28,811
less : paid	(119,188)	(56,644)
Current tax liabilities at end of year	<u>\$ -</u>	<u>\$ 38,755</u>

	2021	2020
Current tax assets at beginning of year	\$ 12,195	\$ 10,461
Add : Provisional and withholding tax	2,807	767
Current income tax adjustment in previous years	7,094	967
Less : Current tax expense recognized in the current year	(19,289)	-
Current tax assets at end of year	<u>\$ 2,807</u>	<u>\$ 12,195</u>

Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2021	2020
Deferred income tax expense		
Related to remeasurement of defined benefit obligation	\$ -	\$ -
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	-
Share of the other comprehensive income (loss) for using the equity method	-	-
Exchange differences on translating the financial statements of foreign operations	-	-
Total income tax recognized in other comprehensive income	<u>\$ -</u>	<u>\$ -</u>

2. The movements of deferred tax assets and deferred tax liabilities were as follows :

2021						
	Balance at January 1	Recognized in profit or (loss)	Recognized in other comprehensive income	Recognized in equity	Exchange difference	Ending balance
Temporary difference						
Unrealized inventory loss	\$ 621	\$ (310)	\$ -	\$ -	\$ -	\$ 311
Unrealized exchange loss	6,611	1,061	-	-	-	7,672
Allowance for impairment loss	741	(40)	-	-	-	701
Unrealized employee benefit liabilities	21,508	(6,254)	-	-	-	15,254
Impairment loss on nonfinancial assets	894	645	-	-	-	1,539
Others	(183,747)	6,134	-	-	-	(177,613)
Deferred tax expense		<u>\$ 1,236</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net	<u>\$ (153,372)</u>					<u>\$ (152,136)</u>
Information expressed on the balance sheet						
Deferred tax assets	<u>\$ 30,375</u>					<u>\$ 25,477</u>
Deferred tax liabilities	<u>\$ 183,747</u>					<u>\$ 177,613</u>

2020						
	Balance at January 1	Recognized in profit or (loss)	Recognized in other comprehensive income	Recognized in equity	Exchange difference	Ending balance
Temporary difference						
Unrealized inventory loss	\$ 382	\$ 239	\$ -	\$ -	\$ -	\$ 621
Unrealized exchange loss	1,445	5,166	-	-	-	6,611
Allowance for impairment loss	482	259	-	-	-	741
Unrealized employee benefit liabilities	21,800	(292)	-	-	-	21,508
Impairment loss on nonfinancial assets	894	-	-	-	-	894
Others	(185,185)	1,438	-	-	-	(183,747)
Deferred tax expense		<u>\$ 6,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net	<u>\$ (160,182)</u>					<u>\$ (153,372)</u>
Information expressed on the balance sheet						
Deferred tax assets	<u>\$ 25,003</u>					<u>\$ 30,375</u>
Deferred tax liabilities	<u>\$ 185,185</u>					<u>\$ 183,747</u>

3. Unrecognized deferred income tax assets and Deferred income tax liabilities

(1) Unrecognized deferred income tax assets

The Company is not likely to have taxable income that can be realized or will return in the foreseeable future, and the unrecognized deferred income tax assets are as follows :

Deferred Income tax expense recognized in profit or loss	As of December 31,	
	2021	2020
Unrecognized deferred income tax assets :		
Temporary difference	<u>\$ 159,439</u>	<u>\$ 158,955</u>

(2) Unrecognized deferred income tax assets and liabilities related to investment subsidiaries and related companies

For foreign subsidiaries and foreign affiliates, the Company did not recognize related deferred income tax assets/or deferred income tax liabilities due to the conversion differences in the financial statements of foreign operating institutions. Most of the Company's investments are long-term in nature and will not be dealt with in the foreseeable future. The differences will not reverse in the foreseeable future, or the differences will not be realized in the foreseeable future.

Deferred Income tax expense recognized in other comprehensive income	As of December 31,	
	2021	2020
Unrecognized deferred income tax assets (liabilities) :		
Recognized in equity	\$ 33,920	\$ 8,022

4. Income tax assessments

The Corporation's income tax returns through 2019 have been examined by the tax authority.

5. Information about undistributed earnings

The tax rate of undistributed earnings is 5%.

(XVIII) Equity

1. Capital stock

The total authorized capital of the Company were \$2,400,000, separately at NTD10 par value with 240,000 thousand shares separately issued. The total authorized capital stated above was common share. As of December 31, 2021 and 2020, the shares issued were \$2,400,000 and 240,000 thousand shares based on the same denomination.

The balance of the Company's capital stock is as follows :

Items	Amount
Original subscription and cash capital increase	\$ 537,762
Capitalization of retained earnings	1,251,626
Capitalization of capital surplus	563,439
Capitalization of special capital reserve	47,173
Total	\$ 2,400,000

2. Capital surplus

Pursuant to the Company Act, the capital surplus may be used to offset a deficit; the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock may not be used for any purpose, except may be appropriate capital in accordance with the resolution of the shareholders meeting.

The capital reserve generated by the premium of the issued share capital shall not exceed the limit prescribed by relevant laws and regulations. The capital reserve can also be distributed in cash.

The balance of the Company's capital surplus is as follows :

Items	As of December 31,	
	2021	2020
Treasury stock trading	\$ 40,970	\$ 38,447
Changes in the net equity of the associates are recognized in accordance with the equity method	167,367	167,367
Total	\$ 208,337	\$ 205,814

3. legal capital reserve

Pursuant to the Company Act, the legal capital reserve shall be allocated until the total paid-in capital of the company. The legal capital reserve can be used to make up for losses; when the company has no losses, it can be approved by the shareholders meeting to issue new shares or cash with the legal capital reserve, but only if the reserve exceeds 25% of the paid-in capital.

According to the Ministry of Economic Affairs Letter No. 10802432410 dated January 9, 2020, when a company makes a statutory surplus reserve in accordance with Article 237 of the Company Law, it shall be handled by the company on the basis of "net profit after tax for the current period" Starting from the distribution of surplus in the financial statements for the year 2019, the statutory surplus reserve shall be set out as the basis for the statutory surplus reserve, but the company can extend it to 2020 after the current period's net profit after tax plus the amount of items other than the current period's net profit after tax included in the current year's undistributed surplus. The distribution of surpluses in the annual financial statements is applicable. There is no need to retrospectively adjust the statutory surplus reserve provided by the company in the past year. The Company began to apply the surplus distribution in the 2020 financial statements.

4. Special capital reserve

According to the regulations of the FSC, the listed company shall make a special surplus reserve for the net deduction of shareholders' equity in the account. When the deduction amount of shareholder's equity subsequently decreases, the special capital reserve may be transferred back to unappropriated earnings.

When first applying the IFRS approved by the FSC, the Company chose to adopt the exemption in IFRS 1 "First-time Adoption of International Financial Reporting Standards". The unrealized revaluation increment under the shareholder's equity was stated following the rule of using the fair value on the conversion date as the recognized cost to increase retained earnings. Pursuant to the regulations of Gin-Guan-Zheng-Fa-Zi No.1010012865 issued on April 6, 2012, a same amount of special reserves should be stated. When relative assets were used, disposed or reclassified, the original rate to state the special reserves could be used to reverse the allocation of earnings.

5. Distribution of earnings

According to the articles of association of the Company: If the Company makes a profit during the year, 2% shall be allocated for employee remuneration and 5% or less for directors and supervisors' remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance.

The Company's industrial environment is changeable, and the life cycle of the Company is in a stable growth stage. Considering the company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, if the Company has a surplus after its annual accounts, it will not be paid in accordance with the law. In addition to income tax for profit-making businesses and making up of losses in previous years, 10% of the statutory surplus reserve and special surplus reserve required by the Securities Exchange Law should be allocated first. If there is a surplus, it may be based on the actual profit and capital situation of the current year. After the resolution of the board of directors is passed, it is reported to the shareholders meeting to resolve the distribution of shareholder dividends.

At 2021, the Company's estimated total amount of employee compensation and directors and supervisors' compensation is \$27,367. According to the Company's management, distribution plan, the amount of pre-tax net profit for the year before the deduction of employee compensation and directors and supervisors' compensation is estimated at a rate and recognized It is the cost of the current year. However, if there is a discrepancy between the actual allotment amount and the estimated amount in the subsequent resolutions of the shareholders' meeting, it will be listed as the profit and loss of the year of the shareholders' meeting.

On July 14, 2021 and June 23, 2020, the Company passed the resolutions of the regular shareholders' meeting on the income distribution in 2020 and 2019, and the dividends per share and employee remuneration, directors and supervisors remuneration are as follows :

	2020	2019
Dividend per share (NTD)		
Cash	\$ 1.1	\$ 1
employee remuneration -Cash	\$ 10,878	\$ 11,159
Directors and supervisors remuneration	16,318	16,739
Total	\$ 27,196	\$ 27,898

There is no difference between the above-mentioned surplus distribution and the resolution of the company's board of directors.

The board of directors of the Company resolved on March 30, 2022 to pass the 2021 surplus distribution proposal as follows :

	Earnings distribution 2021	Dividend per share (NTD) 2021
legal capital reserve	\$ 42,413	
Cash dividend	264,000	\$ 1.1
Total	\$ 306,413	

The appropriation of earnings for 2021 is subject to the resolution of the stockholders in the stockholders' meeting.

Regarding the approval of the board of directors and the resolution of the shareholders meeting for the distribution of earnings, please go to the "Market Observation Post System" of the Taiwan Stock Exchange for inquiries.

The above-mentioned information on employee compensation and directors and supervisors' compensation can be inquired from the " Market Observation Post System " of the Taiwan Stock Exchange.

6. Dividend policy

The Company's industrial environment is changeable, and the life cycle of the Company is at a stage of steady growth. Considering the Company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, the Company's dividend policy comprehensively considers capital reserves and retention factors such as surplus, financial structure, capital budget and operating conditions determine the most appropriate method of distribution.

7. Other equity

The relevant exchange difference arising from the conversion of the net assets of the foreign operating organization from its functional currency into New Taiwan dollars is directly recognized as other comprehensive income and accumulated in the exchange differences on translating the financial statements of foreign operations under other equity items. For financial assets measured at fair value through other comprehensive gains and losses, changes in fair value are directly recognized as other comprehensive gains and losses, and accumulated under other equity items that are unrealized appraisal gains and losses for financial assets measured at fair value through other comprehensive gains and losses. It shall not be reclassified to profit or loss in subsequent periods. The actuarial gains and losses on the determined benefit plan are recognized under other comprehensive gains and losses, and immediately recognized as retained earnings, and cannot be reclassified to profit or loss in subsequent periods.

(XIX) Treasury stocks

Cause	Subsidiary name	Number of shares as of January 1	Net Increase (Decrease)	Number of shares as of December 31
<u>12.31.2021</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865
<u>12.31.2020</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865

The company's Subsidiary, The World Champion Co., Ltd., holds shares of the company, with a cost of NTD\$16.86 per share, the market price of each share on December 31, 2021 and 2020 was NTD\$32.55 and NTD\$36.60, respectively.

(XX) EARNINGS PER SHARE

The earnings per share and the weighted average number of ordinary shares used to calculate the earnings per share are as follows :

Net Profit for the Year

	2021	2020
Profit attributable to ordinary shareholders	\$ 447,878	\$ 429,096
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
Earnings used to calculate diluted earnings per share	<u>\$ 447,878</u>	<u>\$ 429,096</u>

Thousand shares

	2021	2020
The weighted average number of ordinary shares used to calculate basic earnings per share	237,706	237,706
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
The weighted average number of ordinary shares used to calculate the diluted earnings per share	<u>237,706</u>	<u>237,706</u>

The company has the option to settle compensation paid to employees in cash or stock. During the computation of diluted earnings per share, the company assumed the entire amount of the compensation or bonuses would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding, if the effect is dilutive. The Company's authorized capital has been issued in full, and employee compensation has been paid in cash. Therefore, the basic earnings per share and the diluted earnings per share are the same.

