

Standard Foods Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report For the Nine Months Ended September 30, 2020 and 2019

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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 September 30, 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

November 12, 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 September 30, 2020 and 2019 and the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, 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 issues 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 September 30, 2020 and 2019, combined total assets of these non-significant subsidiaries were NT\$8,467,405 thousand and NT\$7,250,016 thousand, respectively, representing 33% and 31%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$3,291,028 thousand and NT\$2,524,844 thousand, respectively, representing 40% and 34%, respectively, of the consolidated total liabilities; for the three-month periods ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the amounts of combined comprehensive income of these subsidiaries were NT\$208,390 thousand, NT\$226,479 thousand, NT\$359,818 thousand and NT\$523,222 thousand, respectively, representing 18%, 26%, 14% and 22%, 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 consolidated financial position of the Group as of September 30, 2020 and 2019, its consolidated financial performance for the three months ended September 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2020 and 2019 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 Zhi-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 12, 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
September 30, 2020, December 31, 2019, and September 30, 2019

(In Thousands of New Taiwan Dollars)

Code	Assets	September 30, 2020 (Reviewed)		December 31, 2019 (Audited)		September 30, 2019 (Reviewed)	
		Amount	%	Amount	%	Amount	%
	CURRENT ASSETS						
1100	Cash and cash equivalents (Note 6)	\$ 2,701,347	11	\$ 3,705,903	15	\$ 2,897,342	12
1110	Financial assets at fair value through profit or loss - current (Note 7)	709,982	3	667,673	3	300,399	1
1120	Financial assets at fair value through other comprehensive income - current (Note 8)	210,557	1	186,711	1	180,950	1
1136	Financial assets at amortized cost - current (Note 9)	2,428,864	10	2,206,805	9	2,101,491	9
1150	Notes receivable (Notes 10 and 25)	15,566	-	2,977	-	8,812	-
1172	Trade receivables (Notes 10 and 25)	6,134,100	24	6,439,550	25	5,679,370	24
1180	Trade receivables from related parties (Notes 33)	9,088	-	-	-	-	-
1197	Finance lease receivables - current (Note 11)	2,881	-	2,775	-	2,741	-
1200	Other receivables (Note 10)	269,746	1	193,083	1	240,400	1
1220	Current tax assets	841	-	46,114	-	5,879	-
130X	Inventories (Note 12)	4,792,340	19	3,646,984	14	3,831,988	16
1410	Prepayments (Note 13)	1,286,297	5	1,385,226	5	1,165,250	6
1470	Other current assets (Notes 19 and 34)	57,213	-	29,384	-	21,140	-
11XX	Total current assets	<u>18,618,822</u>	<u>74</u>	<u>18,513,185</u>	<u>73</u>	<u>16,435,762</u>	<u>70</u>
	NON-CURRENT ASSETS						
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	6,239	-	7,575	-	8,433	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	205,078	1	189,695	1	198,647	1
1600	Property, plant and equipment (Notes 15 and 34)	4,211,020	16	5,125,312	20	5,249,687	22
1755	Right-of-use assets (Note 16)	637,600	3	699,679	3	728,733	3
1760	Investment properties (Notes 17 and 34)	838,638	3	122,492	-	127,682	1
1805	Goodwill	817	-	818	-	817	-
1821	Other intangible assets (Note 18)	104,322	-	67,269	-	68,539	-
1840	Deferred tax assets	458,809	2	473,398	2	423,556	2
194D	Finance lease receivables - non-current (Note 11)	24,774	-	26,948	-	27,655	-
1975	Net defined benefit assets - non-current	3,430	-	919	-	4,616	-
1990	Other non-current assets (Notes 19 and 34)	188,130	1	260,975	1	254,866	1
15XX	Total non-current assets	<u>6,678,857</u>	<u>26</u>	<u>6,975,080</u>	<u>27</u>	<u>7,093,231</u>	<u>30</u>
1XXX	TOTAL	<u>\$ 25,297,679</u>	<u>100</u>	<u>\$ 25,488,265</u>	<u>100</u>	<u>\$ 23,528,993</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	CURRENT LIABILITIES						
2100	Short-term borrowings (Notes 20 and 34)	\$ 1,277,117	5	\$ 1,382,955	6	\$ 943,373	4
2110	Short-term bills payable (Note 20)	149,832	1	99,968	1	89,895	-
2130	Contract liabilities - current (Note 25)	245,792	1	326,644	1	241,974	1
2150	Notes payable (Note 21)	371,043	1	316,444	1	307,077	1
2170	Trade payables (Note 21)	1,973,379	8	2,014,619	8	1,756,209	8
2180	Trade payables to related parties (Note 33)	11,452	-	26,141	-	10,263	-
2200	Other payables (Note 22)	2,894,867	12	2,850,674	11	2,782,436	12
2230	Current tax liabilities	281,409	1	547,018	2	368,660	2
2280	Lease liabilities - current (Note 16)	80,170	-	83,119	-	79,002	-
2320	Current portion of long-term borrowings (Notes 20 and 34)	-	-	6,000	-	12,000	-
2399	Other current liabilities (Note 22)	100,512	-	28,501	-	31,906	-
21XX	Total current liabilities	<u>7,385,573</u>	<u>29</u>	<u>7,682,083</u>	<u>30</u>	<u>6,622,795</u>	<u>28</u>
	NON-CURRENT LIABILITIES						
2570	Deferred tax liabilities	336,088	1	268,813	1	196,350	1
2580	Lease liabilities - non-current (Note 16)	210,817	1	264,496	1	281,404	1
2640	Net defined benefit liabilities - non-current	256,008	1	299,204	2	266,019	1
2670	Other non-current liabilities (Note 22)	24,196	-	22,978	-	23,186	-
25XX	Total non-current liabilities	<u>827,109</u>	<u>3</u>	<u>855,491</u>	<u>4</u>	<u>766,959</u>	<u>3</u>
2XXX	Total liabilities	<u>8,212,682</u>	<u>32</u>	<u>8,537,574</u>	<u>34</u>	<u>7,389,754</u>	<u>31</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
3110	Ordinary shares	9,150,897	36	9,150,897	36	9,150,897	39
3200	Capital surplus	127,392	1	109,718	-	109,718	-
	Retained earnings						
3310	Legal reserve	3,287,022	13	2,945,412	11	2,945,412	13
3320	Special reserve	577,494	2	330,945	1	330,945	2
3350	Unappropriated earnings	4,263,521	17	4,739,831	19	3,791,009	16
3300	Total retained earnings	8,128,037	32	8,016,188	31	7,067,366	31
3400	Other equity	(591,693)	(2)	(577,494)	(2)	(429,624)	(2)
3500	Treasury shares	(21,182)	-	(21,182)	-	(21,182)	-
31XX	Total equity attributable to owners of the Company	<u>16,793,451</u>	<u>67</u>	<u>16,678,127</u>	<u>65</u>	<u>15,877,175</u>	<u>68</u>
36XX	NON-CONTROLLING INTERESTS (Note 24)	291,546	1	272,564	1	262,064	1
3XXX	Total equity	<u>17,084,997</u>	<u>68</u>	<u>16,950,691</u>	<u>66</u>	<u>16,139,239</u>	<u>69</u>
	Total liabilities and equity	<u>\$ 25,297,679</u>	<u>100</u>	<u>\$ 25,488,265</u>	<u>100</u>	<u>\$ 23,528,993</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Independent Auditors' Report of Deloitte & Touche on November 12, 2020.)

