

**Standard Foods Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2020 and 2019 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the period ended March 31, 2020 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

STANDARD FOODS CORPORATION

By

TER-FUNG TSAO
Chairman

May 6, 2020

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Standard Foods Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Standard Foods Corporation and its subsidiaries (the "Group") as of March 31, 2020 and 2019 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and related notes, including a summary of significant accounting policies "(collectively referred to as the consolidated financial statements)". Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 14 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2020 and 2019, combined total assets of these non-significant subsidiaries were NT\$7,541,126 thousand and NT\$7,569,498 thousand, respectively, representing 29% and 32%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$2,616,520 thousand and NT\$2,268,756 thousand, respectively, representing 32% and 35%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2020 and 2019, the amounts of combined comprehensive income of these subsidiaries were NT\$(5,585) thousand and NT\$159,172 thousand, respectively, representing (1%) and 16%, respectively, of the consolidated total comprehensive income. As disclosed in Note 37 to the consolidated financial statements, the information on these subsidiaries were not reviewed.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Group as at March 31, 2020 and 2019, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting,” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Tza-Li Gung and Chih-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 6, 2020

Notice to Readers

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

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2020 (Reviewed)		December 31, 2019 (Audited)		March 31, 2019 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,104,877	12	\$ 3,705,903	15	\$ 2,777,599	12
Financial assets at fair value through profit or loss - current (Note 7)	1,481,192	6	667,673	3	1,029,484	4
Financial assets at fair value through other comprehensive income - current (Note 8)	154,091	-	186,711	1	161,696	1
Financial assets at amortized cost - current (Note 9)	3,502,009	14	2,206,805	9	1,690,119	7
Notes receivable (Notes 10 and 25)	12,798	-	2,977	-	26,086	-
Trade receivables (Notes 10 and 25)	4,592,437	18	6,439,550	25	5,140,897	22
Receivables from related parties(Notes 33)	5,312	-	-	-	-	-
Finance lease receivables - current (Note 11)	2,810	-	2,775	-	2,673	-
Other receivables (Note 10)	266,331	1	193,083	1	245,829	1
Current tax assets	98,760	-	46,114	-	50,144	-
Inventories (Note 12)	4,024,498	16	3,646,984	14	3,992,078	17
Prepayments (Note 13)	1,531,341	6	1,385,226	5	1,443,857	6
Other current assets (Notes 19 and 34)	26,001	-	29,384	-	19,517	-
Total current assets	18,802,457	73	18,513,185	73	16,579,979	70
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	5,328	-	7,575	-	8,892	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	138,006	1	189,695	1	188,360	1
Property, plant and equipment (Notes 15 and 34)	5,038,850	20	5,125,312	20	5,506,039	23
Right-of-use assets (Note 16)	674,064	3	699,679	3	508,938	2
Investment properties (Notes 17 and 34)	121,746	-	122,492	-	110,252	1
Goodwill	817	-	818	-	817	-
Other intangible assets (Note 18)	67,529	-	67,269	-	73,970	-
Deferred tax assets	474,803	2	473,398	2	360,741	2
Finance lease receivables - non-current (Note 11)	26,233	-	26,948	-	29,043	-
Net defined benefit assets	1,882	-	919	-	3,417	-
Other non-current assets (Notes 19 and 34)	249,625	1	260,975	1	218,231	1
Total non-current assets	6,798,883	27	6,975,080	27	7,008,700	30
TOTAL	\$ 25,601,340	100	\$ 25,488,265	100	\$ 23,588,679	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 34)	\$ 1,996,340	8	\$ 1,382,955	6	\$ 1,396,986	6
Short-term bills payable (Note 20)	50,000	-	99,968	1	149,904	1
Contract liabilities - current (Note 25)	322,688	1	326,644	1	190,636	1
Notes payable (Note 21)	455,166	2	316,444	1	290,609	1
Trade payables (Note 21)	1,346,175	5	2,014,619	8	1,127,721	5
Trade payables to related parties (Note 33)	22,581	-	26,141	-	5,120	-
Other payables (Note 22)	2,441,241	10	2,850,674	11	2,249,755	10
Current tax liabilities	667,032	3	547,018	2	559,882	2
Lease liabilities - current (Note 16)	80,428	-	83,119	-	43,255	-
Current portion of long-term borrowings (Notes 20 and 34)	-	-	6,000	-	12,000	-
Other current liabilities (Note 22)	45,567	-	28,501	-	42,917	-
Total current liabilities	7,427,218	29	7,682,083	30	6,068,785	26
NON-CURRENT LIABILITIES						
Long-term borrowings (Notes 20 and 34)	-	-	-	-	12,000	-
Deferred tax liabilities	221,909	1	268,813	1	135,512	1
Lease liabilities - non-current (Note 16)	234,057	1	264,496	1	64,893	-
Net defined benefit liabilities	267,977	1	299,204	2	265,630	1
Other non-current liabilities (Note 22)	22,454	-	22,978	-	24,280	-
Total non-current liabilities	746,397	3	855,491	4	502,315	2
Total liabilities	8,173,615	32	8,537,574	34	6,571,100	28
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Ordinary shares	9,150,897	36	9,150,897	36	9,150,897	39
Capital surplus	109,718	-	109,718	-	93,045	-
Retained earnings						
Legal reserve	2,945,412	11	2,945,412	11	2,650,503	11
Special reserve	330,945	1	330,945	1	260,426	1
Unappropriated earnings	5,349,317	21	4,739,831	19	4,792,831	21
Total retained earnings	8,625,674	33	8,016,188	31	7,703,760	33
Other equity	(696,077)	(2)	(577,494)	(2)	(161,936)	(1)
Treasury shares	(21,182)	-	(21,182)	-	(21,182)	-
Total equity attributable to owners of the Company	17,169,030	67	16,678,127	65	16,764,584	71
NON-CONTROLLING INTERESTS (Note 24)	258,695	1	272,564	1	252,995	1
Total equity	17,427,725	68	16,950,691	66	17,017,579	72
TOTAL	\$ 25,601,340	100	\$ 25,488,265	100	\$ 23,588,679	100

The accompanying notes are an integral part of the consolidated financial statements.

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Note 25 and 33)	\$ 6,671,433	100	\$ 7,337,166	100
OPERATING COSTS				
Cost of goods sold (Notes 12, 26 and 33)	4,775,935	72	5,101,301	69
GROSS PROFIT	1,895,498	28	2,235,865	31
OPERATING EXPENSES (Note 23 and 26)				
Selling and marketing expenses	862,373	13	913,355	12
General and administrative expenses	251,927	4	270,071	4
Research and development expenses	34,832	-	35,611	1
Expected credit loss	7,286	-	3,737	-
Total operating expenses	1,156,418	17	1,222,774	17
OPERATING INCOME	739,080	11	1,013,091	14
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Other income	40,330	-	23,851	-
Other gains and losses, net	2,706	-	5,147	-
Finance costs	(14,808)	-	(10,567)	-
Total non-operating income and expenses	28,228	-	18,431	-
PROFIT BEFORE INCOME TAX	767,308	11	1,031,522	14
INCOME TAX EXPENSE (Note 27)	159,821	2	233,258	3
NET PROFIT FOR THE PERIOD	607,487	9	798,264	11
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(84,299)	(1)	28,325	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	(4)	-	8	-
Total items that will not be reclassified subsequently to profit or loss	(84,303)	(1)	28,333	-

(Continued)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars)

(Reviewed, not Audited)

	For the Three Months Ended March 31			
	2020		2019	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (57,613)	(1)	\$ 188,098	3
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	11,463	-	(37,441)	(1)
Total items that may be reclassified subsequently to profit or loss	(46,150)	(1)	150,657	2
Other comprehensive loss for the period, net of income tax	(130,453)	(2)	178,990	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 477,034	7	\$ 977,254	13
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 609,486	9	\$ 788,649	11
Non-controlling interests	(1,999)	-	9,615	-
	\$ 607,487	9	\$ 798,264	11
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 490,903	7	\$ 957,658	13
Non-controlling interests	(13,869)	-	19,596	-
	\$ 477,034	7	\$ 977,254	13
EARNINGS PER SHARE				
Basic	\$ 0.67		\$ 0.87	
Diluted	\$ 0.67		\$ 0.87	

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, not Audited)

	Equity Attributable to Owners of the Company												
	Retained Earnings						Other Equity						
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operation	Unrealized Gain (Loss) on Available-for- sale Financial Assets	Total	Treasury Shares	Total	Non- controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	\$ 9,150,897	\$ 93,045	\$ 2,650,503	\$ 260,426	\$ 4,004,182	\$ 6,915,111	\$ (412,869)	\$ 81,924	\$ (330,945)	\$ (21,182)	\$ 15,806,926	\$ 233,399	\$ 16,040,325
Net profit for the three months ended March 31, 2019	-	-	-	-	788,649	788,649	-	-	-	-	788,649	9,615	798,264
Other comprehensive income (loss) for the three months ended March 31, 2019, net of income tax	-	-	-	-	-	-	149,764	19,245	169,009	-	169,009	9,981	178,990
Total comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	788,649	788,649	149,764	19,245	169,009	-	957,658	19,596	977,254
BALANCE AT MARCH 31, 2019	<u>\$ 9,150,897</u>	<u>\$ 93,045</u>	<u>\$ 2,650,503</u>	<u>\$ 260,426</u>	<u>\$ 4,792,831</u>	<u>\$ 7,703,760</u>	<u>\$ (263,105)</u>	<u>\$ 101,169</u>	<u>\$ (161,936)</u>	<u>\$ (21,182)</u>	<u>\$ 16,764,584</u>	<u>\$ 252,995</u>	<u>\$ 17,017,579</u>
BALANCE AT JANUARY 1, 2020	\$ 9,150,897	\$ 109,718	\$ 2,945,412	\$ 330,945	\$ 4,739,831	\$ 8,016,188	\$ (693,038)	\$ 115,544	\$ (577,494)	\$ (21,182)	\$ 16,678,127	\$ 272,564	\$ 16,950,691
Net profit for the three months ended March 31, 2020	-	-	-	-	609,486	609,486	-	-	-	-	609,486	(1,999)	607,487
Other comprehensive income (loss) for the three months ended March 31, 2020, net of income tax	-	-	-	-	-	-	(45,855)	(72,728)	(118,583)	-	(118,583)	(11,870)	(130,453)
Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	609,486	609,486	(45,855)	(72,728)	(118,583)	-	490,903	(13,869)	477,034
BALANCE AT MARCH 31, 2020	<u>\$ 9,150,897</u>	<u>\$ 109,718</u>	<u>\$ 2,945,412</u>	<u>\$ 330,945</u>	<u>\$ 5,349,317</u>	<u>\$ 8,625,674</u>	<u>\$ (738,893)</u>	<u>\$ 42,816</u>	<u>\$ (696,077)</u>	<u>\$ (21,182)</u>	<u>\$ 17,169,030</u>	<u>\$ 258,695</u>	<u>\$ 17,427,725</u>

The accompanying notes are an integral part of the consolidated financial statements.

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars) (Reviewed, not Audited)

	For the Three Months Ended March 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 767,308	\$ 1,031,522
Adjustments for:		
Depreciation expenses	147,623	130,402
Amortization expenses	13,745	12,049
Expected credit loss recognized on trade receivables	7,286	3,737
Net gain loss on fair value changes of financial assets and financial liabilities at fair value through profit or loss	5,116	(4,259)
Finance costs	14,808	10,567
Interest income	(32,805)	(18,986)
Dividend income	(225)	-
Gain (Loss) on disposal of property, plant and equipment	(1,376)	789
Others	-	(19)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as fair value through profit or loss	(816,389)	(409,011)
Notes receivable	(9,976)	(23,000)
Trade receivables	1,835,649	1,076,955
Trade receivables-related parties	(5,312)	-
Other receivables	(63,282)	(21,687)
Inventories	(395,201)	249,132
Prepayments	(155,398)	200,204
Other current assets	3,384	2,394
Accrued pension assets	(963)	(853)
Contract liabilities	(1,775)	(175,519)
Notes payable	142,877	155,136
Trade payables	(669,081)	(1,047,475)
Trade payables-related parties	(3,560)	(3,482)
Other payables	(406,220)	(381,220)
Other current liabilities	17,300	8,420
Net defined benefit liabilities	(31,471)	(29)
Cash generated from operations	362,062	795,767
Interest received	22,665	17,312
Interest paid	(12,324)	(13,724)
Income tax paid	(131,153)	(44,466)
Net cash generated from operating activities	241,250	754,889

(Continued)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars) (Reviewed, not Audited)

	For the Three Months Ended March 31	
	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	\$ (2,368,135)	\$ (883,400)
Refund of financial assets at amortized cost	1,060,575	705,523
Payments for property, plant and equipment	(58,665)	(80,285)
Proceeds from disposal of property, plant and equipment	1,589	607
Payments for intangible assets	(1,287)	(4,880)
Decrease in finance lease receivables	681	648
Increase in other financial assets	(896)	(574)
Increase in other non-current assets	(682)	(5,718)
Other dividends received	225	-
Net cash used in investing activities	(1,366,595)	(268,079)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	631,377	(363,614)
Increase (decrease) in short-term bills payable	(49,968)	30,000
Payments for long-term borrowings	(6,000)	(3,000)
Payments for principal portion of lease liabilities	(34,453)	(27,506)
Increase (decrease) in other financial liabilities	117	(590)
Decrease in other non-current liabilities	(565)	(125)
Net cash from (used in) financing activities	540,508	(364,835)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(16,189)	65,672
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(601,026)	187,647
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	3,705,903	2,589,952
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 3,104,877</u>	<u>\$ 2,777,599</u>

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.

STANDARD FOODS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, not Audited)

1. GENERAL INFORMATION

Standard Foods Corporation (the “Company”) was incorporated on June 6, 1986. The Company mainly manufactures and sells nutritious foods, edible oils, dairy products and beverages.