(XXI) Employee benefits, depreciation and amortization expense

	Belonging to operating costs	Belonging to operating expenses	Total
<u>2021</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 199,331	\$ 216,917	\$ 416,248
Labor/health insurance expense	21,840	21,156	42,996
Pension expense (Note a)	8,599	8,828	17,427
(next)			

(continued)

Director's remuneration	-	22,606	22,606
Total	\$ 229,770	\$ 269,507	\$ 499,277
Depreciation expense	\$ 52,896	\$ 21,996	\$ 74,892
Amortization expense	\$ 5,865	\$ 1,267	\$ 7,132

2020

Employee benefit expenses			
Wages and salaries (Note b)	\$ 201,926	\$ 215,264	\$ 417,190
Labor/health insurance expense	19,520	19,272	38,792
Pension expense (Note a)	8,946	9,265	18,211
Director's remuneration	-	22,122	22,122
Total	\$ 230,392	\$ 265,923	\$ 496,315
Depreciation expense	\$ 59,160	\$ 23,823	\$ 82,983
Amortization expense	\$ 6,179	\$ 131	\$ 6,310

Note a : please refer to note VI(XV).

Note b : please refer to note VI(XVIII).

- 1.As of December 31, 2021 and 2020, the number of employees of the Company was 748 and 757, respectively. The number of directors who are not part-time employees are 13.
- 2.The average employee benefit expenses in 2021 and 2020 were \$649 and \$637, respectively.
- 3.The average salary costs in 2021 and 2020 were \$566 and \$561, respectively, and the average increase in salary for employees in the two years was 1.88% and 7.68%, respectively.
- 4.Supervisors'Remuneration in 2021 and 2020: The Company has no supervisors, so it is not applicable.
- 5.The Company's employee remuneration policy: The Company's employee salaries include salary, job allowances, work allowances, full attendance bonuses, annual bonuses and other items. New employees are paid based on their academic experience, market conditions and the company's ability to pay, while existing employees are adjusted based on price changes, employee performance and the company's ability to pay. Employee remuneration is based on Article 34 of the company's articles of association. If the company makes a profit each year, 2% shall be allocated as employee remuneration, but if the Company still has accumulated losses, it shall reserve the compensation amount in advance. The salary of managers and employee remuneration have been reviewed and approved by the Company's salary and remuneration committee.
- 6.The remuneration policy of directors of the Company: Article 31 of the Company's articles of association stipulates that the remuneration of directors shall be authorized by the board of directors to be negotiated with reference to the level of peers in accordance with the degree of participation of the directors in the operation of the company and the value of their contributions. Remuneration of Directors According to Article 34 of the Articles of Association of the Company, if the Company makes a profit during the year, it shall allocate less than 5% as directors' remuneration. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance. The remuneration of the Company's directors has been reviewed and approved by the Company's salary and remuneration committee on the Company's scale, industry characteristics, business nature, operating performance, market conditions, future risks, and salary and remuneration over the years.

(XXII) Operating revenue

The analysis of the Company's operating revenue is as follows:

	For the years ended December 31,	
	2021	2020
Sales revenue	\$ 2,306,253	\$ 2,316,065
Rental income	5,200	5,376
Total	<u>\$ 2,311,453</u>	<u>\$ 2,321,441</u>

The Company's merchandise sales revenue is generated by the transfer of merchandise to customers at a certain point in time; rental income is generated by the gradual transfer of labor services to customers over time.

(XXIII) Other income

	For the years ended December 31,	
	2021	2020
Dividend income		
From financial assets at fair value through other comprehensive income	\$ 7,045	\$ 6,307

(XXIV) Other gains and losses

	For the years ended December 31,	
	2021	2020
Net foreign currency exchange losses	\$ (16,208)	\$ (32,627)
Royalty income	6,712	7,299
Income from personnel expenses sharing	4,000	4,073
Commission income	145	102
Directors' remuneration income	22,823	20,987
Others	9,697	3,003
Loss on disposal of property, plant and equipment	(279)	(3,039)
Fair value changes of financial assets mandatorily classified as at FVTP	6,573	7,219
Total	<u>\$ 33,463</u>	<u>\$ 7,017</u>

The "Fair value changes of financial assets mandatorily classified as at FVTP" for the year 2021 above was \$6,573, which was the realized appraisal benefit of the disposal fund.

(XXV) Finance costs

	For the years ended December 31,	
	2021	2020
Interest on bank loans	\$ 7,514	\$ 7,722
Interest on leases liabilities	364	434
Interest on deposit	4	4
Total	<u>\$ 7,882</u>	<u>\$ 8,160</u>

(XXVI) Financial instruments

1. Types of financial instruments

	As at December 31,	
	2021	2020
Financial assets		
Measured at amortized cost		
Cash and cash equivalents	\$ 223,406	\$ 246,424
Notes and accounts receivable	304,997	267,444
Other receivables	15,790	11,961
Other financial assets	599,964	314,781
(next)		

(continued)

Financial assets measured at amortized cost	82,890	28,050
Refundable deposit	31,183	25,307
Subtotal	1,258,230	893,967
Measured at fair value		
Financial assets at fair value through profit or loss	-	44,895
Financial assets at fair value through other comprehensive income	172,984	136,808
Total	\$ 1,431,214	\$ 1,075,670

Financial liabilities

Measured at amortized cost		
Short-term loans	\$ 820,000	\$ 680,000
Notes and accounts payable	236,816	215,359
Other payables	152,526	148,941
Lease liabilities	38,972	34,034
Total	\$ 1,248,314	\$ 1,078,334

2. Financial risk management objectives

The Company's financial risk management objective is to manage exchange rate risk, interest rate risk, credit risk and liquidity risk related to operating activities. In order to reduce related financial risks, the Company is committed to identifying, evaluating and avoiding market uncertainties in order to reduce the potential adverse effects of market changes on the Company's financial performance.

The Company does not trade financial instruments for speculative purposes. The company has established appropriate policies, procedures and internal controls for the above financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution period of financial management activities, the Company must actually follow the relevant regulations of financial risk management.

3. Market risk

The main market risks that the Company's operating activities impose on the Company are foreign currency exchange rate changes and interest rate changes. In addition, the Company uses its own funds and bank borrowings to flexibly adjust to meet operational needs. Because most of the Company's floating interest rate net assets mature within one year, and the current market interest rates are already low, it is expected that there will be no significant interest rate changes risk, so does not use derivative financial instruments to manage interest rate risk.

(1) Foreign currency risk

Some of the Company's operating activities and net investments in foreign operating institutions are mainly trade in foreign currencies, so foreign currency exchange rate risks arise. In order to avoid a decrease in the value of foreign currency assets and fluctuations in future cash flows due to exchange rate changes, the Company uses short-term loans to avoid exchange rate risks. The use of such financial instruments can help the Company reduce but still cannot completely exclude the impact of foreign currency exchange rate changes.

The net investment of foreign operating institutions is a strategic investment, so the Company does not hedge against it.

Sensitivity analysis of foreign currency exchange rate risk is mainly calculated based on foreign currency monetary items at the end of the financial reporting period. When NTD strengthens / weakened against the USD by 1%, the profit for the years ended December 31, 2021 and 2020 decreases/increases by \$7,719 and \$4,619, respectively.

(2) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments and changes in cash flow due to changes in market interest rates. The Company's interest rate risk includes the above two.

The sensitivity analysis of interest rate risk is determined by the risk of non-derivative financial instrument interest rate risk at the end of the financial reporting period. If Interest rate increases / decreases by 1%, the profit for the years ended December 31, 2021 and 2020 decreases/increases by \$6,900 and \$6,763, respectively.

(3) Other price risks

The listed and unlisted equity securities and fund investments held by the Company, the prices of these equity securities and fund investments will be affected by the uncertainty of the future value of the investment targets.

All of the Company's major equity instrument investments must be approved by the Company's board of directors.

The fund investment held by the Company is measured at fair value through profit or loss; listed equity securities are measured at fair value through other comprehensive gains or losses; and unlisted equity securities are measured at fair value through profit or loss and other comprehensive income, respectively.

The price risk of the Company's equity instruments and fund investments mainly comes from investments classified as fair value through profit or loss and fair value through other comprehensive income.

The sensitivity analysis of equity instruments and fund price risks is based on the change in fair value at the end of the financial reporting period. If the price of equity instruments and fund investment rise/fall 1%, the profit for the years ended December 31, 2021 and 2020 increases / decreases by \$1,730 and \$1,817, respectively.

4. Credit risk management

Credit risk refers to the risk of the Company's financial losses caused by the counterparty's default. The Company's policy is to try to trade with reputable objects to reduce the risk of financial loss. In addition to pre-transaction credit investigations, the Company also continuously monitors credit risk insurance and counterparty credit status during the transaction process, and continues to diversify customer sources and expand overseas markets to reduce customer concentration.

The Company had no credit risk concentrated on a single customer in 2021 and 2020, so the credit risk is indeed limited.

5. Liquidity risk

The Company's goal of managing liquidity risk is to maintain cash and cash equivalents, highly liquid securities, and sufficient bank financing lines ensure that the Company has sufficient financial flexibility.

In addition to lease liabilities based on discounted, the table below summarizes the maturity profile of the Company's financial liabilities based on undiscounted contractual payments with carrying amounts that approximated contractual cash flows:

	As at December 31, 2021				
	Within 6 months	7~12 months	1~5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 560,000	\$ 260,000	\$ -	\$ -	\$ 820,000
Notes and accounts payable	236,816	-	-	-	236,816
Other payables	125,159	27,367	-	-	152,526
Lease liabilities	5,906	6,514	26,552	-	38,972
Total	<u>\$ 927,881</u>	<u>\$ 293,881</u>	<u>\$ 26,552</u>	<u>\$ -</u>	<u>\$ 1,248,314</u>

As at December 31, 2020					
	Within 6 months	7~12 months	1~5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 480,000	\$ 200,000	\$ -	\$ -	\$ 680,000
Notes and accounts payable	215,359	-	-	-	215,359
Other payables	121,745	27,196	-	-	148,941
Lease liabilities	5,927	5,830	22,277	-	34,034
Total	<u>\$ 823,031</u>	<u>\$ 233,026</u>	<u>\$ 22,277</u>	<u>\$ -</u>	<u>\$ 1,078,334</u>

6. Foreign currency assets and liabilities with significant exchange rate fluctuations

The Company's business involves a variety of non-functional currencies, so it is affected by exchange rate fluctuations, and there are large exchange rate fluctuations. Information about foreign currency assets and liabilities is as follows :

	currency	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)	Exchange gains and losses
<u>Monetary items :</u>					
<u>As at December 31, 2021</u>					
Financial Assets					
Cash and cash equivalents	USD	3,215	27.63	\$ 88,843	\$ (3,626)
Notes and accounts receivable	USD	693	27.63		-
Notes and accounts receivable	EUR	21	31.38	19,207	-
Other financial assets	USD	21,004	27.63	580,354	(23,588)
Financial assets measured at amortized cost	USD	3,000	27.63	82,890	(10,694)
Exchange gains and losses from general transactions					21,700
Net					<u>\$ (16,208)</u>

As at December 31, 2020

Financial Assets					
Cash and cash equivalents	USD	4,332	28.05	\$ 121,522	\$ (6,353)
Notes and accounts receivable	USD	369	28.05	10,353	-
Notes and accounts receivable	EUR	43	34.59	1,466	-
Other financial assets	USD	10,715	28.05	300,560	23,301
Exchange gains and losses from general transactions					(2,973)
Net					<u>\$ (32,627)</u>

	currency	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)
<u>Non-Monetary items :</u>				
<u>As at December 31, 2021</u>				
Investments accounted for using equity method	USD	2,858	27.63	\$ 78,966
Investments accounted for using equity method	THB	1,109,653	0.8141	903,368
Investments accounted for using equity method	VND	514,609,334	0.00122041	628,034
<u>As at December 31, 2020</u>				
Investments accounted for using equity method	USD	3,063	28.05	\$ 85,913
Investments accounted for using equity method	THB	1,158,449	0.9229	1,069,133
Investments accounted for using equity method	VND	508,339,815	0.0012342	627,218

7. Fair value of financial instruments

(1) Fair valuation techniques for instruments measured at fair value

A. Measure the fair value of financial instruments based on amortized cost

The Company's key management believes that the Company's financial assets and financial liabilities measured at amortized costs are close to their fair values in the accompanying parent company only financial statements.