Standard Foods Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Three-month and Nine-month Periods Ended September 30, 2020 and 2019

(Reviewed, not Audited)

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

Code		July 1, 2020 to September 30, 2020		July 1, 2019 to September 30, 2019		January 1, 2020 to September 30, 2020		January 1, 2019 to September 30, 2019	
		Amount	%	Amount	%	Amount	%	Amount	%
4110	OPERATING REVENUE Sales (Note 25 and 33)	\$ 9,600,461	100	\$ 7,997,276	100	\$ 24,224,530	100	\$ 21,404,896	100
5110	OPERATING COSTS Cost of goods sold (Note 12, 23, 26, and 33)	<u>6,800,345</u>	<u>71</u>	<u>5,355,204</u>	<u>66</u>	<u>17,063,107</u>	<u>70</u>	<u>14,674,715</u>	<u>68</u>
5900	GROSS PROFIT	<u>2,800,116</u>	<u>29</u>	<u>2,642,072</u>	<u>34</u>	<u>7,161,423</u>	<u>30</u>	<u>6,730,181</u>	<u>32</u>
6100	OPERATING EXPENSES (Note 23 and 26) Selling and marketing expenses	1,231,506	13	1,048,898	12	3,029,318	13	2,772,612	13
6200	General and administrative expenses	274,235	3	262,515	3	775,043	3	783,366	4
6300	Research and development expenses	39,885	-	40,500	1	111,631	-	112,766	1
6450	Expected credit impairment loss (gain)	<u>630</u>	<u>-</u>	<u>(23,159)</u>	<u>-</u>	<u>8,734</u>	<u>-</u>	<u>10,591</u>	<u>-</u>
6000	Total operating expenses	<u>1,546,256</u>	<u>16</u>	<u>1,328,754</u>	<u>16</u>	<u>3,924,726</u>	<u>16</u>	<u>3,679,335</u>	<u>18</u>
6900	OPERATING INCOME	<u>1,253,860</u>	<u>13</u>	<u>1,313,318</u>	<u>18</u>	<u>3,236,697</u>	<u>14</u>	<u>3,050,846</u>	<u>14</u>
7100	NON-OPERATING INCOME AND EXPENSES (Note 26) Interest income	24,366	-	21,988	-	91,312	-	53,909	-
7010	Other income	9,414	-	16,795	-	31,655	-	28,359	-
7020	Other gains and losses	41,011	-	71,309	1	75,456	-	120,164	1
7050	Financial cost	<u>(9,224)</u>	<u>-</u>	<u>(12,402)</u>	<u>-</u>	<u>(40,541)</u>	<u>-</u>	<u>(33,804)</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>65,567</u>	<u>-</u>	<u>97,690</u>	<u>1</u>	<u>157,882</u>	<u>-</u>	<u>168,628</u>	<u>1</u>
7900	Income before income tax	1,319,427	13	1,411,008	19	3,394,579	14	3,219,474	15
7950	INCOME TAX EXPENSE (Note 27)	<u>350,727</u>	<u>3</u>	<u>360,125</u>	<u>6</u>	<u>832,812</u>	<u>3</u>	<u>753,327</u>	<u>4</u>
8200	Net profit for the period	<u>968,700</u>	<u>10</u>	<u>1,050,883</u>	<u>13</u>	<u>2,561,767</u>	<u>11</u>	<u>2,466,147</u>	<u>11</u>
8310	OTHER COMPREHENSIVE INCOME (LOSS) Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	54,205	-	33,187	-	39,236	-	57,926	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	<u>6</u>	<u>-</u>	<u>(5)</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
		<u>54,211</u>	<u>-</u>	<u>33,182</u>	<u>-</u>	<u>39,239</u>	<u>-</u>	<u>57,925</u>	<u>1</u>
8360	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange difference on translating the financial statements of foreign operation	183,429	2	(252,488)	(3)	(44,257)	-	(170,883)	(1)
8399	Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	<u>(36,497)</u>	<u>-</u>	<u>50,252</u>	<u>1</u>	<u>8,802</u>	<u>-</u>	<u>34,006</u>	<u>-</u>
		<u>146,932</u>	<u>2</u>	<u>(202,236)</u>	<u>(2)</u>	<u>(35,455)</u>	<u>-</u>	<u>(136,877)</u>	<u>(1)</u>
8300	Other comprehensive loss for the period, net of income tax	<u>201,143</u>	<u>2</u>	<u>(169,054)</u>	<u>(2)</u>	<u>3,784</u>	<u>-</u>	<u>(78,952)</u>	<u>-</u>
8500	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 1,169,843</u>	<u>12</u>	<u>\$ 881,829</u>	<u>11</u>	<u>\$ 2,565,551</u>	<u>11</u>	<u>\$ 2,387,195</u>	<u>11</u>
8610	NET PROFIT ATTRIBUTABLE TO: Owners of the Company	\$ 951,165	10	\$ 1,040,184	13	\$ 2,536,836	11	\$ 2,439,979	11
8620	Non-controlling Interests	<u>17,535</u>	<u>-</u>	<u>10,699</u>	<u>-</u>	<u>24,931</u>	<u>-</u>	<u>26,168</u>	<u>-</u>
8600		<u>\$ 968,700</u>	<u>10</u>	<u>\$ 1,050,883</u>	<u>13</u>	<u>\$ 2,561,767</u>	<u>11</u>	<u>\$ 2,466,147</u>	<u>11</u>
8710	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: Owners of the Company	\$ 1,136,594	12	\$ 861,522	11	\$ 2,522,637	11	\$ 2,341,300	11
8720	Non-controlling Interests	<u>33,249</u>	<u>-</u>	<u>20,307</u>	<u>-</u>	<u>42,914</u>	<u>-</u>	<u>45,895</u>	<u>-</u>
8700		<u>\$ 1,169,843</u>	<u>12</u>	<u>\$ 881,829</u>	<u>11</u>	<u>\$ 2,565,551</u>	<u>11</u>	<u>\$ 2,387,195</u>	<u>11</u>
9710	EARNINGS PER SHARE (Note 28) Basic	\$ <u>1.05</u>		\$ <u>1.15</u>		\$ <u>2.79</u>		\$ <u>2.69</u>	
9810	Diluted	\$ <u>1.05</u>		\$ <u>1.14</u>		\$ <u>2.79</u>		\$ <u>2.68</u>	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Independent Auditors' Report of Deloitte & Touche on November 12, 2020.)