The Company’s shares have been listed on the Taiwan Stock Exchange since April 1994.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the “Group” are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 6, 2020.

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

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

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies:

- 1) Amendment to IFRS 3 “Definition of a Business”

This amendment applies to transactions occurring to the Group after January 1, 2020. The amendment requires that business at least include inputs and material processes, both which make a significant contribution to the ability to create output. The determination of the materiality of the “process of acquisition” will depend on if there is any output on the acquisition date. In addition, a concentration test that permits a simplified assessment of whether an acquired set of activities and assets is a business is added. Enterprises may elect whether or not to apply the test.

- 2) Amendment to IAS 1 and IAS 8 “Definition of Materiality”

The Group has applied the amendment since January 1, 2020, and adopted “can be reasonably expected to affect users” as the threshold of materiality, and adjusted the disclosure of the consolidated financial report while deleting the immaterial information that may obscure material information.

- b. New IFRSs in issue but yet to be endorsed and issued into effect by the IASB

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2022

Note: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Except for the above impact, as of the date the financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

The consolidated financial report was formulated in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and IAS 34 "Interim Financial Reporting" recognized and announced to enter into effect by the FSC. The consolidated financial statements do not include all IFRSs disclosure information required by the annual financial report.

- b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

- c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within twelve months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period (current liabilities include completed long term re-financing and rearranged payment agreement that took place between the date of balance sheet and publication of financial statements); and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Note 14, Tables 7 and 8 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Other Material Accounting Policies

Except for the following, please refer to the summary of material accounting policies in the 2019 consolidated financial statements.

1) Pension Benefit in Defined Benefit Plan

The pension cost for the interim period is calculated based on the actuarial cost ratio determined by the actuarial calculation at the end of the previous year. Calculation term is from the beginning of the period to the end of the period, and adjustments, a settlement will be made for major market fluctuations in the current period, major plans, or other significant one-time matters.

2) Other long-term employee benefits

Other long-term employee benefits have the same accounting treatment as the pension benefit in defined benefit plan, except that the relevant remeasurements are recognized in profit or loss.

3) Income tax

Income tax expenses are the sum of current income tax and deferred income tax. The interim income tax is evaluated on an annual basis and the interim profit before tax is applied with the tax rate applicable to the expected total annual earnings for calculations.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group includes the economic impact of the COVID-19 epidemic in the consideration of material accounting estimates, and the management will continue to review the estimates and the basic assumptions. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Write-down of Inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and the historical experience of selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

6. CASH AND CASH EQUIVALENTS

	March 31, 2020	December 31, 2019	March 31, 2019
Cash on hand	\$ 2,755	\$ 2,940	\$ 4,870
Checking accounts and demand deposits	2,692,651	3,198,093	2,033,001
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	243,709	184,478	538,042
Repurchase agreements collateralized by bonds	165,762	320,392	201,686
	<u>\$ 3,104,877</u>	<u>\$ 3,705,903</u>	<u>\$ 2,777,599</u>

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Bank deposits	0.001%-3.730%	0.001%-3.220%	0.001%-3.500%
Repurchase agreements collateralized by bonds	0.400%-0.420%	0.550%-0.560%	0.500%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets at FVTPL - current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Mutual funds	\$ 1,450,402	\$ 667,673	\$ 1,029,484
Bonds	30,790	-	-
	<u>\$ 1,481,192</u>	<u>\$ 667,673</u>	<u>\$ 1,029,484</u>
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Domestic unlisted shares	<u>\$ 5,328</u>	<u>\$ 7,575</u>	<u>\$ 8,892</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Investments in equity instruments at FVTOCI	<u>\$ 154,091</u>	<u>\$ 186,711</u>	<u>\$ 161,696</u>
<u>Non-current</u>			
Investments in equity instruments at FVTOCI	<u>\$ 138,006</u>	<u>\$ 189,695</u>	<u>\$ 188,360</u>
<u>Investments in equity instruments at FVTOCI</u>			
	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Listed shares and emerging market shares			
Ordinary shares - Far Eastern International Bank	\$ 13,859	\$ 16,479	\$ 15,046
Ordinary shares - Chunghwa Telecom Co., Ltd	5,224	5,346	5,322
Ordinary shares - Formosa Plastics Corp.	6,867	9,126	10,013
Ordinary shares - China Steel Corp.	15,222	19,198	20,323
Ordinary shares - Polytronics Technology Corp.	88,259	106,772	88,897
Ordinary shares - Taiwan Semiconductor Manufacturing Co., Ltd.	24,660	29,790	22,095
	<u>\$ 154,091</u>	<u>\$ 186,711</u>	<u>\$ 161,696</u>

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Non-current</u>			
Listed shares and emerging market shares			
Ordinary shares - GeneFerm Biotechnology Co., Ltd.	\$ 40,757	\$ 65,640	\$ 90,202
Unlisted shares			
Ordinary shares - Dah Chung Bills Finance Corp.	13,004	15,702	14,869
Ordinary shares - InnoComm Mobile Technology Corp.	83,304	107,424	82,296
Ordinary shares - AsiaVest Liquidation Co.	<u>941</u>	<u>929</u>	<u>993</u>
	<u>\$ 138,006</u>	<u>\$ 189,695</u>	<u>\$ 188,360</u>

These investments by the Group are not held for trading. Instead, they are held for medium-to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 3,502,009</u>	<u>\$ 2,206,805</u>	<u>\$ 1,690,119</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.56%-3.80%, 0.65%-2.85% and 0.65%-3.20% per annum as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Notes receivable</u>			
Operating	<u>\$ 12,798</u>	<u>\$ 2,977</u>	<u>\$ 26,086</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,620,466	\$ 6,460,483	\$ 5,153,571
Less: Allowance for impairment loss	<u>(28,029)</u>	<u>(20,933)</u>	<u>(12,674)</u>
	<u>\$ 4,592,437</u>	<u>\$ 6,439,550</u>	<u>\$ 5,140,897</u>
<u>Other receivables</u>			
Accrued interest	\$ 18,920	\$ 8,912	\$ 8,499

	March 31, 2020	December 31, 2019	March 31, 2019
Payments on behalf of others	\$ 2,290	\$ 595	\$ 1,109
Others	<u>245,121</u>	<u>183,576</u>	<u>236,221</u>
	<u>\$ 266,331</u>	<u>\$ 193,083</u>	<u>\$ 245,829</u>

The average credit period of receivables from sales of goods was 30-90 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals, and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group adopts the simplified approach of IFRS 9 to measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

March 31, 2020

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.03%	1.33%	2.68%	14.14%	54.16%	
Gross carrying amount	\$ 4,248,457	\$ 110,296	\$ 220,521	\$ 24,205	\$ 29,785	\$ 4,633,264
Loss allowance (Lifetime ECL)	<u>(1,097)</u>	<u>(1,463)</u>	<u>(5,914)</u>	<u>(3,423)</u>	<u>(16,132)</u>	<u>(28,029)</u>
Amortized cost	<u>\$ 4,247,360</u>	<u>\$ 108,833</u>	<u>\$ 214,607</u>	<u>\$ 20,782</u>	<u>\$ 13,653</u>	<u>\$ 4,605,235</u>

December 31, 2019

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.01%	1.68%	3.36%	38.44%	61.05%	
Gross carrying amount	\$ 6,340,444	\$ 54,029	\$ 36,932	\$ 6,717	\$ 25,338	\$ 6,463,460
Loss allowance (Lifetime ECL)	<u>(733)</u>	<u>(906)</u>	<u>(1,242)</u>	<u>(2,582)</u>	<u>(15,470)</u>	<u>(20,933)</u>
Amortized cost	<u>\$ 6,339,712</u>	<u>\$ 53,124</u>	<u>\$ 35,689</u>	<u>\$ 4,135</u>	<u>\$ 9,867</u>	<u>\$ 6,442,527</u>

March 31, 2019

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.01%	0.07%	0.43%	3.98%	98.90%	
Gross carrying amount	\$ 4,487,594	\$ 362,979	\$ 256,120	\$ 64,362	\$ 8,602	\$ 5,179,657
Loss allowance (Lifetime ECLs)	<u>(255)</u>	<u>(245)</u>	<u>(1,106)</u>	<u>(2,561)</u>	<u>(8,507)</u>	<u>(12,674)</u>
Amortized cost	<u>\$ 4,487,339</u>	<u>\$ 362,734</u>	<u>\$ 255,014</u>	<u>\$ 61,801</u>	<u>\$ 95</u>	<u>\$ 5,166,983</u>

The movements of the loss allowance of trade receivables were as follows:

	Three Months Ended March 31	
	2020	2019
Balance at January 1	\$ 20,933	\$ 8,792
Add: Net remeasurement of loss allowance	7,286	3,737
Foreign exchange translation gains and losses	<u>(190)</u>	<u>145</u>
Balance at March 31	<u>\$ 28,029</u>	<u>\$ 12,674</u>

11. FINANCE LEASE RECEIVABLES

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Undiscounted lease payments</u>			
Year 1	\$ 4,200	\$ 4,200	\$ 4,200
Year 2	4,250	4,200	4,200
Year 3	4,800	4,700	4,250
Year 4	4,800	4,800	4,800
Year 5	4,800	4,800	4,800
Year 6 onwards	<u>12,200</u>	<u>13,400</u>	<u>17,000</u>
	35,050	36,100	39,250
Less: Unearned finance income	<u>(6,007)</u>	<u>(6,377)</u>	<u>(7,534)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 29,043</u>	<u>\$ 29,723</u>	<u>\$ 31,716</u>

As of March 31, 2020, no finance lease receivable was past due. The Group has not recognized a loss allowance for finance lease receivables after taking into consideration the historical default experience and the future prospects of the industries in which the lessees operate, together with the value of collateral held over these finance lease receivables.

12. INVENTORIES

	March 31, 2020	December 31, 2019	March 31, 2019
Merchandise	\$ 553,518	\$ 578,324	\$ 528,817
Finished goods	1,167,098	1,544,663	1,021,234
Work in progress	625,742	344,702	584,928
Raw materials	1,619,334	1,111,234	1,789,137
Packing materials	<u>58,806</u>	<u>68,061</u>	<u>67,962</u>
	<u>\$ 4,024,498</u>	<u>\$ 3,646,984</u>	<u>\$ 3,992,078</u>

The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2020 included loss on write-down of inventories of \$9,999 thousand and loss on abandoned inventories of \$6,726 thousand. The cost of inventories recognized as cost of goods sold for the three months ended March 31, 2019 included loss on write-down of inventory of \$4,899 thousand and loss on abandoned inventories of \$14,877 thousand.

13. PREPAYMENTS

	March 31, 2020	December 31, 2019	March 31, 2019
Prepayments for purchases	\$ 909,831	\$ 884,193	\$ 641,444
Prepayments for rent	9,267	6,215	6,887
Prepayments for insurance	12,983	1,139	12,466
Excess business tax paid	355,979	255,952	443,370
Prepayments for advertisements	12,147	13,578	196,825
Others	231,134	224,149	142,865
	<u>\$ 1,531,341</u>	<u>\$ 1,385,226</u>	<u>\$ 1,443,857</u>

14. SUBSIDIARIES

Subsidiaries included in consolidated financial statements.

Investor	Investee	Main Business	Proportion of Ownership			Remark
			March 31, 2020	December 31, 2019	March 31, 2019	
The Company	Standard Dairy Products Taiwan Limited (“Standard Dairy Products”)*	Manufacture and sale of dairy products and beverages	100.0	100.0	100.0	-
The Company	Charng Hui Ltd. (“Charng Hui”)*	Investing	100.0	100.0	100.0	-
The Company	Domex Technology Corporation (“Domex Technology”)*	Manufacture and sale of computer peripherals and computer appliances	52.0	52.0	52.0	-
The Company	Standard Beverage Company Limited (“Standard Beverage”)*	Manufacture and sale of beverages	100.0	100.0	100.0	-
The Company	Accession Limited	Investing	100.0	100.0	100.0	-
The Company	Standard Investment (“Cayman”) Limited (“Cayman Standard”)	Investing	100.0	100.0	100.0	-
The Company	Le Bonta Wellness International Corporation (“Le Bonta Wellness”)*	Sale of health food	100.0	100.0	100.0	-
Accession Limited	Shanghai Standard Foods Co., Ltd. (“Shanghai Standard”)	Manufacture and sale of edible oils and nutritious foods	100.0	100.0	100.0	-
Accession Limited	Shanghai Le Ben De Health Technology Co., Ltd. (“Shanghai Le Ben De”)*	Technical consultant on health technology, technical transfer and technical service	100.0	100.0	100.0	-
Accession Limited	Dermalab S.A. (“Dermalab”)*	Development and sale of cosmetics	100.0	100.0	100.0	-
Dermalab	Swissdema SL (“Swissdema”)*	Sale of cosmetics	100.0	100.0	100.0	-
Cayman Standard	Standard Corporation (Hong Kong) Limited (“Hong Kong Standard”)	Investing	100.0	100.0	100.0	-
Hong Kong Standard	Standard Investment (China) Co., Ltd. (“China Standard Investment”)	Investing and sale of edible oils and nutritious foods	99.0	99.0	99.0	-
Hong Kong Standard	Shanghai Le Ming Industrial Co., Ltd. (“Shanghai Le Ming”)*	Management of properties	100.0	100.0	100.0	-
Hong Kong Standard	Shanghai Le Ho Industrial Co., Ltd. (“Shanghai Le Ho”)*	Management of properties	100.0	100.0	100.0	-
China Standard Investment	Standard Foods (China) Co., Ltd. (“China Standard Foods”)	Manufacture and sale of edible oils and nutritious foods	100.0	100.0	100.0	-
China Standard Investment	Shanghai Dermalab Corporation (“Shanghai Dermalab”)*	Sale of nutritional foods, cosmetic and engage in import and export business	100.0	100.0	100.0	-
The Company and China Standard Investment	Shanghai Le Ben Tuo Health Technology Co., Ltd. (“Shanghai Le Ben Tuo”)*	Sale of nutritional foods and engage in import and export business	100.0	100.0	100.0	-
China Standard Investment	Standard Foods (Xiamen) Co., Ltd. (“Xiamen Standard”)*	Manufacture and sale of edible oils and nutritious foods	100.0	100.0	100.0	-

* It is a non-significant subsidiary, and its financial statements have not been reviewed by any CPA.

The financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2020 and 2019, combined total assets of these non-significant subsidiaries were \$7,541,126 thousand and \$7,569,498 thousand, respectively, representing 29% and 32%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were \$2,616,520 thousand and \$2,268,756 thousand, respectively, representing 32% and 35%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2020 and 2019, the amounts of combined comprehensive income of these subsidiaries were \$(5,585) thousand and \$159,172 thousand, respectively, representing (1%) and 16%, respectively, of the consolidated total comprehensive income.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Other Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2019	\$ 702,405	\$ 3,447,188	\$ 4,153,208	\$ 610,658	\$ 1,019,714	\$ 9,933,173
Adjustments on initial application of IFRS 16	-	-	-	(9,752)	-	(9,752)
Balance at January 1, 2019 (restated)	702,405	3,447,188	4,153,208	600,906	1,019,714	9,923,421
Additions	-	-	-	-	80,285	80,285
Disposals	-	-	(5,066)	(15,885)	-	(20,951)
Reclassified	-	786,023	43,615	9,498	(839,117)	19
Effects of foreign currency exchange differences	-	90,867	33,152	(34,436)	11,624	101,207
Balance at March 31, 2019	<u>\$ 702,405</u>	<u>\$ 4,324,078</u>	<u>\$ 4,224,909</u>	<u>\$ 560,083</u>	<u>\$ 272,506</u>	<u>\$ 10,083,981</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2019	\$ -	\$ 1,234,242	\$ 2,748,680	\$ 472,013	\$ -	\$ 4,454,935
Adjustments on initial application of IFRS 16	-	-	-	(3,863)	-	(3,863)
Balance at January 1, 2019 (restated)	-	1,234,242	2,748,680	468,150	-	4,451,072
Disposals	-	-	(4,379)	(15,176)	-	(19,555)
Depreciation expenses	-	38,409	67,271	11,032	-	116,712
Effects of foreign currency exchange differences	-	45,383	14,830	(30,500)	-	29,713
Balance at March 31, 2019	<u>\$ -</u>	<u>\$ 1,318,034</u>	<u>\$ 2,826,402</u>	<u>\$ 433,506</u>	<u>\$ -</u>	<u>\$ 4,577,942</u>
Carrying amount at March 31, 2019	<u>\$ 702,405</u>	<u>\$ 3,006,044</u>	<u>\$ 1,398,507</u>	<u>\$ 126,577</u>	<u>\$ 272,506</u>	<u>\$ 5,506,039</u>
<u>Cost</u>						
Balance at January 1, 2020	\$ 702,405	\$ 4,078,150	\$ 4,069,198	\$ 561,938	\$ 138,888	\$ 9,550,579
Additions	-	326	1,290	613	56,436	58,665
Disposals	-	(7,201)	(31,077)	(8,192)	-	(46,470)
Reclassified	-	1,051	50,063	12,486	(63,600)	-
Effects of foreign currency exchange differences	-	(19,386)	(8,845)	(1,542)	(59)	(29,832)
Balance at March 31, 2020	<u>\$ 702,405</u>	<u>\$ 4,052,940</u>	<u>\$ 4,080,629</u>	<u>\$ 565,303</u>	<u>\$ 131,665</u>	<u>\$ 9,532,942</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ -	\$ 1,269,679	\$ 2,730,217	\$ 425,371	\$ -	\$ 4,425,267
Disposals	-	(7,110)	(30,955)	(8,192)	-	(46,257)
Depreciation expenses	-	43,018	68,043	12,406	-	123,467
Effects of foreign currency exchange differences	-	(3,469)	(3,815)	(1,101)	-	(8,385)
Balance at March 31, 2020	<u>\$ -</u>	<u>\$ 1,302,118</u>	<u>\$ 2,763,490</u>	<u>\$ 428,484</u>	<u>\$ -</u>	<u>\$ 4,494,092</u>
Carrying amount at December 31, 2019 and January 1, 2020	<u>\$ 702,405</u>	<u>\$ 2,808,471</u>	<u>\$ 1,338,981</u>	<u>\$ 136,567</u>	<u>\$ 138,888</u>	<u>\$ 5,125,312</u>
Carrying amount at March 31, 2020	<u>\$ 702,405</u>	<u>\$ 2,750,822</u>	<u>\$ 1,317,139</u>	<u>\$ 136,819</u>	<u>\$ 131,665</u>	<u>\$ 5,038,850</u>

No impairment assessment was performed for the three months ended March 31, 2020 and 2019 as there was no indication of impairment.

The above items of property, plant, and equipment are depreciated on a straight-line basis over the following estimated useful lives of the assets:

Building	
Main buildings	20-51 years
Electrical and mechanical equipment	8-20 years
Engineering	3-39 years
Others	3-20 years
Equipment	
Main equipment	2-20 years
Engineering	3-20 years
Others	3-15 years
Other equipment	2-15 years

Refer to Note 34 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted to the Group.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Carrying amounts</u>			
Land	\$ 399,313	\$ 404,964	\$ 388,925
Buildings	264,546	286,147	112,373
Office equipment	373	390	-
Transportation equipment	<u>9,832</u>	<u>8,178</u>	<u>7,640</u>
	<u>\$ 674,064</u>	<u>\$ 699,679</u>	<u>\$ 508,938</u>
	For the Three Months Ended March 31,2020	For the Year Ended December 31, 2019	For the Three Months Ended March 31,2019
Additions to right-of-use assets	<u>\$ 2,602</u>	<u>\$ 176,972</u>	<u>\$ -</u>
Depreciation charge for right-of-use assets			
Land	\$ 3,094	\$ 12,381	\$ 2,959
Buildings	19,659	61,539	9,308
Office equipment	17	29	-
Transportation equipment	<u>741</u>	<u>2,975</u>	<u>899</u>
	<u>\$ 23,511</u>	<u>\$ 76,924</u>	<u>\$ 13,166</u>

b. Lease liabilities

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Carrying amounts</u>			
Current	<u>\$ 80,428</u>	<u>\$ 83,119</u>	<u>\$ 43,255</u>
Non-current	<u>\$ 234,057</u>	<u>\$ 264,496</u>	<u>\$ 64,893</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2020	December 31, 2019	March 31, 2019
Land	1.07%-1.49%	1.07%-1.49%	1.49%
Buildings	1.07%-4.35%	1.07%-4.35%	1.07%-4.35%
Office equipment	1.07%	1.07%	-
Transportation equipment	1.07%-12.04%	1.07%-12.04%	1.07%-12.04%

c. Material lease-in activities and terms

The Group also leases land, buildings, and transportation equipment for the use of plants, offices and business cars with lease terms of 1 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

Lease arrangements under operating leases for leasing out the investment properties are set out in Note 17. Lease arrangements for leasing out the assets under finance leases are set out in Note 11.

	For the Three Months Ended March 31,2020	For the Year Ended December 31, 2019	For the Three Months Ended March 31,2019
Expenses relating to short-term leases	\$ 22,148	\$ 96,334	\$ 31,649
Expenses relating to low-value asset leases	\$ 286	\$ 881	\$ 72
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 20	\$ -	\$ -
Total cash outflow for leases	\$ (59,564)	\$ (178,717)	\$ (59,227)

The Group leases certain office equipment, production assets, and sale premise which qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

17. INVESTMENT PROPERTIES

	Completed Investment Properties	Right-of-use Assets	Total
<u>Cost</u>			
Balance at January 1, 2019 and March 31, 2019	\$ 157,309	\$ -	\$ 157,309
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2019	\$ 46,533	\$ -	\$ 46,533
Depreciation expenses	524	-	524
Balance at March 31, 2019	\$ 47,057	\$ -	\$ 47,057

	Completed Investment Properties	Right-of-use Assets	Total
Carrying amount at March 31, 2019	<u>\$ 110,252</u>	<u>\$ -</u>	<u>\$ 110,252</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 241,711	\$ 5,548	\$ 247,259
Effects of foreign currency exchange differences	<u>(619)</u>	<u>(40)</u>	<u>(659)</u>
Balance at March 31, 2020	<u>\$ 241,092</u>	<u>\$ 5,508</u>	<u>\$ 246,600</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2020	\$ 124,434	\$ 333	\$ 124,767
Depreciation expenses	536	109	645
Effects of foreign currency exchange differences	<u>(555)</u>	<u>(3)</u>	<u>(558)</u>
Balance at March 31, 2020	<u>\$ 124,415</u>	<u>\$ 439</u>	<u>\$ 124,854</u>
Carrying amount at December 31, 2019 and January 1, 2020	<u>\$ 117,277</u>	<u>\$ 5,215</u>	<u>\$ 122,492</u>
Carrying amount at March 31, 2020	<u>\$ 116,677</u>	<u>\$ 5,069</u>	<u>\$ 121,746</u>

The investment properties held by the Group are depreciated using the straight-line method over the following estimated useful lives:

Building	
Main buildings	35-51 years
Electrical and mechanical equipment	24-25 years
Engineering	28 years
Right-of-use assets	49 years
Others	24 years

The fair values of the investment properties were \$209,358 thousand, \$212,653 thousand and \$214,177 thousand as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively. In the absence of hiring independent appraiser, the management of the Group determined the fair value with reference to market transaction prices of similar properties.

All of the Group's investment properties are held under freehold interests. The carrying amounts of investment properties pledged by the Group to secure borrowings granted to the Group are disclosed in Note 34.

18. OTHER INTANGIBLE ASSETS

	<u>Trademark</u>	<u>Computer Software</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2019	\$ 207,039	\$ 233,269	\$ 440,308
Additions	-	4,880	4,880
Effects of foreign currency exchange differences	<u>31,005</u>	<u>592</u>	<u>31,597</u>
Balance at March 31, 2019	<u>\$ 238,044</u>	<u>\$ 238,741</u>	<u>\$ 476,785</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2019	\$ 137,269	\$ 230,807	\$ 368,076
Amortization expenses	1,249	1,609	2,858
Effects of foreign currency exchange differences	<u>31,307</u>	<u>574</u>	<u>31,881</u>
Balance at March 31, 2019	<u>\$ 169,825</u>	<u>\$ 232,990</u>	<u>\$ 402,815</u>
Carrying amount at March 31, 2019	<u>\$ 68,219</u>	<u>\$ 5,751</u>	<u>\$ 73,970</u>
<u>Cost</u>			
Balance at January 1, 2020	\$ 227,260	\$ 239,713	\$ 466,973
Additions	-	1,287	1,287
Disposals	-	(28,621)	(28,621)
Effects of foreign currency exchange differences	<u>(378)</u>	<u>107</u>	<u>(271)</u>
Balance at March 31, 2020	<u>\$ 226,882</u>	<u>\$ 212,486</u>	<u>\$ 439,368</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2020	\$ 163,442	\$ 236,262	\$ 399,704
Disposals	-	(28,621)	(28,621)
Amortization expenses	1,285	502	1,787
Effects of foreign currency exchange differences	<u>(1,140)</u>	<u>109</u>	<u>(1,031)</u>
Balance at March 31, 2020	<u>\$ 163,587</u>	<u>\$ 208,252</u>	<u>\$ 371,839</u>
Carrying amount at December 31, 2019 and January 1, 2020	<u>\$ 63,818</u>	<u>\$ 3,451</u>	<u>\$ 67,269</u>
Carrying amount at March 31, 2020	<u>\$ 63,295</u>	<u>\$ 4,234</u>	<u>\$ 67,529</u>

The above items of other intangible assets are amortized on a straight-line basis over the following estimated lives:

Trademark	10-20 years
Computer software	2-3 years

19. OTHER ASSETS

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Pledge time deposits (Note 34)	\$ 4,013	\$ 4,013	\$ 1,010
Advances to officers	13,369	15,570	18,313
Temporary payments	8,281	9,683	-
Others	<u>338</u>	<u>118</u>	<u>194</u>
	<u>\$ 26,001</u>	<u>\$ 29,384</u>	<u>\$ 19,517</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 2,750	\$ 6,984	\$ 9,868
Refundable deposits	54,322	53,615	42,761
Pledge time deposits (Note 34)	85,320	85,950	91,542
Others	<u>107,233</u>	<u>114,426</u>	<u>74,060</u>
	<u>\$ 249,625</u>	<u>\$ 260,975</u>	<u>\$ 218,231</u>

20. BORROWINGS

a. Short-term borrowings

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Secured borrowings (Note 34)</u>			
Bank loans	\$ 100,000	\$ 150,000	\$ 130,000
Transferred receivables	404,112	-	-
<u>Unsecured borrowings</u>			
Bank loans	<u>1,492,228</u>	<u>1,232,955</u>	<u>1,266,986</u>
	<u>\$ 1,996,340</u>	<u>\$ 1,382,955</u>	<u>\$ 1,396,986</u>

The range of interest rates on bank loans or financing was 0.95%-4.35%, 1.05%-4.35% and 1.05%-4.35% per annum as of March 31, 2020, December 31, 2019, and March 31, 2019, respectively.

b. Short-term bills payable

	March 31, 2020	December 31, 2019	March 31, 2019
Commercial paper	\$ 50,000	\$ 100,000	\$ 150,000
Less: Unamortized discount on bills payable	<u>-</u>	<u>(32)</u>	<u>(96)</u>
	<u>\$ 50,000</u>	<u>\$ 99,968</u>	<u>\$ 149,904</u>

The range of interest rates on short-term bills payable was 1.36%, 1.34%-1.36% and 1.34% per annum as of March 31, 2020, December 31, 2019 and March 31, 2019, respectively.

c. Long-term borrowings

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Secured borrowings (Note 34)</u>			
Bank loans*	\$ -	\$ 6,000	\$ 24,000
Less: Current portions	<u>-</u>	<u>(6,000)</u>	<u>(12,000)</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,000</u>

* As of December 31, 2019 and March 31, 2019, the interest rate of the bank borrowings secured by the Group's equipment (see Note 34) was 1.91% per annum. The bank borrowings will be repayable quarterly from March 2018 , paid off in February 2020.