B. Fair valuation techniques for instruments measured at fair value

The fair value of financial assets and financial liabilities is determined by the following methods:

- The fair value of financial assets and financial liabilities with standard terms and conditions that are traded in an active market is determined with reference to market quotes.
- The fair value of stocks that are not publicly quoted is determined according to market methods analysis and multiple methods (a kind of market methods), and based on recognizing pricing models.

(2) The fair value recognized in the parent company only balance sheets.

The following table of the Company provides analysis information of financial instruments measured by fair value after initial recognition, and reveals the analysis information by dividing the fair value into the following three levels according to the degree of observability :

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

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

Level 3 : Level 3 inputs are inputs that measure fair value to the extent that relevant observable inputs are not available in the market.

(3) Financial assets measured at fair value on a repeatability basis

The Company's financial assets measured at fair value on a repeatability basis, and their fair value levels are as follows :

As at December 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	110,120	-	-	110,120
Unlisted shares	-	-	62,864	62,864
Total	<u>\$ 110,120</u>	<u>\$ -</u>	<u>\$ 62,864</u>	<u>\$ 172,984</u>
As at December 31, 2020				
Financial assets				
Financial assets at FVTPL				
Mutual funds	\$ -	\$ 44,895	\$ -	\$ 44,895
Unlisted shares	-	-	-	-
Financial assets at FVTOCI				
Listed shares	77,730	-	-	77,730
Unlisted shares	-	-	59,078	59,078
Total	<u>\$ 77,730</u>	<u>\$ 44,895</u>	<u>\$ 59,078</u>	<u>\$ 181,703</u>

(4) Reconciliation of Level 3 fair value measurements of financial instruments

The Company's financial assets measured at the 3 level of fair value are mainly financial assets at fair value through other comprehensive income. The reconciliation from January 1 to December 31, 2021 and 2020 is as follows :

	2021	2020
Balance at January 1	\$ 59,078	\$ 55,938
Recognized in other comprehensive income	3,786	3,140
Balance at December 31	\$ 62,864	\$ 59,078

(5) In 2021 and 2020, the Company does not have a transfer fair value measurement of financial instruments between level 1 and level 2.

(XXVII) Capital management

The Company's capital management goal is to be able to maintain the best capital structure before continuing to operate and grow, so as to provide shareholders with sufficient remuneration. The Company's capital structure management strategy is based on factors such as the scale of the Company's business, the future growth of the industry, product development blueprints and changes in the external environment to plan the required production capacity and what is needed to achieve this capacity plant equipment and corresponding capital expenditure; According to the characteristics of the industry, calculate the required working capital and cash, and estimate the possible product profit, operating profit rate and cash flow, consider the industry's business cycle fluctuations and product life cycle and other risk factors to determine the most appropriate capital for the Company structure.

As the years ended December 31, 2021 and 2020, the Company's rate of liabilities is as follows :

	As at December 31,	
	2021	2020
Total liabilities	\$ 1,763,490	\$ 1,654,146
Total assets	\$ 7,033,163	\$ 6,809,567
Rate of liabilities	25%	24%

The ratio on December 31, 2021 was slightly increased than the ratio on December 31, 2020, but there has been no significant change.

(XXVIII) Cash flow information

Reconciliation of liabilities arising from financing activities :

	Short-term loans
Balance at January 1, 2020	\$ 750,000
Financing Cash Flow :	
Increase Short-term loans	2,260,000
Repayment of short-term loans	(2,330,000)
Balance at December 31, 2020	680,000
Financing Cash Flow :	
Increase short-term loans	2,520,000
Repayment of short-term loans	(2,380,000)
Balance at December 31 , 2021	\$ 820,000

VII. Related Party Transactions

(I) Name of related parties and relationship with the related parties

Name of related party	Relationship with the Company
The World Champion Co., Ltd.	Subsidiaries of the Company for using the equity method
Summit Industrial Co., Ltd.	Subsidiaries of the Company for using the equity method

(next)

(continued)	
Saigon Ve Wong Co., Ltd.	Subsidiaries of the Company for using the equity method
Thai Fermentation Industry Co., Ltd.	Subsidiaries of the Company for using the equity method
Tai Ve Corporation	Subsidiaries of the Company for using the equity method
Best Founder Corporation	Subsidiaries of the Company for using the equity method
Green TFL Co., Ltd.	Subsidiaries of the Company for using the equity method
PT Ve Wong Budi Indonesia	Associates of the Company for using the equity method
Koh Kong Sugar Industry Co., Ltd.	Associates of the Company for using the equity method
Koh Kong Plantation Co., Ltd.	Associates of Best Founder Corporation for using the equity method

(II) Significant transactions with related parties

1. Purchases

(1) The transaction amount is less than \$100,000 :

Name of related party	For the years ended December 31,			
	2021		2020	
	Amount	Percent of net purchases %	Amount	Percent of net purchases %
The World Champion Co., Ltd.	\$ 54,148	4	\$ 57,391	5
Green TFL Co., Ltd.	989	-	729	-
Thai Fermentation Industry Co., Ltd.	-	-	77,263	6
Total	\$ 55,137	4	\$ 135,383	11

Purchase price : The World Champion Co., Ltd. and Green TFL Co., Ltd., both parties decide according to market price ; The price purchased from Thai Fermentation Industry Co., Ltd. is calculated based on the purchase cost of Thai Fermentation Industry Co., Ltd. plus packaging costs.

Payment terms : The payment period of The World Champion Co., Ltd. is determined in accordance with the Company's payment policy . The payment period of Green TFL Co., Ltd. is 60 days after the purchase, no major difference from general transactions; Thai Fermentation Industry Co., Ltd. pays by T/T.

(2) The transaction amount is more than \$100,000 :

Name of related party	For the years ended December 31,			
	2021		2020	
	Amount	Percent of net purchases %	Amount	Percent of net purchases %
Summit Industrial Co., Ltd.	\$ 125,390	10	\$ 132,678	11
Thai Fermentation Industry Co., Ltd.	112,878	9	-	-
Total	\$ 238,268	19	\$ 132,678	11

Purchase price : The price purchased from Thai Fermentation Industry Co., Ltd. is calculated based on the purchase cost of Thai Fermentation Industry Co., Ltd. plus packaging costs, The price purchased from Summit Industrial Co., Ltd. is determined based on market prices.

Payment terms : The payment period of Summit Industrial Co., Ltd. is 60 days after the purchase, no major difference from general transactions. Thai Fermentation Industry Co., Ltd. pays by T/T.

2. Sales

(1) The transaction amount is less than \$100,000 :

Name of related party	For the years ended December 31,			
	2021		2020	
	Amount	Percent of net revenue %	Amount	Percent of net revenue %
Saigon Ve Wong Co., Ltd.	\$ 539	-	\$ 1,018	-
Summit Industrial Co., Ltd.	340	-	198	-
Green TFL Co., Ltd.	3,590	-	2,428	-
Thai Fermentation Industry Co., Ltd.	4	-	-	-
合計	\$ 4,473	-	\$ 3,644	-

Sale price : In principle, both parties decide according to market price.

Collection terms : The collection period is determined in accordance with the Company's collection policy, and there is no major difference from general transactions.

(2) The transaction amount is more than \$100,000 : none.

3. As the years ended December 31, 2021 and 2020, the Company's financing provided for related party is as follows :

Name of related party	Items	As at December 31,	
		2021	2020
PT Ve Wong Budi Indonesia	Overdue receivables	\$ 139,293	\$ 139,293
	Less: allowance for impairment loss	(139,293)	(139,293)
	Net	\$ -	\$ -

4. As the years ended December 31, 2021 and 2020, the Company's endorsements and guarantees providing for related party is as follows :

Name of related party	As at December 31,	
	2021	2020
Summit Industrial Co., Ltd.	\$ 50,000	\$ 50,000
Koh Kong Plantation Co., Ltd.	132,624	134,640
Koh Kong Sugar Industry Co., Ltd.	226,566	230,010
Total	\$ 409,190	\$ 414,650

5. Significant financial assets and liabilities with related parties

Items	Name of related party	As at December 31,			
		2021		2020	
		Amount	%	Amount	%
Note receivables	Summit Industrial Co., Ltd.	\$ -	-	\$ 1	-
Accounts receivables	Green TFL Co., Ltd.	622	-	667	-
	Summit Industrial Co., Ltd.	97	-	4	-
	Saigon Ve Wong Co., Ltd.	129	-	184	-
	Saigon Ve Wong Co., Ltd.	14,874	94	7,363	62
Other receivables-related parties	Summit Industrial Co., Ltd.	904	6	307	2
	Tai Ve Corporation	-	-	4,276	36
	Green TFL Co., Ltd.	12	-	15	-
	PT Ve Wong Budi Indonesia	170,803	-	170,803	-
Overdue receivables	PT Ve Wong Budi Indonesia	(170,803)	-	(170,803)	-
Less: allowance for impairment loss					
Notes and accounts payable	Summit Industrial Co., Ltd.	19,204	8	31,472	15
(next)					

(continued)

	The World Champion Co., Ltd.	21,252	9	15,849	7
	Green TFL Co., Ltd.	173	-	355	-
Other payables	The World Champion Co., Ltd.	172	-	192	-
	Summit Industrial Co., Ltd.	64	-	77	-
	Green TFL Co., Ltd.	189	-	-	-

6. Others

Name of related party	Items	For the years ended December 31,	
		2021	2020
Saigon Ve Wong Co., Ltd.	Royalty income	\$ 6,712	\$ 7,299
Thai Fermentation Industry Co., Ltd.	Director's remuneration	22,823	20,987
Tai Ve Corporation	Other gains	4,000	4,073
Green TFL Co., Ltd.	Other gains	95	60
Summit Industrial Co., Ltd.	Operating expenses reduction	24	2
The World Champion Co., Ltd.	Operating expenses	1,097	1,423

7. Lease

Name of related party	Items	For the years ended December 31,	
		2021	2020
Summit Industrial Co., Ltd.	Rental income	\$ 3,429	\$ 3,429
Green TFL Co., Ltd.		360	-
Tai Ve Corporation	Rental expense	-(note)	-(note)

The rents listed above were determined by both parties to the lease in consideration of the general rent level, and the rent collection (payment) is based on monthly collection (payment).

Note: The lease agreement between the Company and Tai Ve Corporation is as follows:

Items	As at December 31,	
	2021	2020
Right-of-use assets-cost	\$ 44,677	\$ 44,677
Lease liabilities	\$ 18,171	\$ 27,105

	For the years ended December 31,	
	2021	2020
Interest on leases liabilities	\$ 258	\$ 357

8. Endorsement / guarantee

As the years ended December 31, 2021 and 2020, the immovable property from the Company transferred to Tai Ve Corporation (including its investments properties), which continued to be provided to the Company as loans from financial institutions and purchases. The details of the collateral of the performance bond are as follows:

Pledged assets	Detail	Book value	
		As at December 31,	
Investments properties	Land and building	2021	2020
		\$ 1,923,496	\$ 1,924,593

As the years ended December 31, 2021 and 2020, guaranteed amount of the above collateral was \$1,650,400.

9. Compensation of key management personnel

Remuneration of key management personnel of the Company includes the following:

	For the years ended December 31,	
	2021	2020
Short-term employee benefits(note)	\$ 25,653	\$ 25,030

Note: Short-term employee benefits include salary, bonus and employee compensation, etc.

The remuneration of directors and key management personnel is determined by the remuneration committee.

VIII. Pledged Assets

The following assets have been provided as collateral for borrowings and performance guarantees :

Pledged assets	Detail	As at December 31,	
		2021	2020
Property, plant and equipment	Land and building	\$ 573,541	\$ 578,616
Investments properties	Land and building	110,029	110,029
Total		\$ 683,570	\$ 689,404

IX. Significant Contingent Liabilities and Unrecognized Commitments

As the years ended December 31, 2021 and 2020, the Company contingent liabilities and unrecognized commitments is as follows :

1. The unused letters of credit amount to USD\$45,000 and USD\$32,000, respectively.
2. Endorsements and guarantees providing to others was \$359,190 and \$364,650, respectively.
3. The deposit guarantee note of the letter of credit and the purchase was \$183,000; The deposit guarantee notes received was \$61,096 and \$52,781, respectively.

