Ticker Symbol: 1225

Formosa Oilseed Processing Co., Ltd.

Individual Financial Statement and Accountant's Audit Report

2021 and 2020

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Accountant's Audit Report

Formosa Oilseed Processing Co., Ltd. (FOPCO):

Opinion

FOPCO's individual balance sheets for December 31, 2021 and 2020, and individual statements of comprehensive income from January 1 to December 31, 2021 and 2020, individual statements of changes in equity, individual statements of cash flows, and notes for indivudual financial statements (including summaries for significant accounting policies), have already been audited by the Accountant.

According to the Accountant's opinion, the preparation of all significant aspects of the above-mentioned individual financial statements refers to the Guidelines for the Preparation of Financial Reports for Issuer of Securities. It is sufficient to appropriately express FOPCO's individual financial situation for December 31, 2021 and 2020, and its individual financial performance and individual cash flow from January 1 to December 31, 2021 and 2020.

The Basis of Opinion

The Accountant referred to the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the Generally Accepted Auditing Standards (GAAS) to execute the audit. The Accountant's responsibilities under such standards will be further elaborated in the section regarding the accountants' responsibilities for auditing consolidated financial statements. The Accountant is independent of the Company in accordance to the code of ethics for accountants, and remain detached with FOPCO while performing other duties under such regulations. The Accountant believes there is sufficient and appropriate evidence obtained for auditing as the basis of opinion for auditing.

Key Audit Matters

Key Audit Matters (KAMs) refers to the most important matters that, to the Accountant's professional judgment, found in FOPCO's 2021 individual financial statements audits. Such matters have been addressed to during the general forming process of the opinion for individual financial statements audit. The Accountant did not express separate opinions regarding such matters.

KAMs regarding FOPCO's 2021 individual financial statements are stated as follow:

Depreciation of Inventories

FOPCO measures its cost of inventories by the lower of cost and net realizable value. When comparing the cost of sales and net realizable value (NRV), apart from inventories with the same classification, FOPCO measures on

the basis of individual items of inventories. For related accounting policies, please refer to notes 4(5) and 5 for individual financial statements.

As of December 31, 2021, the amount for FOPCO's in-transit inventory and raw material is NTD 858,498 thousands (refer to note 9), which accounts for 12% of total assets, and 74% of net inventory value for the individual financial statement for December 31, 2021. Of which, its costs and related selling price are influenced by global raw material prices, which is possible for violent fluctuations, and will result in the risk of having the raw material's NRV lower than the carrying amount. Owing to the regulation for management level's reference to IAS 2 "inventory" to evaluate the NRV for inventories as mentioned above, there involved estimation and judgment, of which its judgment result directly influenced the recognition of profit and loss amount, it is listed as part of KAMs.

In response to the KAMs mentioned above, the Accountant executed the major audit process as follow:

1. Understand and test FOPCO's status of execution for its review of estimation for NRV, in order to evaluate its operational efficacy for its internal control system, and to evaluate the appropriateness of its decision method for its NRV, as well as to confirm that the inventory has been calculated by the lower of cost and net realizable value.
2. Obtain latest raw material quotation or sales invoice, etc. through sampling so as to verify that there is no significant inconsistency between the NRV and its reference price, and recalculated its inventory value in order to evaluate the appropriateness of its basis of opinion.

Management Level and Governing Body's Responsibilities for Financial Statements

The management level's responsibilities are to prepare appropriately expressed individual financial statements by referring to "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and to maintain necessary internal control related to the preparation of individual financial statements, so as to confirm that there is no misstatement due to fraud or errors in the individual financial statements.

When preparing individual financial statements, the responsibilities for the management level also include the evaluation of FOPCO's operating abilities, the disclosure of related matters, and the adoption of going-concern accounting basis. Unless the management level intends to liquidate FOPCO or to terminate business operation, or apart from liquidating or terminating the business operation, there is no other feasible solution.

The governing body of FOPCO (including the Audit Committee) has the responsibility to supervise the financial reporting process.

Responsibilities for Accountants' Auditing of Individual Financial Statements

The purpose for the Accountant's auditing of individual financial statements is to obtain reasonable assurance that whether or not there are any significant misstatements due to fraud or errors in the individual financial statement in general, and to issue an audit report. Reasonable assurance is a high level of assurance. However, there is no guarantee that significant misstatements can be detected by refering to the Generally Accepted Auditing Standards (GAAS) when auditing. Misstatements can be caused by fraud or error. Shall the misstatement for individual amount or aggregate can reasonably predict the future influence of economic decisions made by individual financial statements' users, it is considered significant.

When the Accountant audits according to the GAAS, the Accountant uses his/her professional judgment and remains professional skepticism. The Accountant also performs the duties as follow:

1. Identify and evaluate the risk of significant misstatements caused by fraud or error in individual financial statements; Design and execute appropriate responding strategies for the evaluated risks; obtain sufficient and appropriate audit evidence as the basis for audit opinion. Since fraud might involve collusion, forgery, intentional omission, false statement, or violations of internal control, the risk of undetected significant misstatements due to fraud is higher than that of error.
2. Acquire necessary understandings for internal control that is related to auditing, so as to design appropriate audit process that are suitable for the situation. However, its purpose is not to express opinion on FOPCO's efficacy for internal control.
3. Evaluate the appropriateness of accounting policies adopted by the management level, and the reasonableness of its estimation and related disclosure as accountant.
4. Based on the obtained audit evidence, to make conclusions on the appropriateness of implementing going concern accounting basis on the management level, and whether or not there are significant uncertainties in matters or circumstances that may cause significant doubts on FOPCO's going concern abilities. Shall the Accountant believes there exists significant uncertainties in such matters or circumstances, the Accountant shall remind the individual financial statements' users to pay attention to the individual financial statements' related disclosure in the audit report, or to amend audit opinion when such disclosure is considered inappropriate. The Accountant's conclusion is based on the audit evidence obtained as of the date of the audit report. However, future matters or circumstances may result in FOPCO's no longer having going concern abilities.
5. Evaluate the general expression, structure, and content of individual financial statements (including related notes), as well as whether the individual financial statements appropriately expressed related transactions and matters.

6. Obtain sufficient and appropriate audit evidence about the individual financial information formed within FOPCO, so as to express opinion about individual financial statements. The Accountant is responsible for the guidance, supervision, and execution of the auditing case, and is also responsible for forming auditing opinion for FOPCO.

The matters being communicated between the Accountant and the governing body include the planning of the range and time for the audit, and significant audit discoveries (including the significant lack of internal control identified during the audit process).

The Accountant also provides statements regarding the personals from the firm that the Accountant is affiliated to abide by related independence that complies with the code of ethics for accountants to the governing body. The Accountant communicates with the governing body about all possible relationships that may be considered to influence the accountant's independence, and other matters (including related protection measures).

The Accountant will decide the KAMs for the audit of FOPCO's 2021 individual financial statements from the Accountant's communication with the governing body. The Accountant will state such matters in the audit report. Unless regulations disapprove the disclosure of specific matters, or under rare circumstances, the Accountant decides not to communicate about certain matters in the audit report. This is because one can reasonably expect the negative impact that this communication brings is greater than the increased public interests.

Deloitte Touche Tohmatsu Limited

Accountant Liao, Wan-Yi Accountant Chen, Zhao-Mei

Financial Supervisory Commission Approval Number No. Financial-Supervisory-Securities-Auditing-1010028123	Securities and Futures Commision Approval Number No. Taiwan-Financial-Securities-VI-0920123784

March 25, 2022

Formosa Oilseed Processing Co., Ltd.

Individual Balance Sheets

December 31, 2021 and 2020

Unit: NTD thousands

Code	Asset	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current Assets				
1100	Cash (notes 4 & 6)	$ 656,291	10	$ 535,117	9
1136	Financial assets measured at amortized cost (notes 7 & 28)	96,705	2	-	-
1150	Notes receivable (notes 4, 8, and 20)	215,064	3	131,111	2
1160	Notes receivable – related parties (notes 4, 20, & 27)	2,904	-	3,184	-
1170	Accounts receivable (notes 4, 8, and 20)	580,344	8	417,427	7
1180	Accounts receivable – related parties (notes 4, 20, & 27)	501,830	7	304,514	5
1200	Other receivables (notes 4 & 8)	20,278	-	30,083	1
1210	Other receivables – related parties (note 27)	150,967	2	338,227	6
130X	Inventory (notes 4, 5, & 9)	1,167,541	17	569,060	10
1410	Prepayments (note 10)	226,537	3	194,422	4
1479	Other current asset	-	-	34	-
11XX	Total current assets	3,618,461	52	2,523,179	44
	Non-current assets				
1550	Investments by equity method (notes 4 & 11)	1,176,631	17	1,311,908	23
1600	Property, plant, and equipment (notes 4, 12 & 28)	2,045,329	29	1,836,912	32
1755	ROU assets (notes 4 & 13)	141,112	2	63,643	1
1840	Deferred tax assets (notes 4 & 22)	12,972	-	14,732	-
1990	Other non-current assets (note 14)	7,132	-	4,709	-
15XX	Total non-current assets	3,383,176	48	3,231,904	56
1XXX	Total assets	$ 7,001,637	100	$ 5,755,083	100
Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans (note 15& 28)	$ 1,802,755	26	$ 771,273	13
2110	Short-term notes and bills payables (note 15)	229,908	3	169,786	3
2150	Notes payable (note 16)	5,036	-	5,168	-
2170	Accounts payable (note 16)	325,404	5	201,167	3
2180	Accounts payable – related parties (note 27)	91,979	1	42,787	1
2219	Other payables (note 17)	115,115	2	100,040	2
2230	Current tax liabilities (notes 4 & 22)	46,269	1	51,347	1
2280	Lease liabilities – current (notes 4 & 13)	6,750	-	6,998	-
2320	Long-term loans due within one year (notes 4, 15 & 28)	165,000	2	440,000	8
2399	Other current liabilities (note 20)	4,942	-	1,220	-
21XX	Total current liabilities	2,793,158	40	1,789,786	31
	Non-current liabilities				
2540	Long-term loans (note 4, 15 & 28)	515,000	7	495,000	9
2580	Lease liabilities – non-current (notes 4 & 13)	136,179	2	57,035	1
2640	Net defined benefit liabilities (notes 4 & 18)	18,552	-	19,958	-
2645	Margin deposit	1,790	-	21	-
2570	Deferred tax liabilities (notes 4 & 22)	96,172	2	95,560	2
25XX	Total non-current liabilities	767,693	11	667,574	12
2XXX	Total liabilities	3,560,851	51	2,457,360	43
	Equity				
3110	Ordinary share	2,187,030	31	2,187,030	38
3200	Capital reserves	121,705	2	121,015	2
	Retained earnings				
3310	Statutory retained earnings	258,304	4	220,476	4
3320	Special retained earnings	200,454	3	200,454	3
3350	Undistributed earnings	776,742	11	667,183	12
3300	Total retained earnings	1,235,500	18	1,088,113	19
3400	Other equity interest	(103,449)	(2)	(98,435)	(2)
3XXX	Total equity	3,440,786	49	3,297,723	57
	Total liabilities and equity	$ 7,001,637	100	$ 5,755,083	100

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.

Individual Statement of Comprehensive Income

January 1 to December 31, 2021 and 2020

Unit: NTD thousands;
EPS in NTD

Code		2021 Amount	2021 %	2020 Amount	2020 %
	Operating revenue (notes 4, 20 & 27)				
4110	Sales income	$ 9,566,193	100	$ 7,022,001	100
4170	Subtract: sales returns and allowances	15,857	-	8,900	-
4100	Net operating income	9,550,336	100	7,013,101	100
	Operating cost				
5110	Cost of sales (notes 9 & 27)	8,763,985	92	6,314,707	90
5900	Gross profit	786,351	8	698,394	10
5910	Unrealized profit with subsidiary companies and affiliated enterprises	(71)	-	(310)	-
5950	Realized gross profit	786,280	8	698,084	10
	Operating expenses (note 27)				
6100	Promotion expenses	248,766	3	218,843	3
6200	Management expenses	125,809	1	120,058	2
6300	Development expenses	10,800	-	9,313	-
6450	Expected loss of credit impairment (gain on reversal) (note 8)	60	-	(801)	-
6000	Total operating expenses	385,435	4	347,413	5
6510	Other net revenue and expenses (note21)	217	-	502	-
6900	Net operating profit	401,062	4	351,173	5
	Non-operating income and expenses				
7070	Gains on subsidiary companies and affiliated enterprises, accounted for using equity method (note 4)	116,079	1	80,167	1
7630	Foreign currency exchange net profit (note 21)	24,277	1	14,480	-
7100	Interest income	314	-	213	-

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Code		2021 Amount	2021 %	2020 Amount	2020 %
7110	Rent income (note 27)	$ 247	-	$ 300	-
7190	Other income (notes 13 & 27)	8,052	-	8,220	-
7510	Interest expense (note 21)	(10,947)	-	(13,023)	-
7520	Miscellaneous expense	(187)	-	(359)	-
7000	Total non-operating income and expenses	137,835	2	89,998	1
7900	Profit before tax	538,897	6	441,171	6
7950	Income tax fees (notes 4 & 22)	85,785	1	65,414	1
8200	Net profit	453,112	5	375,757	5
	Other comprehensive income				
8310	Items not reclassified under profit and loss:				
8311	Remeasurements of defined benefit plan (notes 4 & 18)	1,098	-	877	-
8330	Share of affiliated enterprises' other comprehensive income, accounted for using equity methods (note 4)	(639)	-	1,649	-
		459	-	2,526	-
8360	Items that may be reclassified under profit and loss afterwards:				
8361	Exchange difference after conversion of foreign operations' financial statements (note 4)	(5,014)	-	(3,231)	-
8300	Total other (net) comprehensive income	(4,555)	-	(705)	-
8500	Total comprehensive income	$ 448,557	5	$ 375,052	5
	EPS (note 23)				
9710	Basic	$ 2.07		$ 1.72	
9810	Diluted	$ 2.07		$ 1.72	

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.

Individual Statements of Changes in Equity

January 1 to December 31, 2021 and 2020

Unit: NTD thousands;
EPS in NTD

								Other Equity	
		Ordinary Shares (note 19)			Retained Earnings (note 19)				
Code		No. of Shares (1000)	Amount	Capital Surplus (note 19)	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange difference converted in foreign operating institutions' financial statements	Total Equity
A1	January 1, 2020 Balance	218,703	$ 2,187,030	$ 121,015	$ 188,689	$ 200,454	$ 605,001	($ 95,204)	$ 3,206,985
	2019 Earnings Appropriation and Disposition								
B1	Legal Reserve	-	-	-	31,787	-	(31,787)	-	-
B5	Shareholders' cash dividend – NTD 1.30 per share	-	-	-	-	-	(284,314)	-	(284,314)
		-	-	-	31,787	-	(316,101)	-	(284,314)
D1	2020 net profit	-	-	-	-	-	375,757	-	375,757
D3	2020 other comprehensive income	-	-	-	-	-	(2,526)	(3,231)	(705)
D5	2020 total comprehensive income	-	-	-	-	-	378,283	(3,231)	375,052
Z1	December 31, 2020 Balance	218,703	2,187,030	121,015	220,476	200,454	667,183	(98,435)	3,297,723
	2020 Earnings Appropriation and Disposition								
B1	Legal reserve	-	-	-	37,828	-	(37,828)	-	-
B5	Shareholders' cash dividend – NTD 1.40 per share	-	-	-	-	-	(306,184)	-	(306,184)
		-	-	-	37,828	-	(344,012)	-	(306,184)
C17	Shareholder's overdue unclaimed dividends	-	-	690	-	-	-	-	690
D1	2021 net profit	-	-	-	-	-	453,112	-	453,112
D3	2021 other comprehensive income	-	-	-	-	-	459	(5,014))	(4,555)
D5	2021 total comprehensive income	-	-	-	-	-	453,571	(5,014)	448,557
Z1	December 31, 2021 balance	218,703	$ 2,187,030	$ 121,705	$ 258,304	$ 200,454	$ 776,742	($ 103,449)	$ 3,440,786

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.