21. NOTES PAYABLE AND TRADE PAYABLES

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Notes payable</u>			
Operating	<u>\$ 455,166</u>	<u>\$ 316,444</u>	<u>\$ 290,609</u>
<u>Trade payables</u>			
Operating	<u>\$ 1,346,175</u>	<u>\$ 2,014,619</u>	<u>\$ 1,127,721</u>

The average credit period of payables for purchases of goods was 30-90 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. OTHER LIABILITIES

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Current</u>			
Other payables			
Payable for salaries or bonuses	\$ 233,715	\$ 306,728	\$ 179,531
Payable for compensation of employees	45,172	52,013	40,559
Payable for remuneration to directors	29,649	25,073	26,794
Payable for commission and rebates	837,940	963,712	712,327
Advertisement payable	142,668	199,232	62,948
Payable for royalties	24,542	25,668	24,841
Payable for freight	88,611	100,658	108,157
Payable for equipment	76,977	113,698	106,449
Others	<u>961,967</u>	<u>1,063,892</u>	<u>988,149</u>
	<u>\$ 2,441,241</u>	<u>\$ 2,850,674</u>	<u>\$ 2,249,755</u>

	March 31, 2020	December 31, 2019	March 31, 2019
Other liabilities			
Advance receipts from customers	\$ 1,689	\$ 1,337	\$ 1,643
Refund liability	17,221	13,055	21,609
Others	<u>26,657</u>	<u>14,109</u>	<u>19,665</u>
	<u>\$ 45,567</u>	<u>\$ 28,501</u>	<u>\$ 42,917</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 20,048	\$ 20,044	\$ 19,708
Others	<u>2,406</u>	<u>2,934</u>	<u>4,572</u>
	<u>\$ 22,454</u>	<u>\$ 22,978</u>	<u>\$ 24,280</u>

23. RETIREMENT BENEFIT PLANS

For the three months ended March 31, 2020 and 2019, the pension expenses of defined benefit plans were \$2,871 thousand and \$2,984 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2019 and 2018, respectively.

24. EQUITY

a. Share capital

1) Ordinary shares

	March 31, 2020	December 31, 2019	March 31, 2019
Number of shares authorized (in thousands)	<u>920,000</u>	<u>920,000</u>	<u>920,000</u>
Shares authorized	<u>\$ 9,200,000</u>	<u>\$ 9,200,000</u>	<u>\$ 9,200,000</u>
Number of shares issued and fully paid (in thousands)	<u>915,089</u>	<u>915,089</u>	<u>915,089</u>
Shares issued	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>

2) Global depositary receipts

As of March 31, 2020, a total of 6,908.4 units of Global Depositary Receipts (GDRs) (representing 34,542 shares of the Company's ordinary shares), where each GDR representing 5 shares of the Company's ordinary shares, were traded on the Euro MTF Market of the Luxembourg Stock Exchange. Holders of the GDRs may request at any time that the shares represented by the GDRs be transferred to them.

b. Capital surplus

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Recognized from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 1	\$ 1	\$ 1
<u>May be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	466	466	466
Recognized from treasury share transactions	<u>109,251</u>	<u>109,251</u>	<u>92,578</u>
	<u>\$ 109,718</u>	<u>\$ 109,718</u>	<u>\$ 93,045</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries that result from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be appropriated from (less any paying taxes and deficit):

- 1) 10% thereof as legal reserve;
- 2) Special reserve provided or reversed in accordance with the regulations;
- 3) 30% to 100% of this the sum of the remainder and prior years' unappropriated earnings as dividends.

The Company's Articles of Incorporation also prescribe that 30% to 100% of dividends shall be paid in cash; however, if the Company has major investment plans for which external funds are not available, the percentage may be lowered to 5% to 20%. The distribution plan shall be proposed by the Company's board of directors and resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of the compensation of employees and remuneration of directors after amendment, refer to Note 26(h) "employees' compensation and remuneration of directors."

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Order No. 1010012865 and Order No. 1010047490 issued by the FSC and the

directive titled “Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs” should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2019 and 2018 that were proposed by the board of directors on March 18, 2020 and approved in the shareholders’ meetings on March 22, 2019, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2019	2018
Legal reserve	<u>\$ 341,610</u>	<u>\$ 294,909</u>
Special reserve	<u>\$ 246,549</u>	<u>\$ 70,519</u>
Cash dividends	<u>\$ 2,424,987</u>	<u>\$ 2,287,724</u>
Cash dividends per share (NT\$)	<u>\$ 2.65</u>	<u>\$ 2.5</u>

The appropriations of earnings for 2019 are subject to the resolution of the shareholders’ meeting to be held on June 16, 2020.

d. Special reserve

	For the Three Months Ended	
	March 31	
	2020	2019
Beginning and ending balance	<u>\$ 330,945</u>	<u>\$ 260,426</u>

Appropriation for special reserve should be made in the amount equal to the net debit balance of other equity at the end of the reporting period. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and, thereafter, distributed.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Three Months Ended	
	March 31	
	2020	2019
Balance at January 1	\$ (693,038)	\$ (412,869)
Recognized for the year		
Exchange differences on translating the financial		
statements of foreign operations	<u>(45,855)</u>	<u>149,764</u>
Other comprehensive income recognized for the year	<u>(45,855)</u>	<u>149,764</u>
Balance at March 31	<u>\$ (738,893)</u>	<u>\$ (263,105)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended	
	March 31	
	2020	2019
Balance at January 1	\$ 115,544	\$ 81,924
Recognized for the year		
Unrealized gain (loss) - equity instruments	<u>(72,728)</u>	<u>19,245</u>

	For the Three Months Ended March 31	
	2020	2019
Other comprehensive income recognized for the year	\$ (72,728)	\$ 19,245
Balance at March 31	\$ 42,816	\$ 101,169

f. Non-controlling interests

	For the Three Months Ended March 31	
	2020	2019
Balance at January 1	\$ 272,564	\$ 233,399
Share in profit for the year	(1,999)	9,615
Other comprehensive income (loss) during the year		
Exchange difference on translating the financial statements of foreign operations	(295)	893
Unrealized gain (loss) on financial assets at FVTOCI	(11,575)	9,088
Balance at March 31	\$ 258,695	\$ 252,995

g. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)
Number of shares as of January 1, 2020	6,669
Number of shares as of March 31, 2020	6,669
Number of shares as of January 1, 2019	6,669
Number of shares as of March 31, 2019	6,669

For the purpose of maintaining the Company's credit and shareholders' equity, the Company's shares held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>March 31, 2020</u>			
Charng Hui	6,669	\$ 21,182	\$ 406,838
<u>December 31, 2019</u>			
Charng Hui	6,669	\$ 21,182	\$ 464,195
<u>March 31, 2019</u>			
Charng Hui	6,669	\$ 21,182	\$ 345,479

The Company's shares held by subsidiaries were treated as treasury shares, aside from the rights to participate in any share issuance for cash and to vote, the rest were similar to general shareholder's rights.

25. REVENUE

		For the Three Months Ended March 31		
		2020	2019	
Revenue from contracts with customers				
Revenue from sale of goods		\$ 6,671,433	\$ 7,337,166	
a. Contract balances				
	March 31, 2020	December 31, 2019	March 31, 2019	January 1, 2019
Notes receivable (Note 10)	\$ 12,798	\$ 2,977	\$ 26,086	\$ 2,887
Trade receivables (Note 10)	\$ 4,592,437	\$ 6,439,550	\$ 5,140,897	\$ 6,161,079
Contract liabilities - current				
Sale of goods	\$ 322,688	\$ 326,644	\$ 190,636	\$ 360,115
b. Disaggregation of revenue				
	Reportable Segments			
	Nutritious Foods	Cooking Products	Others	Total
For the three months ended March 31, 2020				
Types of goods or services				
Sale of goods	\$ 3,012,100	\$ 3,107,522	\$ 551,811	\$ 6,671,433
For the three months ended March 31, 2019				
Types of goods or services				
Sale of goods	\$ 2,969,919	\$ 3,342,244	\$ 1,025,003	\$ 7,337,166

26. NET PROFIT

Net profit includes:

- a. Other income

		For the Three Months Ended March 31	
		2020	2019
Rental income			
Operating lease rental income			
Investment properties		\$ 7,032	\$ 4,721
Others		268	144

	For the Three Months Ended March 31	
	2020	2019
Interest income	\$ 7,300	\$ 4,865
Bank deposits	17,108	14,975
Financial assets at amortized cost	14,951	3,615
Repurchase agreements collateralized by bonds	386	35
Others	<u>360</u>	<u>361</u>
	<u>32,805</u>	<u>18,986</u>
Dividends		
Investments in equity instruments at FVTOCI	<u>225</u>	<u>-</u>
	<u>\$ 40,330</u>	<u>\$ 23,851</u>

b. Other gains and losses

	For the Three Months Ended March 31	
	2020	2019
Gains and losses of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	\$ (5,116)	\$ 4,259
Net foreign exchange gains (losses)	7,051	(3,348)
Net gains (losses) on disposal of property, plant and equipment	1,376	(789)
Government grants	6,745	-
Others	<u>(7,350)</u>	<u>5,025</u>
	<u>\$ 2,706</u>	<u>\$ 5,147</u>

c. Finance costs

	For the Three Months Ended March 31	
	2020	2019
Interest on bank loans	\$ 11,898	\$ 9,946
Interest on short-term bills payable	241	96
Interest on lease liabilities	2,657	513
Other interest expense	<u>12</u>	<u>12</u>
	<u>\$ 14,808</u>	<u>\$ 10,567</u>

d. Impairment losses recognized

	For the Three Months Ended March 31	
	2020	2019
Trade receivables	\$ 7,286	\$ 3,737
Inventories (included in operating costs)	<u>\$ 9,999</u>	<u>\$ 4,899</u>

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2020	2019
An analysis of depreciation by function		
Operating costs	\$ 99,209	\$ 96,244
Operating expenses	47,769	33,634
Non-operating revenue and expenses	<u>645</u>	<u>524</u>
	<u>\$ 147,623</u>	<u>\$ 130,402</u>
An analysis of amortization by function		
Operating costs	\$ 4,927	\$ 5,101
Operating expenses	<u>8,818</u>	<u>6,948</u>
	<u>\$ 13,745</u>	<u>\$ 12,049</u>

f. Operating expenses directly related to investment properties

	For the Three Months Ended March 31	
	2020	2019
Direct operating expenses of investment properties that generated rental income	\$ 177	\$ 174
Direct operating expenses of investment properties that did not generated rental income	<u>144</u>	<u>143</u>
	<u>\$ 321</u>	<u>\$ 317</u>

g. Employee benefits expense

	For the Three Months Ended March 31	
	2020	2019
Post-employment benefits		
Defined contribution plans	\$ 27,616	\$ 32,203
Defined benefit plans (see Note 23)	<u>2,871</u>	<u>2,984</u>
	30,487	35,187
Other employee benefits	<u>609,147</u>	<u>572,789</u>
Total employee benefits expense	<u>\$ 639,634</u>	<u>\$ 607,976</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 206,648	\$ 204,628
Operating expenses	<u>432,986</u>	<u>403,348</u>
	<u>\$ 639,634</u>	<u>\$ 607,976</u>

h. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 0.5% and no higher than 0.75%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

For the three months ended March 31, 2020 and 2019, the employees' compensation and the remuneration of directors are as follows:

Accrual rate

	For the Three Months Ended March 31	
	2020	2019
Compensation of employees	0.92%	0.90%
Remuneration of directors	0.61%	0.59%

Amount

	For the Three Months Ended March 31	
	2020	2019
Compensation of employees	\$ 6,950	\$ 8,836
Remuneration of directors	\$ 4,575	\$ 5,834

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate and will be adjusted in the coming year.

The appropriations of employees' compensation and remuneration of directors for 2019 and 2018 that were resolved by the board of directors on March 18, 2020 and March 22, 2019, respectively, are as shown below:

Amount

	For the Year Ended December 31	
	2019	2018
	Cash	Cash
Compensation of employees	\$ 52,013	\$ 31,723
Remuneration of directors	25,073	20,960

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2019 and 2018.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available on the Market Observation Post System (MOPS) website of the Taiwan Stock Exchange.

i. Gain or loss on foreign currency exchange

	For the Three Months Ended March 31	
	2020	2019
Foreign exchange gains	\$ 21,665	\$ 15,213
Foreign exchange losses	(14,614)	(18,561)
Net gains (losses)	\$ 7,051	\$ (3,348)

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31	
	2020	2019
Current tax		
In respect of the current year	\$ 208,466	\$ 192,647
Deferred tax		
In respect of the current year	(48,645)	40,611
Income tax expense recognized in profit or loss	<u>\$ 159,821</u>	<u>\$ 233,258</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2020	2019
<u>Deferred tax</u>		
In respect of the current year		
Exchange differences on translating the financial statements of foreign operations	\$ (11,463)	\$ 37,441
Fair value changes of financial assets at FVTOCI	<u>4</u>	<u>(8)</u>
Total income tax recognized in other comprehensive income	<u>\$ (11,459)</u>	<u>\$ 37,433</u>

c. Income tax assessments

The income tax returns of the Company for the year ended December 31, 2017 had been assessed by the tax authorities.