Standard Foods Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Nine Months Ended September 30, 2020 and 2019
(Reviewed, not Audited)

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company												
		Retained earnings						Other Equity						
Code		Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange difference on translating the financial statements of foreign operation	Unrealized gain (loss) on financial assets at FVTOCI	Total	Treasury shares	Total	Non-controlling Interests	Total Equity
A1	Balance as of 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
	Appropriations and distribution of 2018 earnings													
B1	Legal reserve	-	-	294,909	-	(294,909)	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	70,519	(70,519)	-	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(2,287,724)	(2,287,724)	-	-	-	-	(2,287,724)	-	(2,287,724)
M1	Adjustment to surplus reserve from dividends paid to subsidiary	-	16,673	-	-	-	-	-	-	-	-	16,673	-	16,673
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(17,230)	(17,230)
D1	Net income for the nine months ended September 30, 2019	-	-	-	-	2,439,979	2,439,979	-	-	-	-	2,439,979	26,168	2,466,147
D3	Other comprehensive income for the nine months ended September 30, 2019	-	-	-	-	-	-	(136,027)	37,348	(98,679)	-	(98,679)	19,727	(78,952)
D5	Total comprehensive income for the nine months ended September 30, 2019	-	-	-	-	2,439,979	2,439,979	(136,027)	37,348	(98,679)	-	2,341,300	45,895	2,387,195
Z1	Balance as of September 30, 2019	\$ 9,150,897	\$ 109,718	\$ 2,945,412	\$ 330,945	\$ 3,791,009	\$ 7,067,366	(\$ 548,896)	\$ 119,272	(\$ 429,624)	(\$ 21,182)	\$ 15,877,175	\$ 262,064	\$ 16,139,239
A1	Balance as of 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
	Appropriations and distribution of 2019 earnings													
B1	Legal reserve	-	-	341,610	-	(341,610)	-	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	246,549	(246,549)	-	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(2,424,987)	(2,424,987)	-	-	-	-	(2,424,987)	-	(2,424,987)
M1	Adjustment to surplus reserve from dividends paid to subsidiary	-	17,674	-	-	-	-	-	-	-	-	17,674	-	17,674
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(23,932)	(23,932)
D1	Net income for the nine months ended September 30, 2020	-	-	-	-	2,536,836	2,536,836	-	-	-	-	2,536,836	24,931	2,561,767
D3	Other comprehensive income for the nine months ended September 30, 2020	-	-	-	-	-	-	(35,211)	21,012	(14,199)	-	(14,199)	17,983	3,784
D5	Total comprehensive income for the nine months ended September 30, 2020	-	-	-	-	2,536,836	2,536,836	(35,211)	21,012	(14,199)	-	2,522,637	42,914	2,565,551
Z1	Balance as of September 30, 2020	\$ 9,150,897	\$ 127,392	\$ 3,287,022	\$ 577,494	\$ 4,263,521	\$ 8,128,037	(\$ 728,249)	\$ 136,556	(\$ 591,693)	(\$ 21,182)	\$ 16,793,451	\$ 291,546	\$ 17,084,997

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Independent Auditors' Report of Deloitte & Touche on November 12, 2020.)