Individual Statements of Cash Flows

January 1 to December 31, 2021 and 2020

Unit: NTD thousands

Code		2021	2020
	Cash flows for operating activities		
A10000	Profit before tax	$ 538,897	$ 441,171
A20010	Profit and loss items		
A20100	Depreciation expense	29,357	33,555
A20200	Amortization expense	999	999
A20300	Expected loss of credit impairment (gain on reversal)	60	(801)
A20900	Interest expense	10,947	13,023
A21200	Interest income	(314)	(213)
A22300	Gain on subsidiary companies and affiliated enterprises accounted for using equity method	(116,079)	(80,167)
A22500	Gain on disposal of property, plant, and equipment t	(217)	(452)
A29900	Gain on disposal of ROU assets	-	(50)
A23700	Inventory falling price loss	672	-
A23900	Unrealized sales profit with subsidiary companies and affiliated enterprises	71	310
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	(83,953)	(23,571)
A31140	Notes receivable – related parties	280	340
A31150	Accounts receivable	(163,055)	1,441
A31160	Accounts receivable – related parties	(197,316)	6,387
A31180	Other receivables	9,814	2,236
A31190	Other receivables – related parties	337,590	(162)
A31200	Inventory	(599,153)	95,493
A31230	Prepayments	(32,115)	255
A31240	Other current assets	34	2
A32130	Notes payable	(132)	(358)
A32150	Accounts payable	124,237	61,912
A32160	Accounts payable – related parties	49,192	(11,376)
A32180	Other payables	12,923	19,946
A32190	Other payables – related parties	-	(21)
A32230	Other current liabilities	3,722	(127)
A32240	Net defined benefit liabilities	(308)	(245)
A33000	Cash from operating activities	(73,847)	559,527
A33100	Interest income	175	192

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Code		2021	2020
A33300	Interest expenses	($ 10,275)	($ 14,895)
A33500	Tax expenses	(88,491)	(51,901)
AAAA	Net cash inflow (outflow) from operating activities	(172,438)	492,923
	Investment cash flows		
B00040	Financial assets gained at amortized cost	(96,705)	-
B00050	Disposal of financial assets at amortized cost	-	154,763
B02700	Obtainment of property, plant, and equipment (note 24)	(228,072)	(386,398)
B02800	Disposal of property, plant, and equipment cost	-	1,525
B03700	Increase of guarantee deposits paid	(2,543)	(363)
B06700	Decrease (increase) of other non-current assets	(1,113)	3
B07500	Interest income	130	20
B07600	Dividend gained from subsidiary companies and affiliated enterprises	95,521	104,639
BBBB	Net investment cash flow expenses	(232,782)	(125,811)
	Financing activities cash flows		
C00100	Increase (decrease) of short-term loans	1,031,482	(96,086)
C00500	Increase of short-term notes payable	60,000	170,000
C01600	Long-term loans	405,000	97,500
C01700	Repayment of long-term loans	(660,000)	(232,500)
C03000	Increase of margin deposit	1,769	21
C04020	Repayment of lease liabilities principal	(6,441)	(8,432)
C04500	Issuance of cash dividend	(306,184)	(284,314)
C05700	Shareholder's overdue unclaimed dividends	690	-
CCCC	Net cash (out)flows on financing activities	526,316	(353,811)
DDDD	Impact owing to fluctuation in exchange	78	3,202
EEEE	Net increase in cash	121,174	16,503
E00100	BOY cash balance	535,117	518,614
E00200	Year-end cash balance	$ 656,291	$ 535,117

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.

Notes for Individual Financial Statements

January 1 to December 31, 2021 and 2020

(Unless stated otherwise, the amounts' unit is in NTD thousands)

I. Company's History

Formosa Oilseed Processing Company Co., Ltd. (hereafter referred to as "the Company") was established in 1986. Since September 1993, the Company's share has been listed for transaction on Taiwan Stock Exchange. Our main businesses include the manufacturing and the selling of soybean oil, soy flour, flour, oatmeal, corn, pet food, and import and export transactions. The Company's subsidiary company "Top Food Industry Corporation" (Top Food) started to operate since October 2007, and its main business includes producing and selling flour. Thus, the Company no longer engages in the production of flour.

This individual financial statement is expressed in the Company's functional currency New Taiwan Dollars (NTD).

II. Date of Approval and Procedures for Financial Report

This individual financial report was approved by the board of directors on March 25, 2022.

III. Application of Newly Announced Standards for Amendments and Explanations

(1) First time applicable of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretation Committee (SICs) (hereafter referred to as IFRSs) as approved and announced effective by the Financial Supervisory Commission (hereafter referred to as FSC).

Newly Announced／Amended／Amendments & IFRIC	Effective Date for Announcement of IASB
Amendments to IFRS 9, IAS 39, and IFRS 7, IFRS 4, & IFRS 16 "interest rate benchmark reform – Phase II"	Jan 1, 2021
Amendments to IFRS 16 "Covid-19-Related Rent Concessions after June 30, 2021"	Jan 1, 2021

The application of the IFRSs as approved and announced effective by the FSC will not necessarily cause significant changes in the Company's accounting policies.

(2) The Application of the IFRSs as Approved by the FSC for 2022

Newly Announced／Amended／Amendments & IFRIC	Effective Date for Announcement of IASB
"Annual Improvements – 2018-2020 Cycle"	Jan 1, 2022 (note 1)
Amendments to IFRS 3 "definition of a business"	Jan 1, 2022 (note 2)
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	Jan 1, 2022 (note 3)

Newly Announced／Amended／Amendments & IFRIC	Effective Date for Announcement of IASB
Amendments to IAS 37 "Onerous Contracts — Cost of Fulfilling a Contract"	Jan 1, 2022 (note 4)

Note 1: The amendments to IFRS 9 are applicable to financial liabilities or change of provisions that happen during the annual reporting period after January 1, 2022; the amendments to IAS 41 on "Agriculture" are applicable to fair value measurements during the annual reporting period after January 1, 2022; the amendments to IFRS 1 on "First-Time Adoption of IFRSs" are traced back and applicable to the annual reporting period after January 1, 2022.

Note 2: This amendment is applicable to business mergers of which the acquisition date is during the annual reporting period after January 1, 2022.

Note 3: This amendment is applicable to property, plant, and equipment of which their operating methods' necessary locations and status meet the management level's expectations after January 1, 2021.

Note 4: This amendment is applicable to contracts of which all obligations are not yet fulfilled by January 1, 2022.

As of the date of announcement of the approval of this individual financial statement, the Company's estimation criteria and the amendments to IFRIC will not necessarily cause significant impact on the Company's financial status and financial performance.

(3) IFRSs Announced by the International Accounting Standards Board (IASB) but Not Yet Approved by the FSC

Newly Announced／Amended／Amendment(s) & IFRIC	Effective Date for Announcement of IASB (note 1)
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Undecided
Amendments to IFRS 17, "Insurance Contracts"	Jan 1, 2023
Amendments to IFRS 17	Jan 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	Jan 1, 2023
Amendments to IAS 1, "Classification of Liabilities as Current or Non-Current"	Jan 1, 2023
Amendments to IAS 1, "Disclosure of Accounting Policies"	Jan 1, 2023 (note 2)
Amendments to IAS 8, "Definition of Accounting	Jan 1, 2023 (note 3)

Newly Announced／Amended／Amendment(s) & IFRIC	Effective Date for Announcement of IASB (note 1)
Estimates"	
Amendments to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Jan 1, 2023 (note 4)

Note 1: Unless noted otherwise, the above-mentioned newly announced/amended/amendment or IFRICs are effective during the annual reporting period after the respective dates.

Note 2: This amendment is applicable to prospective during the annual reporting period after January 1, 2023.

Note 3: This amendment is applicable to changes in accounting estimates and changes in accounting policies during the annual reporting period after January 1, 2023.

Note 4: This amendment is applicable to transactions occurring after January 1, 2022, except for the recognition of deferred tax on temporary differences in lease and decommissioning obligations occurring on January 1, 2022.

As of the announcement date for the approval of this individual financial report, the Company still continues to evaluate the impacts that the amendments of standards and IFRICs have caused on the Company's financial status and financial performance. Related impacts will be disclosed when the evaluation is completed.

IV. Statement for Summaries for Significant Accounting Policies

(1) Compliance Assertion

This individual financial statement was prepared by referring to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(2) Preparation Basis

Except for the net defined benefit liabilities accounted for using the present value for defined benefit obligation subtracting planned assets at fair value, this individual financial statement was prepared on the basis of historical cost.

When preparing individual financial statements, the Company handles invested subsidiary companies and affiliated enterprises by using equity methods. In order to have this individual financial statements' current year profit and loss, other comprehensive income, and equity the same as the Company's consolidated financial statements' current year profit and loss, other comprehensive income, and equity as belonging to the Company's owner(s), the accountants' handling of differences under individual basis and consolidated basis was to adjust "investments accounted for using equity method," "gains on subsidiary companies and affiliated enterprises accounted for using equity method," and "share of other comprehensive income of affiliated enterprises accounted for using equity method" and related equity items.

(3) Standards for Distinguishing Current and Non-Current Assets and Liabilities

Current assets include:

1. Assets possessed mainly for transaction purposes;
2. Assets expected to be realized within 12 months after the date of balance sheet; and
3. Cash (but excluding those restricted to the exchange or settlement of liabilities for more than 12 months after the date of balance sheet).

Current liabilities include:

1. Liabilities possessed mainly for transaction purposes;
2. Liabilities at maturity for settlement within 12 months after the date of balance sheet; and
3. Liabilities of which its settlement period cannot be unconditionally deferred to at least 12 months after the date of balance sheet.

Those that do not belong to the above-mentioned current assets or current liabilities are classified under non-current assets or non-current liabilities.

(4) Foreign Currencies

When preparing individual financial statements, the Company, transactions made other than the Company's functional (foreign) currency are converted into the Company's functional currency for recording by referring to the exchange rate on the date of transaction.

The monetary items in foreign currencies are converted at the closing exchange rage on every date of balance sheet. The exchange difference generated from settling monetary items or converting monetary items will be recognized as the current year's profit or loss.

Non-monetary items in foreign currencies measured at fair value are converted at the exchange rate on the day of determining the fair value, and the exchange difference generated is recognized as the current year's profit or loss. However, for items that belong to the changes in fair value and recognized as other comprehensive income, their exchange difference generated will be recognized as other comprehensive income.

Non-monetary items in foreign currencies measured at historical cost are converted at the exchange rate on the date of transaction, and will not be reconverted.

When preparing the individual financial statement, foreign operating institutions' (including the country of operation or subsidiary companies that use different currencies from the Company) assets and liabilities are converted to NTD at the exchange rate on every date of balance sheet. The income and expense items are converted at the average exchange rate for the current year, and the exchange difference generated is recognized as other comprehensive income.

(5) Inventory

Inventories include (in transit) raw materials, materials, finished goods, work in progress, and products. Inventories are measured at lower of cost and NRV. When comparing the cost and the NRV, apart from inventories with the same classification, the Company measures on the basis of individual items of inventories. NRV refers to the balance after subtracting the estimated cost that still needs to be

invested until completion and the estimated cost to complete the sell from the estimated selling price under normal circumstances. Inventory cost is calculated by using weighted average method.

(6) Investments in Subsidiary Companies

The Company uses equity method to deal with its investments in subsidiary companies. Subsidiary companies refer to entities that the Company has control over.

Under the equity method, investments were originally recognized as costs, the increase or decrease of the carrying amount after the obtained date varies according to the Company's profit or loss owing to its subsidiary companies and the share of other comprehensive income, as well as profit distribution of profit. Moreover, the Company's benefits in subsidiary companies' changes in equity are recognized according to its shareholding ratio.

When the Company evaluates its impairment loss, it takes into account of the individual financial statements as a whole to consider cash generating units, and compares its recoverable amount and carrying amount. If the recoverable amount of assets increases afterwards, the reversal of impairment loss will be recognized as gains. However, the carrying amount for assets after impairment loss reversal cannot exceed the assets' carrying amount after subtracting the amortization that should be recognized if impairment loss is not recognized.

The Company and subsidiary companies' unrealized profits and losses for downstream transactions are eliminated from individual financial reports. The profits or losses from the Company and subsidiary companies' upstream transactions are solely within the range that is unrelated to the Company's equity in the subsidiary companies, and are recognized in individual financial reports.

(7) Investments in Affiliated Enterprises

Affiliated enterprises are enterprises that have significant influences on the Company, but do not belong to subsidiary companies or joint ventures. The Company conducts the equity method in investing in affiliated enterprises.

Under the equity method, the investments in affiliated enterprises are originally recognized as costs, and the carrying amount obtained in the future will increase or decrease according to the Company's benefits from the affiliated enterprises' income and other comprehensive income, and profit distribution. In addition, the Company's benefit in affiliated enterprises' changes in equity is recognized according to its shareholding ratio.

If the Company does not subscribe according to its shareholding ratio when affiliated enterprises issue new shares, and causes changes in shareholding ratio, and further results in the decrease or increase of invested equity net value, the Company increases or decreases the amount to adjust its capital surplus and investments accounted for using equity method. If the aforementioned adjustment should debit capital surplus, and the capital surplus balance from investment

accounted for using equity method is insufficient, its difference should be recognized as retained earnings under the debit column.

When the Company evaluates its impairment loss, it regards the overall carrying amount of the investment as a single asset, and compares recoverable amounts with the carrying amount to perform the impairment test. The recognized impairment loss is not allocated to any assets that form parts of the investment's carrying amount, including goodwill. Any impairment loss reversals can be recognized within the range of subsequent increases in such investment's recoverable amount.

The profits or losses from upstream and downstream transactions between the Company and the affiliated enterprises are solely within the range that is unrelated to the Company's equity in the affiliated enterprises, and are recognized in individual financial reports.

(8) Property, Plant, and Equipment

Property, plant, and equipment are recognized as costs, of which the amount will later be measured by cost subtracting accumulated depreciation.

Property, plant, and equipment's significant parts were separately depreciated within the useful life using the straightline method. The Company scans the estimation of useful life, residual value, and depreciation method at least on the last day of every year, and postpones the impact of changes in applicable accounting estimations.

When property, plant, and equipment are derecognized, the difference between the net disposal proceeds and such asset's carrying amount is recognized as profit or loss.

(9) Property, Plant, and Equipment, and ROU Assets' Impairment Loss

The Company evaluates whether there are any traces showing possible impairments in property, plant, and equipment, and ROU assets on every date of balance sheet. If any impairment traces exist, the Company will estimate such asset's recoverable amount. If it is impossible to estimate individual asset's recoverable amount, the Company estimates the recoverable amount of the cash generating unit to which such asset belongs.

Recoverable amount is calculated by the higher of fair value subtracting sales cost and its use value. When individual assets or the recoverable amount of the cash generating unit is lower than its carrying amount, such asset or the carrying amount of the cash generating unit is reduced to its recoverable amount, and the impairment loss is recognized under profit or loss.

When impairment loss is subsequently reversed, the carrying amount for such assets or cash generating unit are increased to the recoverable amount after being adjusted. However, the carrying amount after the increase shall not exceed the carrying amount (minus depreciation) determined if such assets or cash-generating unit did not recognize impairment loss in the previous years. The reversal of impairment loss is recognized as profit or loss.

(10) Financial Instruments

When financial assets and financial liabilities become one of the contractual regulations for such instrument of the Company, they are recognized in individual balance sheets.

When originally recognizing financial assets and financial liabilities, if financial assets or financial liabilities do not belong to those measured at fair value through profit or loss, then it is measured by fair value plus financial costs directly attributed to the obtainment or distribution of financial assets or financial liabilities. The transaction costs directly attributed to the obtainment or distribution of financial assets or financial liabilities at fair value through profit or loss shall be recognized as profit or loss immediately.

1. Financial assets

The regular way purchase or sale of financial assets adopts accounting recognition and derecognition on the trade date.

(1) Types of measurements

The types of financial assets that the Company possesses are financial assets at amortized cost, and investments in equity instrument at fair value through other comprehensive income.