The income tax returns of Standard Dairy Products, Charng Hui, Standard Beverage, and Le Bonta Wellness for the year ended December 31, 2018 had been assessed by the tax authorities.

The income tax returns of Domex Technology through 2018, except for 2017, have been assessed by the tax authorities.

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended March 31	
	2020	2019
Basic earnings per share	<u>\$ 0.67</u>	<u>\$ 0.87</u>
Diluted earnings per share	<u>\$ 0.67</u>	<u>\$ 0.87</u>

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net profit for the period

	For the Three Months Ended March 31	
	2020	2019
Earnings used in the computation of basic earnings per share	\$ <u>609,486</u>	\$ <u>788,649</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Three Months Ended March 31	
	2020	2019
Weighted average number of ordinary shares used in computation of basic earnings per share	908,420	908,420
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>1,002</u>	<u>749</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>909,422</u>	<u>909,169</u>

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. GOVERNMENT GRANTS

The Group received government grants, and recognized \$6,745 thousand as other gains from January 1 to March 31, 2020.

30. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

For the three months ended March 31, 2020

	Opening Balance	Cash Flows	Non-cash Changes Exchanging Rate Adjustments	Closing Balance
Short-term borrowings	\$ 1,382,955	\$ 631,377	\$ (17,992)	\$ 1,996,340
Short-term bills payable	99,968	(49,968)	-	50,000
Long-term borrowings	6,000	(6,000)	-	-
Guarantee deposits received	20,044	117	(113)	20,048
Lease liabilities	347,615	(34,453)	1,323	314,485
Other non-current liabilities	<u>2,934</u>	<u>(565)</u>	<u>37</u>	<u>2,406</u>
	<u>\$ 1,859,516</u>	<u>\$ 540,508</u>	<u>\$ (16,745)</u>	<u>\$ 2,383,279</u>

For the three months ended March 31, 2019

	Opening Balance	Cash Flows	Non-cash Changes Exchanging Rate Adjustments	Closing Balance
Short-term borrowings	\$ 1,731,478	\$ (363,614)	\$ 29,122	\$ 1,396,986
Short-term bills payable	119,904	30,000	-	149,904
Long-term borrowings	27,000	(3,000)	-	24,000
Guarantee deposits received	19,961	(590)	337	19,708
Lease liabilities	139,110	(27,506)	(3,456)	108,148
Other non-current liabilities	<u>4,734</u>	<u>(125)</u>	<u>(37)</u>	<u>4,572</u>
	<u>\$ 2,042,187</u>	<u>\$ (364,835)</u>	<u>\$ 25,966</u>	<u>\$ 1,703,318</u>

31. CAPITAL MANAGEMENT

The Group's capital management objective is to ensure financial resources are available and operating plans are in place for working capital, capital expenditures, research and development expenses, refund liabilities and dividend disbursement, etc. in the next twelve months. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

32. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

March 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ 5,328	\$ 5,328
Mutual fund beneficiary certification	1,450,402	-	-	1,450,402
Debt securities	<u>-</u>	<u>30,790</u>	<u>-</u>	<u>30,790</u>
Total	<u>\$ 1,450,402</u>	<u>\$ 30,790</u>	<u>\$ 5,328</u>	<u>\$ 1,486,520</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 194,848	\$ -	\$ -	\$ 194,848
Unlisted shares	<u>-</u>	<u>-</u>	<u>97,249</u>	<u>97,249</u>
Total	<u>\$ 194,848</u>	<u>\$ -</u>	<u>\$ 97,249</u>	<u>\$ 292,097</u>

December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ 7,575	\$ 7,575
Mutual fund beneficiary certification	<u>667,673</u>	<u>-</u>	<u>-</u>	<u>667,673</u>
Total	<u>\$ 667,673</u>	<u>\$ -</u>	<u>\$ 7,575</u>	<u>\$ 675,248</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 252,351	\$ -	\$ -	\$ 252,351
Unlisted shares	<u>-</u>	<u>-</u>	<u>124,055</u>	<u>124,055</u>
Total	<u>\$ 252,351</u>	<u>\$ -</u>	<u>\$ 124,055</u>	<u>\$ 376,406</u>

March 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ 8,892	\$ 8,892
Mutual fund beneficiary certification	<u>1,029,484</u>	<u>-</u>	<u>-</u>	<u>1,029,484</u>
Total	<u>\$ 1,029,484</u>	<u>\$ -</u>	<u>\$ 8,892</u>	<u>\$ 1,038,376</u>

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 251,898	\$ -	\$ -	\$ 251,898
Unlisted shares	<u>-</u>	<u>-</u>	<u>98,158</u>	<u>98,158</u>
Total	<u>\$ 251,898</u>	<u>\$ -</u>	<u>\$ 98,158</u>	<u>\$ 350,056</u>

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2020 and 2019.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2020

<u>Financial Assets</u>	<u>Financial Assets at FVTPL Equity Instruments</u>	<u>Financial Assets at FVTOCI Equity Instruments</u>	<u>Total</u>
Balance at January 1, 2020	\$ 7,575	\$ 124,055	\$ 131,630
Recognized in profit or loss (included in other gains and losses)	(2,247)	-	(2,247)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(26,799)	(26,799)
Impact of exchange rates	<u>-</u>	<u>(7)</u>	<u>(7)</u>
Balance at March 31, 2020	<u>\$ 5,328</u>	<u>\$ 97,249</u>	<u>\$ 102,577</u>
Recognized in other gains and losses - unrealized	<u>\$ (2,247)</u>	<u>\$ -</u>	<u>\$ (2,247)</u>

For the three months ended March 31, 2019

<u>Financial Assets</u>	<u>Financial Assets at FVTPL Equity Instruments</u>	<u>Financial Assets at FVTOCI Equity Instruments</u>	<u>Total</u>
Balance at January 1, 2019	\$ 7,315	\$ 77,165	\$ 84,480
Recognized in profit or loss (included in other gains and losses)	1,577	-	1,577
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	20,970	20,970
Impact of exchange rates	<u>-</u>	<u>23</u>	<u>23</u>
Balance at March 31, 2019	<u>\$ 8,892</u>	<u>\$ 98,158</u>	<u>\$ 107,050</u>

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Recognized in other gains and losses - unrealized	\$ 1,577	\$ -	\$ 1,577

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Debt securities	Discounted cash flow. Future cash flows are discounted at a rate that reflects current borrowing interest rates of the bond issuers at the end of the reporting period.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The valuation techniques of unlisted shares with no active market are mainly applicable for market and asset valuation methods.

The market method is mainly used to value the fair value of investment objects' market prices and environments.

The asset method is mainly utilized to value the fair value of investment objects' net asset values.

b. Categories of financial instruments

	March 31, 2020	December 31, 2019	March 31, 2019
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,486,520	\$ 675,248	\$ 1,038,376
Financial assets at amortized cost (1)	11,627,419	12,691,896	10,015,843
Financial assets at FVTOCI			
Equity instruments	292,097	376,406	350,056
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	3,973,285	3,983,402	3,124,503

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, and trade receivables.

2) The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, short-term bills payable, trade and other payables, and bonds issued. Those reclassified to held-for-sale disposal groups are also included.

c. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, equity and debt investments, mutual funds, trade receivables, trade payables, and loans. The Group's Financial Department provides services to the business, coordinates access to financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group's foreign currency risk arises from its foreign currency monetary assets and liabilities. The Group watches out for the fluctuation of market exchange rate, and takes appropriate actions to manage the exchange rate risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 36.

Sensitivity analysis

The Group was mainly exposed to the RMB, USD, EUR, AUD, and CHF.

The following table details the Group's sensitivity to a 3% increase or decrease in the functional currency against the relevant foreign currencies. A change of 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis used the outstanding foreign currency denominated monetary items at the end of the reporting period and assumed the exchange rates at the end of the reporting period changed by 3% increase or decrease. The amount below indicates an increase (decrease) in pre-tax profit associated with the functional currency weakening 3% against the relevant currency. For a 3% strengthening of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	RMB Impact		USD Impact	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2020	2019	2020	2019
Profit or loss	\$ 2,964 (i)	\$ 168 (i)	\$ 27,603 (ii)	\$ 7,730 (ii)
	EUR Impact		AUD Impact	
	For the Three Months Ended March 31		For the Three Months Ended March 31	
	2020	2019	2020	2019
Profit or loss	\$ 934 (iii)	\$ 3,115 (iii)	\$ 679 (iv)	\$ 2,169 (iv)

CHF Impact
For the Three Months Ended
March 31

	2020	2019
Profit or loss	\$ 1,542 (v)	\$ 610 (v)

- i. This was mainly attributable to the exposure of outstanding RMB bank deposits which were not hedged at the end of the reporting period.
- ii. This was mainly attributable to the exposure of outstanding USD bank deposits, receivables and payables which were not hedged at the end of the reporting period.
- iii. This was mainly attributable to the exposure of outstanding EUR bank deposits which were not hedged at the end of the reporting period.
- iv. This was mainly attributable to the exposure of bank deposits and payables in AUD which were not hedged at the end of the reporting period.
- v. This was mainly attributable to the exposure of bank deposits and payables in CHF which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The Group pays attention to the fluctuations of exchange rates in the market, and takes appropriate actions to manage the exchange rate risk.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting periods were as follows.

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Fair value interest rate risk			
Financial assets	\$ 2,592,055	\$ 1,658,861	\$ 1,183,715
Financial liabilities	1,926,713	1,791,538	1,289,528
Cash flow interest rate risk			
Financial assets	1,437,800	1,172,500	1,370,400
Financial liabilities	30,000	45,000	389,510

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2020 and 2019 would increase (decrease) by \$3,520 thousand and \$2,452 thousand, respectively. If the interest rates had been 1% lower, there would be an equal and opposite impact on pre-tax profit.

c) Other price risk

The Group was exposed to equity price risk due to its investments in listed equity securities and mutual funds. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, pre-tax profit for the three months ended March 31, 2020 would have increased/decreased by \$14,865 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2020 would have increased/decreased by \$2,921 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 1% higher/lower, pre-tax profit for the three months ended March 31, 2019 would have increased/decreased by \$10,384 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the three months ended March 31, 2019 would have increased/decreased by \$3,501 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk (the maximum irrevocable amount exposed at risk) which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation (without considering collaterals or other credit enhancement tools) could be the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

The table below analyzes the collaterals held as security and other credit enhancements, and their financial effect upon the maximum amount exposed at risk, in respect of the financial assets recognized in the Group's consolidated balance sheets:

March 31, 2020

Credit-impaired financial instruments applicable based on IFRS 9	Carrying Amount	<u>Maximum Exposure to Credit Risk Mitigated by</u>		
		Collateral	Other Credit Enhancements	Total
Receivables	\$ 4,605,235	\$ 38,897	\$ 457	\$ 39,354

December 31, 2019

Credit-impaired financial instruments applicable based on IFRS 9	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by		
		Collateral	Other Credit Enhancements	Total
Receivables	\$ 6,442,527	\$ 76,270	\$ 391	\$ 76,661

March 31, 2019

Credit-impaired financial instruments applicable based on IFRS 9	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by		
		Collateral	Other Credit Enhancements	Total
Receivables	\$ 5,166,983	\$ 30,956	\$ -	\$ 30,956

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, the Group's management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2020, December 31, 2019 and March 31, 2019, the Group had available unutilized bank loan facilities in the amounts of \$4,511,474 thousand, \$5,186,434 thousand, and \$8,274,014 thousand, respectively.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group may be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

March 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 609,812	\$ 1,233,357	\$ 59,304	\$ 20,048
Lease liabilities	5,917	14,980	68,256	250,645
Variable interest rate liabilities	-	-	30,002	-
Fixed interest rate liabilities	656,148	1,365,587	-	-
Contract liabilities	107,563	215,125	-	-
	<u>\$ 1,379,440</u>	<u>\$ 2,829,049</u>	<u>\$ 157,562</u>	<u>\$ 270,693</u>

December 31, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 793,371	\$ 1,592,308	\$ 86,769	\$ 20,044
Lease liabilities	25,466	14,902	52,197	283,028
Variable interest rate liabilities	-	-	45,003	-
Fixed interest rate liabilities	612,591	788,292	48,461	-
Contract liabilities	<u>108,881</u>	<u>217,763</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,540,309</u>	<u>\$ 2,613,265</u>	<u>\$ 232,430</u>	<u>\$ 303,072</u>

March 31, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 483,354	\$ 966,707	\$ 81,384	\$ 19,708
Finance lease liabilities	514	19,997	24,055	66,175
Variable interest rate liabilities	38	51,118	334,850	12,144
Fixed interest rate liabilities	309,996	200,040	677,858	-
Contract liabilities	<u>63,545</u>	<u>127,091</u>	<u>-</u>	<u>-</u>
	<u>\$ 857,447</u>	<u>\$ 1,364,953</u>	<u>\$ 1,118,147</u>	<u>\$ 98,027</u>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

33. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
GeneFerm Biotechnology Co., Ltd. ("GeneFerm")	The Company is one of the directors

b. Sales of goods

<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31</u>	
	<u>2020</u>	<u>2019</u>
The Company is one of the directors GeneFerm	<u>\$ 5,059</u>	<u>\$ -</u>

Sales from related parties were conducted on normal commercial terms.

c. Purchases of goods

<u>Related Party Category/Name</u>	For the Three Months Ended March 31	
	<u>2020</u>	<u>2019</u>
The Company is one of the directors GeneFerm	<u>\$ 21,505</u>	<u>\$ 4,876</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

<u>Line Item</u>	<u>Related Party Category/ Name</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Trade receivables	The Company is one of the directors GeneFerm	<u>\$ 5,312</u>	<u>\$ -</u>	<u>\$ -</u>

The outstanding receivables from related parties were unsecured.

e. Payables to related parties

<u>Line Item</u>	<u>Related Party Category/ Name</u>	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Trade payables	The Company is one of the directors GeneFerm	<u>\$ 22,581</u>	<u>\$ 26,141</u>	<u>\$ 5,120</u>

The outstanding payables from related parties were unsecured.

f. Compensation of key management personnel

	For the Three Months Ended March 31	
	<u>2020</u>	<u>2019</u>
Short-term employee benefits	\$ 13,680	\$ 13,839
Post-employment benefits	<u>117</u>	<u>128</u>
	<u>\$ 13,797</u>	<u>\$ 13,967</u>

The remuneration of directors and key executives was determined by the Remuneration Committee based on the performance of individuals and market trends.

34. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, issuance of bank acceptances, performance guaranty, and bond for customs clearance:

	<u>March 31, 2020</u>	<u>December 31, 2019</u>	<u>March 31, 2019</u>
Pledge time deposits (included in other current assets)	\$ 4,013	\$ 4,013	\$ 1,010
Pledge time deposits (included in other non-current assets)	85,320	85,950	91,542
Property, plant and equipment, net	133,450	137,554	149,770
Investment properties, net	<u>56,462</u>	<u>56,909</u>	<u>58,250</u>
	<u>\$ 279,245</u>	<u>\$ 284,426</u>	<u>\$ 300,572</u>

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of March 31, 2020 were as follows:

- The Company has entered into a license agreement with The Quaker Oats Company (Quaker) for a period ending July 11, 2029. The agreement provides that the Company may use Quaker's trademark, and process, manufacture, market, and sell Quaker baby cereal, oatmeal, fruit cereal, ready-to-eat cereal, sesame paste, milk powder, and other cereal products in the ROC. In consideration of the above, the Company shall pay Quaker royalties at an agreed percentage of net sales (as defined).
- Unused letters of credit of approximately US\$3,311 thousand.
- Unrecognized commitments for acquisition of property, plant, and equipment of approximately \$139,226 thousand.
- Unrecognized commitments for acquiring approximately 42,266 tons of colostrum from dairymen.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The significant assets and liabilities denominated in foreign currencies other than functional currencies of the Group entities and the exchange rates between foreign currencies and respective functional currencies were as follows:

March 31, 2020

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
USD	\$ 25,164	30.23 (USD:NTD)	\$ 760,597
USD	6,426	7.09 (USD:RMB)	193,731
EUR	937	33.24 (EUR:NTD)	31,134
RMB	23,223	4.26 (RMB:NTD)	98,815
AUD	1,775	18.64 (AUD:NTD)	33,082
			(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
CHF	\$ 1,450	31.38 (CHF:NTD)	\$ 45,494
CHF	457	7.37 (CHF:RMB)	<u>14,329</u>
			<u>\$ 1,177,182</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,133	30.23 (USD:NTD)	\$ 34,234
AUD	560	18.64 (AUD:NTD)	10,433
CHF	269	7.37 (CHF:RMB)	<u>8,434</u>
			<u>\$ 53,101</u>
			(Concluded)

December 31, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 26,052	29.98 (USD:NTD)	\$ 781,058
USD	6,480	6.98 (USD:RMB)	194,612
EUR	2,331	33.59 (EUR:NTD)	78,298
RMB	10,142	4.31 (RMB:NTD)	43,658
AUD	2,058	21.01 (AUD:NTD)	43,228
CHF	1,341	30.93 (CHF:NTD)	41,470
CHF	591	7.18 (CHF:RMB)	<u>18,272</u>
			<u>\$ 1,200,596</u>

Financial liabilities

Monetary items			
USD	1,003	29.98 (USD:NTD)	\$ 30,087
AUD	762	21.01 (AUD:NTD)	16,006
SGD	520	22.28 (SGD:NTD)	<u>11,586</u>
			<u>\$ 57,679</u>

March 31, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,157	30.82 (USD:NTD)	\$ 251,406
			(Continued)

	Foreign Currencies	Exchange Rate	Carrying Amount
USD	\$ 6,720	6.73 (USD:RMB)	\$ 207,133
EUR	3,001	34.61 (EUR:NTD)	103,848
RMB	1,224	4.58 (RMB:NTD)	5,606
AUD	3,308	21.86 (AUD:NTD)	72,288
CHF	657	6.75 (CHF:RMB)	<u>20,324</u>
			<u>\$ 660,605</u>
<u>Non-monetary items</u>			
CHF	238	6.75 (CHF:RMB)	<u>\$ 7,366</u>
<u>Financial liabilities</u>			
Monetary items			
USD	518	30.82 (USD:NTD)	\$ 15,953
USD	6,000	6.73 (USD:RMB)	<u>184,920</u>
			<u>\$ 200,873</u>
<u>Non-monetary items</u>			
USD	148	1.00 (USD:CHF)	\$ 4,561
EUR	131	1.12 (EUR:CHF)	<u>4,531</u>
			<u>\$ 9,092</u> (Concluded)

The Group is mainly exposed to RMB and USD. The following information was aggregated by the foreign functional currencies of the group entities, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended March 31				
2020			2019	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 4,813	1 (NTD:NTD)	\$ 2,756
RMB	4.26 (RMB:NTD)	2,240	4.56 (RMB:NTD)	(6,117)
CHF	31.38 (CHF:NTD)	(<u>2</u>)	30.94 (CHF:NTD)	<u>13</u>
		<u>\$ 7,051</u>		<u>(\$ 3,348)</u>

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financings provided to others: See Table 1 attached.
- 2) Endorsements/guarantees provided to others: See Table 2 attached.
- 3) Marketable securities held (excluding investments in subsidiaries): See Table 3 attached.

- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 4 attached.
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 5 attached.
 - 9) Trading in derivative instruments: None.
 - 10) Others: Intercompany relationships and significant intercompany transactions: See Table 6 attached.
 - 11) Information on investees (excluding investees of mainland China): See Table 7 attached.
- c. Information on investments in mainland China
- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, ending balance of investment, amount repatriated as dividends from the investee, and the limit of investment on investee: See Table 8 attached.
 - 2) Significant direct or indirect (through a third region) transactions with the investee, its prices and terms of payment, unrealized gain or loss: None.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: See Table 9 attached.

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of corporation. Specifically, the Group's reportable segments were as follows:

- Standard Foods segment - the Company
- Standard Dairy Products segment - Standard Dairy Products
- China Standard segment - Shanghai Standard, China Standard Investment, China Standard Foods, and Xiamen Standard
- Other segments - other than the above corporation

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Standard Foods Segment	Standard Dairy Products Segment	China Standard Segment	Other Segments	Adjustments and Eliminations	Consolidated
<u>For the three months ended March 31,</u>						
<u>2020</u>						
Sales from external customers	\$ 3,152,810	\$ 572,626	\$ 2,552,345	\$ 393,652	\$ -	\$ 6,671,433
Sales among intersegments	<u>299,411</u>	<u>176,374</u>	<u>173</u>	<u>4,292</u>	<u>(480,250)</u>	<u>-</u>
Total sales	<u>\$ 3,451,221</u>	<u>\$ 749,000</u>	<u>\$ 2,552,518</u>	<u>\$ 397,944</u>	<u>(\$ 480,250)</u>	<u>\$ 6,671,433</u>
Interest income	<u>\$ 6,516</u>	<u>\$ 3,060</u>	<u>\$ 21,414</u>	<u>\$ 3,019</u>	<u>(\$ 1,204)</u>	<u>\$ 32,805</u>
Financial cost	<u>\$ 258</u>	<u>\$ -</u>	<u>\$ 12,987</u>	<u>\$ 2,767</u>	<u>(\$ 1,204)</u>	<u>\$ 14,808</u>
Depreciation expense	<u>\$ 56,292</u>	<u>\$ 12,200</u>	<u>\$ 59,318</u>	<u>\$ 20,706</u>	<u>(\$ 893)</u>	<u>\$ 147,623</u>
Amortization expense	<u>\$ 1,804</u>	<u>\$ 507</u>	<u>\$ 9,028</u>	<u>\$ 2,406</u>	<u>\$ -</u>	<u>\$ 13,745</u>
Operating segment income (loss)	<u>\$ 853,285</u>	<u>\$ 119,936</u>	<u>(\$ 191,814)</u>	<u>(\$ 20,163)</u>	<u>\$ 6,064</u>	<u>\$ 767,308</u>
Unallocated amount						<u>-</u>
Income before income tax						<u>\$ 767,308</u>
<u>For the three months ended March 31,</u>						
<u>2019</u>						
Sales from external customers	\$ 3,058,610	\$ 547,356	\$ 3,006,441	\$ 724,759	\$ -	\$ 7,337,166
Sales among intersegments	<u>313,274</u>	<u>208,903</u>	<u>-</u>	<u>1,210</u>	<u>(523,387)</u>	<u>-</u>
Total sales	<u>\$ 3,371,884</u>	<u>\$ 756,259</u>	<u>\$ 3,006,441</u>	<u>\$ 733,353</u>	<u>(\$ 530,771)</u>	<u>\$ 7,337,166</u>
Interest income	<u>\$ 4,490</u>	<u>\$ 1,243</u>	<u>\$ 48,730</u>	<u>\$ 1,732</u>	<u>(\$ 37,209)</u>	<u>\$ 18,986</u>
Financial cost	<u>\$ 347</u>	<u>\$ 9</u>	<u>\$ 44,512</u>	<u>\$ 2,908</u>	<u>(\$ 37,209)</u>	<u>\$ 10,567</u>
Depreciation expense	<u>\$ 51,707</u>	<u>\$ 9,880</u>	<u>\$ 55,679</u>	<u>\$ 14,997</u>	<u>(\$ 1,861)</u>	<u>\$ 130,402</u>
Amortization expense	<u>\$ 2,584</u>	<u>\$ 600</u>	<u>\$ 6,616</u>	<u>\$ 2,249</u>	<u>\$ -</u>	<u>\$ 12,049</u>
Operating segment income (loss)	<u>\$ 842,152</u>	<u>\$ 124,411</u>	<u>\$ 77,244</u>	<u>\$ 229</u>	<u>(\$ 12,514)</u>	<u>\$ 1,031,522</u>
Unallocated amount						<u>-</u>
Income before income tax						<u>\$ 1,031,522</u>

TABLE 1

STANDARD FOODS CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Standard Foods Corporation	Dermalab S.A.	Financing receivables - related parties	Y	\$ 47,070	\$ 47,070	\$ 45,501	1.000%	b	\$ -	Need for operation	\$ -	-	\$ -	\$ 6,671,251 (Note 3)	\$ 6,671,251 (Note 3)	Note 10
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Y	87,664	85,320	85,320	2.500%	b.	-	Need for operation	-	-	-	1,774,299 (Note 4)	1,774,299 (Note 4)	Note 10
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	701,312	682,560	3,438	2.500%	b.	-	Need for operation	-	-	-	1,774,299 (Note 4)	1,774,299 (Note 4)	Note 10
		Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	438,320	426,600	248,768	2.500%	b.	-	Need for operation	-	-	-	1,774,299 (Note 4)	1,774,299 (Note 4)	Note 10
		Shanghai Le Ben Tuo Health Technology Co., Ltd.	Financing receivables - related parties	Y	87,664	85,320	85,030	2.500%	b.	-	Need for operation	-	-	-	1,774,299 (Note 4)	1,774,299 (Note 4)	Note 10
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	635,564	618,570	154,753	2.500%	b.	-	Need for operation	-	-	-	1,198,444 (Note 5)	1,198,444 (Note 5)	Note 10
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	460,236	447,930	447,930	2.500%	b.	-	Need for operation	-	-	-	1,198,444 (Note 5)	1,198,444 (Note 5)	Note 10
3	Shanghai Le Ben Tuo Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	21,916	21,330	-	2.500%	b.	-	Need for operation	-	-	-	84,900 (Note 6)	84,900 (Note 6)	Note 10
4	Shanghai Le Ben De Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	8,766	8,532	-	2.500%	b.	-	Need for operation	-	-	-	11,460 (Note 7)	11,460 (Note 7)	Note 10
5	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	175,328	170,640	21	2.500%	b.	-	Need for operation	-	-	-	203,724 (Note 8)	203,724 (Note 8)	Note 10
6	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	87,664	85,320	201	2.500%	b.	-	Need for operation	-	-	-	127,055 (Note 9)	127,055 (Note 9)	Note 10

(Continued)

Note 1: “0” for the Company, subsidiaries are numbered from “1.”

Note 2: Reasons for financing are as follows:
a. Need for operation.
b. Need for short-term financing.

Note 3: The total amount shall not exceed 40% of net value of Standard Foods Corporation, which was calculated to be \$6,671,251 thousand (the net value per financial statements of \$16,678,127 thousand x 40% as of December 31, 2019).

Note 4: The total amount shall not exceed 40% of net value of Standard Investment (China) Co., Ltd., which was calculated to be \$1,774,299 thousand (the net value per financial statements of \$4,435,747 thousand x 40% as of December 31, 2019).

Note 5: The total amount shall not exceed 40% of net value of Shanghai Standard Foods Co., Ltd., which was calculated to be \$1,198,444 thousand (the net value per financial statements of \$2,996,111 thousand x 40% as of December 31, 2019).

Note 6: The total amount shall not exceed 40% of net value of Shanghai Le Ben Tuo Health Technology Co., Ltd., which was calculated to be \$84,900 thousand (the net value per financial statements of \$212,250 thousand x 40% as of December 31, 2019).

Note 7: The total amount shall not exceed 40% of net value of Shanghai Le Ben De Health Technology Co., Ltd., which was calculated to be \$11,460 thousand (the net value per financial statements of \$28,649 thousand x 40% as of December 31, 2019).