X. Significant Disaster Loss: None

XI. Significant Subsequent Events: None

XII. Others

- (I) Regarding issues such as "off-book earnings" that were questioned, the Company adjusted the number of shares and shareholding ratios of Thai Fermentation Industry Co., Ltd. at the end of the 1991, and adjusted the equity of Thai Fermentation Industry Co., Ltd. at the end of the 1991 to increase the accumulated surplus and investment income, but as to whether there is an off-book surplus after the 1991, 33 shareholders have jointly petitioned the court to select an inspector for investigation and the prosecutor will also investigate it. The inspector selected by the Taiwan Taipei District Court submitted a supplementary report to the court on June 18, 2003, and the court has not issued any ruling instructions.
- (II) As of December 31, 2021, Ting Hsin Oil Co., Ltd. sued and requested the Company to pay \$2,144 for the goods. The case is being heard by the Taiwan Taipei District Court. The Company filed a counterclaim during the trial procedure and requested Ting Hsin Oil Co., Ltd. The Company caused damages of \$9,420 due to problematic lard. After the case was heard by the Taiwan Taipei District Court, this lawsuit ruled that the Company lost the lawsuit, and the counterclaim was rejected with an illegal requirement. The Company was dissatisfied and filed a second-instance appeal and a counter-accusation respectively. After the Taiwan High Court heard the case, it found that the counter-accusation had reason to rule to abolish the original ruling and remanded it to the original trial. The Taiwan Taipei District Court of the original trial is in the process of hearing with Appeal Gengyi Yi Zih No. 1. in 2019 As for the appeal of the request for payment, the Company was ruled to lose the lawsuit. The Company filed a third-instance appeal against the request for payment. The Supreme Court partially abandoned it with Taishang Zi No. 1172 in 2020 and sent it back to the High Court of Taiwan, which was then approved by both parties. The parties agreed to stop the litigation and wait for the decision of the Taipei District Court with Appeal Gengyi Yi Zih No. 141. in 2019.

(III) The Company's Taoyuan business office in 2020 Mr. Xu, a salesperson involved in the embezzlement of about 1.26 million, and the Company filed a criminal complaint with the Taiwan Taoyuan District Prosecutors Office for business embezzlement. As of the date of the inspection report, the case is still under trial. The Company has set aside a 100% allowance for losses, which has no significant impact on the Company's 2021 financial statements

The above litigation cases are still to be judged by the judiciary. The relevant results will depend on the judgment of the court. The above will only be disclosed in accordance with the principle of publicity.

XIII. Additional Disclosures

(I) Information on Significant Transactions :

1. Financing provided to others for the year ended December 31, 2021: Please refer to Table I.
2. Endorsements/Guarantees Providing for the year ended December 31, 2021 : Please refer to Table II.
3. Marketable securities held (excluding the equity held by invested subsidiaries, associates and joint ventures) for the year ended December 31, 2021 : Please refer to Table III.
4. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2021 : None.
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2021 : None.
6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2021 : None.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capita for the year ended December 31, 2021 : Please refer to Table IV.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capita for the year ended December 31, 2021 : Please refer to Table V.
9. Trading in derivative instruments for the year ended December 31, 2021 : None.

(II) Information on Investees :

1. Information on investees (excluding investments in mainland chian) for the year ended December 31, 2021 : Please refer to Table VI.
2. Information about invested business :
 - (1) Financing provided to others in 2021 : Please refer to Table VII.
 - (2) Endorsements/Guarantees Providing in 2021 : Please refer to Table VIII.
 - (3) Marketable securities held (excluding the equity held by invested subsidiaries, associates and joint ventures) for the year ended December 31, 2021: Please see TABLE IX attached.
 - (4) The amount of the accumulated purchase or sale of the same securities is over NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2021: None.
 - (5) Purchase amount of real property that exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2021: None.
 - (6) Amount for the disposal of real property exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2021: None.
 - (7) Amount of the purchase from and the sale to related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2021: None.
 - (8) Amount receivable from related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2021: None.
 - (9) Engaging in derivative transactions for the year ended December 31, 2021: None.

(III) Information about the investment in China: None.

(IV) Major Shareholders Information: Please refer to Table X.

XIV. Operating Segments Information

Please refer to the year 2021 consolidated financial statements.

TABLE I**VE WONG CORPORATION**
**FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

No	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrow(not e)	Aggregate Financing Limits(note)
													Item	Value		
0	VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Other noncurrent assets-other	Y	\$ 139,293	(USD\$4.28 MILLION) \$ 139,293	\$139,293	-	Plant and operation needs	-	-	\$ 139,293	12,000 shares of PT Ve Wong Budi Indonesia	-	\$ 351,658	\$ 1,406,633

Note : According to the operating procedures of the company's capital loan to others, the company's capital loan to a single enterprise shall not exceed 5% of the company's total assets, and the company's capital loan to others shall not exceed 20% of the company's total assets. For subsidiaries of the company, where short-term financing is necessary due to operating turnover, the cumulative balance of financing must not exceed 40% of the company's net worth.

TABLE II**VE WONG CORPORATION**
**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement / Guarantee Given on Behalf of Each Party (Note1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Ve Wong Corporation	Summit Industrial Co., Ltd.	The Corporation owns directly over 50% ownership of the investee company.	\$1,406,633	\$ 50,000	\$ 50,000 (USD\$4.8 MILLION)	\$ 33,000	\$ -	1%	\$ 2,109,949	Y	-	-
0	Ve Wong Corporation	Koh Kong Plantation Co., Ltd.	Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages (Note3)	1,406,633	136,704	132,624 (USD\$8.2 MILLION)	-	-	3%	2,109,949	-	-	-
0	Ve Wong Corporation	Koh Kong Sugar Industry Co., Ltd.	Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages (Note3)	1,406,633	233,536	226,566	-	-	4%	2,109,949	-	-	-
		Total				\$ 409,190	\$ 33,000	\$ -					

Note1 : According to The company's endorsement and guarantee measures, the amount of endorsement, guarantee for a single company shall not exceed 20% of The company's total assets.

Note2 : According to The company's endorsement and guarantee measures, the amount of endorsement and guarantee shall not exceed 30% of The company's total assets.

Note3 : In order to comply with Cambodian laws and regulations, The company has adjusted the investment organization of Cambodia's investments under the equity method. Please refer to Note VI (VIII). The company's investment in Koh Kong Plantation Co., Ltd. was adjusted from direct investment to a company that holds 100% of the voting shares (ie Samoa Best Founder Corporation) due to the adjustment of the investment organization.

Note4 : The Company's endorsement, guarantee to Koh Kong Sugar Industry Co., Ltd. (KSI) is an endorsement, guarantee to the invested company by all the capitalist shareholders based on their shareholding ratio due to the joint investment relationship. KSI handled the capital increase in June 2020. The Company did not subscribe for new shares based on the shareholding ratio, resulting in a decrease in the shareholding ratio. The endorsement, guarantee balance base on the end of 2021 was the endorsement guarantee balance based on the original shareholding ratio. As of December 31, 2021, KSI has not made any relevant borrowings. The Company will contact the investee company to adjust the endorsement, guarantee limit based on the current shareholding ratio in due course, or the letter of guarantee to be recovered when the loan amount expires.

TABLE III**VE WONG CORPORATION**

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Relationship with the security issuer	Ledger account	Yearend				Remarks
				Number of thousand shares (Number of thousand unit)	Book value	Percentage held	Fair value	
VE WONG CORPORATION	<u>Listed stocks</u>							
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets measured at fair values through other comprehensive profit or loss- non-current	887	\$ 55,428	0.007%	\$ 55,428	
	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	"	45	2,857	-	2,857	
	Taishin Financial Holding Co., Ltd.	-	"	2,352	44,565	0.020%	44,565	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	43	2,255	-	2,255	
	Vedan International (Holdings) Co., Ltd.	-	"	1,992	5,015	0.131%	5,015	
	Total				\$ 110,120		\$ 110,120	
	<u>Unlisted stocks</u>							
	Li Shih venture capital Co., Ltd.	-	Financial assets measured at fair values through other comprehensive profit or loss- non-current	677	\$ 10,166	5.68%	\$ 10,166	
	Tai Fu International (Holdings) Co., Ltd.	-	"	1,500	15,317	4.32%	15,317	
	Jhong Sin investment Co., Ltd.	-	"	1,043	37,381	0.33%	37,381	
	Total				\$ 62,864		\$ 62,864	
	<u>Unlisted stocks</u>							
	Wei Da Dian Ltd.	-	Financial assets measured at fair values through profit or loss- non-current	2	\$ -	0.18%	\$ -	
	Jhong Hua trade development Co., Ltd.	-	"	31	-	0.05%	-	
	Total				\$ -		\$ -	
	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 82,890		\$ 82,890	

TABLE IV**VE WONG CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
VE WONG CORPORATION	Summit Industrial Co., Ltd.	Subsidiary	Purchase	\$ 125,390	10%	Accordance with the Company's policy on credit management	The price purchased is determined based on market prices	Payment in 60 days after confirming	\$19,204	8%	
VE WONG CORPORATION	Thai Fermentation Industry Co., Ltd.	Subsidiary	Purchase	112,878	9%	Accordance with the Company's policy on credit management	The price purchased is determined based on the purchase cost of Thai Fermentation Industry Co., Ltd. plus packaging costs	Payment by T/T	-	-	

TABLE V**VE WONG CORPORATION****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Impairment Loss	Remarks
					Amount	Actions Taken			
VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Associated Companies	Other non-current assets - other receivables (Include Interest receivable \$165,798 and Advance payment \$5,005) \$ 310,096	-	-	-	Note	\$ 310,096	

Note : Please refer to Note IV (VIII) " PT Ve Wong Budi Indonesia Disclosures and Related Explanations" under the investment using the equity method.

TABLE VI-1**VE WONG CORPORATION**
**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2021	December 31, 2020	Thousand shares	%	Carrying Amount			
VE WONG CORPORATION	The World Champion Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and sales of MSG, cans and beverages	\$ 138,443	\$ 138,443	15,999	99.99%	\$ 598,462	\$ 10,351	\$ 7,840	
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and trading of packaging materials and containers printing MSG, instant noodles	89,843	89,843	9,505	95.05%	105,355	6,632	6,519	
	Saigon Ve Wong Co., Ltd.	1707 Highway 1A An Phu Dong Ward District 12, Ho Chi Minh City, Vietnam		475,328	475,328	-	100.00%	628,034	112,095	112,095	
	Thai Fermentation Industry Co., Ltd.	20 th Fl.KSL Tower, 503, Sriyudhya Rd., Bangkok, Thailand	Manufacturing and sales of MSG	233,090	233,090	204	48.66%	903,368	487,554	236,522	
	Ve Wong International Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building,Beach Road,Apia,Samoa	General Investment Company	1,741	1,741	50	100.00%	6,499	(92)	(92)	
	Tai Ve Corporation	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Residential, building, industrial plant development, lease and sale, real estate sales, lease, etc.	987,678	987,678	82,323	79.93%	1,626,039	7,539	6,028	
	Best Founder Corporation.	Vistra Corporate Services Centre, Ground Floor NPF Building,Beach Road,Apia,Samoa	General Investment Company	169,198	169,198	5,328	100.00%	8,359	(1,417)	(1,417)	Note1
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Bean processed food manufacturing	26,000	26,000	2,600	65.00%	24,958	(528)	(344)	
	Koh Kong Sugar Industry Co., Ltd.	No.205-207-209 Mao Tong Boulevard. Toul Svay Prey I, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia	Production, processing and sales of cane sugar	226,231	226,231	-	11.98%	64,108	(35,327)	(4,231)	Note2
	Hughes Biotech. Co., Ltd.	12F.-2, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei	Biotechnology Service Industry	20,250	20,250	1,125	34.62%	2,343	(8,774)	(3,037)	Note4
	PT Ve Wong Budi Indonesia	Wisma Budi, Lt. 7 Suite 701, J1. H.R. Rasuna Said, Kav C-6 Jakarta, Indonesia	Manufacturing and sales of MSG	180,811	180,811	64	49.00%	-	-	-	Note3
Total								\$ 3,967,525		\$ 359,883	

Note1 : In order to comply with Cambodian laws and regulations, the company has made adjustments to the investment organization of Cambodia's investments under the equity method. Please refer to Note VI (VIII) for the explanation.