If the Company's investments of financial assets simultaneously meet the two conditions below, then it is categorized as financial assets measured at amortized cost:

A. it is held under a certain business model, and the purpose for such model is to obtain contractual cash flow by holding financial assets; and

B. the cash flow generated on the specific date of contractual regulations, and such cash flow is completely used for principal payment and the interest for outstanding capital.

After the original recognition of financial assets at amortized cost (including cash, notes receivable at amortized cost, accounts receivable, and other receivables), they are measured by the carrying amount determined by effective interest method subtracting any impairment loss after amortized cost. Any profit or loss owing to foreign currency exchange is recognized as profit or loss.

Except for the two conditions below, interest income is calculated by multiplying effective interest rate and financial assets' total carrying amount:

A. Credit-impaired financial assets purchased or created, and the interest income is calculated by multiplying effective interest rate after credit adjustment by financial assets after amortized cost.

B. Financial assets that do not belong to purchased or created credit impairment, but subsequently become credit impairment, and the interest income is calculated by multiplying effective interest rate by financial assets after amortized cost.

(2) Impairment loss of financial assets

The Company assesses its financial assets after amortized cost (including notes receivable and accounts receivable) based on expected credit loss on every date of balance sheet.

Notes receivable and accounts receivable should both be recognized as allowance loss based on the expected credit loss during the duration. Other financial assets are first assessed by whether there is a significant increase in credit risks after the original recognition. If there is no significant increase, then the recognition of allowance loss is based on 12 months' expected credit loss. If there is a significant increase, then the recognition of allowance loss is based on the expected credit loss during the duration.

Expected credit loss is a weighted average credit loss with the risk of default as the weight. The 12 months expected credit loss represents the expected credit loss that is caused by possible default events within the 12 months after the reporting date of the financial instrument. Expected credit loss during the duration represents the expected credit loss caused by the financial instrument's possible default events during the duration.

All carrying amount for financial assets' impairment loss are reduced through the allowance account.

(3) Derecognition of financial assets

The Company's financial assets can only be derecognized when the contractual rights from financial assets cash flows become invalid, or when the financial assets have been transferred and almost all risks and rewards for such assets' ownership have been transferred to other enterprises.

When the financial assets measured after amortized cost is entirely derecognized, the carrying amount and the difference between the considerations received are recognized as profit or loss. When the equity instrument investments at fair value through other comprehensive income are entirely derecognized, the accumulated profit or loss are directly transferred to retained earnings, and will not be re-classified as profit or loss.

2. Financial liabilities

(1) Subsequent measurements

Financial liabilities are measured at amortized cost accounted for using the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, the carrying amount and difference between consideration payments (including any transferred non-cash assets or assumed liabilities) are recognized as profit or loss.

(11) Provisions

Amounts recognized as provisions are to consider obligatory risks and uncertainties, and are the best estimate for the required expense to settle the obligation on the date of balance sheet.

(12) Recognition of income

After the Company identifies performance obligations in customer contracts, it will amortize transaction prices to each performance obligation, and will recognize as income once each performance obligation is fulfilled.

Sales income from goods

The sales income from goods is from the selling of oil, feeds, raw materials, etc.

When oil, feeds, and raw materials, etc. arrives the customers' designated location/starts shipment, the customers already have the rights to set up prices and the rights to use, and have the main responsibility to re-sale these products. They also have to take the risk for the outdating of goods. The Company recognizes its income and accounts receivable at this point of time.

During processing, the significant risk and rewards of the ownership to the processed products are not yet transferred, and will not be handled for selling when processing.

(13) Lease

The Company evaluates whether the contract belongs to (or includes) lease on the contract establishment date.

1. The Company as the lessor

When the lease clause transfers almost all risks and rewards attached to the ownership of the asset to the lessee, it is classified as financing lease. All other leases are classified as operating lease.

Under operating lease, the lease payments are recognized as income on the straight-line basis during related lease periods. Original direct costs happened because of the obtainment of operating lease is added to the target assets' carrying amount, and recognized as expense on the straight-line basis during the lease period.

2. The Company as the lessee

Except for low-value asset lease that is applicable to recognition exemption, and lease payments for short-term lease that are based on the straight-line basis recognized as expenses during the lease period, other leases are all recognized as ROU assets and lease liabilities on the lease starting date.

ROU assets are originally measured by costs (including lease liabilities' original measured amount, lease payment before the lease starting date subtracting lease incentives, original direct cost, and estimated cost of restored assets), and subsequently measured by the amount of the cost subtracting accumulated depreciation and accumulated impairment loss, and adjusts the remeasurements of lease liabilities. ROU assets are separately expressed in the individual balance sheet.

ROU assets' depreciation is pre-estimated on a straight-line basis from the lease starting date until the expiration of the useful life whichever is earlier.

Lease liabilities are originally measured by the lease payment's current value (including regular payments). If the interest rate implicit in a lease is easy to determine, the lease payments are discounted with this interest rate. If such interest rate is not easy to determine, then the lessee's increment borrowing interest rate will be used.

Subsequently, lease liabilities are measured by effective interest method after amortized cost, and the interest expense is amortized during the lease period. If the lease period or changes in the rate that is used to determine lease payments result in changes of future lease payments, the Company will remeasure lease liabilities, and relatively adjust ROU assets. However, if the carrying amount for ROU assets decreases to zero, then the remaining remeasured amount will be recognized as profit or loss. Lease liabilities are separately expressed in the individual balance sheet.

The Company and the lessor underwent rent negotiations directly related to Covid-19, and adjusted the rent due before June 30, 2020 that resulted in the decrease of rent. Such negotiation did not cause significant changes in other lease clauses. The Company chose to adopt practical expedient to handle all lease negotiations that meet the aforementioned condition. The Company did not evaluate whether such negotiation was about lease amendments. Instead, the Company recognized the deduction of lease payments as profit or loss (pre-estimated as other income) when concession events or situations happen, and relatively reduced lease liabilities.

(14) Borrowing Costs

The borrowing costs directly attributed to the acquisition, construction, or production of qualified assets are part of such assets cost, until almost all necessary activities for such assets to reach its intended usage or selling status have been completed.

Except for the aforementioned, all other borrowing costs are recognized as profit or loss in the current period.

(15) Employees' Benefit

1. Short-term employees' benefit

Related liabilities for short-term employees' benefit is measured at non-discounted cash amount prepaid for the exchange of employee services.

2. Post-employment benefit

The pension of the defined allocation retirement plan should be allocated and the pension amount should be recognized as expense when the employee provides his/her service period.

Defined benefit retirement plan's defined benefit cost (including service costs, net interest, and remeasurements) is precisely calculated by adopting the projected unit credit method. Service costs (including current period's service cost) and net interest of net defined benefit liability should be recognized as employee's benefit expense when the events happen, and when settlements happen. Remeasurements (including precisely

calculated profit or loss and planned assets rewards interest deduction) should be recognized as other comprehensive income and listed under retained earnings when the event happens, and will not be re-classified as profit or loss in the subsequent period.

Net defined benefit liability is allocation insufficiency of defined benefit retirement plan. Net defined benefit assets cannot exceed the present value for the returned allocated amount from such plan or reducible future allocated amount.

(16) Income Tax

Income tax amount is the total of current income tax and deferred income tax.

1. Current income tax

The Company determines its current income (loss) according to regulations formulated by jurisdictions for income tax reporting, based on the calculation of payable (recoverable) income tax.

According to the R.O.C. Income Tax Act, the calculation of the added income tax to undistributed earnings will be recognized in the year of decision of the shareholder's meeting.

The adjustment for income tax payables for the previous years is listed in the current year's income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between booked assets and the carrying amount for liabilities, and the tax basis for calculating taxable income.

Deferred income tax liabilities are generally recognized as all taxable temporary differences, and deferred income tax assets are recognized when it is likely to have taxable income for usage of the deduction of temporary differences.

Taxable temporary differences related to invested subsidiary companies are all recognized as deferred income tax liabilities. Deductible temporary differences related to this type of investment can be recognized as deferred income tax assets only if it is likely to have sufficient taxable income to achieve temporary differences, and within the range expected to reverse in the foreseeable future.

The carrying amount for deferred income tax assets is reviewed on every date of balance sheet, and the carrying amount is reduced for those that are no longer likely to have sufficient taxable income for the recovery of all or partial assets. For those that is not originally recognized as deferred income tax assets, they should be reviewed on every date of balance sheet, too, and the carrying amount is increased for those that are very likely to generate taxable income for the recovery or all or partial assets.

Deferred income tax assets and liabilities are measured by its expected liability settlement or tax rate for assets realization. Such tax rate is based on the tax rate and tax law that have been enacted or substantively enacted on the date of balance sheet. The measurements of deferred income tax liabilities and assets are to reflect the Company's tax outcome generated from the method of

expected recovery or settlement of its carrying amount for assets and liabilities on the date of balance sheet.

V. Main Sources for Significant Accounting Judgment and Estimation, and Hypothesis of Uncertainties

When the Company adopts accounting policies, the management level must make related judgments, estimations, and hypothesis on the basis of historical experience and other relevant factors when obtaining relevant information that is not easily obtained from other sources. The actual results may differ from the estimation.

The management level will continue to review the estimation and the basic hypothesis. If the amendments to the estimation solely impact the current year, then it is recognized in the current year; if the amendments to the accounting estimation simultaneously influence the current year and future periods, then it is recognized in the current period of amendment and the future period.

The information for the main management level's hypothesis and estimation uncertainties is as follow:

Impairment of Inventories

In-transit inventories and raw material costs and related prices are influenced by global raw material prices, which is possible for volatile fluctuations, leading to risk of the raw materials' NRV falling below than the carrying amount. Since the management level referred to the regulations in IAS 2 "Inventory," for the evaluation of raw materials' NRV involves estimation and judgment, the change in raw material prices might cause significant impacts on such estimation results.

VI. Cash

	December 31, 2021	December 31, 2020
Cash on hand & petty cash	$ 141	$ 198
Bank checks & demand deposit	656,150	534,919
	$ 656,291	$ 535,117

The market interest rate range for bank deposits on the date of balance sheet is as follow:

	December 31, 2021	December 31, 2020
Bank deposit	0.01%～0.05%	0.01%～0.12%

VII. Financial assets measured at amortized cost

	December 31, 2021	December 31, 2020
Current		
Restricted assets – bank deposit	$ 96,705	$ -

The market interest rate range for financial assets measured at amortized cost on the date of balance sheet is as follow:

	December 31, 2021	December 31, 2020
Restricted assets – bank deposit	0.18%	-

Restricted assets – bank deposits are provided to the bank(s) as guarantee for loans, and as pledge information. Please refer to note 28.

VIII. Notes Receivable, Accounts Receivable, and Other Receivables

	December 31, 2021	December 31, 2020
Notes Receivable		
Total carrying amount measured at amortized cost	$ 215,064	$ 131,111
Accounts Receivable		
Total carrying amount measured at amortized cost	$ 580,558	$ 417,581
Subtract: loss allowance	214	154
	$ 580,344	$ 417,427
Other Receivables		
Export rebate receivable	$ 12,402	$ 11,975
Import price difference receivable	7,627	-
Judgment lien amount	-	$ 17,593
Others	249	515
	$ 20,278	$ 30,083

(1) Notes Receivable

The average credit period for the Company's product sales is 60 days, of which no interest is accrued in notes receivable. The policy that the Company adopts is to only make transactions with reputable parties, and the Company will obtain full collateral when necessary, so as to reduce the risk of financial loss owing to delinquency. The Company rates its main customers by using other publicly available financial information and historical transaction records. The Company continuously supervises credit exposures and the counterparties' credit levels, and distributes the total transaction amount to different customers with qualified credit ratings. Moreover, the Company manages its credit exposures by reviewing and approving the credit limit of counterparties each year.

The Company's expected credit loss during duration is recognized as notes receivable's allowance loss. The expected credit

loss during duration is calculated by provision matrix, which takes the customers' past default records and current financial statuses, and industrial economy situations into account. At the same time, the Company takes GDP prediction and industrial prospects into consideration. The Company's historical experience for credit loss shows that there is no significant difference in loss patterns among different customer groups. Thus, the provision matrix did not further distinguish customer groups, and only determined the expected credit loss rate based on the numbers of days overdue for notes receivable.

If there is evidence showing that the counterparty is facing critical financial difficulties, and the Company is unable to reasonably expect the recoverable amount, the Company should directly write off related notes receivable. However, the Company will continuously recourse the activities, and the recovered amount from the recourse will be recognized as profit or loss.

The Company uses provision matrix to measure notes receivable's allowance loss, which is as follow:

December 31, 2021

	Not overdue
Expected credit loss rate	0%
Total carrying amount	$ 215,064
Allowance loss (expected credit loss during duration)	-
Amortized cost	$ 215,064

December 31, 2020

	Not overdue
Expected credit loss rate	0%
Total carrying amount	$ 131,111
Allowance loss (expected credit loss during duration)	-
Amortized cost	$ 131,111

(2) Accounts Receivable

The Company's average credit period for product sales is 80 days, of which no interest is accrued in accounts receivable. The policy that the Company adopts is to only make transactions with reputable targets, and the Company will obtain full collateral when necessary so as to reduce the risk of financial loss owing to delinquency. The Company rates its main customers by using other publicly available financial information and historical transaction records. The Company continuously supervises credit exposures and the counterparties' credit levels, and distributes the total transaction amount to different customers with qualified credit ratings. Moreover, the Company

manages its credit exposures by reviewing and approving the credit limit of counterparties each year.

The Company's expected credit loss during duration is recognized as notes receivable's allowance loss. The expected credit loss during duration is calculated by provision matrix, which takes the customers' past default records and current financial statuses, and industrial economy situations into account. At the same time, the Company takes GDP prediction and industrial prospects into consideration. The Company's historical experience for credit loss shows that there is no significant difference in loss patterns among different customer groups. Thus, the provision matrix did not further distinguish customer groups, and only determined the expected credit loss rate based on the numbers of days overdue for notes receivable.

If there is evidence showing that the counterparty is facing critical financial difficulties, and the Company is unable to reasonably expect the recoverable amount, the Company should directly write off related notes receivable. However, the Company will continuously recourse the activities, and the recovered amount from the recourse will be recognized as profit or loss.

The Company uses provision matrix to measure accounts receivable's allowance loss, which is as follow:

December 31, 2021

	Not overdue	1-60 days overdue	61-90 days overdue	91-120 days overdue	121-180 days overdue	181-365 days overdue	Over 365 days overdue	Total
Expected credit loss rate	0.01%	0.47%-7.83%	18.56%	-	-	-	100%	
Total carrying amount	$ 572,707	$ 7,767	$ 36	$ -	$ -	$ -	$ 48	$ 580,558
Loss allowance (expected credit loss during duration)	(57)	(102)	(7)	-	-	-	(48)	(214)
Amortized cost	$ 572,650	$ 7,665	$ 29	$ -	$ -	$ -	$ -	$ 580,344

December 31, 2020

	Not overdue	1-60 days overdue	61-90 days overdue	91-120 days overdue	121-180 days overdue	181-365 days overdue	Over 365 days overdue	Total
Expected credit loss rate	0.01%	0.25%-4.10%	-	-	-	-	100%	
Total carrying amount	$ 412,137	$ 5,384	$ -	$ -	$ -	$ -	$ 60	$ 417,581
Loss allowance (expected credit loss during duration)	(41)	(53)	-	-	-	-	(60)	(154)
Amortized cost	$ 412,096	$ 5,331	$ -	$ -	$ -	$ -	$ -	$ 417,427

Changes in information on accounts receivable loss allowance are as follow:

	December 31, 2021	December 31, 2020
BOY balance	$ 154	$ 955
Add: current year provision impairment loss	60	-
Subtract: current year reversal impairment loss	-	(801)
Year-end balance	$ 214	$ 154

(3) Other Receivables

After the court's judgment, the remaining amount of NTD 17,593 thousands retained by the court was returned to the Company on March 15, 2021.

When the Company assesses Other Receivables with objective evidence of impairment loss, the amount of impairment loss is individually assessed. As of the balance sheet date, there are no Other Receivables past due that the Company has not yet recognized in Other Receivables loss allowance.