Note 8: The total amount shall not exceed 40% of net value of Shanghai Le Ho Industrial Co., Ltd., which was calculated to be \$203,724 thousand (the net value per financial statements of \$509,309 thousand x 40% as of December 31, 2019).

Note 9: The total amount shall not exceed 40% of net value of Shanghai Le Min Industrial Co., Ltd., which was calculated to be \$127,055 thousand (the net value per financial statements of \$317,638 thousand x 40% as of December 31, 2019).

Note 10: The amount was eliminated upon consolidation.

(Concluded)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount	Guarantee Provided by Parent Company (Note 5)	Guarantee Provided by Subsidiary (Note 5)	Guarantee Provided to Subsidiaries in Mainland China (Note 5)	Note
		Name	Nature of Relationship (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company Limited	b.	\$ 13,342,502 (Note 3)	\$ 151,250	151,125	\$ 35,000	\$ -	0.91%	\$ 16,678,127 (Note 4)	Y	-	-	

Note 1: “0” for the Company, subsidiaries are numbered from “1.”

Note 2: Relationships between the endorsement/guarantee provider and the guaranteed party:

- a. Trading partner.
- b. The Company and subsidiary owns over 50% ownership of the investee company.
- c. A company that directly or indirectly holds more than 50 percent of the voting rights of the Company.
- d. Among companies in which the Company directly or indirectly holds more than 90 percent of the voting rights, and vice versa.
- e. Guaranteed by the companies of construction contracts formed due to the need of construction projects, in which the companies in the same industry provide endorsement/guarantee to one another. .
- f. Investee company. The guarantees were provided by shareholders based on their proportionate share in an investee company.

Note 3: The total amount shall not exceed 80% of the net value in the financial statements of Standard Foods Corporation; the amount was calculated at \$13,342,502 thousand (the net value per financial statements of \$16,678,127 thousand x 80% as of December 31, 2019).

Note 4: The total amount shall not exceed 100% of the net value in the financial statements of Standard Foods Corporation; the amount was calculated at \$16,678,127 thousand (the net value per financial statements of \$16,678,127 thousand x 100% as of December 31, 2019).

Note 5: Guarantee provided by the listed parent company to a subsidiary, guarantee provided by the subsidiary to the listed parent company, and guarantee provided to subsidiaries in mainland China are coded “Y.”

TABLE 3

STANDARD FOODS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2020
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Foods Corporation	<u>Shares</u> Far Eastern International Commercial Bank Co., Ltd.	The Company is one of the directors	Financial assets at fair value through other comprehensive income - current	1,379,027	\$ 13,859	-	\$ 13,859	
	Chunghwa Telecom Co., Ltd.		Financial assets at fair value through other comprehensive income - current	48,600	5,224	-	5,224	
	GeneFerm Biotechnology Co., Ltd.		Financial assets at fair value through other comprehensive income - non-current	2,145,110	40,757	7.8	40,757	
	Dah Chung Bills Finance Corp.		Financial assets at fair value through other comprehensive income - non-current	1,243,213	13,004	0.3	13,004	
	<u>Mutual funds</u> Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	18,063,595	245,715	-	245,715	
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	37,439,805	557,789	-	557,789	
	Mega Diamond Money Market		Financial assets at fair value through profit or loss - current	22,803,414	287,515	-	287,515	
	CTBC Hwa-Win Money Market Fund		Financial assets at fair value through profit or loss - current	5,237,015	58,007	-	58,007	
	FSITC Taiwan Money Market Fund		Financial assets at fair value through profit or loss - current	10,858,478	167,048	-	167,048	
	Walden VC 2, L.P.		Financial assets at fair value through profit or loss - non-current	Note 1	-	1.9	-	
	<u>Bonds</u> CODEIS Smart Cash Note		Financial assets at fair value through profit or loss - current	10,000	30,790	-	30,790	
	<u>Shares</u> Techgains Pan-Pacific Corporation		Financial assets at fair value through profit or loss - non-current	500,000	-	0.9	-	
	Authenex, Inc.		Financial assets at fair value through profit or loss - non-current	2,424,242	-	5.5	-	
	Global Strategic Investment Co., Ltd.		Financial assets at fair value through profit or loss - non-current	850,500	3,618	1.9	3,618	
	Paradigm Venture Capital Corporation		Financial assets at fair value through profit or loss - non-current	180,376	1,710	7.0	1,710	
	U-Teck Environment Corporation, Ltd.		Financial assets at fair value through profit or loss - non-current	11,200	-	0.2	-	

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2020				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Dairy Products Taiwan Limited	<u>Shares</u> Octamer, Inc. - Series E Preferred Stock		Financial assets at fair value through profit or loss - non-current	800,000	\$ -	7.8	\$ -	
	Octamer, Inc. - Series F Preferred Stock		Financial assets at fair value through profit or loss - non-current	107,815	-	1.0	-	
	Fortemedia, Inc. - Series D Preferred Stock		Financial assets at fair value through profit or loss - non-current	3,455	-	1.2	-	
	Fortemedia, Inc. - Series E Preferred Stock		Financial assets at fair value through profit or loss - non-current	71,397	-	1.2	-	
	Fortemedia, Inc. - Series F Preferred Stock		Financial assets at fair value through profit or loss - non-current	29,173	-	1.2	-	
	Fortemedia, Inc. - Series G Preferred Stock		Financial assets at fair value through profit or loss - non-current	31,135	-	1.3	-	
	Fortemedia, Inc. - Series I Preferred Stock		Financial assets at fair value through profit or loss - non-current	29,102	-	1.3	-	
	Fortemedia, Inc. - Series - Common Stock		Financial assets at fair value through profit or loss - non-current	12,938	-	1.2	-	
	<u>Mutual funds</u> FSITC Taiwan Money Market Fund		Financial assets at fair value through profit or loss - current	3,376,501	51,944	-	51,944	
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	3,383,784	50,413	-	50,413	
Charng Hui Ltd.	<u>Shares</u> Standard Foods Corporation	Parent of Charng Hui Ltd.	Financial assets at fair value through other comprehensive income - current	6,669,471	406,838	0.7	406,838	Note 2
	Formosa Plastics Corporation	Charng Hui Ltd. is one of the directors	Financial assets at fair value through other comprehensive income - current	91,440	6,867	-	6,867	
	China Steel Corporation		Financial assets at fair value through other comprehensive income - current	803,258	15,222	-	15,222	
	Polytronics Technology Corp.		Financial assets at fair value through other comprehensive income - current	1,596,000	88,259	2.0	88,259	
	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at fair value through other comprehensive income - current	90,000	24,660	-	24,660	
	<u>Mutual funds</u> Fuh Hwa Global Strategic Allocation FoF		Financial assets at fair value through profit or loss - current	1,000,000	9,640	-	9,640	
	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds-Accu.		Financial assets at fair value through profit or loss - current	1,453,360	16,932	-	16,932	
	<u>Shares</u> Hong Da Leasing & Finance Co., Ltd.		Financial assets at fair value through profit or loss - non-current	8,297,000	-	23.7	-	
	CNEX Co., Ltd.	Charng Hui Ltd. is one of the directors	Financial assets at fair value through profit or loss - non-current	1,000,000	-	6.0	-	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value (Note 2)	
Standard Beverage Company Limited	<u>Mutual funds</u> Fuh Hwa Greater China Mid & Small Cap		Financial assets at fair value through profit or loss - current	225,000	\$ 2,102	-	\$ 2,102	
	Franklin Templeton SinoAm Global Bd Acc		Financial assets at fair value through profit or loss - current	282,988	3,297	-	3,297	
Domex Technology Corporation	<u>Shares</u> InnoComm Mobile Technology Corp.		Financial assets at fair value through other comprehensive income - non-current	3,600,000	83,304	13.4	83,304	
Accession Limited	<u>Shares</u> AsiaVest Liquidation Co.		Financial assets at fair value through other comprehensive income - non-current	200	941	0.7	941	

Note 1: No number of units of the Fund.

Note 2: The amount was eliminated upon consolidation.

(Concluded)

TABLE 4

STANDARD FOODS CORPORATION AND SUBSIDIARIES

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Standard Foods Corporation	Standard Dairy Products Taiwan Limited	The Company's subsidiary	Sales	\$ (299,411)	8.67	55 days after month end closing (net of receivables and payables)	-	-	\$ 146,609	6.90	Note
			Purchases	176,374	10.51	55 days after month end closing (net of receivables and payables)	-	-	-	-	Note
Standard Dairy Products Taiwan Limited	Standard Foods Corporation	Parent company of Standard Dairy Products Taiwan Limited	Purchases	299,411	58.11	55 days after month end closing (net of receivables and payables)	-	-	(146,609)	47.21	Note
			Sales	(176,374)	23.55	55 days after month end closing (net of receivables and payables)	-	-	-	-	Note
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Sales	(304,046)	77.32	60 days after month-end closing	-	-	186,013	99.35	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	304,046	16.36	60 days after month-end closing	-	-	(186,013)	12.92	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(886,143)	99.35	60 days after month-end closing	-	-	518,420	98.96	Note
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	886,143	47.60	60 days after month-end closing	-	-	(518,420)	35.99	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.'s subsidiary	Sales	(666,649)	79.37	60 days after month-end closing	-	-	326,907	100.00	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	666,649	35.81	60 days after month-end closing	-	-	(326,907)	22.70	Note

Note: The amounts presented above were eliminated upon consolidation.

TABLE 5

STANDARD FOODS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2020
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Ending Balance for Account Receivable - Related Parties		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	Note
						Amount	Actions Taken			
Standard Foods Corporation	Standard Dairy Products Taiwan Limited	The Company’s subsidiary	Trade receivables	\$ 146,609	8.31	\$ -		\$ 28,216 (Note 1)	\$ -	Note 2
			Other receivables	396,457		-		2,297 (Note 1)	-	
				<u>\$ 543,066</u>		<u>\$ -</u>		<u>\$ 30,513</u> (Note 1)	<u>\$ -</u>	
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivables	\$ 186,013	3.59	\$ -		\$ 39,744 (Note 1)	\$ -	Note 2
			Financing receivables	154,753		-		- (Note 1)	-	
			Other receivables	49,416		-		5,721 (Note 1)	-	
				<u>\$ 390,182</u>		<u>\$ -</u>		<u>\$ 45,465</u> (Note 1)	<u>\$ -</u>	
Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Financing receivables	\$ 447,930	1.26	\$ -		\$ - (Note 1)	\$ -	Note 2
			Other receivables	9,332		-		- (Note 1)	-	
				<u>\$ 457,262</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Trade receivables	\$ 518,420	3.25	\$ -		\$ 176,647 (Note 1)	\$ -	Note 2
			Other receivables	8,087		-		4,889 (Note 1)	-	
				<u>\$ 526,507</u>		<u>\$ -</u>		<u>\$ 181,536</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.’s subsidiary	Trade receivables	\$ 43	12.29	\$ -		\$ 30 (Note 1)	\$ -	Note 2
			Financing receivables	248,768		-		- (Note 1)	-	
			Other receivables	16,260		-		- (Note 1)	-	
				<u>\$ 265,071</u>		<u>\$ -</u>		<u>\$ 30</u>	<u>\$ -</u>	
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables	\$ 326,907	3.74	\$ -		\$ 119,237 (Note 1)	\$ -	Note 2
				<u>\$ 326,907</u>		<u>\$ -</u>		<u>\$ 119,237</u>	<u>\$ -</u>	

Note 1: Amounts received before May 6, 2020.

Note 2: The amounts presented above were eliminated upon consolidation.