Note2 : Associated company Koh Kong Sugar Industry Co., Ltd. ceased operations on October 31, 2018. In addition, the capital increase was processed on June 2020. The company's assessment results are still influential. Please refer to Note VI (VIII).

Note3 : Please refer to Note VI (VIII) " PT Ve Wong Budi Indonesia Disclosures and Related Explanations" under the investment using the equity method.

Note4 : Associated company Hughes Biotech. Co., Ltd. Book value \$2,343, which is the net amount after deducting the accumulated impairment \$8,808.

TABLE VI-2**VE WONG CORPORATION**
**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2021	December 31, 2020	Thousand shares	%	Carrying Amount			
The World Champion Co., Ltd.	Tai Ve Corporation	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Residential, building, industrial plant development, lease and sale, real estate sales, lease, etc. Manufacturing and trading of packaging materials and containers printing Bean processed food manufacturing	\$ 397,959	\$ 397,959	20,666	20.07%	\$ 408,113	\$ 7,539	\$ 1,513	
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei		4,950	4,950	495	4.95%	5,512	6,632	328	
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei		2,000	2,000	200	5.00%	1,920	(528)	(26)	
	Total			\$ 404,909	\$ 404,909			\$ 415,545	\$ 13,643	\$ 1,815	
Thai Fermentation Industry Co., Ltd.	K.S.L. IT Center Co., Ltd.	Thailand	Technology Information Management Classification of organic fertilizers Manufacturing and sales of MSG	\$ 486	\$ 486	0.5	50.00%	\$ 3,675	\$ (609)	\$ (304)	Note3
	TFI Green Biotech Company Limited..	Thailand		4,576	4,576	50	50.00%	12,472	54	27	
	Champion Fermentation Co.,Ltd.	Thailand		236,289	236,289	199,995	99.99%	238,943	5,571	13,405	
	Total			\$ 241,351	\$ 241,351			\$ 255,090	\$ 5,016	\$ 13,128	
Best Founder Corporation	Koh Kong Plantation Co., Ltd.	No.205-207-209 Mao Tong Boulevard. Toul Svay Prey I, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia	Land development and sugarcane planting								Note 1 Note 2
				\$ 82,580	\$ 82,580	-	20.00%	\$ 7,574	\$ (6,785)	\$ (1,357)	

Note1 : In order to comply with Cambodian laws and regulations, the company has made adjustments to the investment organization of Cambodia's investments under the equity method.

Please refer to Note VI (VIII) for the explanation.

Note 2 : Associated company Koh Kong Plantation Co., Ltd. has ceased business on October 31, 2018. In addition, as of June 30, 2020, it has processed capital reductions to make up for losses. The combined company still has significant influence. Please refer to Note VI (VIII) Description.

Note 3 : For organizational reorganization in the third quarter of 2016, please refer to Note VI (VIII) for the explanation.

TABLE VII**VE WONG CORPORATION**
Information about invested business:
FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrow	Aggregate Financing Limits(note1)	Remarks
													Item	Value			
1	Thai Fermentation Industry Co., Ltd.	Visawaphah Transportation Co., Ltd.	other current assets	N	\$ 5,322	\$ 4,719	\$ 230	7%	Company that needs short-term financing	-	Operating capital	-	-	-	\$ 189,963	\$ 949,814	
2	Tai Ve Corporation	VE WONG CORPORATION	Other receivable s- related parties	Y	80,000	80,000	-	1.03%	Company that needs short-term financing	-	Operating capital	-	-	-	140,428	813,539	Note2

Note1 : According to the operating procedures of domestic reinvestment companies for loan to others, the total amount of funds loaned to others shall not exceed 20% of the total assets of the company, and the financing amount for a single enterprise shall not exceed 5% of the total assets of the company. However, if the company's parent company, subsidiaries, and all subsidiaries of the parent company are necessary for short-term financing due to operating turnover, the cumulative balance of the financing amount shall not exceed 40% of the company's net worth. According to the operating procedures of overseas reinvestment company - Thai Fermentation Industry Co., Ltd., the total amount of funds loaned to others shall not exceed 50% of the company's net worth, and the amount of financing for a single enterprise shall not exceed 10% of the company's net worth.

Note2 : The ending balance of Tai Ve Corporation's fund loan to others was the fund loan and quota approved by the board of directors.

TABLE VIII**VE WONG CORPORATION**

Information about invested business:
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement / Guarantee Given on Behalf of Each Party (Note1、3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement / Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement / Guarantee Limit (Note2、3)	Endorsement / Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement / Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement / Guarantee Given on Behalf of Companies in Mainland China	Remarks
		Name	Relationship											
1	Tai Ve Corporation	Ve Wong Corporation	The company direct and indirect owns over 50% ownership of the investee company	\$2,808,560	\$1,650,400	\$1,650,400	\$360,000	\$1,923,496	31%	\$2,808,560	-	Y	-	
2	Tai Ve Corporation	The World Champion Co., Ltd.	A subsidiary jointly owned over 90% by the Company	561,712	144,100	141,900	-	332,346	3%	842,568	-	-	-	
		Total				\$ 1,792,300								

Note1 : According to the company's endorsement and guarantee measures, the amount of the endorsement, guarantee for a single company shall not exceed 20% of the company's total assets.

Note2 : According to the company's endorsement and guarantee measures, the amount of the endorsement, guarantee shall not exceed 30% of the company's total assets.

Note3 : According to the regulations of the domestic reinvestment company's endorsement, guarantee, the parent company that holds 100% of the direct and indirect voting shares of the reinvestment company shall not exceed the total assets of the reinvestment company.

According to the regulations on endorsement, guarantee of the foreign investment company Thai Fermentation Industry Co., Ltd., the amount of endorsement, guarantee for a single enterprise shall not exceed 20% of the company's total assets, and the total amount of endorsement, guarantee shall not exceed 30% of the company's total assets.

TABLE IX**VE WONG CORPORATION****Information about invested business:****MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)****FOR THE YEAR ENDED DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Relationship with the security issuer	Ledger account	Yearend				Remarks
				Number of thousand shares (Number of thousand unit)	Book value	Percentage held	Fair value	
The World Champion Co., Ltd.	<u>Listed stocks</u> Taishin Financial Holding Co., Ltd.	-	Financial assets measured at fair values through other comprehensive profit or loss-non-current	7,148	\$ 135,445	0.06%	\$ 135,445	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	132	6,853	-	6,853	
	VE WONG CORPORATION	The company	"	2,294	74,666	0.96%	74,666	
				Total	\$ 216,964		\$ 216,964	
	<u>Unlisted stocks</u> Jhong Hua trade development Co., Ltd.	-	Financial assets measured at fair values through profit or loss-non-current	11	\$ -	0.02%	\$ -	
Tai Ve Corporation	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 27,000		\$ 27,000	
Saigon Ve Wong Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 80,181		\$ 80,181	
Thai Fermentation Industry Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 122,115		\$ 122,115	
	Mutual funds	-	Financial assets measured at amortized cost -current assets		38,963		38,963	
				Total	\$ 161,078		\$ 161,078	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -noncurrent assets	-	\$ 49,046	-	\$ 49,046	
Champion Fermentation Co.,Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 41	-	\$ 41	

TABLE X**VE WONG CORPORATION****Major Shareholders Information**

Major Shareholders	Shareholding	
	Number of Shares Held	Number of Shares Held
HAO SHINE TRADING CO., LTD.	23,609,447	9.83 %
Quanwei Investment Co., Ltd.	23,424,026	9.76 %
OVERSEAS BROS. CO., LTD.	22,784,966	9.49 %
VEDAN ENTERPRISE CORP.	14,537,628	6.05 %
You-Shan investment Co., Ltd.	12,559,458	5.23 %

6. Financial difficulties encountered by the Company and/or its affiliates in the recent year and as of the publication date of the annual report, and its impact on the Company's financial status

N/A



VII. Review and Analysis of Financial Conditions, Operation Results and Risk Managements

I. Analysis of Financial Status

1. Analysis of Consolidated Financial Status

Unit: NT\$ thousand

Item \ Year	2021	2020	Discretion	
			Amount	%
Current Asset	4,494,013	4,246,910	247,103	5.82
Long-term investment	454,500	426,364	28,136	6.60
Property, Plant and Equipment	4,486,109	4,514,381	(28,272)	(0.63)
Other Assets	148,117	143,947	4,170	2.90
Total Asset	9,582,739	9,331,602	251,137	2.69
Current Liabilities	1,877,179	1,557,942	319,237	20.49
Non-Current Liabilities	1,454,140	1,461,278	(7,138)	(0.49)
Total Liabilities	3,331,319	3,019,220	312,099	10.34
Capital Stock	2,400,000	2,400,000	-	-
Capital Surplus	208,337	205,814	2,523	1.23
Retained Earnings	2,664,448	2,504,319	160,129	6.39
Other Equities	35,352	83,752	(48,400)	(57.79)
Treasure Stock	(38,464)	(38,464)	-	-
Non-Controlling Interest	981,747	1,156,961	(175,214)	(15.14)
Total Equities	6,251,420	6,312,382	(60,962)	(0.97)
Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:				
1. The increase in current liabilities was mainly due to the increase in short-term debt and accounts payable.				
2. The decrease in other equity was mainly due to the increase in the conversion difference (loss) of the financial statements of foreign operating institutions.				

2. Analysis of Standalone Financial Status

Unit: NT\$ thousand

Item \ Year	2021	2020	Discretion	
			Amount	%
Current Asset	1,616,300	1,266,075	350,225	27.66
Long-term investment	4,140,509	4,282,422	(141,913)	(3.31)
Property, Plant and Equipment	1,211,313	1,200,363	10,950	0.91
Other Assets	65,041	60,707	4,334	7.14
Total Asset	7,033,163	6,809,567	223,596	3.28
Current Liabilities	1,227,735	1,102,872	124,863	11.32
Non-Current Liabilities	535,755	551,274	(15,519)	(2.82)
Total Liabilities	1,763,490	1,654,146	109,344	6.61
Total Liabilities	2,400,000	2,400,000	-	-
Capital Surplus	208,337	205,814	2,523	1.23
Retained Earnings	2,664,448	2,504,319	160,129	6.39
Other Equities	35,352	83,752	(48,400)	(57.79)
Treasure Stock	(38,464)	(38,464)	-	-
Total Equities	5,269,673	5,155,421	114,252	2.22
Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:				
1. The increase in current liabilities was mainly due to the increase in increase in other financial assets.				
2. The decrease in other equity was mainly due to the increase in the conversion difference (loss) of the financial statements of foreign operating institutions.				



2. Financial Performance

1. Analysis of Consolidated Financial Performance

Unit: NT\$ thousand

Item \ Year	2021	2020	Amount Increase (decrease)	Ratio (%)
Operating income	5,824,838	6,043,700	(218,862)	(3.62)
Operating cost	3,928,723	3,999,778	(71,055)	(1.78)
Gross profit	1,896,115	2,043,922	(147,807)	(7.23)
Operating expense	1,030,510	1,069,011	(38,501)	(3.60)
Profit from operations	865,605	974,911	(109,306)	(11.21)
Non-Operating Income and Expenses	51,591	(33,621)	85,212	253.45
Income Before Tax	917,196	941,290	(24,094)	(2.56)
Income tax expense	220,166	247,369	(27,203)	(11.00)
Net Profit	697,030	693,921	3,109	0.45
Other Consolidated Profit/Loss (Net Profit After Tax)	(208,437)	(206,686)	(1,751)	(0.85)
Total Comprehensive Income	488,593	487,235	1,358	0.28
Interest Attributable to Parent Company	447,878	429,096	18,782	4.38
Total Comprehensive Income to Parent Company	375,729	305,045	70,684	23.17

Note 1: Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:

- (1) Increase in non-operating income and expenses: mainly due to the increase in foreign currency exchange benefits.
- (2) Combining the above effects, the net profit for the current period was increased and changed to NT\$3,109 thousand and 0.45% compared with the previous year.
- (3) Increase in total comprehensive profit and loss attributable to owners of the parent company: mainly due to the increase in other comprehensive profit and loss

Note 2: The expected sales volume in the next year and its basis, and the company's expected sales volume to continue to grow or decline, the main influencing factors:

The food business department of the consolidated company expects that the sales volume and operating income in 2022 will remain roughly the same as the current year, with no major changes.