Standard Foods Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Nine Months Ended September 30, 2020 and 2019
(Reviewed, not Audited)

(In Thousands of New Taiwan Dollars)

Code		January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	\$ 3,394,579	\$ 3,219,474
A20010	Adjustments for:		
A20100	Depreciation expenses	443,858	423,427
A20200	Amortization expense	45,767	39,350
A20300	Expected credit loss recognized on trade receivables	8,734	10,591
A20400	Net gain recognized on financial assets and liabilities measured at FVTPL	(1,412)	(7,535)
A20900	Financial cost	40,541	33,804
A21200	Interest income	(91,312)	(53,909)
A21300	Dividend income	(9,584)	(11,006)
A22500	Loss on disposal of property, plant and equipment, net	2,744	3,000
A29900	Others	-	(19)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as FVTPL	(39,294)	323,809
A31130	Notes receivable	(12,577)	(6,150)
A31150	Trade receivables - related parties	278,123	422,925
A31160	Trade receivables from related parties	(9,088)	-
A31180	Other receivables - related parties	(71,564)	(18,406)
A31200	Inventories	(1,149,783)	340,366
A31230	Prepayments	92,938	435,574
A31240	Other current assets	(27,748)	771
A31990	Net defined benefit assets	(2,512)	(2,052)
A32125	Contract liabilities	(79,089)	(114,792)
A32130	Notes payable	56,282	182,680
A32150	Trade payables - related parties	(36,982)	(401,434)
A32160	Trade payables to related parties	(14,690)	1,661
A32180	Other payables - related parties	52,445	194,858
A32230	Other current liabilities	71,934	(1,925)
A32240	Net defined benefit liabilities	(43,553)	213
A33000	Cash generated from operations	2,898,757	5,015,275
A33100	Interest received	86,152	53,858
A33300	Interest paid	(41,703)	(37,996)
A33500	Income tax paid	(962,664)	(642,432)
AAAA	Net cash generated from operating activities	<u>1,980,542</u>	<u>4,388,705</u>

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Code		January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Purchase of financial assets at amortized cost	(\$ 3,248,766)	(\$ 2,918,051)
B00060	Refund of financial assets at amortized cost	3,028,071	2,319,538
B02700	Payments for property, plant and equipment	(212,235)	(257,868)
B02800	Proceeds from disposal of property, plant and equipment	14,718	7,454
B04500	Payments for intangible assets	(41,236)	(5,037)
B06100	Decrease in finance lease receivables	2,068	1,968
B06500	Increase in other financial assets	-	(12,575)
B06600	Decrease in other financial assets	82,757	-
B06700	Increase in other non-current assets	(50,742)	(11,339)
B07600	Dividends received	9,584	10,826
BBBB	Net cash used in investing activities	(<u>415,781</u>)	(<u>865,084</u>)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Decrease in short-term borrowings	(99,136)	(781,802)
C00500	Increase in short-term notes and bills payable	49,864	-
C00600	Decrease in short-term bills payable	-	(30,009)
C01700	Payments for long-term borrowings	(6,000)	(15,000)
C04020	Payments for principal portion of lease liabilities	(67,517)	(55,888)
C04100	Increase in other financial liabilities	1,812	-
C04200	Decrease in other financial liabilities	-	(1,688)
C04300	Increase in other non-current liabilities	-	410
C04400	Decrease in other non-current liabilities	(566)	-
C04500	Cash dividend paid	(<u>2,431,245</u>)	(<u>2,288,281</u>)
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES	(<u>2,552,788</u>)	(<u>3,172,258</u>)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(<u>16,529</u>)	(<u>43,973</u>)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,004,556)	307,390
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>3,705,903</u>	<u>2,589,952</u>
E00200	CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 2,701,347</u>	<u>\$ 2,897,342</u>

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

(Please refer to the Independent Auditors' Report of Deloitte & Touche on November 12, 2020.)

Standard Foods Corporation and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Nine Months Ended September 30, 2020 and 2019
(Reviewed, not Audited)
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 Board of Directors on November 12, 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 of 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 adopt 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. IFRSs issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC:

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRSs 2018-2020 Cycle"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Updating the Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

Note 1: Unless stated otherwise, the above New/Amended/Revised Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 are applicable to the exchange or term revisions of financial liabilities occurring in annual reporting periods beginning on or after January 1, 2022; the amendments to IAS 41 "Agriculture" are applicable to fair value measurements in annual reporting periods beginning on or after January 1, 2022; the amendments to IFRS 1 "First-Time Adoption of IFRSs" are applied retrospectively to annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations with acquisition dates in annual reporting periods beginning on or after January 1, 2022.