TABLE 6

STANDARD FOODS CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Total Sales or Assets (Note 3)
0	Standard Foods Corporation	Standard Dairy Products Taiwan Limited	a.	Trade receivables - related parties	\$ 146,609	According to the general conditions	0.6
		Standard Dairy Products Taiwan Limited	a.	Other receivables - related parties	396,457	According to the general conditions	1.5
		Standard Dairy Products Taiwan Limited	a.	Sales	299,411	According to the general conditions	4.5
		Standard Dairy Products Taiwan Limited	a.	Purchases	176,374	According to the general conditions	2.6
		Standard Dairy Products Taiwan Limited	a.	Royalty revenue	1,861	According to the general conditions	-
		Standard Beverage Company Limited	a.	Other receivables - related parties	116	According to the general conditions	-
		Standard Beverage Company Limited	a.	Service revenue	330	According to the general conditions	-
		Dermalab	a.	Financing receivables - related parties	45,501	Interest rate 1.000%	0.2
1	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	c.	Trade payables - related parties	43,685	According to the general conditions	0.2
		Standard Investment (China) Co., Ltd.	c.	Other payables - related parties	48,105	According to the general conditions	0.2
		Standard Investment (China) Co., Ltd.	c.	Sales	304,046	According to the general conditions	4.6
		Standard Investment (China) Co., Ltd.	c.	Purchases	59,537	According to the general conditions	0.9
		Standard Investment (China) Co., Ltd.	c.	Trade receivables - related parties	186,013	According to the general conditions	0.7
		Standard Investment (China) Co., Ltd.	c.	Other receivables - related parties	49,416	According to the general conditions	0.2
		Standard Investment (China) Co., Ltd.	c.	Financing receivables - related parties	154,753	Interest rate 2.500%	0.6
		Standard Investment (China) Co., Ltd.	c.	Other expenses	70	According to the general conditions	-
		Standard Investment (China) Co., Ltd.	c.	Interest income	608	Interest rate 2.500%	-
		Standard Investment (China) Co., Ltd.	c.	Research and development expenses	2,583	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	c.	Sales	2,170	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	c.	Purchases	4,779	According to the general conditions	0.1
		Standard Foods (China) Co., Ltd.	c.	Trade receivables - related parties	1,235	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	c.	Other receivables - related parties	613	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	c.	Trade payables - related parties	5,140	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c.	Sales	1,050	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c.	Financing receivables - related parties	447,930	Interest rate 2.500%	1.7
		Standard Foods (Xiamen) Co., Ltd.	c.	Other receivables - related parties	9,332	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c.	Interest income	2,863	Interest rate 2.500%	-
2	Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	a.	Trade receivables - related parties	43	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	a.	Other receivables - related parties	16,260	According to the general conditions	0.1
		Standard Foods (China) Co., Ltd.	a.	Trade payables - related parties	518,420	According to the general conditions	2.0
		Standard Foods (China) Co., Ltd.	a.	Other payables - related parties	8,087	According to the general conditions	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Total Sales or Assets (Note 3)
2	Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	a.	Sales	\$ 209	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	a.	Purchases	886,143	According to the general conditions	13.3
		Standard Foods (China) Co., Ltd.	a.	Rental expenses	24	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	a.	Financing receivables - related parties	248,768	Interest rate 2.500%	1.0
		Standard Foods (China) Co., Ltd.	a.	Other revenue	2,214	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	a.	Interest income	820	Interest rate 2.500%	-
		Shanghai Dermalab Corporation	a.	Other receivables - related parties	2,159	According to the general conditions	-
		Shanghai Dermalab Corporation	a.	Advance payable	6,194	According to the general conditions	-
		Shanghai Dermalab Corporation	a.	Expense	9	According to the general conditions	-
		Shanghai Dermalab Corporation	a.	Financing receivables - related parties	85,320	Interest rate 2.500%	0.3
		Shanghai Dermalab Corporation	a.	Interest income	646	Interest rate 2.500%	-
		Standard Foods (Xiamen) Co., Ltd.	a.	Trade receivables - related parties	13	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	a.	Other receivables - related parties	24,479	According to the general conditions	0.1
		Standard Foods (Xiamen) Co., Ltd.	a.	Trade payables - related parties	326,907	According to the general conditions	1.3
		Standard Foods (Xiamen) Co., Ltd.	a.	Sales	198	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	a.	Purchases	666,649	According to the general conditions	10.0
		Standard Foods (Xiamen) Co., Ltd.	a.	Financing receivables - related parties	3,438	Interest rate 2.500%	-
		Standard Foods (Xiamen) Co., Ltd.	a.	Other revenue	2,583	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	a.	Interest income	3,436	Interest rate 2.500%	0.1
		Shanghai Le Ben Tuo Co., Ltd.	a.	Financing receivables - related parties	85,030	Interest rate 2.500%	0.3
		Shanghai Le Ben Tuo Co., Ltd.	a.	Trade payables - related parties	588	According to the general conditions	-
		Shanghai Le Ben Tuo Co., Ltd.	a.	Other receivables - related parties	568	According to the general conditions	-
		Shanghai Le Ben Tuo Co., Ltd.	a.	Purchases	3,214	According to the general conditions	-
		Shanghai Le Ben Tuo Co., Ltd.	a.	Sales	7	According to the general conditions	-
		Shanghai Le Ben Tuo Co., Ltd.	a.	Interest income	544	Interest rate 2.500%	-
		Shanghai Le Ho Industrial Co., Ltd.	c.	Other payables - related parties	74	According to the general conditions	-
		Shanghai Le Ho Industrial Co., Ltd.	c.	Financing payables - related parties	21	Interest rate 2.500%	-
		Shanghai Le Ho Industrial Co., Ltd.	c.	Interest expenses	7	Interest rate 2.500%	-
		Shanghai Le Min Industrial Co., Ltd.	c.	Other payables - related parties	100	According to the general conditions	-
		Shanghai Le Min Industrial Co., Ltd.	c.	Financing payables - related parties	201	Interest rate 2.500%	-
		Shanghai Le Min Industrial Co., Ltd.	c.	Interest expenses	7	Interest rate 2.500%	-
		Shanghai Le Ben De Co., Ltd.	c.	Purchases	1,070	According to the general conditions	-
		Shanghai Le Ben De Co., Ltd.	c.	Trade payables - related parties	1,195	According to the general conditions	-
3	Shanghai Dermalab Corporation	Dermalab	c.	Purchases	7,730	According to the general conditions	0.1
		Dermalab	c.	Trade payables - related parties	8,434	According to the general conditions	-
4	Standard Foods (China) Co., Ltd.	Shanghai Le Ben Tuo Co., Ltd.	c.	Other receivables - related parties	997	According to the general conditions	-
		Shanghai Le Ben Tuo Co., Ltd.	c.	Trade receivables - related parties	185	According to the general conditions	-
		Shanghai Le Ben Tuo Co., Ltd.	c.	Rental revenue	892	According to the general conditions	-
		Shanghai Le Ben Tuo Co., Ltd.	c.	Other expense	1,034	According to the general conditions	-
		Shanghai Le Ben Tuo Co., Ltd.	c.	Sales	166	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c.	Trade receivables - related parties	5	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c.	Sales	8	According to the general conditions	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Total Sales or Assets (Note 3)
5	Shanghai Le Ben Tuo Co., Ltd.	Shanghai Le Ben De Co., Ltd. Shanghai Le Ben De Co., Ltd.	c. c.	Sales	\$ 1,062	According to the general conditions	-
				Trade receivables - related parties	2,194	According to the general conditions	-

Note 1: The parent company and its subsidiaries do business with each other. Information shall be stated separately and numbered as follows:

- a. Parent company is 0.
- b. Subsidiaries, sequentially numbered by Arabic numerals from 1.

Note 2: The related parties have the following three relationships:

- a. Parent company to its subsidiaries.
- b. Subsidiaries to its parent company.
- c. Subsidiaries to subsidiaries.

Note 3: The transaction amounts are calculated as percentage of consolidated revenue or total assets; balance sheet accounts are calculated as percentage of consolidated total assets; amounts of income statement accounts are calculated as percentage of consolidated total revenues.

Note 4: The amount was eliminated upon consolidation.

(Concluded)

TABLE 7

STANDARD FOODS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				March 31, 2020	December 31, 2019	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Limited	Tortola, British Virgin Islands	Investment business	\$ 3,936,267	\$ 3,936,267	123,600,000	100	\$ 3,388,960	\$ 28,585	\$ 28,395 (Note 1)	Subsidiary (Note 5)
	Standard Investment (Cayman) Limited	Grand Cayman, Cayman Islands	Investment business	4,710,865	4,710,865	150,124,815	100	4,953,206	(231,664)	(231,664)	Subsidiary (Note 5)
	Standard Dairy Products Taiwan Limited	Taipei, Taiwan	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100	703,553	95,978	97,588 (Note 2)	Subsidiary (Note 5)
	Charng Hui Ltd.	Taipei, Taiwan	Investment business	230,000	230,000	24,100,000	100	256,409	(4,193)	(4,193)	Subsidiary (Note 5)
	Domex Technology Corporation	Hsinchu, Taiwan	Manufacture and sale of computer peripherals and computer and information products	114,116	114,116	10,374,399	52	235,643	593	309	Subsidiary (Note 5)
	Standard Beverage Company Limited	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100	82,286	(64)	(56) (Note 3)	Subsidiary (Note 5)
	Le Bonta Wellness International Corporation	Yilan, Taiwan	Sale of health foods	14,350	14,350	Note 4	100	8,759	(23)	(23)	Subsidiary (Note 5)
Accession Limited	Dermalab S.A.	Switzerland	Development and sale of cosmetics	266,587	266,587	2,600	100	181,803	5,573		Indirect subsidiary (Note 5)
Dermalab S.A.	Swissderma SL	Spain	Sale of cosmetics	96	96	3,000	100	-	-		Indirect subsidiary (Note 5)
Standard Investment (Cayman) Limited	Standard Corporation (Hong Kong) Limited	Hong Kong	Investment business	4,708,566	4,708,566	150,050,815	100	4,952,430	(231,605)		Indirect subsidiary (Note 5)

Note 1: This amount was the share of profit of the investee of \$28,585 thousand minus the unrealized gain on sidestream transactions of \$190 thousand.

Note 2: This amount was the share of profit of the investee of \$95,978 thousand plus the realized gain on sidestream transactions of \$1,610 thousand.

Note 3: This amount was the share of loss of the investee of \$64 thousand plus the unrealized gain on upstream transactions of \$8 thousand.

Note 4: This is a limited company with no issued shares.

Note 5: The amount was eliminated upon consolidation.

TABLE 8

STANDARD FOODS CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE MONTHS ENDED MARCH 31, 2020
(In Thousands of New Taiwan Dollars)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2020	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2020	Accumulated Repatriation of Investment Income as of March 31, 2020	Note
					Outward	Inward							
Shanghai Standard Foods Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	\$ 3,949,575	b. (Note 3)	\$ 3,949,575 (Note 4)	\$ -	\$ -	\$ 3,949,575 (Note 4)	\$ 23,424	100.0	\$ 23,318 (Note 9)	\$ 2,993,591	\$ -	Note 12
Standard Investment (China) Co., Ltd.	Investment and sales of edible oil products and nutritional foods	3,755,530	b. (Note 5)	3,718,677 (Note 5)	-	-	3,718,677 (Note 5)	(228,391)	99.0	(226,107) (Note 9)	4,136,104	-	Note 12
Standard Foods (China) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,631,668	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	(64,261)	99.0	(61,569) (Note 9)	1,759,855	-	Note 12
Shanghai Dermalab Corporation	Sale of nutritional foods, cosmetics and international trading	93,989	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	(13,320)	99.0	(13,187) (Note 10)	12,186	-	Note 12
Shanghai Le Ben Tuo Health Technology Co., Ltd.	Sale of nutritional foods and international trading	380,418	a. and c. (Note 7)	181,048 (Note 7)	-	-	181,048 (Note 7)	(2,896)	99.5	(2,882) (Note 10)	206,798	-	Note 12
Shanghai Le Ben De Health Technology Co., Ltd.	Sale of nutritional foods and international trading	31,220	c. (Note 4 and 8)	31,220 (Note 4)	-	-	31,220 (Note 4)	144	100.0	144 (Note 10)	28,581	-	Note 12
Standard Foods (Xiamen) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,307,582	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	(46,694)	99.0	(43,641) (Note 10)	1,276,155	-	Note 12
Shanghai Le Ho Industrial Co., Ltd.	Property management	607,717	b. (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(3,563)	100.0	(3,563) (Note 10)	502,060	-	Note 12
Shanghai Le Min Industrial Co., Ltd.	Property management	378,009	b. (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(1,905)	100.0	(1,905) (Note 10)	313,431	-	Note 12

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$8,919,525	\$8,919,525	Unlimited amount of investment (Note 11)

Note 1: The methods for engaging in investment in mainland China include the following:
a. Direct investment in mainland China.
b. Indirect investment in mainland China through companies registered in a third region.
c. Other methods.

(Continued)

- Note 2: For the investment income (loss) recognized in the current period:
- a. There was no investment income (loss) recognized due to the investment still being in the development stage.
 - b. The investment income (loss) was determined based on the following basis:
 - 1) The financial report was audited and certified by an international accounting firm in cooperation with an ROC accounting firm.
 - 2) The financial statements audited by the CPA of the parent company in Taiwan.
 - 3) Others.
- Note 3: Accession Limited is the investor company in third region.
- Note 4: There was no difference between the beginning balance and the ending balance of the accumulated amount invested from Taiwan for the months ended March 31, 2020; the investment remained at \$4,034,074 thousand. Of the \$4,034,074 thousand, \$53,279 thousand has been retained in Accession Limited. The remaining balance of thereof, amounting to \$3,980,795 thousand, was originally the outward remittance of the investment of Shanghai Standard Foods Co., Ltd. in 2015. However, as of July 2015, of the \$3,980,795 thousand, \$31,220 thousand was invested in Shanghai Le Ben De Health Technology Co., Ltd. by Shanghai Standard Foods Co., Ltd. In aggregate, the outward remittance of the investments of Shanghai Standard Foods Co., Ltd. and Shanghai Le Ben De Health Technology Co., Ltd. was \$3,949,575 thousand and \$31,220 thousand, respectively.
- Note 5: Standard Corporation (Hong Kong) Limited is the investor company in third region.
- Note 6: The company in mainland China was reinvested through a company registered in mainland China, namely Standard Investment (China) Co., Ltd.
- Note 7: The company in mainland China was invested directly by Standard Foods Corporation and was reinvested through a company registered in mainland China, namely Standard Investment (China) Co., Ltd. The amount invested directly was \$181,048 thousand.
- Note 8: This company was spun off from Shanghai Standard Foods Co., Ltd; Accession Limited is the investor company in third region.
- Note 9: The basis for recognition of investment profit and loss is Note 2.b.Item 3) is based on the financial statements of the investee reviewed by CPAs of the parent company in Taiwan during the same period.
- Note 10: The basis for recognition of investment profit and loss is Note 2.b.Item 3) is based on the financial statements of the investee that have not been reviewed by any CPA during the same period.
- Note 11: The Industrial Development Bureau of the MOEA issued the proofing document of operational headquarters to the Company; the document is still valid within the audit period. Hence, according to the Investment Commission of the MOEA, there is no upper limit on the amount of investment.
- Note 12: The amount was eliminated upon consolidation.

(Concluded)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2020

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Mu Te Investment Co., Ltd. Trust Property Account	157,008,400	17.15
Chia Yun Investment Co., Ltd. Trust Property Account	133,125,408	14.54
Chia Chieh Investment Co., Ltd. Trust Property Account	108,503,160	11.85

- Note 1: The substantial shareholders in this table are shareholders holding more than 5% of the common and preference shares that have completed delivery of non-physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial report and the number of shares actually delivered by the company without physical registration may differ due to calculation basis.
- Note 2: If the above shares are entrusted by the shareholders, the information thereto shall be based on the shares disclosed by the individual trust account of opened by the trustees. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.