IX. Inventory

	December 31, 2021	December 31, 2020
Inventory in-transit	$ 619,855	$ 276,118
Raw materials	238,643	142,390
Finished goods	219,659	125,920
Work in progress	82,254	17,808
Materials	7,130	6,824
	$ 1,167,541	$ 569,060

Operating costs related to inventory for the year 2021 was NTD 8,763,985 thousands, of which NTD 3,030 thousands included was inventory loss and NTD 672 thousands was loss on inventory price decline Operating costs related to inventory for the year 2020 was NTD 6,314,707 thousands, of which NTD 667 thousands included was inventory loss.

X. Prepayments

	December 31, 2021	December 31, 2020
Excess business tax paid	$ 204,756	$ 178,489
Other prepayments	21,500	15,498
Prepayments to suppliers	281	435
	$ 226,537	$ 194,422

XI. Investments by Using Equity Method

	December 31, 2021	December 31, 2020
Investments in subsidiary companies	$ 892,360	$ 1,036,984
Investments in affiliated enterprises	284,271	274,924
	$ 1,176,631	$ 1,311,908

(1) Investments in subsidiary companies

	December 31, 2021	December 31, 2020
TOP FOOD	$ 687,580	$ 691,836
FORMOSA OIL PROCESSING (PANAMA) S.A.	145,157	294,392
FU YOU AN KANG CORP.	30,436	31,748

CHONG HSIANG FOODS INDUSTRY CO., LTD.	29,187	19,008
	$ 892,360	$ 1,036,984

Name of Subsidiary Companies	Ownership Interests and Voting Rights Percentage	
	December 31, 2021	December 31, 2020
TOP FOOD	63%	63%
FORMOSA OIL PROCESSING (PANAMA) S.A.	100%	100%
FU YOU AN KANG CORP.	51%	51%
CHONG HSIANG FOODS	100%	100%

Share of subsidiary companies' profit or loss and other comprehensive income, accounted for using equity method for 2021 and 2020, were recognized in each subsidiary company's financial statements as audited by accountants during the same period.

(2) Investments in affiliated enterprises

	December 31, 2021	December 31, 2020
Affiliated enterprises with significance		
CENTRAL UNION OIL CORP.	$ 284,271	$ 274,924

The Company's equity-holding percentage in affiliated enterprises on the date of balance sheet is as follow:

Name of Company	December 31, 2021	December 31, 2020
CENTRAL UNION OIL CORP.	33.33%	33.33%

For the aforementioned affiliated enterprises' information regarding their business nature, major places of operation, and the companies' registered country, please refer to Attached Table 4 "Related Information Regarding Names of Invested Companies and Location, etc."

Investments accounted for using equity method, profits or losses from the Company, and shares on other comprehensive income are recognized according to the affiliated enterprises' financial reports audited by accountants during the same period.

The Company measures the aforementioned affiliated enterprises by using the equity method.

The summarized financial information below was prepared on the basis of the affiliated enterprises' IFRSs financial statements, and had already reflected the adjustments made when using the equity method.

Central Union Oil Corp.

	December 31, 2021	December 31, 2020
Current assets	$ 1,199,495	$ 928,508
Non-current assets	1,476,098	1,505,335
Current liabilities	(1,544,683)	(1,239,013)
Non-current liabilities	(275,966)	(368,023)
Equity	$ 854,944	$ 826,807
The Company's shareholding ratio	33.33%	33.33%
The Company's equity	$ 284,981	$ 275,602
Unrealized gains (losses) on downstream transactions	(710)	(678)
Carrying amount for investments	$ 284,271	$ 274,924

	2021	2020
Operating income	$ 10,069,733	$ 7,172,390
Current year's net profit	$ 126,053	$ 118,982
Other comprehensive income	(1,916)	4,948
Total comprehensive income	$ 124,137	$ 123,930
Dividend obtained from Central Union Oil Corp.	$ 32,000	$ 24,000

XII. Property, Plant, and Equipment

	December 31, 2021	December 31, 2020
Land	$ 715,940	$ 715,940
Buildings	43,110	47,875
Machinery equipment	22,151	25,775
Transport equipment	7,969	8,048
Experimental equipment	3,682	4,737
Other equipment	21,098	22,620
Unfinished projects	1,231,379	1,011,917
	$ 2,045,329	$ 1,836,912

	Land	Buildings	Machinery equipment	Transport equipment	Experimental equipment	Other equipment	Unfinished projects	Total
Cost								
Jan 1, 2021 balance	$ 715,940	$ 246,234	$ 362,358	$ 23,692	$ 17,784	$ 229,082	$ 1,011,917	$ 2,607,007
Addition	-	-	3,235	1,736	36	5,439	219,462	229,908
Disposal	-	(255)	(25,909)	-	(382)	(8,284)	-	(34,830)
Dec 31, 2021 balance	715,940	245,979	339,684	25,428	17,438	226,237	1,231,379	2,802,085
Accumulated Depreciation								
Jan 1, 2021 balance	-	(198,359)	(336,583)	(15,644)	(13,047)	(206,462)	-	(770,095)
Disposal	-	255	25,909	-	382	8,282	-	34,828
Depreciation expense	-	(4,765)	(6,859)	(1,815)	(1,091)	(6,959)	-	(21,489)
Dec 31, 2021 balance	-	(202,869)	(317,533)	(17,459)	(13,756)	(205,139)	-	(756,756)
Dec 31, 2021 net amount	$ 715,940	$ 43,110	$ 22,151	$ 7,969	$ 3,682	$ 21,098	$ 1,231,379	$ 2,045,329
Cost								
Jan 1, 2020 balance	$ 715,940	$ 243,876	$ 360,358	$ 23,692	$ 16,349	$ 229,974	$ 620,562	$ 2,210,751
Addition	-	2,358	2,000	-	1,505	3,038	391,355	400,256
Disposal	-	-	-	-	(70)	(3,930)	-	(4,000)
Dec 31, 2020 balance	715,940	246,234	362,358	23,692	17,784	229,082	1,011,917	2,607,007
Accumulated Depreciation								
Jan 1, 2020 balance	-	(193,823)	(327,485)	(13,892)	(12,099)	(200,736)	-	(748,035)
Disposal	-	-	-	-	70	2,638	-	2,708
Depreciation expense	-	(4,536)	(9,098)	(1,752)	(1,018)	(8,364)	-	(24,768)
Dec 31, 2020 balance	-	(198,359)	(336,583)	(15,644)	(13,047)	(206,462)	-	(770,095)
Dec 31, 2020 net amount	$ 715,940	$ 47,875	$ 25,775	$ 8,048	$ 4,737	$ 22,620	$ 1,011,917	$ 1,836,912

The unfinished project is mainly the Company's rendering plant for purifying edible oil that is still under construction at the Taichung Harbor area.

Since there is no trace of any impairment in 2021 and 2020, the Company did not perform impairment evaluation.

The depreciation expenses are calculated by using the straightline method according to the useful life as follow:

Buildings	
Plant's main building	5 to 55 years
Project systems	5 to 40 years
Machinery equipment	2 to 24 years
Transport equipment	3 to 14 years
Experimental equipment	2 to 11 years
Other equipment	2 to 24 years

XIII. Leasing Agreement

(1) ROU assets

	December 31, 2021	December 31, 2020
ROU assets carrying amount		
Land	$ 132,859	$ 55,482
Buildings	1,484	1,940
Transport equipment	6,769	6,221
	$ 141,112	$ 63,643

	2021	2020
Increase of ROU assets	$ 85,337	$ 930
Depreciation expense for ROU assets		
Land	$ 3,241	$ 3,427
Buildings	456	885
Transport equipment	4,171	4,475
	$ 7,868	$ 8,787

Except for the above-mentioned additions (including adjustments to accounting estimates) and recognized depreciation expenses, there was no significant sublease or impairment of the ROU assets of the Company in the years 2021 and 2020.

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Lease liabilities carrying amount		
Current	$ 6,750	$ 6,998
Non-current	$ 136,179	$ 57,035

Discount rate range for lease liabilities is as follow:

	December 31, 2021	December 31, 2020
Land	1.08%～1.38%	1.38%
Buildings	1.38%	1.38%
Transport equipment	1.08%～1.38%	1.08%～1.38%

(3) Significant Rental Activities and Clauses

The parent company signed a land lease contract for leasing the port industry professionalism development zone with Taiwan International Ports Corporation, Ltd. – Port of Taichung Branch (hereafter referred to as Port Branch) in November 2017 in order to construct and operate the palm oil plant. The lease period is 20 years. According to contractual regulations, the properties and movable properties, and property ownerships financed and constructed by the parent company all belong to the parent company. During the duration of the contract, the parent company should calculate the land rent based on the area of the leased land according to the land value announced by the government and the approved annual rent rate, and pay the management fee according to the amount committed to the Port Branch. When the lease period is terminated, the parent company does not have the right of preferential refusal towards the leased land. The aforementioned lease period of the land use right asset was originally calculated based on the 20-year lease term of the land lease contract signed with the Port Branch, and it was expected to produce only a single oil product. In response to future product line diversification and quality improvement, more complete refining equipment has already been purchased, and the parent company's oil and fat factory in Dadu District, Taichung will also be relocated to this development area. According to the parent company's evaluation of the Taichung Port Plant's operation plan, the Taichung Port Plant will aim for 50 years as its operation target. The parent company will apply in writing to the Taichung Port Branch to continue the lease one year before the expiration of the lease term. Therefore, the calculation of the lease period of the land use right has been adjusted in July, 2021 to 50 years, and the ROU assets and lease liabilities have been adjusted to increase by NTD 80,618 thousands. This was approved by the Audit Committee and the Board of Directors on August 10, 2021.

Owing to the serious impact that the Covid-19 pandemic has had on the market economy in 2020, when the Company negotiated with the auxiliary ports of Taiwan International Ports Corporation Ltd. regarding the terms of the land lease, the auxiliary ports agreed to unconditionally lower 10% of the rental amount from January 1, 2020 to June 30, 2020. The Company recognized the aforementioned rent concessions impact NTD 159 thousands in the year 2020 (listed as other income).

(4) Other Leasing Information

	2021	2020
Short-term leasing fees	$ 137	$ 116
Low value assets leasing fees	$ 469	$ 495
Total leasing cash (outflow)	($ 8,260)	($ 10,009)

The Company chooses to recognize the renting of business premises and transport equipment that conform to short-term lease and low value lease, as the Company will not recognize such leases as related ROU assets and lease liabilities.

XIV. Other Non-Current Assets

	December 31, 2021	December 31, 2020
Guarantee deposits paid	$ 6,906	$ 4,363
Other prepayments	121	7
Prepayments for equipment	105	339
	$ 7,132	$ 4,709

XV. Loans

(1) Short-term loans

	December 31, 2021	December 31, 2020
Secured loans		
Bank loans (note 28)	$ 85,000	$ -
Unsecured loans		
Credit loans	1,672,448	613,210
Letter of credit loans	45,307	158,063
	1,717,755	771,273
	$ 1,802,755	$ 771,273

The interest rate range for short-term loans on the date of balance sheet is as follow:

	December 31, 2021	December 31, 2020
Secured loans		
Bank loans	0.65%	-
Unsecured loans		
Credit loans	0.81%～1.10%	0.81%～1.15%
Letter of credit loans	0.73%～1.00%	0.72%～0.96%

(2) Short-term notes payable

	December 31, 2021	December 31, 2020
Commercial papers payable	$ 230,000	$ 170,000
Subtract: short-term notes discount payable	92	214
	$ 229,908	$ 169,786

The market interest rate range for short-term notes payable on the date of balance sheet is as follows:

	December 31, 2021	December 31, 2020
Unsecured loans	0.96%	0.98%~0.99%

Short-term notes payable that have not met the maturity date yet:

December 31, 2021

Guarantee／Acceptance institutions	Par price	Discount amount	Carrying amount	Pledge or collateral
Commercial papers payable				
Ta Ching Bills Finance Corporation	$ 100,000	$ 52	$ 99,948	None
Taiwan Cooperative Bills Finance Corporation	100,000	20	99,980	None
Mega Bills	30,000	20	29,980	None
	$ 230,000	$ 92	$ 229,908	

December 31, 2020

Guarantee／Acceptance institutions	Par price	Discount amount	Carrying amount	Pledge or collateral
Commercial papers payable				
Ta Ching Bills Finance Corporation	$ 80,000	$ 188	$ 79,812	None
Taiwan Cooperative Bills Finance Corporation	70,000	19	69,981	None
Mega Bills	20,000	7	19,993	None
	$ 170,000	$ 214	$ 169,786	

(3) The details for the Company's long-term loans are as follow:

	December 31, 2021	December 31, 2020
Secured loan		
E.SUN Commercial Bank	$ 300,000	$ 420,000
Unsecured loan		
Taishin International Bank	140,000	150,000
Taiwan Cooperative Bank	100,000	100,000

Mega International Commercial Bank	70,000	30,000
Shin Kong Bank	25,000	-
Chang Hwa Bank	20,000	60,000
Bank of Panhsin	12,500	62,500
Shanghai Commercial and Savings Bank	12,500	62,500
Bank of Kaohsiung	-	30,000
Land Bank of Taiwan	-	20,000
Subtotal	680,000	935,000
Subtract: listed as the part that is due within one year	165,000	440,000
Long-term loan	$ 515,000	$ 495,000

The interest rate range for the Company's loans is as follow:

	December 31, 2021	December 31, 2020
Floating interest rate loans	1.08%～1.25%	1.08%～1.33%

1. E.SUN Commercial Bank's secured loan: the first installment of the loan principal was repaid in August 2019. Every 6 months is 1 installment. The loan will be evenly amortized in 10 installments. As of December 31, 2021 and 2020, the loan balances were respectively NTD 300,000 thousands and NTD 420,000 thousands. The Company offered its plant and land in Dadu District, Taichung City as such line of credit's collateral.
2. Taishin International Bank's mid-term loan: according to contract regulations, the loan principal can be used as revolving loan within the financing limit from the first draw date of the loan principal in June 2019 until 2021 before the maturity date. The Company has extended the contract to July 2023. The longest period for each loan cannot exceed 180 days, and the amount drawn this time shall be settled on the maturity date for the loan principal. However, the loan principal can be applied for revolved drawing according to contract regulations, and there is no need for additional procedures for the principal's transfer in/out. As of December 31, 2021 and 2020, the loan balance was respectively NTD 140,000 thousands and NTD 150,000 thousands.
3. Taiwan Cooperative Bank's mid-term loan: The settlement of the amount employed this time reached the 24th month since March 2020, the draw date of the loan principal. The contract was extended in February 2021 and the settlement of the amount employed this time reached the 24th month since March 2021, the draw date of the loan principal. As of December 31, 2021 and 2020, the loan balances were both NTD 100,000 thousands.
4. Mega International Commercial Bank's mid-term loan: According to contract regulations, the original loan principal can be used as revolving loan within the financing limit from first draw date of the loan principal in March 2020 until July 2022 before the maturity date and there is no need for additional procedures for

the principal's transfer in/out. The longest period for each loan cannot exceed 180 days, and the amount drawn this time shall be settled on the maturity date for the loan principal. The Company extended the contract to July 2024. As of December 31, 2021 and 2020, the loan balance was NTD 70,000 thousands and NTD 30,000 thousands.