Except for the impact above, as of the date the consolidated financial report was 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" endorsed and issued 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 on the measurement date;
- 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 statements of 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 Group. 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 and Tables 7 and 8 for the detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Other significant 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 are made for major market fluctuations in the current period, major amendments to plans, settlement, 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. Key Sources of Significant Accounting Judgment, Estimate, and Assumption 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 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

	September 30, 2020	December 31, 2019	September 30, 2019
Cash on hand	\$ 2,424	\$ 2,940	\$ 2,953
Checking accounts and demand deposits	2,649,404	3,198,093	2,434,289
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	49,519	184,478	330,290
Repurchase agreements collateralized by bonds	-	320,392	129,810
	<u>\$ 2,701,347</u>	<u>\$ 3,705,903</u>	<u>\$ 2,897,342</u>

The ranges of annual interest rate of cash in bank at the end of the reporting period were as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Bank deposits	0.001%-3.500%	0.001%-3.220%	0.001%-3.350%
Repurchase agreements collateralized by bonds	-	0.550%-0.560%	0.550%-0.560%

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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets at FVTPL - current</u>			
Mandatorily measured at FVTPL			
Non-derivative financial assets			
Mutual funds	<u>\$ 680,326</u>	<u>\$ 667,673</u>	<u>\$ 300,399</u>
Bonds	<u>\$ 29,656</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily measured at FVTPL			
Non-derivative financial assets			
Unlisted shares	<u>\$ 6,239</u>	<u>\$ 7,575</u>	<u>\$ 8,433</u>

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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Equity instruments	<u>\$ 210,557</u>	<u>\$ 186,711</u>	<u>\$ 180,950</u>
<u>Non-current</u>			
Equity instruments	<u>\$ 205,078</u>	<u>\$ 189,695</u>	<u>\$ 198,647</u>
<u>Equity instruments</u>			
	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Listed shares and emerging market shares			
Ordinary shares - Far Eastern International Bank	\$ 14,135	\$ 16,479	\$ 16,548
Ordinary shares - Chunghwa Telecom Co., Ltd.	5,200	5,346	5,395
Ordinary shares - Formosa Plastics Corp.	7,187	9,126	8,641
Ordinary shares - China Steel Corp.	16,427	19,198	18,475
Ordinary shares - Polytronics Technology Corp.	128,638	106,772	107,411
Ordinary shares - Taiwan Semiconductor Manufacturing Co., Ltd.	38,970	29,790	24,480
	<u>\$ 210,557</u>	<u>\$ 186,711</u>	<u>\$ 180,950</u>
<u>Non-current</u>			
Listed shares and emerging market shares			
Ordinary shares - GeneFerm Biotechnology Co., Ltd.	\$ 44,297	\$ 65,640	\$ 76,366
Unlisted shares			
Ordinary shares - Dah Chung Bills Finance Corp.	14,471	15,702	15,068
Ordinary shares - InnoComm Mobile Technology Corp.	145,404	107,424	106,236
Ordinary shares - AsiaVest Liquidation Co.	906	929	977
	<u>\$ 205,078</u>	<u>\$ 189,695</u>	<u>\$ 198,647</u>

These investments by the Group are held for medium- to long-term strategic purposes and the Group expects to profit from long-term investments. 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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 2,428,864</u>	<u>\$ 2,206,805</u>	<u>\$ 2,101,491</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.25%-4.13%, 0.65%-2.85%, and 0.79%-2.92% per annum as of September 30, 2020, December 31, 2019, and September 30, 2019, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Notes receivable</u>			
Operating	<u>\$ 15,566</u>	<u>\$ 2,977</u>	<u>\$ 8,812</u>
<u>Trade receivables - related parties</u>			
At amortized cost			
Gross carrying amount	\$ 6,163,542	\$ 6,460,483	\$ 5,698,496
Less: Allowance for impairment loss	(29,442)	(20,933)	(19,126)
	<u>\$ 6,134,100</u>	<u>\$ 6,439,550</u>	<u>\$ 5,679,370</u>
<u>Other receivables - related parties</u>			
Accrued income	\$ 14,073	\$ 8,912	\$ 6,988
Receivables from payments on behalf of others	460	595	804
Others	<u>255,213</u>	<u>183,576</u>	<u>232,608</u>
	<u>\$ 269,746</u>	<u>\$ 193,083</u>	<u>\$ 240,400</u>

The average collection period of receivables from sales of goods was 30-90 days. In order to control credit risk, the Group has established a department dedicated to credit risk management. The department is responsible for determining the credit limits of customers, credit approvals, and other monitoring procedures to ensure the collection of receivables. 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 expected credit losses (ECLs). The Group performs assessment using the three forward-looking factors, i.e., industrial index of the customer, GDP growth rate and unemployment rate, as the ECL rate.

When there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, the credit risk management department of the Group would continue to engage in enforcement activity in compliance with laws and regulations. The trade receivable will be written off when the amount due is collected.

The following table details the loss allowance of notes and trade receivables of the Group.

September 30, 2020

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
ECL rate	0.03%	1.57%	4.46%	94.50%	53.26%	
Gross carrying amount	\$ 5,854,548	\$ 213,723	\$ 82,185	\$ 13,144	\$ 15,508	\$ 6,179,108
Loss allowance (Lifetime ECL)	(1,748)	(3,345)	(3,668)	(12,421)	(8,260)	(29,442)
Amortized cost	<u>\$ 5,852,800</u>	<u>\$ 210,378</u>	<u>\$ 78,517</u>	<u>\$ 723</u>	<u>\$ 7,248</u>	<u>\$ 6,149,666</u>

December 31, 2019

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
ECL 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)	(733)	(906)	(1,242)	(2,582)	(15,470)	(20,933)
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>