2. Analysis of Individual Financial Performance

Unit: NT\$ thousand

Item \ Year	2021	2020	Amount Increase (decrease)	Ratio (%)
Operating income	2,311,453	2,321,441	(9,988)	(0.43)
Operating cost	1,642,784	1,617,516	25,268	1.56
Gross profit	668,669	703,925	(35,256)	(5.01)
Operating expense	533,852	532,862	990	0.19
Profit from operations	134,817	171,063	(36,246)	(21.19)
Non-Operating Income and Expenses	385,164	345,655	39,509	11.43
Income Before Tax	519,981	516,718	3,263	0.63
Income tax expense	72,103	87,622	(15,519)	(17.71)
Net Profit	447,878	429,096	18,782	4.38
Other Consolidated Profit/Loss (Net Profit After Tax)	(72,149)	(124,051)	51,902	41.84
Total Comprehensive Income	375,729	305,045	70,684	23.17

Note 1. Description the changes in financial ratio discrepancy over 20% in the most recent two years:

- (1) Decrease in operating profit: mainly due to increase in net operating costs.
- (2) Combining the above effects, the net profit for the current period was increased and changed to NT\$ 18,782 thousand and 4.38% respectively from the previous period.
- (3) Increase in other comprehensive gains and losses: mainly due to the increase in unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income and share of profit (loss) of associates and joint ventures accounted for using equity method.
- (4) The total comprehensive gains and losses for the current period increased: mainly due to the increase in other comprehensive gains and losses.

Note 2 The main influencing factors of the expected sales volume in the next year and its basis and the company's expected sales volume to continue to grow or decline:

The food business department of the consolidated company expects that the sales volume and operating income in the 2022 will remain roughly the same as the current year, with no major changes.



3. Cash Flow

Cash Flow Analysis

Unit: NT\$ thousand

Balance of cash-beginning	Net Cash Inflows from Operating Activities all year round	Cash outflow over the year	Cash Surplus (Deficit)	Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
1,569,035	965,070	963,608	1,570,497		

1. The analysis of cash flow variations this year:

- (1) Operating activities: The net cash inflow from operating activities was NT\$965,070 thousand, mainly from operating income.
- (2) Investing activities: Net cash outflow from investment activities was NT\$323,522 thousand, mainly due to the increase in other financial assets and the increase in real estate, plant and equipment.
- (3) Financing activities: The net cash outflow from financing activities was NT\$640,086 thousand (Including exchange rate impact), mainly due to the payment of cash dividends.

2. Improvement plan for inadequate currency: N/A

3. Cash flow analysis in the next coming year:

Unit: NT\$ thousand

Balance of cash-beginning	Net Cash Inflows from Operating Activities all year round	Cash outflow over the year	Cash Surplus (Deficit)	Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
1,570,497	907,667	894,143	1,584,021		

4. The Effect upon Financial Operations of Any Major Capital Expenditures in the Most Recent Years

(1) Major Capital Expenditure Items and Source of Capital :

Unit : NT\$ thousand

Project Items	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Amount of Funds Needed	Actual or Expected Capital Expenditure						
				2020	2021	2022	2023	2024	2025	2026
— Soy sauce blending equipment of Fengtian plant	own	2022	180,000	-	30,166	149,834	-	-	-	-
— Instant noodle production equipment, automatic packaging equipment, and plant renovation of Fengtian plant	own	2023	280,000	-	5,628	218,372	56,000	-	-	-

(2) Expected Benefits

1. The Company's soy sauce equipment production capacity has reached saturation and some of the equipment is old. It is planned to upgrade the soy sauce production equipment in phases. The first phase is to invest in the construction of the pressing equipment and the plant, which has been completed in 2019 and will enter the second phase of deployment of equipment and construction of factory buildings in 2021.
2. Due to the fact that the sales volume and production volume of the Company's instant noodles have grown year by year, the old production capacity of some production equipment has reached saturation; for the needs of the Company's operation and future market expansion, it is planned to add an instant noodle production line and an automatic snack noodles packaging line and carry out relevant plant renovation works.



5. Reinvestment Policy in the Most Recent Years, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Reinvestment Profitability, and investment plans for the Coming Year :

- (1) In the most recent year (2021), there has been no reinvestment amount exceeding 5% of the paid-in capital.
- (2) Not applicable

6. Risks

(1) The impact of interest rate, exchange rate changes, and inflation on the company's profit and loss and future countermeasures

The company's management and use of funds have always been conservative and stable. In recent years, due to the continuous downturn in the economy, the Central Bank has kept a low discount rate since 2009 in order to maintain financial and price stability. In 2021, the company's bank borrowing interest rates were still reasonable and moderate, so the change in the money market interest rate in 2021 had little effect on the company's interest expense. In addition, the consolidated company uses its own funds and bank borrowings for flexible adjustment to meet operating needs. Because most of the consolidated company's net assets of floating interest rate mature within one year, and the current market interest rate is low, no major interest rate change risks are expected. The sensitivity analysis of interest rate risk is determined based on the non-derivative financial instruments' interest rate risk exposure at the end of the financial reporting period. If the interest rate increases/decreases by 1%, the consolidated company's net profit will decrease/increase by NT\$7,189 thousand respectively in 2021.

The exchange rate of the New Taiwan dollar against the U.S. dollar had appreciation trend in 2021. However, the price of the main imported raw materials and materials has increased, and the cost of imported raw materials and materials of the Company has increased. With the appreciation of the New Taiwan dollar against the US dollar, foreign exchange gains and losses have a slight impact on the Company's profit and loss. Part of the operating activities of the consolidated company and the net investment of foreign operating institutions are mainly in foreign currencies, so foreign currency exchange rate risks arise. In order to avoid a decrease in the value of foreign currency assets and fluctuations in future cash flows due to exchange rate changes, the consolidated company uses short-term borrowings to avoid exchange rate risks. The use of such financial instruments can help the consolidated company reduce but not completely eliminate the impact of changes in foreign currency exchange rates. Sensitivity analysis of foreign currency exchange rate risk is mainly calculated based on foreign currency monetary items at the end of the financial reporting period. When the New Taiwan dollar appreciates/depreciates by 1% against the U.S. dollar, Thai baht and Vietnamese dong, the consolidated company's net profit in 2021 will increase /decrease by NT\$19,053 thousand, respectively.

The company will at all times pay close attention to the impact of interest rate and exchange rate changes and inflation on the company's profit and loss and promptly propose appropriate hedging measures.

(2) Policies for engaging in high-risk, high-leverage investments, loaning funds to others, endorsements and guarantees, and derivative transactions, the main causes of profit or loss, and future countermeasures

In addition to providing financing endorsements and guarantees to the subsidiary Summit Packing Industrial Co., Ltd., the company also provides financing endorsements and guarantees to its reinvestee Koh Kong Plantation Co., Ltd. and Koh Kong Sugar Industry Co., Ltd. in accordance with the joint investment relationship based on the shareholding ratio of all shareholders. The company's subsidiary Tai Ve Co., Ltd. provided land and buildings to guarantee the company's financing and the company's subsidiary The World Champion Co., Ltd., respectively.

The company loaned US\$4.28 million to its reinvestee PT. Ve Wong Budi Indonesia; the company's investee company Thai Fermentation Industry Co., Ltd., loaned 5.767 million baht to Transportation Co..

In addition, the company does not engage in any high-risk, high-leverage investment or derivative transactions. Other than prudential assessment, regular reporting and control, the company has established "Procedures for Acquiring and Disposing of Assets," "Operating Procedures for Loaning Funds to Others," and "Operating Procedures for Endorsement Guarantees" to abide by.

(3) R&D expenses for future R&D projects and investment amount.

2022 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
Instant noodles	1. Bags— Continue to develop in 2022—spicy medicinal cuisine flavor, sesame soy milk flavor(will be launched in 2022), spicy hot pot flavor, sour bamboo shoots with chicken flavor. 2. Bowls (1100 c.c.)— Continue to develop in 2022—curry laksa flavor, sesame soy milk flavor(will be launched in 2022), sour bamboo shoots with beef flavor, Huadiao wine cooked pork flavor. 3. Big Bowls(with retort pouch package)— Continue to develop in 2022—braised beef, fried garlic pork, sesame oil Hericium Erinaceus. 4. Non fried noodles— Continue to develop in 2022—classic spicy with Sichuan pepper flavor(will be launched by May 2022), soybean paste with beef flavor(will be launched by May 2022), toona paste flavor(vegan)(will be launched by May 2022), pesto sauce flavor, tomato flavor, sesame paste flavor. 5. Entrusted with other food companies for original design manufacturer (ODM)— Continue to develop in 2022—GOFRESH ENTERPRISE CO., LTD.- tonkotsu flavor, pomelo salt flavor, Mapo Tofu flavor. 6. Snack noodles— Continue to develop in 2022—basil &. toona flavor (will be launched by May 2022), teriyaki chicken flavor (will be launched by May 2022), sour cream &. onion flavor, braised beef flavor, smoked pork flavor, NENE CHICKEN - cheese flavor (will be launched by April 2022), NENE CHICKEN - spicy cheese flavor (launched by April 2022).	None	December, 2022	Taste acceptability& Market trend	



2022 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
	7. Noodles – Continue to develop in 2022 – Non-fried pumpkin noodles (wave style) produced by SUN CHI FOOD CO., LTD. (pumpkin puree produced by Green TFL Co., Ltd.) (will be launched by May 2022), Non-fried pumpkin noodles (flat style) produced by SUN CHI FOOD CO., LTD. (pumpkin puree produced by Green TFL Co., Ltd.) (will be launched by May 2022). 8. Export product – Continue to develop in 2022 – wine cooked chicken flavor, spicy hot pot flavor.				
Green TFL Co., Ltd. Product	1. ODM products – TFL products – TFL Taiwan Soy paste (launched in March 2021). Product completion rate: 100%. Continue to develop in 2022 – TFL Pumpkin Paste (launched in March 2022), TFL Mushroom residue, 2. ODM products – Green TFL Co., Ltd. Continue to develop in 2022 – Soy drink with Jujube and Walnut	None	December 2022	Taste acceptability & Market trend	
Fast Foods/ Instant Soups	1. Fast foods – Sweet taro soup (launched in January 2021). Product completion rate: 100%. Continue to develop in 2022 – Mapo braised plant-based meat, Taiwanese braised plant-based meat, plant-based meat with Thai basil flavor, curry with plant-based meatballs, curry with fresh mixed mushroom. 2. Porridges – Porridge with chicken and red quinoa (launched in September 2021), porridge with salmon, and red quinoa (launched in December 2021). Product completion rate: 100%. Continue to develop in 2022 – porridge with pumpkin and red quinoa, porridge with taro, and red quinoa. 3. Retort pouch (combine noodles with it) – Continue to develop in 2022 – Braised beef noodle soup (instant noodles), garlic tonkotsu (instant noodles), sesame oil Hericium Erinaceus (instant noodles), chicken curry (dried noodles), Thai basil chili pork (dried noodles). 4. Large packages – Sesame oil Hericium Erinaceus (single pack) (launched in December 2021). Product completion rate : 100%. Continue to develop in 2022 – Spicy soup with duck blood and tofu (500g/Pack). 5. OEM Products – Summit Packing Industrial Co., Ltd. – Sesame oil Hericium Erinaceus (launched in November 2021). Product completion rate: 100%.	None	December 2022	Taste acceptability & Market trend	