5. Shin Kong Bank's mid-term loan: According to contract regulations, the loan principal can be used as revolving loan within the financing limit from the first draw date of the loan principal in December 2021 until April 2024 before the maturity date and there is no need for additional procedures for the principal's transfer in/out. The longest period for each loan cannot exceed 180 days, and the amount drawn this time shall be settled on the maturity date for the loan principal. As of December 31, 2021, the loan balance was NTD 25,000 thousands.
6. Chang Hwa Bank's mid-term loan: since the first draw date of the loan principal in March 2019, every 6 months is 1 installment, and the loan will be evenly amortized in 6 installments. As of December 31, 2021 and 2020, the loan balance was respectively NTD 10,000 thousands and NTD 30,000 thousands. Another NTD 40,000 thousands was drawn in April 2020. The first installment of the loan principal was repaid in September 2020. Every 6 months is 1 installment. The loan will be evenly amortized in 4 installments. As of December 31, 2021 and 2020, the loan balance was respectively NTD 10,000 thousands and NTD 30,000 thousands.
7. Bank of Panhsin's mid-term loan: the first installment of loan principal was originally repaid in April 2020. Every 3 months is 1 installment. The loan will be evenly amortized in 8 installments. As of December 31, 2021 and 2020, the loan balance was respectively NTD 5,000 thousands and NTD 25,000 thousands. Another NTD 45,000 thousands was drawn in February 2020. The first installment of the loan principal was repaid in October 2020. Every 3 months is 1 installment. The loan will be evenly amortized in 6 installments. As of December 31, 2021 and 2020, the loan balance was respectively NTD 7,500 thousands and NTD 37,500 thousands.
8. Shanghai Commercial and Savings Bank's mid-term loan: the first installment of the loan principal was repaid in June 2020. Every 3 months is 1 installment. The loan will be evenly amortized in 8 installments. As of December 31, 2021 and 2020, the loan balance was respectively NTD 12,500 thousands and NTD 62,500 thousands.
9. Bank of Kaohsiung's mid-term loan: the loan principal was originally paid off at once on the maturity date in February 2022. The loan principal can be used as revolving loan within the financing limit until February 2023 before the maturity date and there is no need for additional procedures for the principal's transfer in/out. The longest period for each loan cannot exceed 180 days, and the amount drawn this time shall be settled on the

maturity date for the loan principal. As of December 31, 2020, the loan balance was NTD 30,000 thousands. As of December 31, 2021, no funds were drawn.

10. Land Bank of Taiwan's mid-term loan: according to contract regulations, the loan principal can be used as revolving loan within the financing limit from first draw date of the loan principal in June 2019 until June 2022 before the maturity date. The longest period for each loan cannot exceed 90 days, and the amount drawn this time shall be settled on the maturity date for the loan principal. However, the loan principal can be applied for revolved drawing according to contract regulations, and there is no need for additional procedures for the principal's transfer in/out. As of December 31, 2020, the loan balance was NTD 20,000 thousands. As of December 31, 2021, no funds were drawn.

XVI. Notes Payable and Accounts Payable

	December 31, 2021	December 31, 2020
Notes payable		
Incurred by business operations	$ 5,036	$ 5,168
Accounts payable		
Incurred by business operations	$ 325,404	$ 201,167

(1) Notes payable

The Company's notes payable are mainly notes issued for the payment of freight incurred by business operations.

(2) Accounts payable

The average credit period is 60 days. The Company's financial risk management policy ensures that all accounts payable are repaid within the prearranged credit period.

XVII. Other Payables

	December 31, 2021	December 31, 2020
Salaries and bonuses payable	$ 75,774	$ 64,926
Equipment payable	13,441	11,839
Import and export expenses payable	8,274	7,170
Freight payable	6,972	6,600
Labor and health insurance payable	2,424	2,207
Interests payable	1,190	640
Other	7,040	6,658
	$ 115,115	$ 100,040

XVIII. Welfare Benefit Plan after Retirement

(1) Defined allocation plan

The pension system in the "Labor Pension Act" that is applicable to the Company belongs to defined pension allocation plan under the government's management. 6% of the employee's monthly salary is allocated to the employee's Labor Insurance Bureau personal account as the employee's pension.

(2) Defined welfare benefit plan

The "Labor Standards Act" that the Company refers to in handling pension system belongs to defined welfare benefit pension plan under the government's management. The payment of the employee's pension is based on the employees' years of service and the employee's average salary of the 6 months prior to the approved retirement date. The Company allocates 8% of the employee's monthly salary to his/her pension, and is submitted to the Supervisory Committee of Business Entities' Labor Retirement Reserve to deposit into Bank of Taiwan's imprest account in the name of the committee. Before the year ends, if the estimated imprest balance is insufficient to pay estimated employees that fulfill retirement conditions in the following year, the difference should be allocated at once before the end of March in the following year. Such imprest account is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right in influencing its investment management strategies.

Amounts for defined benefit plan that are listed in the individual balance sheet are as follow:

	December 31, 2021	December 31, 2020
PV for defined benefit obligation	$ 81,458	$ 85,619
Planned assets fair value	(62,906)	(65,661)
Allocation insufficiency	18,552	19,958
Net defined benefit liabilities	$ 18,552	$ 19,958

Changes in net defined benefit liabilities are as follow:

	PV for defined benefit obligation	Planned assets fair value	Net defined benefit liabilities
Jan 1, 2020	$ 84,168	($ 63,088)	$ 21,080
Service cost			
Current service cost	760	-	760
Interest expenses (income)	631	(478)	153
Recognized as profit or loss	1,391	(478)	913

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	PV for defined benefit obligation	Planned assets fair value	Net defined benefit liabilities
Remeasurements			
Gains on planned assets	-	(2,217)	(2,217)
Actuarial loss (profit)			
—Changes in financial assumptions	2,565	-	2,565
—Experience adjustment	(1,225)	-	(1,225)
Recognized as other comprehensive income	1,340	(2,217)	(877)
Allocated by employer	-	(1,158)	(1,158)
Payment of benefits	(1,280)	1,280	-
December 31, 2020	$ 85,619	($ 65,661)	$ 19,958
January 1, 2021	$ 85,619	($ 65,661)	$ 19,958
Service cost			
Current service cost	721	-	721
Interest expenses (income)	321	(248)	73
Recognized as profit or loss	1,042	(248)	794
Remeasurements			
Gains on planned assets	-	(907)	(907)
Actuarial loss (profit)			
—Changes in demographic assumptions	1,455	-	1,455
—Changes in financial assumptions	(757)	-	(757)
—Experience adjustment	(889)	-	(889)
Recognized as other comprehensive income	(191)	(907)	(1,098)
Allocated by employer	-	(1,102)	(1,102)
Payment of benefits	(5,012)	5,012	-
December 31, 2021	$ 81,458	($ 62,906)	$ 18,552

The amounts recognized as profit or loss for the defined benefit plan are summarized according to their functions as follow:

	2021	2020
Operating costs	$ 117	$ 187
Promotion expense	231	248
Management expense	446	478
	$ 794	$ 913

The Company is exposed to the risks below owing to the pension system of the "Labor Standards Act":

1. Investment risks: through methods of self-application or discretionary management, the Bureau of Labor Funds, Ministry of Labor invests labors' pension funds in domestic and foreign equity securities, debt securities, and bank deposits, and other objects. However, the amount that can be distributed under the Company's planned assets is the income that is calculated by not being lower than the local banks' two-year time deposit rate.
2. Interest risks: the decrease of interest rates in government bonds/corporate bonds will result in the increase in the present value for defined benefit obligation. However, the debts of planned assets' return on investments will increase accordingly, too. Both have partial offset effects on net defined benefit liabilities.
3. Salary risks: the calculation of the present value for defined benefit obligations refers to planned members' future salary. Therefore, the increase in planned members' salary will result in the increase in the present value for defined benefit obligations.

The Company's actuarial calculation for the PV for defined benefit obligations is performed by certified actuaries. The measurement date's major assumptions are as follow:

	December 31, 2021	December 31, 2020
Discount rate	0.500%	0.375%
Salary's expected increase rate	2.500%	2.500%

If the major actuarial assumptions are respectively subjected to possible reasonable changes, under the circumstance that other assumptions remain unchanged, the amounts that will result in the increase (decrease) of the PV for defined benefit obligations are as follow:

	December 31, 2021	December 31, 2020
Discount rate		
0.25% increase	($ 1,503)	($ 1,724)
0.25% decrease	$ 1,549	$ 1,778
Salary's expected increase rate		
0.25% increase	$ 1,493	$ 1,711
0.25% decrease	($ 1,457)	($ 1,668)

Since actuarial assumptions may be interrelated, it is unlikely for changes in single assumption only. Thus, the aforementioned sensitivity analysis may not reflect the situation of the changes in the present value for defined benefit obligations.

	December 31, 2021	December 31, 2020
Amount expected to be allocated within 1 year	$ 1,081	$ 1,158
Defined benefit obligation's average maturity period	7.4 years	8.1 years

XIX. Equity

(1) Share Capital

Common Stock

	December 31, 2021	December 31, 2020
Authorized number of shares (1000)	300,000	300,000
Authorized share capital	$ 3,000,000	$ 3,000,000
Number of shares issued and fully collected (1000)	218,703	218,703
Issued share capital	$ 2,187,030	$ 2,187,030

The nominal amount per common share is NTD 10. Each share has one voting right and the right to receive dividends.

(2) Capital Reserves

	December 31, 2021	December 31, 2020
Can be used to compensate for losses, distribute cash, or share capitalization		
Issuance of premium	$ 121,015	$ 121,015
Can only be used to compensate for losses		
Shareholders' overdue unclaimed dividends	690	-
	$ 121,705	$ 121,015

In the capital reserve, those that belong to the overage of the issuance of shares in excess of the par and the gifts of assets donated to the business can be used to compensate for losses. They can also be used to issue cash dividend or to capitalize share capital when the company breaks even. However, when capitalizing share capital, it is limited to a certain ratio of the actual received share capital each year.

(3) Reserved Earnings and Dividend Policies

According to the Company's bylaws regarding the regulations in the earnings distribution policy, if there are earnings in the final account, another 10% is withdrawn as earnings reserve after tax payments and the compensation for losses. The rest will be listed as or reversed to special earnings surplus according to regulations. If there is still balance, together with accumulated undistributed earnings, the board of directors will draft a proposal regarding the distribution of earnings, and submit it to the shareholders meeting for the decision of the distribution of shareholders' dividends and bonus. For policies regarding distribution of employees and directors' remunerations

according to the clause in the Company's bylaws, please refer to note 21-3 "Employees' Remunerations and Directors' Remunerations."

The Company's policy regarding the distribution of dividends is based on the principle to maintain the soundness of the company's long-term financial structure and the growth and expansion of future operations, to distribute share dividends so as to retain the funds needed, and the rest can be distributed as cash dividends. However, cash dividends cannot be less than 10% of total dividends. If there is 0.1 NTD short of the distribution of cash dividend per share, then no cash dividend will be distributed.

Statutory earnings reserve should be allocated until its balance reaches the company's actual received total share capital. Statutory earnings reserve can be used to compensate losses. When the company has no loss, except for the part that the statutory earnings reserve exceeds 25% of the actual received total share capital can be used to allocate the share capital, it is still available to be distributed in cash.

The Company hosted the regular shareholders' meeting on July 29, 2021 and June 24, 2020, and respectively decided the approval of 2020 and 2019 earnings distribution proposal as follow:

	Earnings Distribution Project		Dividend per Share (NTD)	
	2020	2019	2020	2019
Pre-estimated statutory earnings surplus	$ 37,828	$ 31,787		
Cash dividend	306,184	284,314	$ 1.40	$ 1.30

The Company's proposal for 2021 earnings distribution by the board of directors on March 25, 2022 is as follow:

	Earnings Distribution Plan	Dividend per Share (NTD)
Statutory earnings surplus	$ 45,357	
Cash dividend	349,925	$ 1.60

Regarding 2021's earnings distribution plan, it is expected to be decided on June 23, 2022 at the annual general meeting (AGM).

(4) Special Earnings Surplus

Since it is the Company's first time using IFRSs and the increase in reserved earnings generated is insufficient for pre-estimation. Thus, the sole increase in reserved earnings generated by converse-using IFRSs NTD 200,454 thousands can pre-estimate special earnings surplus.

XX. Income

	2021	2020
Customer contract income		
Goods sales income	$ 9,550,336	$ 7,013,101

(1) Customer Contract Description

Goods Sales Income

Products such as oil, feeds, and raw materials, etc. are sold to wholesalers and retailers, and are sold according to the fixed price in the contract. The income amount is measured at received consideration or consideration receivable's fair value.

(2) Contract balance

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable	$ 215,064	$ 131,111	$ 107,540
Notes receivable – related parties	2,904	3,184	3,524
Accounts receivable	580,344	417,427	418,067
Accounts receivable – related parties	501,830	304,514	310,901
	$ 1,300,142	$ 856,236	$ 840,032
Contractual liabilities (listed in other current liabilities)			
Selling of goods	$ 3,440	$ -	$ -

Changes in contract liabilities are mainly from the difference between the time point of the fulfilment of performance obligations and the time point of customers' payments.

(3) Customer contracts that are not all complete yet

	December 31, 2021	December 31, 2020
Selling of products		
－Executed in 2022	$ 3,440	$ -

XXI. Net Profit

(1) Depreciation and Amortization

	2021	2020
Depreciation expenses summarized according to its functions		
Operating costs	$ 14,198	$ 18,187
Operating expenses	15,159	15,368
	$ 29,357	$ 33,555
Amortization expenses summarized according to its functions		
Operating costs	$ 999	$ 999

(2) Employees' benefit expenses

	2021	2020
Post-employment benefits		
Defined contribution plans	$ 6,517	$ 6,460
Defined benefit plans (note 18)	794	913
	7,311	7,373
Salary expenses	176,399	176,023
Labor and health insurance expenses	15,598	14,185
Directors' remunerations	12,992	11,112
Other employee benefits	8,167	7,502
	$ 220,467	$ 216,195
Summarized according to its functions		
Operating costs	$ 59,381	$ 59,416
Operating expenses	161,086	156,779
	$ 220,467	$ 216,195

(3) Employees' Remunerations and Directors' Remunerations

According to the clause in the Company's bylaws, the Company refers to the current year's pre-tax profit before deducting the distribution of employees' remunerations and directors' remunerations, and allocates respectively 2%-4% and not higher than 4% from employees' remuneration and directors' remuneration. The employees' remuneration and directors' remuneration for 2021 and 2020 were decided by the board of directors on March 25, 2022 and March 25, 2021 respectively as follow:

Estimated Percentage

	2021	2020
Employees' remunerations	2%	2%
Directors' remunerations	2%	2%

Amount

	2021	2020
	Cash	Cash
Employees' remunerations	$ 11,227	$ 9,191
Directors' remunerations	11,227	9,191

If there are still changes in the amount after the annual individual financial statements' issuance date, it will be handled as changes in accounting estimates, and will be adjusted and entered into account in the following year.

There is no difference between the actual distributed amount for employees' remuneration and directors' remuneration for 2020 and

2019 and the individual financial statements' recognized amount for 2020 and 2019.

For information regarding the Company's employees' remuneration and directors' remuneration as decided by the board of directors, please search on the Taiwan Stock Exchange's Market Observation Post System.

(4) Other Earnings and Impairment Loss Net Value

	2021	2020
Disposal of gains on ROU assets	$ -	$ 50
Disposal of gains on property, plant and equipment	217	452
	$ 217	$ 502

The disposal of gains on property, plant and equipment in 2021 is the sum of the current year's disposal of loss NTD 2 thousands and recognized realized deferred income NTD 219 thousands. The disposal of gains on property, plant and equipment in 2020 is the sum of the current year's disposal of profit NTD 233 thousands and recognized realized deferred income NTD 219 thousands.