September 30, 2019

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
ECL rate	0.01%	1.07%	1.81%	15.73%	86.78%	
Gross carrying amount	\$ 5,467,191	\$ 138,884	\$ 53,343	\$ 35,885	\$ 12,005	\$ 5,707,308
Loss allowance (Lifetime ECL)	(608)	(1,492)	(964)	(5,644)	(10,418)	(19,126)
Amortized cost	<u>\$ 5,466,583</u>	<u>\$ 137,392</u>	<u>\$ 52,379</u>	<u>\$ 30,241</u>	<u>\$ 1,587</u>	<u>\$ 5,688,182</u>

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

	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Balance as of January 1	\$ 20,933	\$ 8,792
Add: Net remeasurement of loss allowance	8,734	10,591
Minus: Actual write-off for the current period	(195)	-
Foreign exchange translation gains and losses	(30)	(257)
Balance as of September 30	<u>\$ 29,442</u>	<u>\$ 19,126</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Undiscounted lease payments			
Year 1	\$ 4,200	\$ 4,200	\$ 4,200
Year 2	4,550	4,200	4,200
Year 3	4,800	4,700	4,550
Year 4	4,800	4,800	4,800
Year 5	4,800	4,800	4,800
Year 6 onwards	<u>9,800</u>	<u>13,400</u>	<u>14,600</u>
	32,950	36,100	37,150
Less: Unearned finance income	(5,295)	(6,377)	(6,754)
Net investment in leases presented as finance lease receivables	<u>\$ 27,655</u>	<u>\$ 29,723</u>	<u>\$ 30,396</u>

As of September 30, 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

	September 30, 2020	December 31, 2019	September 30, 2019
Merchandise	\$ 692,893	\$ 578,324	\$ 625,513
Finished goods	1,272,451	1,544,663	1,220,444
Work in progress	589,335	344,702	568,088
Raw materials	2,181,017	1,111,234	1,352,868
Packing materials	56,644	68,061	65,075
	<u>\$ 4,792,340</u>	<u>\$ 3,646,984</u>	<u>\$ 3,831,988</u>

The cost of goods sold, including inventory valuation losses (gains on inventory value recoveries), from the three-month periods ended September 30, 2020 and 2019 and the nine-month periods ended September 30, 2020 and 2019 was NT\$7,739 thousand, NT\$(2,778) thousand, NT\$8,488 thousand, and NT\$4,989 thousand, respectively, while the loss on abandoned inventories was NT\$14,439 thousand, NT\$8,570 thousand, NT\$32,236 thousand, and NT\$38,107 thousand, respectively,

13. PREPAYMENTS

	September 30, 2020	December 31, 2019	September 30, 2019
Prepayments for purchases	\$ 743,522	\$ 884,193	\$ 540,194
Prepayments for rent	8,770	6,215	5,460
Prepayments for insurance	5,877	1,139	5,700
Excess business tax paid	277,710	255,952	332,737
Prepayments for advertisements	13,391	13,578	15,004
Others	237,027	224,149	266,155
	<u>\$ 1,286,297</u>	<u>\$ 1,385,226</u>	<u>\$ 1,165,250</u>

14. SUBSIDIARIES

Subsidiaries included in consolidated financial statements.

Entities of the consolidated financial statements were as follows:

Investor Company	Name of Subsidiary	Main Business	Proportion of Ownership			Remark
			September 30, 2020	December 31, 2019	September 30, 2019	
The Company	Standard Dairy Products Taiwan Ltd. (Standard Dairy Products)*	Manufacture and sale of dairy products and beverages	100.0%	100.0%	100.0%	—
The Company	Chang Hui Ltd (Chang 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 Ltd. (Standard Beverage)*	Manufacture and sale of beverages	100.0%	100.0%	100.0%	—
The Company	Accession Ltd	Investing	100.0%	100.0%	100.0%	—
The Company	Standard Investment (Cayman) Ltd. (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%	—
The Company	Standard Foods, LLC.*	Sale of health food	100.0%	-	-	The Company invested US\$300 thousand and set up Standard Foods, LLC. in June 2020.
Accession Ltd.	Shanghai Standard Foods Co., Ltd. (Shanghai Standard)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—