2022 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
	Continue to develop in 2022 – Royal Chef International Co., Ltd. – Pork intestines fire pot, Mapo tofu sauce. NIANG JIA – Porridge with chicken and red quinoa, porridge with salmon and red quinoa, porridge with vegetables. Vedan Enterprise Corporation – Yipin beef, braised beef. 6. Clean label certification – (approved in March 2022) – Porridge with chicken and red quinoa, porridge with salmon and red quinoa, pumpkin soup; sweet taro soup. Product completion rate : 100%.				
Flavor Seasoning	1.IG-Enriched monosodium glutamate – Vewong - IG-enriched plus monosodium glutamate (export, 500g × 12 boxes) (launched in May 2021). Product completion rate : 100%. 2. OEM Products – Formosa Plastics Group.-Monosodium glutamate solution 40~41% (launched in March 2021). Product completion rate: 100%.	None	December 2022	Taste acceptability& Market trend	
Soy sauce	1. Non-genetically modified (Non-GMO) brewing soy sauce – XO soy sauce— Amazake flavor(396mL)(launched in January 2021) Product completion rate: 100%. Continue to develop in 2022 – HOUSE WIFE soy sauce(Non-GMO 780mL)(will be launched by June 2022), XO soy sauce – Shaoxing flavor(396mL)(To be launched, 2022), Red mold soy sauce—(Addition ANIKSCIN 568-R)(To be launched 2022), All-purpose braising sauce (black tea flavor), XO soy sauce—Burdock flavor, XO soy sauce—Fortune Aroma Liqueur(Rose flavor, Butterfly Ginger flavor, Jasmine flavor), XO soy sauce – Wine flavor. 2. Institutional packaging soy sauce – Continue to develop in 2022 – KIM VE WONG soy sauce(5L & 20L)(Non-GMO soy sauce), Non-GMO soy sauce – (Total nitrogen 1.5& 1.7)5L & 20L, GMO soy sauce – (Total nitrogen 1.4& 1.5& 1.7) 5L & 20L, Clean Label— Natural brewing soy sauce, Clean Label— KIM VE WONG soy sauce, Clean Label – HOUSE WIFE soy sauce. 3. Thick soy sauce – XO×2021 Plum dipping sauce (launched in January 2021) Product completion rate:100%. Continue to develop in 2022 – Spicy thick soy sauce(To be launched 2022), Red mold soy sauce—(Addition ANIKSCIN 568-R), Thick soy sauce(Wine flavor)(On the shelf), Thick soy sauce(amazake & orange flavor), All-purpose sauce, Sanbeiji sauce(vegetarian), Kung Pao Sauce, Turmeric & Ginger Sauce. 4. Non-GMO moromi soy sauce –	None	December, 2022	Taste acceptability& Market trend	



2022 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
	Continue to develop in 2022 – Moromi Barbecue sauce(curry flavor), Fruity-spicy moromi sauce(pineapple flavor) (On the shelf), Spicy moromi soy sauce, Braised moromi soy sauce(Black tea flavor) (On the shelf). 5. Institutional packaging seasoning soy sauce – SAN JING FROZEN FOOD–Seasoning soy sauce (Non-GMO Fu No.66)(20L) (launched in January 2021) Product completion rate: 100%. Continue to develop in 2022 – Total nitrogen 1.41(Non-GMO soy sauce)1KL, T-HAM soy sauce – WEI XIAN Non-GMO soy sauce(20L), T-HAM Non-GMO light color soy sauce (20L), T-HAM Non-GMO dark color soy sauce(20L). 6. Fermentation test – Non-GMO soy sauce (fermentation by red adlay) (Accomplish in July 2021) Product completion rate: 100%. Non-GMO aged brewed soy sauce test(Accomplish in July 2021) Product completion rate: 100%. Research project (National Taiwan University) (Accomplish in September 2021) Product completion rate: 100%.				

(4) Changes in important policies and the legal environment at home and abroad, and the effect on Company's financial status and operation, and countermeasures:

The management of the company always pays attention to important domestic and foreign policy and legal changes and seeks professional units to provide suggestions and plan corresponding measures (currently no significant impact).

(5) The impact of technological and industrial changes on the Company's financial business and the countermeasures

The Company has been operating the food manufacturing and marketing business for 62 years, the relevant production technology is mature, and the competitiveness of food depends on consumer taste acceptance and market development trends. At the same time, the Company has established a complete set of information security management mechanisms through years of efforts of colleagues in relevant units to ensure the Company's information security.

The Company evaluates the major changes in the system or changes in the operating environment at any time, and formulates appropriate countermeasures according to the risk situation and the reasons for the risk to ensure the stability of the relevant measures. The company has no major information security risks. Therefore, the recent annual technological changes have little impact on the Company's financial business. Therefore, technological changes in recent years have had relatively little impact on the Company's financial business.

(6) The impact of the corporate image changes on corporate crisis management and the countermeasures.

The company has always adhered to the business philosophy and corporate image of establishing "creation, responsibility, honor, unity" and fulfilling environmental responsibility.

- (7) The expected benefits and possible risks of merger or acquisition, and countermeasures: N/A**
- (8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: N/A**
- (9) The risks from centralized purchasing or selling, and countermeasures: N/A**
- (10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: N/A**
- (11) Effect upon and risk to the company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: N/A**
- (12) Litigation or non-litigation event**
- Ting Hsin Oil Co., Ltd. sued and requested the company to pay NT\$2,144,077 for the goods. The case is being heard by the Taipei District Court. The company filed a counterclaim during the trial proceedings, requesting Ding Hsin Oil Co., Ltd. for NT\$ 9,419,876 caused by the problematic lard. Yuan damage. After the case was heard by the Taipei District Court, this lawsuit ruled that the company lost the lawsuit, and the counterclaim was rejected with an illegal requirement. The company was dissatisfied and filed a second-instance appeal and a counter-accusation. After the Taiwan High Court heard the case, it found that the counter-accusation had reason to abolish the original ruling in 107 v. Kang Zi No. 820 and sent it back to the original trial. In the original trial, 108 v. Su Geng Yi Zi No. 1 ruled that Ting Hsin Company should pay Ve Wong Corporation NT\$9,184,260, and Ting Hsin Company refused to accept it and filed a lawsuit. The appeal is being tried by the Taiwan High Court under the 111 v. Chong Shang Zi No. 163. In addition, the appeal against the request for payment of goods was judged against the Company by the 107 v. Shang Zi No. 722. The Company filed a third-instance appeal against the payment request. The Supreme Court partially repealed the original judgment with the 109 v. Taishang Zi No. 1172 judgment regarding the rejection of the appellant's remaining appeals and the litigation costs and sent it back to the Taiwan High Court for trial under the 109 v. Shang Geng Yi Zi No. 141, and the litigation was stopped by mutual agreement of both parties.
 - Hsu, Shao-Ruei, a salesperson of the Company's Taoyuan sales office, was involved in the misappropriation of about NT\$1.26 million. The Company filed a criminal complaint with the Taoyuan District Prosecutor's Office for business misappropriation on July 23, 2020 after being informed, and applying for the employee integrity insurance.
- (13) Other important risks, and mitigation measures being or to be taken: N/A.**

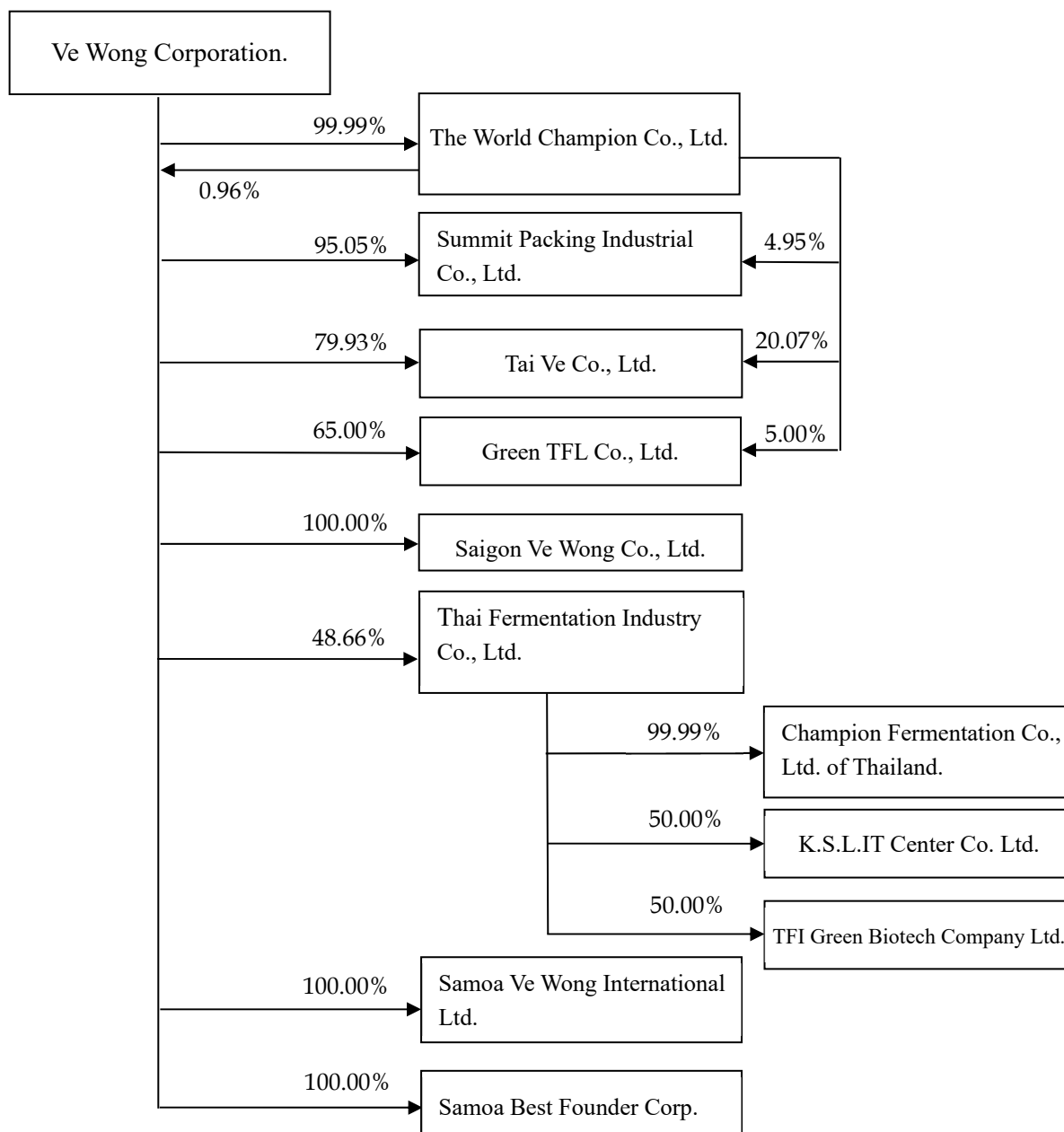
7. Other Important Matters: None.

VIII. Special Disclosure

1. Affiliated Companies

(1) Affiliates Consolidated Business Report

1) Organizational chart of affiliations



The company is not under the presumption of control and subordination in Article 369-3 of the Company Law with other companies.