(5) Currency Exchange Profit (Loss)

	2021	2020
Total currency exchange profit	$ 45,919	$ 24,710
Total currency exchange loss	(21,642)	(10,230)
Net profit	$ 24,277	$ 14,480

(6) Interest Expense

	2021	2020
Bank loan interest	$ 9,734	$ 12,057
Lease liability interest	1,213	966
	$ 10,947	$ 13,023

Related information on interest capitalization is as follow:

	2021	2020
Interest capitalization amount	$ 12,506	$ 9,623
Interest capitalization rate	1.16%~1.19%	1.16%~1.40%

XXII. Income Tax

(1) Income tax recognized as profit or loss

The main items of the income tax is as follow:

	2021	2020
Current income tax		
Generated in the current year	$ 83,413	$ 74,290
Adjustments made in the	-	(1,369)

previous years		
Deferred income tax		
Generated in the current year	2,372	(7,507)
Income tax expense recognized as profit or loss	$ 85,785	$ 65,414

The reconciling of accounting income and income tax expense is as follow:

	2021	2020
Net profit before tax	$ 538,897	$ 441,171
Income tax expense calculated based on statutory tax rate for net profit before tax	$ 107,779	$ 88,234
Tax-free income	(21,994)	(23,167)
Non-deductible impairment loss in taxes	-	8
Unrecognized deductible temporary difference	-	1,708
Current income tax expenses in the previous years adjusted in the current year	-	(1,369)
Income tax expense recognized as profit or loss	$ 85,785	$ 65,414

(2) Current income tax liabilities

	December 31, 2021	December 31, 2020
Current income tax liabilities		
Income tax payable	$ 46,269	$ 51,347

(3) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follow:

2021

	BOY balance	Recognized as profit/loss	Year-end balance
Deferred income tax assets			
Temporary difference			
Loss on investment accounted for using equity method	$ 11,467	($ 1,222)	$ 10,245
Pension expense overrun	2,056	(61)	1,995
Deferred income	453	(44)	409
Loss on inventory price decline	39	134	173
Other	717	(567)	150
	$ 14,732	($ 1,760)	$ 12,972
Deferred income tax liabilities			
Temporary difference			

Land value increment tax	$ 95,560	$ -	$ 95,560
Other	-	612	612
	$ 95,560	$ 612	$ 96,172

2020

	BOY balance	Recognized as profit/loss	Year-end balance
Deferred income tax assets			
Temporary difference			
Loss on investment accounted for using equity method	$ 4,333	$ 7,134	$ 11,467
Pension expense overrun	2,105	(49)	2,056
Deferred income	497	(44)	453
Loss on inventory price decline	216	(177)	39
Other	74	643	717
	$ 7,225	$ 7,507	$ 14,732
Deferred income tax liabilities			
Temporary difference			
Land value increment tax	$ 95,560	$ -	$ 95,560

(4) Income tax verification status

Regarding the Company's business income tax declaration, the declared cases as of before 2019 were authorized by tax collecting institutions.

XXIII. Earnings per Share (EPS)

Net profit and the number of shares of the common share's weighted average for the calculation of EPS is as follow:

Net profit

	2021	2020
Net profit used for the calculation of basic and diluted EPS	$ 453,112	$ 375,757

Number of Shares

Unit: 1000 shares

	2021	2020
Number of shares of common share's weighted average used for the calculation of basic EPS	218,703	218,703
Impacts of potential common share with dilutive effect:		
Employees' remuneration	270	309
Number of shares of common share's weighted average used for the calculation of diluted EPS	218,973	219,012

If the Company can choose to distribute employees' remuneration by share or by cash, then when the Company calculates its diluted EPS, under the hypothesis that the employees' remuneration is distributed by share, the calculation of diluted EPS is to include the number of weighted average outstanding shares when such potential common share has dilutive effect. When calculating diluted EPS before deciding the number of shares distributed as the employees' remuneration in the following year, the Company still needs to consider such potential common share's dilutive effect.

XXIV. Cash Flow Information

(1) Partial cash transaction

The partial cash transactional investments that the Company conducted in 2021 and 2020 are as follow:

	2021	2020
Partial cash paid to purchase property, plant and equipment		
Purchase of property, plant, and equipment	$ 229,908	$ 400,256
Net change in prepayment of equipment	(234)	(2,019)
Net change in equipment payable	(1,602)	(11,839)
Cash paid	$ 228,072	$ 386,398

(2) Changes in liabilities owing to financing activities

2021

			Non-cash changes			
	BOY balance	Cash flow	New lease liabilities	Reduced lease liabilities	Amortized interest expense	Year-end balance
Short-term loans	$ 771,273	$ 1,031,482	$ -	$ -	$ -	$ 1,802,755
Short-term notes payable	169,786	60,000	-	-	122	229,908
Long-term loans and long-term loans due within one year	935,000	(255,000)	-	-	-	680,000
Margin deposit	21	1,769	-	-	-	1,790
Lease liability	64,033	(6,441)	85,337	-	-	142,929
	$ 1,940,113	$ 831,810	$ 85,337	$ -	$ 122	$ 2,857,382

2020

			Non-cash changes			
	BOY balance	Cash flow	New lease liabilities	Reduced lease liabilities	Amortized interest expense	Year-end balance
Short-term loans	$ 867,359	($ 96,086)	$ -	$ -	$ -	$ 771,273
Short-term notes payable	-	170,000	-	-	(214)	169,786
Long-term loans and long-term loans due within one year	1,070,000	(135,000)	-	-	-	935,000
Margin deposit	-	21	-	-	-	21
Lease liability	77,087	(8,432)	930	(5,552)	-	64,033
	$ 2,014,446	($ 69,497)	$ 930	($ 5,552)	($ 214)	$ 1,940,113

XXV. Capital Risk Management

The Company conducts capital management so as to optimize its debts and equity balance in order to maximize shareholders' compensation under the circumstance that the Company is ensured to continue to operate.

XXVI. Financial Instrument

(1) Information regarding fair value – financial instruments that are not measured at fair value

The Company's management level believes that the carrying amount for financial assets and financial liabilities that are not measured at fair value is close to its fair value, or that its fair value cannot be measured reliably.

(2) Types of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Measured at amortized cost (note 1)	$ 2,224,383	$ 1,759,663
Financial liabilities		
Measured at amortized cost (note 2)	3,174,423	2,160,295

Note 1: the balance is financial assets that includes cash, financial instrument measured at amortized cost, notes receivable, notes receivable – related parties, accounts receivable, accounts receivable – related parties, other receivables, and other receivables – related parties, etc., measured at amortized cost.

Note 2: the balance is financial liabilities that include short-term loans, short-term notes payable, notes payable, accounts payable, accounts payable – related parties, partial other payables, and long-term loans (including parts due within one year), etc., measured at amortized cost.

(3) Purpose and policy for financial risk management

The Company's major financial instruments include accounts receivable, accounts payable, loans, lease liabilities, etc. The Company's financial management department supervises and manages financial risks related to the Company's operation by referring to the degree and width of risks to analyze internal risk reports for risk exposures. Such risks include market risks (including exchange rate risks and interest rate risks), credit risks, and current risks.

1. Market risks

The main financial risks that the Company bears for operating activities are risks in foreign currency exchange rate changes and risks in interest rate changes.

The Company's risk exposure related to financial instrument's market risk and its management and measurement methods for such risk exposure did not change.

(1) Exchange rate risks

For the Company's monetary assets and monetary liabilities' carrying amount denominated as non-functional currencies on the date of balance sheet, please refer to note 30.

Sensitivity analysis

The Company is mainly influenced by the fluctuation in the exchange rate for US dollars.

The table below describes in detail of the Company's sensitivity analysis when the exchange rate for NTD (functional currency) to each relevant currency increases or decreases 5%. 5% is the sensitivity percentage used when the Company internal reports the exchange rate risks to the main management level; it also represents the management level's evaluation on foreign currency exchange rate's reasonable range for possible changes. The table below shows when individual functional currency relatively appreciates by 5% to each relevant currency, the amount that will cause changes for net profit before tax. When NTD to each relative foreign currency depreciates by 5%, its impact on net profit before tax will be the same amount in reverse.

	US Dollar's Impact	
	2021	2020
Decrease in net profit before tax	($ 12,190)	($ 18,259)

The amounts above mainly originates from the Company's bank deposit in US dollars that are still outstanding on the date of balance sheet and has not undergone cash flow hedges, and from accounts receivable.

(2) Interest rate risks

The Company's carrying amount for financial assets and liabilities impacted by interest rate risk exposures on the date of balance sheet is as follow:

	December 31, 2021	December 31, 2020
Interest rate risk with fair value		
─ Financial assets	$ 138,678	$ 28,782
─ Financial liabilities	2,130,285	847,029
Interest rate risk with cash flow		
─ Financial assets	614,177	506,137
─ Financial liabilities	725,307	1,093,063

Sensitivity analysis

The sensitivity analysis below is determined by the interest rate risk exposure according to non-derivative instruments on the date of balance sheet. The Company internal uses 25 basis points increase/decrease rate of change when reporting the interest rate to the main management level. This also represents the management level's evaluation on the rate's reasonable range for possible changes.

If the interest rate increases/decreases by 25 basis points, under the circumstance that all other variables remain unchanged, the Company's net profit before tax for 2021 and 2020 relatively decreased/increased by NTD 278 thousands and NTD 1,467 thousands. This is mainly caused by the Company's risk exposures from variable interest rate bank demand deposit and loan risks.

2. Credit risks

Credit risks refer to the Company's risks in financial loss owing to the counterparty's delinquency in fulfilling contract obligations. As of the date of balance sheet, the Company may face greatest credit risk possibly because of financial loss owing to the counterparty's unfulfilled obligation, of which is mainly from the carrying amount for financial assets recognized in the individual balance sheet.

The policy that the Company adopts is to only make transactions with reputable targets, and the Company will obtain full collateral when necessary so as to reduce the risk of financial loss owing to delinquency.

The targets for accounts receivable encompass numerous customers, scattered in sales for oil and feeds. The Company does not have any significant credit risk exposure against any single counterparty or any set counterparties with similar characteristics.

3. Current risks

The Company supports its operation and reduces the impact of cash flow fluctuation through management and through maintaining sufficient position of cash.

The Company's management level supervises the usage status of the bank's financing limit and ensures the fulfillment of the loan's contract clauses. As of December 31, 2021 and 2020, the Company's undrawn bank financing limit was respectively NTD 1,657,548 thousands and NTD 1,432,747 thousands.

The table below shows the analysis of the Company's remaining contract of the agreed repayment period's non-derivative financial liability. It refers to the earliest possible repayment date requested upon the Company, and was prepared by the financial liability's undiscounted cash flow.

December 31, 2021

	On demand or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
Liabilities without interest	$ 128,733	$ 178,569	$ 154,458	$ -	$ -
Lease liability	692	2,116	5,453	19,481	152,211
Floating interest rate instrument	18,707	110,872	80,728	515,000	-
Fixed interest rate instrument	758,909	787,013	441,434	-	-
	$ 907,041	$ 1,078,570	$ 682,073	$ 534,481	$ 152,211

Advanced information regarding maturity date analysis for lease liabilities:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liability	$ 8,261	$ 19,481	$ 18,495	$ 18,495	$ 18,495	$ 96,726

December 31, 2020

	On demand or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
Liabilities without interest	$ 84,932	$ 110,854	$ 88,450	$ -	$ -
Lease liability	729	2,187	5,316	19,838	44,074
Floating interest rate instrument	162,500	265,830	169,733	495,000	-
Fixed interest rate instrument	424,974	100,812	257,210	-	-
	$ 673,135	$ 479,683	$ 520,709	$ 514,838	$ 44,074

Advanced information regarding maturity date analysis for lease liabilities:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liability	$ 8,232	$ 19,838	$ 18,517	$ 18,517	$ 7,040	$ -

XXVII. Related Parties' Transactions

(1) Related parties' names and relationships

Name of Related Parties	Relationship with the Company
Affiliated enterprises with significance	
Central Union Oil Corp.	Invested company denominated accounted for using equity method
Subsidiary companies	
TOP FOOD	The Company's subsidiary company
FU YOU AN KANG	The Company's subsidiary company
CHONG HSIANG INTERNATIONAL	The Company's subsidiary company
FORMOSA OIL PROCESSING (PANAMA) S.A.	The Company's subsidiary company
Other related parties	
Cheng Xin Investment Co., Ltd.	Its main shareholder is the Company's CEO's relative within first degree relationship
Shin Tai Industry Co., Ltd.	Its chairman is the Company's vice chairman's spouse
Morn Sun Feed Ltd.	The Company's judicial person chairman

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(2) Operating income

Classification/Name of Related Parties	2021	2020
Affiliated enterprises		
Central Union Oil Corp.	$ 2,378,189	$ 1,503,581
Subsidiary companies	551,708	361,974
Other related parties	109,289	86,884
	$ 3,039,186	$ 1,952,439

The Company sells processed soy flour and exclusively selected soy beans to affiliated enterprises, and the denomination for the selling price is the market price subtracting the selling price that affiliated enterprises should bear. The transaction conditions for subsidiary companies and other related parties were defined separately.

(3) Purchases

Classification/Name of Related Parties	2021	2020
Subsidiary companies	$ 268,529	$ 232,016
Affiliated enterprises	347,209	69,671
	$ 615,738	$ 301,687

The Company's purchasing transaction with related parties was defined on a separate basis.

(4) Processing expense

Classification/Name of Related Parties	2021	2020
Affiliated enterprises		
Central Union Oil Corp.	$ 225,139	$ 220,487

Processing expenses are mainly the Company's entrusting of the affiliated enterprises to process and manufacture soybean oil, soy flour, exclusively selected soy beans, and shelled soy flour. As for the processing expense, it is denominated according to the entrusted processing contract agreed and signed by both parties. The contract price was decided on a separate basis.

(5) Lease Agreement

Operating lease rental

The Company offered workplaces as operating lease rentals to subsidiary company Chong Hsiang International Co., Ltd. and other related party Cheng Xin Investment Co., Ltd. The lease period is 5 years, and their rents and payment methods were decided separately.

The Company offered transport equipment as operating lease rental to affiliated enterprise Central Union Oil Corp in 2020. The lease period was 2 months, and its rent and payment method were decided separately.

Lease income is summarized as follow:

Classification/Name of Related Parties	2021	2020
Affiliated enterprise		
Central Union Oil Corp.	$ -	$ 44
Subsidiary company		
Chong Hsiang International	36	36
Other related parties		
Cheng Xin Investment	36	36
	$ 72	$ 116

The total amount of lease payments to be collected in the future are summarized as follow:

Classification/Name of Related Parties	December 31, 2021	December 31, 2020
Subsidiary company		
Chong Hsiang International	$ 174	$ 30
Other related parties		
Cheng Xin Investment	144	180
	$ 318	$ 210

(6) Other Income

Classification/Name of Related Parties	2021	2020
Subsidiary company		
Top Food	$ 5,586	$ 4,386
Chong Hsiang International	139	-
	$ 5,725	$ 4,386

(7) Accounts Receivable from Related Parties

Items	Classification/Name of Related Parties	December 31, 2021	December 31, 2020
Accounts receivable – related parties	Affiliated enterprise		
	CENTRAL UNION OIL CORP.	$ 351,471	$ 219,535
	Subsidiary Company		
	CHONG HSIANG INTERNATIONAL	138,068	74,273
	Other	1,563	1,279
	Other related parties	10,728	9,427
		$ 501,830	$ 304,514
Notes receivable – related parties	Subsidiary company	$ 2,904	$ 3,184
	Subsidiary company		
Other receivables – related parties	FORMOSA OIL PROCESSING (PANAMA) S.A.	$ 150,330	$ 337,773
	Other	637	454
		$ 150,967	$ 338,227

Subsidiary company – FORMOSA OIL PROCESSING (PANAMA) S.A had already passed the resolution for capital reduction in November 2020, and will return NTD 337,773 thousands to the Company. The aforementioned amount was received in February 2021. Another resolution for capital reduction had passed in December 2021, and the FORMOSA OIL PROCESSING (PANAMA) S.A will return NTD 150,330 thousands to the Company.

The Company did not receive pledge from related parties for outstanding accounts receivable. The accounts receivable from related parties for 2021 and 2020 were not listed as allowance loss.

(8) Accounts payable from related parties

Items	Classification/Name of Related Parties	December 31, 2021	December 31, 2020
Accounts payable – related parties	Subsidiary company		
	Top Food	$ 64,717	$ 38,893
	Affiliated enterprises		
	Central Union Oil Corp.	27,262	3,894
		$ 91,979	$ 42,787

The Company did not provide collateral to other related parties for the balance for outstanding accounts receivable.

(9) Endorsement and Guarantee

Classification/Name of Related Parties	December 31, 2021	December 31, 2020
Subsidiary company		
Top Food		
Guarantee amount	$ 2,915,600	$ 2,821,000
Actual amount spent	$ 1,791,551	$ 1,385,396

The Company offered endorsement and guarantee for Top Food's financing from the bank.