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Investor Company	Name of Subsidiary	Main Business	Proportion of Ownership			Remark
			September 30, 2020	December 31, 2019	September 30, 2019	
Accession Ltd.	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 Ltd.	Dermalab S.A. (Dermalab)*	Development and sale of cosmetics	100.0%	100.0%	100.0%	—
Dermalab	Swissderma SL (Swissderma)*	Sale of cosmetics	100.0%	100.0%	100.0%	—
Cayman Standard	Standard Corporation (Hong Kong) Ltd. (Hong Kong Standard)	Investing	100.0%	100.0%	100.0%	—
Hong Kong Standard	Standard Investment (China) Ltd. (China Standard Investment)	Investing and sale of edible oils and nutritious foods	99.0%	99.0%	99.0%	—
Hong Kong Standard	Shanghai Le Min Industrial Co., Ltd. (Shanghai Le Min)*	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	Le Bonta Wellness Co., Ltd. (Shanghai Le Bonta Wellness)*	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.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Other equipment	Property in Construction and Equipment to Be Tested	Total
Cost						
Balance as of January 1, 2019	\$ 702,405	\$ 3,447,188	\$ 4,153,208	\$ 610,658	\$ 1,019,714	\$ 9,933,173
Impact of retrospective application of IFRS 9	—	—	—	(9,752)	—	(9,752)
Balance as of January 1, 2019 (restated)	702,405	3,447,188	4,153,208	600,906	1,019,714	9,923,421
Additions	—	—	590	1,475	255,803	257,868
Disposals	—	(15,814)	(51,786)	(32,360)	—	(99,960)
Reclassified	—	716,204	223,480	196,364	(1,136,029)	19
Reclassified as investment properties	—	(130,848)	—	—	—	(130,848)
Effects of foreign currency exchange differences	—	111,372	(27,512)	(199,558)	4,809	(110,889)
Balance as of September 30, 2019	<u>\$ 702,405</u>	<u>\$ 4,128,102</u>	<u>\$ 4,297,980</u>	<u>\$ 566,827</u>	<u>\$ 144,297</u>	<u>\$ 9,839,611</u>
Accumulated depreciation and impairment						
Balance as of January 1, 2019	\$ —	\$ 1,234,242	\$ 2,748,680	\$ 472,013	\$ —	\$ 4,454,935
Impact of retrospective application of IFRS 9	—	—	—	(3,863)	—	(3,863)
Balance as of January 1, 2019 (restated)	—	1,234,242	2,748,680	468,150	—	4,451,072
Disposals	—	(15,789)	(43,741)	(29,976)	—	(89,506)
Depreciation expenses	—	126,384	209,859	34,175	—	370,418
Reclassified as investment properties	—	(117,272)	—	—	—	(117,272)
Effects of foreign currency exchange differences	—	26,837	(13,895)	(37,730)	—	(24,788)
Balance as of September 30, 2019	<u>\$ —</u>	<u>\$ 1,254,402</u>	<u>\$ 2,900,903</u>	<u>\$ 434,619</u>	<u>\$ —</u>	<u>\$ 4,589,924</u>
Balance as of September 30, 2019	<u>\$ 702,405</u>	<u>\$ 2,873,700</u>	<u>\$ 1,397,077</u>	<u>\$ 132,208</u>	<u>\$ 144,297</u>	<u>\$ 5,249,687</u>
Cost						
Balance as of January 1, 2020	\$ 702,405	\$ 4,078,150	\$ 4,069,198	\$ 561,938	\$ 138,888	\$ 9,550,579
Additions	—	322	16,303	3,785	191,825	212,235
Disposals	—	(8,378)	(92,133)	(26,783)	(10,916)	(138,210)
Reclassified	2,940	28,248	98,470	29,256	(158,914)	—
Reclassified as investment properties	—	(748,948)	—	—	—	(748,948)
Effects of foreign currency exchange differences	—	(16,636)	(6,444)	(990)	(413)	(24,483)
Balance as of September 30, 2020	<u>\$ 705,345</u>	<u>\$ 3,332,758</u>	<u>\$ 4,085,394</u>	<u>\$ 567,206</u>	<u>\$ 160,470</u>	<u>\$ 8,851,173</u>
Accumulated depreciation and impairment						
Balance as of January 1, 2020	\$ —	\$ 1,269,679	\$ 2,730,217	\$ 425,371	\$ —	\$ 4,425,267
Disposals	—	(8,110)	(87,434)	(25,204)	—	(120,748)
Depreciation expenses	—	131,925	203,695	35,106	—	370,726
Reclassified as investment properties	—	(29,475)	—	—	—	(29,475)
Effects of foreign currency exchange differences	—	(2,288)	(2,605)	(724)	—	(5,617)
Balance as of September 30, 2020	<u>\$ —</u>	<u>\$ 1,361,731</u>	<u>\$ 2,843,873</u>	<u>\$ 434,549</u>	<u>\$ —</u>	<u>\$ 4,640,153</u>
Carrying amount as of 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 as of September 30, 2020	<u>\$ 705,345</u>	<u>\$ 1,971,027</u>	<u>\$ 1,241,521</u>	<u>\$ 132,657</u>	<u>\$ 160,470</u>	<u>\$ 4,211,020</u>

No impairment assessment was performed for the nine-month periods ended September 30, 2020 and 2019 as there was no indication of impairment.

Depreciation expenses were recognized 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

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amounts			
Land	\$ 393,750	\$ 404,964	\$ 415,560
Buildings	235,399	286,147	306,922
Office equipment	338	390	408
Transportation equipment	<u>8,113</u>	<u>8,178</u>	<u>5,843</u>
	<u>\$ 637,600</u>	<u>\$ 699,679</u>	<u>\$ 728,733</u>
	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020
Additions to right-of-use assets	<u>\$ 2,440</u>	<u>\$ 58,588</u>	<u>\$ 11,789</u>
	July 1, 2019 to September 30, 2019	January 1, 2019 to September 30, 2019	
Depreciation charge for right-of-use assets			
Land	\$ 3,069	\$ 3,403	\$ 9,200
Building	18,259	17,683	56,591
Office equipment	17	12	52
Transportation equipment	<u>861</u>	<u>900</u>	<u>2,462</u>
	<u>\$ 22,206</u>	<u>\$ 21,998</u>	<u>\$ 68,305</u>

b. Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amounts			
Current	<u>\$ 80,170</u>	<u>\$ 83,119</u>	<u>\$ 79,002</u>
Non-current	<u>\$ 210,817</u>	<u>\$ 264,496</u>	<u>\$ 281,404</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2020	December 31, 2019	September 30, 2019
Land	1.07%~1.49%	1.07%~1.49%	1.07%~1.49%
Building	1.07%~4.35%	1.07%~4.35%	1.07%~4.35%
Office equipment	1.07%	1.07%	1.07%
Transportation equipment	1.07%~ 12.04%	1.07%~ 12.04%	1.07%~ 12.04%

c. Material leasing activities and terms

The Group 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.