2) The basic information of affiliated companies

December 31, 2021

Unit: NT\$ thousand

Name of Company	Date of incorporation	Address	Paid-in capital	Main business or production items
The World Champion Co., Ltd.	Aug. 09, 1973	7F, No.79, Sec 2, Zhongshan North Rd., Taipei City	160,000	Manufacturing and sales of MSG, canned food, and beverages
Summit Packing Industrial Co., Ltd.	Apr. 11, 1996	6F, No.79, Sec 2, Zhongshan North Rd., Taipei City	100,000	Printing, manufacturing, and trading of packaging materials and containers
Tai Ve Co., Ltd.	Nov. 17, 2003	6F, No.79, Sec 2, Zhongshan North Rd., Taipei City	1,029,888	Development, lease, and sale of factory buildings, mansions, real estate, etc.
Green TFL Co., Ltd.	Oct. 05, 2018	8F, No.79, Sec 2, Zhongshan North Rd., Taipei City	40,000	Bean processed food manufacturing
Saigon Ve Wong Co., Ltd.	Sep. 28, 1990	1707 Highway 1A, An Phu Dong Ward, District 12, Ho Chi Minh City, Vietnam	US\$ 16,710,000 (Year-end exchange rate : 27.63)	Manufacturing and sales of MSG and instant noodles
Saigon Ve Wong Co., Ltd.	Nov. 24, 1994	1707 Highway 1A, An Phu Dong Ward, District 12, Ho Chi Minh City, Vietnam	—	Same as above
Thai Fermentation Industry Co., Ltd.	Dec. 12, 1966	20th Floor, KSL Tower, 503 Sriyudhya Rd., Phayathai, Rajtaevee, Bangkok 10400 Thailand	Thai Baht 420,000,000 (Year-end exchange rate : 0.8141)	Manufacturing and sales of MSG
Thai Fermentation Industry Co., Ltd.	Nov. 26, 1967	No. 15, Moo 17 SeangChuto Rd., 86 KM Tapha, Banpong, Rajburi (70100), Thailand	—	Same as above
Champion Fermentation Co., Ltd. of Thailand.	Mar. 06, 1989	20th Floor, KSL Tower, 503 Sriyudhya Rd., Phayathai, Rajtaevee, Bangkok 10400 Thailand	Thai Baht 200,000,000 (Year-end exchange rate : 0.8141)	Manufacturing and sales of MSG
K.S.L. IT Center Co., Ltd.	Aug. 02, 2000	10th Floor, KSL Tower, 503 Sriyudhya Rd., Phayathai, Rajtaevee, Bangkok 10400 Thailand	Thai Baht 1,000,000 (Year-end exchange rate : 0.8141)	Management of Technology Information
TFI Green Biotech Company Ltd.	June 06, 2002	20th Floor, KSL Tower, 503 Sriyudhya Rd., Phayathai, Rajtaevee, Bangkok 10400 Thailand	Thai Baht 10,000,000 (Year-end exchange rate : 0.8141)	Classification of organic fertilizers
Samoa Ve Wong International Ltd.	Sep. 18, 2002	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 50,000 (Year-end exchange rate : 27.63)	Investment Company
Samoa Best Founder Corporation	Jul. 25, 2008	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 5,328,046 (Year-end exchange rate : 27.63)	Investment Company

3) Shareholders concluded as the existence of the controlling and subordinate company relation: None.

4) Industries covered by the businesses of all affiliated companies

- Industries covered by the businesses of all affiliated companies include:

- (1) Food manufacturing industry: MSG, instant noodles, beverages, soy sauce, sucrose, etc.

- (2) Manufacturing of packaging materials.

- (3) Others: Development and construction, lease and sale of plants, buildings and real estate, food import, and export, raw material cultivation, etc.

For details of the main business or production items of affiliated companies, please refer to 2. Basic information table of affiliated companies.

- The mutual business relationship between the Company and affiliated companies:

- (1) Purchases from affiliated companies:

- The World Champion Co., Ltd./ MSG, and canned peanut gluten.

- Summit Packing Industrial Co., Ltd./ Food packaging materials.

- Thai Fermentation Industry Co., Ltd. / MSG.

- Green Total Food Liquefaction Co., Ltd. / TFL farm products

- (2) Sales to affiliated companies

- Saigon Ve Wong Co., Ltd.: Soy sauce, seasoning.

- Summit Packing Industrial Co., Ltd.: Instant noodles

- Green Total Food Liquefaction Co., Ltd.: Whole beans / whole food beverages



5) The profiles of Directors, Supervisors, and Chairman of affiliates.

Name of Company	Job title	Name or Representative	Shares	%
The World Champion Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Ching-Fu	15,998,696	99.99%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	15,998,696	99.99%
	Director	Ve Wong Corporation. Representative / Chen, Kung-Pin	15,998,696	99.99%
	Director	Ve Wong Corporation. Representative / Kan, Chin-Yu	15,998,696	99.99%
	Supervisor	Du, Heng-Yi	—	—
	General Manager	Chen, Kung-Pin	—	—
Summit Packing Industrial Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Kung-Pin	9,505,000	95.05%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	9,505,000	95.05%
	Director	Ve Wong Corporation. Representative / Lai, Chee-Lee	9,505,000	95.05%
	Director	Ve Wong Corporation. Representative / Chou, Hai-Kuo	9,505,000	95.05%
	Director	Ve Wong Corporation. Representative / Cheng, Xuan-Zhang	9,505,000	95.05%
	Supervisor	The World Champion Co., Ltd. Representative / Du, Heng-Yi	495,000	4.95%
Tai Ve Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Ching-Fu	82,323,152	79.93%
	Director	Ve Wong Corporation. Representative / Kan, Chin-Yu	82,323,152	79.93%
	Director	Ve Wong Corporation. Representative / Chen, Kung-Pin	82,323,152	79.93%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	82,323,152	79.93%
	Supervisor	The World Champion Co., Ltd. Representative / Du, Heng-Yi	20,665,604	20.07%
	General Manager	Chen, Kung-Pin	—	—
Green TFL Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Kung-Pin	2,600,000	65.00%
	Director	Ve Wong Corporation. Representative / Chen, Ching-Fu	2,600,000	65.00%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	2,600,000	65.00%
	Director	Ve Wong Corporation. Representative / Cheng, Xuan-Zhang	2,600,000	65.00%
	Director	Real Green Foods Corporation Representative / Cheng, Yi-Shen	1,200,000	30.00%
	Director	Real Green Foods Corporation Representative / Chang, Yi-Chong	1,200,000	30.00%
	Supervisor	The World Champion Co., Ltd. Representative / Du, Heng-Yi	200,000	5.00%
Saigon Ve Wong Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Ching-Fu	—	100.00%
	Director	Ve Wong Corporation. Representative / Chen, Kung-Pin	—	100.00%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	—	100.00%
	Director	Ve Wong Corporation. Representative / Du, Heng-Yi	—	100.00%
	Director	Ve Wong Corporation. Representative / Chou, Hai-Kuo	—	100.00%
	Director	Ve Wong Corporation. Representative / Egawa Hirokazu	—	100.00%
	General Manager	Chen, Ching-Fu	—	—

Name of Company	Job title	Name or Representative	Shares	%
Thai Fermentation Industry Co., Ltd.	Chairman	Mr. Chamroon Chinthammit	8,153	1.94%
	Deputy Chairman	Ve Wong Corporation. Representative / Chen, Kung-Pin	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Chen, Ching-Fu	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Du, Heng-Yi	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Lee, Chi-Lung	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Chou, Chih-Ming	204,390	48.66%
	Director	Mr. Chalee Chinthammit	720	0.17%
	Director	Mr. Somphob Chinthammit	4,600	1.10%
	Director	Mr. Sukhum Tokaranyasresh	7,708	1.84%
	Director	Mr. Tawatchai Rochanachotikul	5,925	1.41%
	Director	Mr. Somchai Chinthammit	11,700	2.79%
	Director	Mrs. Intira Sukhanindr	1,200	0.29%
	General Manager	Lee, Chi-Lung	—	—
Champion Fermentation Co., Ltd. of Thailand.	Chairman	Thai Fermentation Industry Co., Ltd. Representative / Mr. Chamroon Chinthammit	199,995	99.99%
	Deputy Chairman	Thai Fermentation Industry Co., Ltd. Representative / Chen, Kung-Pin	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Chen, Ching-Fu	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Egawa Manwa	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Du, Heng-Yi	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Lee, Chi-Lung	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Chou, Chih-Ming	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Chalee Chinthammit	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Somphob Chinthammit	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Sukhum Tokaranyasresh	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Tawatchai Rochanachotikul	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Somchai Chinthammit	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mrs. Intira Sukhanindr	199,995	99.99%
	General Manager	Lee, Chi-Lung	—	—
	General Manager	Mr. Kamondanai Chinthammit	10	0.10%



Name of Company	Job title	Name or Representative	Shares	%
K.S.L. IT Center Co., Ltd.	Chairman	Mr. Somnuk Nakasaksewee	10	0.10%
	Director	Ms. Phantipa Krathumthong	10	0.10%
TFI Green Biotech Company Ltd.	General Manager	Mr. Tanapong Tanasomboonkij	7,500	7.50%
	Chairman	Mr. Chalee Chinthammit	4,600	4.60%
	Director	Mr. Soonthorn Wanaukul	500	0.50%
Samoa Ve Wong International Ltd.	Director	Ve Wong Corporation. Representative / Chen, Kung-Pin	50,000	100.00%
Samoa Best Founder Corporation	Director	Ve Wong Corporation. Representative / Egawa Manwa	5,328,046	100.00%

6) Overview of affiliates operation:

December. 31, 2021

Unit: NT\$ thousand

Name of Company	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Net income	EPS (after Tax)
The World Champion Co., Ltd.	160,000	684,182	10,186	673,996	73,692	1,409	10,351	0.65
Summit Packing Industrial Co., Ltd.	100,000	236,660	125,304	111,356	279,200	6,481	6,632	0.66
Tai Ve Co., Ltd.	1,029,888	2,808,560	774,712	2,033,848	63,528	8,078	7,539	0.07
Green TFL Co., Ltd.	40,000	42,988	4,597	38,397	5,609	(567)	(528)	(0.13)
Saigon Ve Wong Co., Ltd.	475,328	801,359	221,520	579,839	1,232,596	138,772	112,095	Not applicable
Thai Fermentation Industry Co., Ltd.	465,200	2,342,971	443,343	1,899,628	2,505,696	518,297	487,554	1,161
Champion Fermentation Co., Ltd. of Thailand.	181,623	324,617	83,983	240,634	556,249	9,350	5,571	27.86
K.S.L. IT Center Co., Ltd.	972	12,262	4,912	7,350	23,826	20,275	(609)	(60.9)
TFI Green Biotech Company Ltd.	9,152	27,926	4,168	23,758	10,880	562	54	0.54
Samoa Ve Wong International Ltd.	1,741	6,499	-	6,499	-	(939)	(92)	(1.84)
Samoa Best Founder Corporation	169,198	8,359	-	8,359	-	(60)	(1,417)	(0.27)

1. The total value of assets and total liabilities are converted at the exchange rate at the end of the year: US\$ 1=NT\$27.630 Thai Baht 1= NT\$0.8141 Vietnam 1 = NT\$0.0012204

2. The amount of profit and loss is converted at the average exchange rate of the year US\$ 1=NT\$28.014 Thai Baht 1= NT\$0.8750 Vietnam 1 = NT\$0.0012239

3. The amount of capital is converted at historical exchange rates.



(2) Consolidated Financial Statements of Affiliates

Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the combined financial statements of VE WONG CORPORATION as of and for the year ended December 31, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, VE WONG CORPORATION and its Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

VE WONG CORPORATION

by



Chen, Ching-Fu,
Chairman

March 30, 2022

(3) Affiliate Report: N/A

2. Private placement of securities over the past year and up to the date of publication of the annual report: N/A

3. Status of company stock held or disposed of by subsidiaries over the past year and up to the date of publication of the annual report:

Unit: NT\$ thousand; Share; %

Name of Subsidiaries	Paid-in capital	Source of fund	The shareholding ratio of The Company	Date of acquisition or disposal	Shares & amount acquired	Shares & Amount disposal	Investment profit & loss	Shares & amounts of the publication date of the annual report	Equity pledged	Making of endorsement/guarantee for subsidiary by The Company	Loaning of the funds to subsidiary by The Company
The World Champion Co., Ltd.	160,000	-	99.99%	-	0	0	0	2,293,865 Shares \$38,665	None	0	0

4. Other matters that require additional description: N/A

5. Any matters of material significance that could have affected shareholder equity or securities price last year and up to the date of publication of the annual report, pursuant to the regulation of article 36-3-2 of securities laws: N/A



味王股份有限公司

Ve Wong Corporation

Chairman Chen, Ching-Fu





小王子麵

LITTLE PRINCE SNACK NOODLES

比口袋還小，精髓都有，味道都對，
麵來張口不沾手。愛吃，拿你沒辦法了！