(10) Other

Items	Classification of Related Parties	2021	2020
Entertainment expense	Subsidiary company	$ 2	$ -
Other expense	Affiliated enterprise	$ 858	$ 342

(11) Remunerations for Main Management Level

The total remunerations for directors and other main management levels for 2021 and 2020 are as follow:

	2021	2020
Short-term employees benefit	$ 10,256	$ 11,780
Post-employment benefit	299	374
	$ 10,555	$ 12,154

The directors' and other main management levels' remunerations were decided by the Remuneration Committee based on individual performance and market trends.

XXVIII. Pledged Asset

The following assets had been provided as collaterals for bank loans:

	December 31, 2021	December 31, 2020
Property, plant and equipment	$ 697,430	$ 701,420
Limited deposit – bank deposit	96,705	-
	$ 794,135	$ 701,420

XXIX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except for those stated in other notes, the Company's significant commitments and contingencies on the date of balance sheet are as follow:

(1) Significant commitmen

1. As of December 31, 2021 and 2020, the amount of the Company's issuance of unused letters of credit due to the purchasing of raw materials was respectively NTD 620,988 thousands and NTD 1,039,709 thousands.
2. Unrecognized contractual commitments are as follow:

	December 31, 2021	December 31, 2020
Purchase of property, plant, and equipment	$ 67,952	$ 264,084

(2) Contingencies ts

The Company purchased low cost oil as raw materials from Chang Chi Foodstuff Factory Co., Ltd. (hereafter referred to as Chang Chi Foodstuff), which resulted in the Company's compensation loss from oil recovery and related litigations. The Company filed for proceedings in a criminal case that brought a supplementary civil action against Chang Chi Foodstuff for compensation for damages in February 2014. The court convicted Chang Chi Foodstuff for offense of fraud in July 2014, and the Company should be jointly compensated with NTD 38,307 thousands. This case was appealed by Chang Chi Foodstuff, and was sent back by the Supreme Court for retrial. The Company won the lawsuit as judged by the court in November 2018. Chang Chi Foodstuff filed for appeal in January 2019. As of the date the board of directors approved this individual financial report, it was still under review by the court. The Company had not recognize such compensation gains yet.

XXX. Foreign Currency Assets and Liability Information with Significant Impact

The information below is expressed in the Company's foreign currency aggregate apart from the Company's functional currency. The exchange rate disclosed refers to the exchange rate for such foreign currencies' conversion to functional currency. Foreign currency assets and liabilities with significant impact are as follow:

December 31, 2021

Unit: Foreign Currency thousands, NTD thousands

Foreign currency assets	Foreign Currency	Exchange Rate	Carrying Amount
Monetary items			
US dollars	$ 8,810	27.68 (USD:NTD)	$ 243,805
Non-monetary items			
Subsidiary companies that adopt equity method			
US dollars	5,244	27.68 (USD:NTD)	145,157

December 31, 2020

Foreign currency assets	Foreign Currency	Exchange Rate	Carrying Amount
Monetary items			
US dollars	$ 12,822	28.48 (USD:NTD)	$ 365,176
Non-monetary items			
Subsidiary companies that adopt equity method			
US dollars	10,337	28.48 (USD:NTD)	294,392

Unrealized foreign currency exchange profit (loss) with significant impact is as follow:

	2021		2020	
Foreign Currency	Exchange Rate	Unrealized Net Exchange Profit (Loss)	Exchange Rate	Unrealized Net Exchange Profit (Loss)
US dollars	27.68 (USD:NTD)	($ 7,048)	28.48 (USD:NTD)	($ 2,904)

XXXI. Noted Disclosures

Related information on (1) Significant transactions and (2) reinvestment business:

1. Loan funds to others: none.
2. Offer endorsement and guarantee for others: Schedule 1
3. Final holding of marketable securities status (not including investments in subsidiary companies and affiliated enterprises): none.
4. Accumulated purchasing or selling of the same marketable securities' amount reaches NTD 300 million or more than 20% of the actual received capital: none.
5. The amount for obtained property reaches NTD 300 million or more than 20% of the actual capital received: none.
6. Disposal of the amount for obtained property reaches NTD 300 million or more than 20% of the actual received capital: none.
7. The amount for purchasing or selling or stocks with related parties reaches NTD 100 million or more than 20% of the actual received capital: Schedule 2.
8. Accounts receivable from related parties reach NTD 100 million or more than 20% of the actual received capital: Schedule 3.
9. Transaction of derivative products: none.
10. Information on invested companies: Schedule 4.

(3) Information on Investment in China:

1. Name of invested companies in China, main operating items, actual received capital, investment methods, status of outward/inward remittance of funds, final investment carrying value, repatriated investment gains, and investment amount limit in Mainland China: Schedule 5.
2. The following significant transactions, and their prices, payment conditions, and unrealized profit or losses that occurred directly or indirectly from the third region with the invested companies in China:
   (1) Purchasing amount and its percentage, and related accounts payable's final balance and its percentage: none.
   (2) Selling amount and its percentage, and related accounts receivable's final balance and its percentage: none.
   (3) Property transaction amount and its generated profit and loss amount: none.
   (4) Endorsement and guarantee for notes or the final balance and purpose for providing collaterals: none.
   (5) The highest balance, final balance, interest rate range, and total current interest for the accommodation of funds: none.
   (6) Other transactions that cause significant impacts on the current year's profit and loss status or financial status, such as the providing or the receiving of services, etc.: none.

(4) Main information on shareholders: name of shareholders whose equity ratio reaches more than 5%, shareholding amount, and pro rata: Schedule 6.

Formosa Oilseed Processing Co., Ltd.

Endorsement and Guarantee for Others

January 1 to December 31, 2021

Schedule 1

Unit: NTD thousands

Code	Name of Endorsement and Guarantee Company	Endorsed and Guaranteed Target		Endorsement and Guarantee Limit for Single Enterprise (note 2)	Maximum Endorsement and Guarantee Balance for the Current Period	Final Endorsement and Guarantee Balance	Actual Drawn Amount	Endorsement and Guarantee Amount Guaranteed by Property	Ratio of Accumulated Endorsement and Guarantee Amount to the Net Value of the Latest Financial Statement (%)	Maximum Limit for Endorsement and Guarantee (note 2)	Belonging to Parent Company's Endorsement and Guarantee for Subsidiary Companies (note 3)	Belonging to Subsidiary Companies' Endorsement and Guarantee for Parent Company (note 3)	Belonging to Endorsement and Guarantee for Mainland China (note 3)	Notes
		Name of Company	Relationship (note 1)											
0	Formosa Oilseed Processing	Top Food	(2)	$ 3,440,786	$ 2,920,000	$ 2,915,600	$ 1,791,551	$ -	85	$ 4,128,943	Y	—	—	

Note 1: ：the relationships between endorser and guarantee and endorsed and guaranteed targets are as follow:

(1) Companies with business relationships.

(2) Companies in which the company directly and indirectly holds more than 50% of voting shares.

(3) Companies that directly and indirectly hold more than 50% of voting shares towards the company.

(4) Between companies in which the company directly and indirectly holds more than 90% of voting shares.

(5) Based on the needs of contract engineering, companies from the same industry or joint creators that mutually guarantee according to contractual clauses.

(6) Companies endorsed and guaranteed by all shareholders according to their shareholding ratio owing to mutual investment relationships.

(7) Inter-industries that refer to the Consumer Protection Act that regulates the contract bond with joint collateral for the contract for the selling of pre-sold homes.

Note 2: the Company's handling of the total amount for endorsement and guarantee is limited to not exceeding 120% of the net value of the Company's latest financial statement. As for the limit for the endorsement and guarantee for domestic single enterprises, the limit shall not exceed 100% of the net value of the Company's latest financial statement. The limit for the endorsement and guarantee of foreign single affiliated companies shall not exceed 40% of the net value of the parent company's latest financial statement. Subsidiary companies' handling of the total amount for endorsement and guarantee is limited to not exceeding 50% of the net value of the subsidiary companies' latest financial statement. As for the limit for subsidiary companies' endorsement and guarantee for single enterprises, it is limited to not exceeding 20% of the net value of subsidiary companies' latest financial statement. The limit for subsidiary companies' endorsement and guarantee for foreign single affiliated companies shall not exceed 30% of the net value of subsidiary companies' latest financial statement.

Note 3: those belonging to parent companies listed on the OTC's endorsement and guarantee for subsidiary companies, those belonging to subsidiary companies' endorsement and guarantee for parent companies listed on the OTC, and those belonging to endorsement and guarantee for Mainland China should fill out "Y" at the beginning.

Formosa Oilseed Processing Co., Ltd.

Purchasing or Selling Amount with Related Parties Reaches NTD 100 million or Actual Received Capital Is Above 20%

January 1 to December 31, 2021

Schedule 2

Unit: NTD thousands

Purchases (Sales) Company	Name of Counterparty	Relationship	Transaction Status				Statues and Reasons for Discrepancy in Transaction Conditions and General Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable) (%)	
Formosa Oilseed Processing Co., Ltd.	Central Union Oil Corp.	Affiliated enterprise	Sales	$ 2,378,189	25	45-60 days	Deduct of sales expense that should be borne by Central Union Oil Corp. according to market price	—	$ 351,471	27	
			Purchases and processing expenses	572,348	6	30-45 days	—	—	(27,262)	6	
Formosa Oilseed Processing Co., Ltd.	Top Food	Subsidiary company	Purchases	268,529	3	30-45 days	—	—	(64,717)	15	
Top Food	Formosa Oilseed Processing Co., Ltd.	Parent company	Sales	268,529	8	30-45 days	—	—	64,717	9	
Formosa Oilseed Processing Co., Ltd.	Chong Hsiang International	Subsidiary company	Sales	531,699	5	30-45 days	—	—	138,068	11	
Chong Hsiang International	Formosa Oilseed Processing Co., Ltd.	Parent company	Purchases	531,699	100	30-45 days	—	—	(138,068)	100	
Formosa Oilseed Processing Co., Ltd	Morn Sun Feed Ltd.	Other related parties	Sales	109,289	1	30-45 days			10,728	1	

Formosa Oilseed Processing Co., Ltd.

Accounts Receivable from Related Parties Reaches NTD 100 million or Actual Received Capital Is Above 20%

December 31, 2021

Schedule 3

Unit: NTD thousands

Companies Listed for Accounts Receivable	Name of Transaction Targets	Relationship	Balance for Accounts Receivable from Related Parties	Turnover	Accounts Receivable from Related Parties Overdue		Accounts Receivable from Related Parties Final Recovered Amount	Loss on Pre-Estimated Allowance
					Amount	Handling Method		
Formosa Oilseed Processing	Central Union Oil	Affiliated enterprise	$ 351,471	8 (times)	$ -	-	$ 351,471	$ -
Formosa Oilseed Processing	Chong Hsiang International	Subsidiary company	138,068	5 (times)	-	-	138,068	-

Formosa Oilseed Processing Co., Ltd.

Name, Location, and other Related Information about Invested Company

January 1 to December 31, 2021

Schedule 4

Unit: NTD thousands

Name of Investing Company	Name of Invested Company	Location	Main Operating Items	Original Invested Amount		Year-End Holdings			Invested Company's Current Year Profit (Loss)	Investment Profit (Loss) Recognized in the Current Year (note 1)	Note
				End of This Year	End of Last Year	No. of Shares (1000)	Percentage (%)	Carrying Amount			
FORMOSA OILSED PROCESSING	TOP FOOD	TAICHUNG CITY	Manufacturing and selling of flour products	$ 449,180	$ 449,180	51,963	63	$ 687,580	$ 91,846	$ 57,881 (note 2)	Subsidiary company
	FORMOSA OIL PROCESSING (PANAMA) S. A.	PANAMA CITY, REPUBLIC OF PANAMA	General investment business	242,398 (note 3)	392,728	7	100	145,157	6,109	6,109	Subsidiary company
	FU YOU AN KANG	CHANG HUA COUNTY	Poultry breeding and wholesaling of agricultural products	25,908	25,908	2,591	51	30,436	(210)	(108)	Subsidiary company
	CHONG HSIANG INTERNATIONAL	TAICHUNG CITY	Wholesale trading of oil products	50,000	50,000	5,000	100	29,187	10,179	10,179	Subsidiary company
	CENTRAL UNION OIL	TAICHUNG CITY	Businesses regarding exclusive selection and rendering of soy beans	203,316	203,316	20,000	33	284,271	126,053	42,018	Affiliated enterprise

Note 1: calculated based on the accountant's auditing of the financial statement in the same period.

Note 2: recognized investment interests of NTD 58,008 thousands and deducted the unrealized benefits of countercurrent transactions of NTD 127 thousands.

Note 3: the decrease of original investment amount is due to FORMOSA OIL PROCESSING (PANAMA) S. A.'s capital reduction.

Formosa Oilseed Processing Co., Ltd.

Investment Information in China

January 1 to December 31, 2021

Schedule 5

Unit: NTD thousands

Name of Invested Company in China	Main Operating Items	Actual Received Capital	Investment Method (note 1)	Accumulated Investment Amount Remitted Outward from Taiwan at BOY	Investment Amount Remitted Outward or Repossessed in the Current Year		Accumulated Investment Amount Remitted Outward from Taiwan at the End of the Year	Invested Company's Current Year Profit or Loss (note 3)	Shareholding Ratio of Parent Company's Direct or Indirect Investment	Investment Profit (Loss) Recognized in the Current Year (note 3)	Year-End Investment Carrying Amount (note 3)	Inward Remitted Investment Profit as of the Current Year	Note
					Outward Remittance	Repossession							
FORMOSA OILSEED PROCESSING (NINGBO)	Wholesale trading of oil products	$ 227,590	(2) (note 2)	$ 727,107	$ -	$ 315,964	$ 411,143	$ 5,946	100%	$ 5,946	$ 141,399	$ 315,964	

Year-End Accumulated Investment Amount Remitted Outward from Taiwan to Mainland China	Investment Amount Approved by the Investment Commission, MOEA (note 4)	Investment Limit in Mainland China According to Regulations by the Investment Commission, MOEA (note 5)
$ 411,143	$ 411,781	$ 2,064,472

Note 1: investment methods are categorized into three categories as follow, and it is acceptable to just mark the category:

(1) Direct investment in Mainland China.

(2) Reinvestment in China via companies from a third region.

(3) Other methods.

Note 2: the investing company from the third region is FORMOSA OIL PROCESSING (PANAMA) S.A.

Note 3: recognized based on the financial statements of the parent company in Taiwan, audited by certified public accountants during the same period.

Note 4: the parent company was approved by the Investment Committee, MOEA (1999) with No. Investment-Review-II-88710679 and No. Investment-Review-II-88727883 on February 8, 1999 and October 13, 1999, and indirectly invested USD 4,910 thousands and USD 17,975 thousands in Mainland China. In addition, on April 21, 2021, the Investment Committee approved the deduction of US$11,349 thousands from the investment in Mainland China by No. Investment-Review-II-11000089220.

Note 5: calculated based on the limited amount regulated by the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" ordered by the Investment Committee, MOEA in August 2008.

Formosa Oilseed Processing Co., Ltd.

Information on Major Shareholders

December 31, 2021

Schedule 6

Name of Major Shareholders	Shares	
	Number of Shares Held	Shareholding Percentage
Shin Tai Industry Co., Ltd.	21,650,939	9.89%
Qun Sheng Fa Co., Ltd.	21,406,000	9.78%
Cheng Xin Investment Co., Ltd.	20,843,659	9.53%
An Da Investment Co., Ltd.	20,712,194	9.47%
Guan, Yao Zhan	17,103,887	7.82%
Shin Fong Trading Co., Ltd.	15,281,867	6.98%

Note 1: the information on major shareholders in this table is based on the calculation made by the TDCC, of which the shareholders hold more than 5% of the company's common share that was completed by non-physical payments (including treasury shares) and special shares on the last business day of the quarter-end of the current quarter. The share capital and the actual number of shares completed by non-physical payments recorded in the Company's individual financial report may differ due to the difference in calculation basis.

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Formosa Oilseed Processing Co., Ltd.

Schedule for Cash

December 31, 2021

Table 1 Unit: NTD thousands

Item	Balance
Cash on hand and petty cash	$ 141
Bank deposit	
Check deposit	41,973
Demand deposit	614,177
	$ 656,291

Formosa Oilseed Processing Co., Ltd.

Schedule for Notes Receivable

December 31, 2021

Table 2 Unit: NTD thousands

Name of Customer	Balance
Vedan Enterprise Corporation	$ 19,784
Qiu, Shi-Chong	9,806
YAN SHANG ENTERPRISE CO., LTD.	6,341
Ren Jia Ltd.	5,931
Huang, Qi-Cheng	4,793
Other (note)	168,409
Total	$ 215,064

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.

Schedule for Accounts Receivable

December 31, 2021

Table 3 Unit: NTD thousands

Name of Customers	Balance
You Mu Enterprise Co., Ltd.	$ 35,731
Wei Lih Foods Industry Co., Ltd.	23,564
Ve Wong Corporation	15,078
Fwusow Industry Co., Ltd.	14,481
Hwa Yuan Foods Co., Ltd.	10,913
Other (note)	480,791
	580,558
Subtract: allowance loss	214
Net value	$ 580,344

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.

Schedule for Inventory

December 31, 2021

Table 4 Unit: NTD thousands

Item	Balance	
	Costs	Market Price (note)
In-transit inventory	$ 619,855	$ 703,383
Raw materials	238,643	260,511
Finished goods	219,659	235,818
Work in progress	82,254	88,479
Materials	7,130	7,130
Total	$ 1,167,541	$ 1,295,321

Note: NRV

Formosa Oilseed Processing Co., Ltd.

Schedule for Investment Changes Accounted for Using Equity Method

2021

Table 5

Unit: NTD thousands, unless stated otherwise

Invested Company	BOY Balance		Increase in Current Year		Decrease in Current Year		Gains on subsidiary companies and affiliated enterprises accounted for using equity method	Exchange difference after conversion in foreign operating institutions' financial statements	Share of subsidiary companies and affiliated enterprises' other comprehensive income, accounted for using equity method	(Un)realized profit	Year-End Balance			Equity Net Value	Note
	No. of Shares (1000)	Amount	No. of Shares (1000)	Amount	No. of Shares (1000)	Amount					No. of Shares (1000)	Shareholding %	Amount	Amount	
Investments accounted for using equity method															
TOP FOOD	51,963	$ 691,836	-	$ -	-	($ 62,356)	$ 57,881	$ -	$ -	$ 219	51,963	63	$ 687,580	$ 689,793	Notes 1 & 5
FORMOSA OIL PROCESSING (PANAMA) S.A.	12	294,392	-	-	(5)	(150,330)	6,109	(5,014)	-	-	7	100	145,157	145,157	Notes 4 & 5
FU YOU AN KANG CORP.	2,591	31,748	-	-	-	(1,165)	(108)	-	-	(39)	2,591	51	30,436	30,475	Notes 3 & 5
ZHONG XIANG INTERNATIONAL CORP.	5,000	19,008	-	-	-	-	10,179	-	-	-	5,000	100	29,187	29,187	Note 5
CENTRAL UNION OIL CORP.	20,000	274,924	-	-	-	(32,000)	42,018	-	(639)	(32)	20,000	33	284,271	284,981	Notes 2 & 5
		$ 1,311,908		$ -		($ 245,851)	$ 116,079	($ 5,014)	($ 639)	$ 148			$ 1,176,631	$ 1,179,593	

Note 1: The decrease in current year is due to the allocation of Top Food's cash dividend.

Note 2: The decrease in current year is due to the allocation of Central Union Oil's cash dividend.

Note 3: The decrease in current year is due to the allocation of Fu You An Kang's cash dividend.

Note 4: The decrease in current year is due to FORMOSA OIL PROCESSING (PANAMA) S.A.'s capital reduction.

Note 5: It is calculated based on the invested company's audited financial statements and the Company's shareholding ratio.

Formosa Oilseed Processing Co., Ltd.

Schedule for Changes in ROU Assets

2021

Table 6 Unit: NTD thousands

	Land	Buildings	Transport equipment	Total
Cost				
January 1, 2021 balance	$ 61,846	$ 2,853	$ 13,993	$ 78,692
Current year addition	80,618	-	4,719	85,337
Current year disposal	-	-	(2,527)	(2,527)
December 31, 2021 balance	142,464	2,853	16,185	161,502
Accumulated depreciation				
January 1, 2021 balance	(6,364)	(913)	(7,772)	(15,049)
Depreciation expense	(3,241)	(456)	(4,171)	(7,868)
Current year disposal	-	-	2,527	2,527
December 31, 2021 balance	(9,605)	(1,369)	(9,416)	(20,390)
December 31, 2021 net amount	$132,859	$ 1,484	$ 6,769	$141,112

Formosa Oilseed Processing Co., Ltd.
Schedule for Short-Term Loans
December 31, 2021

Table 7

Type(s) of loan and creditors	Loan period	Year interest (%)	Balance	Amount financed	Pledge or collateral
Guaranteed Loans					
E.SUN Commercial Bank, Chengdong Branch	Oct.2021-Jan.2022	0.65	$ 85,000	$ 300,000	USD Time Deposits
Credit Loans					
Bank SinoPac, Fengyuan Branch	Dec.2021-Feb.2022	1.03	298,313	480,000	None
Hua Nan Commercial Bank, Ltd., Chuxu Branch	Oct.2021-Mar.2022	0.98	245,900	300,000	None
Agricultural Bank of Taiwan Corporation, Taichung Branch	Oct.2021-Oct.2022	0.81	200,000	200,000	None
Bank of Taiwan, Taichung Harbor Branch	Jul.2021-May2022	0.95	159,238	270,000	None
Cathay United Bank, Taichung Branch	Oct.2021-Apr.2022	0.84	157,197	180,000	None
Taiwan Cooperative Bank, Songjiang Branch	Nov.2021-Feb.2022	1.00-1.05	152,000	350,000	None
Chang Hwa Bank Head Office	Dec.2021-Feb.2022	1.10	141,000	350,000	None
Taiwan Cooperative Bank, Sinjhong Branch	Nov.2021-Feb.2022	1.00	88,800	300,000	None
Mega International Commercial Bank, Taipei Fuxing Branch	Dec.2021-Mar.2022	1.10	71,000	100,000	None
Shin Kong Bank, Taichung Kang Branch	Oct.2021-Jan.2022	1.03	70,000	100,000	
E.SUN Commercial Bank, Chengdong Branch	Oct.2021-Mar.2022	0.96	68,000	200,000	None
First Commercial Bank, Nanmen Branch	Dec.2021-Feb.2022	0.95	21,000	130,000	None
			1,672,448		
Letter of Credit Loans					
Hua Nan Commercial Bank, Ltd., Chuxu Branch	Nov.2021-Apr.2022	0.73	20,728	300,000	None

Chang Hwa Bank Head Office	Dec.2021-Feb.2022	0.90	11,092	350,000	None
Taiwan Cooperative Bank, Sinjhong Branch	Dec.2021-Feb.2022	0.89	4,978	300,000	None
Taishin International Bank, Jianpei Branch	Nov.2021-Jan.2022	0.97	3,808	250,000	None
E.SUN Commercial Bank, Chengdong Branch	Nov.2021-Jan.2022	0.90	2,399	200,000	None
Mega International Commercial Bank, Fengyuan Branch	Dec.2021-Feb.2022	1.00	2,302	480,000	None
			45,307		
			$1,802,755		

Formosa Oilseed Processing Co., Ltd.

Schedule for Notes Payable

December 31, 2021

Table 8 Unit: NTD thousands

Name of Suppliers	Balance
Guangan Transportation Co., Ltd.	$ 758
Qingyi Motor Freight Co., Ltd.	585
Qingxiang Motor Freight Co., Ltd.	351
Dengshun Express Co., Ltd.	261
Chen Jun-Yuan	260
Other (note)	2,821
	$ 5,036

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.

Schedule for Accounts Payable

December 31, 2021

Table 9 Unit: NTD thousands

Name of Suppliers	Balance
Taisun Enterprise	$ 53,851
Fwusow Industry Co., Ltd.	44,708
Fure Shing Can Printing Manufacturing Co., Ltd.	7,196
Chia Fha Enterprise Co., Ltd.	6,489
DA SHUN OIL PRODUCTION CO., LTD.	5,386
Other (note)	207,774
	$ 325,404

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.
Schedule for Long-Term Loans
December 31, 2021

Table 10

Unit: NTD thousands

Loan Creditor Banks	Credit Period	Repayment Methods	Year Interest (%)	Balance			Collateral
				Due within 1 year	Due over 1 year	Total	
E.SUN Commercial Bank	Feb 2017 – Feb 2024	The first installment was repaid in August 2019; every 6 months is 1 installment. The loan will be evenly amortized in 10 installments.	1.08	$ 120,000	$ 180,000	$ 300,000	Property, plant and equipment
Taishin International Bank	May 2018-July 2023	From the first draw date in June 2019, such drawn amount shall be settled on the maturity date. However, it is possible to be applied for revolving loan according to contract regulations. The contract is extended to July 2023.	1.23	-	140,000	140,000	None
Taiwan Cooperative Bank	Jun 2018-Mar 2023	The settlement of the amount employed this time reached the 24th month since March 2020. The contract was extended in February 2021 and the settlement of the amount employed this time reached the 24th month since March 2021, the draw date of the loan principal.	1.25	-	100,000	100,000	None
Mega International Commercial Bank	Jul 2020-Jul 2024	The loan principal can be used as revolving loan within the financing limit before the maturity date in July 2024.	1.25	-	70,000	70,000	None
Shin Kong Bank	Dec 2021-Apr 2024	According to contract regulations, the loan principal can be used as revolving loan within the financing limit from the first draw date of the loan principal in December 2021 until April 2024 before the maturity date.	1.23	-	25,000	25,000	None
Chang Hwa Bank	Mar 2019-Mar 2022	From the first draw date in March 2019, every 6 months is 1 installment. The loan will be averagely repaid in 6 installments. The loan principal was employed in April 2020, and the first installment was repaid in September 2020; every 6 months is 1 installment. The loan will be evenly amortized in 4 installments.	1.15	20,000	-	20,000	None
Bank of Panhsin	Jan 2019-Jan 2022	The first installment was repaid in April 2020; every 3 months is 1 installment. The loan will be averagely repaid in 8 installments. The loan principal was employed in February 2020, and the first installment was repaid in October 2020; every 3 months is 1 installment. The loan will be evenly amortized in 6 installments.	1.22	12,500	-	12,500	None
Shanghai Commercial and Savings Bank	Mar 2019-Mar 2022	The first installment was repaid in June 2020; every 3 months is 1 installment. The loan will be evenly amortized in 8 installments.	1.25	12,500	-	12,500	None
Total				$ 165,000	$ 515,000	$ 680,000	

Formosa Oilseed Processing Co., Ltd.

Schedule for Lease Liabilities

December 31, 2021

Table 11 Unit: NTD thousands

Title	Lease Period	Discount Rate	Year-End Balance	Note
Land	11/1/2017-09/30/2068	1.08%～1.38%	$133,989	
Buildings	4/1/2016-3/31/2025	1.38%	1,515	
Transport equipment	10/13/2017-01/18/2026	1.08%～1.38%	7,425	
Subtract: those listed under current			(6,750)	
Lease liabilities – non-current			$136,179	

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Income

2021

Table 12 Unit: NTD thousands

Item	Quantity (t)	Amount
Sales income		
Soybean oil, soy flour	245,956	$ 5,771,045
Feeds	78,429	1,118,974
Corn, oatmeal	236,339	2,676,174
Subtotal		9,566,193
Subtract: sales returns		2,283
Sales discount		13,574
Total operating income		$ 9,550,336

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Costs

2021

Table 13 Unit: NTD thousands

Item	Amount
Direct raw material	
BOY raw material and in-transit inventory	$ 425,332
Plus (subtract):	
Current year incoming material	6,964,144
Selling of raw material	(2,222,154)
Year-end raw material and in-transit inventory	(865,628)
Direct raw material consumption	4,301,694
Direct labor	32,041
Manufacturing expense	340,306
Manufacturing costs	4,674,041
Plus (subtract):	
BOY work in progress	17,808
Purchased work in progress	99,347
Selling of work in progress	(169,089)
Year-end work in progress	(82,254)
Finished goods costs	4,539,853
Plus (subtract):	
BOY finished goods and products	125,920
Purchased finished goods and products	1,934,426
Rendering fee	(368)
Year-end finished goods and products	(219,659)
Production and marketing costs	6,380,172
Costs for selling of raw material	2,222,154
Costs for selling of work in progress	169,089
Customs tax refund income	(7,430)
Operating costs	$ 8,763,985

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Expenses

2021

Table 14 Unit: NTD thousands

	Promotion expense	Management expense	Research and development expense	Expected loss of credit impairment	Total
Salary	$ 54,625	$ 66,246	$ 5,129	$ -	$126,000
Freight	89,156	27	16	-	89,199
export expenses	55,831	-	-	-	55,831
Depreciation	4,351	9,565	1,243	-	15,159
Directors' remuneration	-	12,992	-	-	12,992
Expected loss of credit impairment	-	-	-	60	60
Other (note)	44,803	36,979	4,412	-	86,194
	$248,766	$125,809	$ 10,800	$ 60	$385,435

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.
Functional Summary Statement for Employee Benefits, Depreciation, Amortized Expenses
2021 and 2020

Table 15 Unit: NTD thousands

	2021			2020		
	Belonging to operating costs	Belonging to operating expenses	Total	Belonging to operating costs	Belonging to operating expenses	Total
Employee benefits expense						
Salary expense	$ 50,399	$ 126,000	$ 176,399	$ 50,391	$ 125,632	$ 176,023
Labor and health insurance expenses	4,938	10,660	15,598	4,663	9,522	14,185
Directors' remuneration	-	12,992	12,992	-	11,112	11,112
Pension expense	2,282	5,029	7,311	2,329	5,044	7,373
Other employee benefits expense	1,762	6,405	8,167	2,033	5,469	7,502
Depreciation expense	14,198	15,159	29,357	18,187	15,368	33,555
Amortized expense	999	-	999	999	-	999

Note 1: The Company's number of employees for 2021 and 2020 are respectively 237 and 238, of which the number of directors who are not part-time employees are 7 for both years.

Note 2: (1) The average employee benefits expense for the current year is NTD 902 thousands ("Total employee benefits expense for the current year" – "Total directors' remuneration" / "Numbers of employees for the current year" – "Numbers of directors who are not part-time employees")
The average employee benefits expense for the previous year was NTD 888 thousands. ("Total employee benefits expense for the previous year" – "Total directors' remuneration" / "Numbers of employees for the previous year" – "Numbers of directors who are not part-time employees")

(2) The average employee salary expense for the current year is NTD 767 thousands (total salary expense for the current year / "numbers of employees for the current year – directors who are not part-time employees").
The average employee salary expense for the previous year was NTD 762 thousands (total salary expense for the previous year / "numbers of employees for the previous year – directors who are not part-time employees").

(3) The changes in average employee salary expense is 1% ("average employee salary expense for the current year – average employee salary expense for the previous year" / average employee salary expense for the previous year).

(4) The Company did not establish supervisors' system, so there is no supervisors' remuneration.

(5) The Company's salary and remuneration policies for directors, independent directors, managers, and employees are stated as follow:

A. Remunerations for directors and independent directors: paid according to the "Directors, Supervisors, and Functional Committees' Remunerations Payment Plan" approved by the board of directors.
   a. The directors' remunerations are allocated according to the rules in the Company's by-laws. Independent directors do not take part in the allocation.
   b. Attendance fees for attending board of directors' meetings.
   c. Fixed amount of remunerations is paid to functional committee members every month.

B. Remunerations for managers: salaries for high-level managers are approved by the board of directors. Variable remunerations are paid according to the "Regulations for Managing Year-End Bonus and Annual Allocation of Employee Remunerations."

C. The employees are handled according to the Company's related rules governing practitioners' salary.

D. The Company's Salary and Remunerations Committee evaluates on a regular basis, and sets salaries and remunerations for directors and managers.