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Expenses relating to short-term leases	<u>\$ 25,993</u>	<u>\$ 24,919</u>	<u>\$ 68,244</u>	<u>\$ 84,887</u>
Expenses relating to low-value asset leases	<u>\$ 322</u>	<u>\$ 120</u>	<u>\$ 860</u>	<u>\$ 270</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 19</u>	<u>\$ 102</u>	<u>\$ 57</u>	<u>\$ 102</u>
Total cash outflow for leases			<u>(\$ 144,080)</u>	<u>(\$ 145,874)</u>

The Group leases certain office equipment, production assets, and sale premises that qualify as short-term 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 as of January 1, 2019	\$ 157,309	\$ -	\$ 157,309
From right-of-use assets	-	5,898	5,898
From property, plant and equipment	130,848	-	130,848
Effects of foreign currency exchange differences	(3,660)	(232)	(3,892)
Balance as of September 30, 2019	<u>\$ 284,497</u>	<u>\$ 5,666</u>	<u>\$ 290,163</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2019	\$ 46,533	\$ -	\$ 46,533
Depreciation expenses	1,731	115	1,846
From right-of-use assets	-	123	123
From property, plant and equipment	117,272	-	117,272
Effects of foreign currency exchange differences	(3,284)	(9)	(3,293)
Balance as of September 30, 2019	<u>\$ 162,252</u>	<u>\$ 229</u>	<u>\$ 162,481</u>
Balance as of September 30, 2019	<u>\$ 122,245</u>	<u>\$ 5,437</u>	<u>\$ 127,682</u>
<u>Cost</u>			
Balance as of January 1, 2020	\$ 241,711	\$ 5,548	\$ 247,259
From property, plant and equipment	748,948	-	748,948
Effects of foreign currency exchange differences	1,173	(31)	1,142
Balance as of September 30, 2020	<u>\$ 991,832</u>	<u>\$ 5,517</u>	<u>\$ 997,349</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2020	\$ 124,434	\$ 333	\$ 124,767
Depreciation expenses	4,503	324	4,827
From property, plant and equipment	29,475	-	29,475
Effects of foreign currency exchange differences	(357)	(1)	(358)
Balance as of September 30, 2020	<u>\$ 158,055</u>	<u>\$ 656</u>	<u>\$ 158,711</u>
Carrying amount as of December 31, 2019 and January 1, 2020	<u>\$ 117,277</u>	<u>\$ 5,215</u>	<u>\$ 122,492</u>
Carrying amount as of September 30, 2020	<u>\$ 833,777</u>	<u>\$ 4,861</u>	<u>\$ 838,638</u>

The investment properties held by the Group are depreciated using the straight-line basis 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 Group's fair values of the investment properties were NT\$1,125,601 thousand, NT\$212,653 thousand, and NT\$210,545 thousand as of September 30, 2020, December 31, 2019, and September 30, 2019, respectively. In the absence of independent appraiser recruited, 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

	Trademark	Computer software	Total
<u>Cost</u>			
Balance as of January 1, 2019	\$ 207,039	\$ 233,269	\$ 440,308
Additions	-	5,037	5,037
Transferred from prepayments	34	-	34
Effects of foreign currency exchange differences	24,395	(547)	23,848
Balance as of September 30, 2019	<u>\$ 231,468</u>	<u>\$ 237,759</u>	<u>\$ 469,227</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2019	\$ 137,269	\$ 230,807	\$ 368,076
Amortization expense	3,874	4,844	8,718
Effects of foreign currency exchange differences	24,431	(537)	23,894
Balance as of September 30, 2019	<u>\$ 165,574</u>	<u>\$ 235,114</u>	<u>\$ 400,688</u>
Balance as of September 30, 2019	<u>\$ 65,894</u>	<u>\$ 2,645</u>	<u>\$ 68,539</u>
<u>Cost</u>			
Balance as of January 1, 2020	\$ 227,260	\$ 239,713	\$ 466,973
Additions	31,240	9,996	41,236
Disposals	-	(28,294)	(28,294)
Effects of foreign currency exchange differences	440	(218)	222
Balance as of September 30, 2020	<u>\$ 258,940</u>	<u>\$ 221,197</u>	<u>\$ 480,137</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2020	\$ 163,442	\$ 236,262	\$ 399,704
Disposals	-	(28,294)	(28,294)
Amortization expense	3,809	1,906	5,715
Effects of foreign currency exchange differences	(1,093)	(217)	(1,310)
Balance as of September 30, 2020	<u>\$ 166,158</u>	<u>\$ 209,657</u>	<u>\$ 375,815</u>
Carrying amount as of December 31, 2019 and January 1, 2020	<u>\$ 63,818</u>	<u>\$ 3,451</u>	<u>\$ 67,269</u>
Carrying amount as of September 30, 2020	<u>\$ 92,782</u>	<u>\$ 11,540</u>	<u>\$ 104,322</u>

The above intangible assets with definite useful are amortized on a straight-line basis over the following estimated lives:

Trademark right	10-20 years
Computer software	2-3 years

19. OTHER ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Pledged time deposits (Note 34)	\$ 4,013	\$ 4,013	\$ 4,010
Advances to officers	12,745	15,570	16,839
Temporary payments	1,739	9,683	-
Right of products to be returned	38,228	-	-
Others	488	118	291
	<u>\$ 57,213</u>	<u>\$ 29,384</u>	<u>\$ 21,140</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 15,441	\$ 6,984	\$ 22,470
Refundable deposits	56,000	53,615	53,696
Pledged time deposits (Note 34)	-	85,950	87,772
Others	116,689	114,426	90,928
	<u>\$ 188,130</u>	<u>\$ 260,975</u>	<u>\$ 254,866</u>

20. BORROWINGS

a. Short-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Secured borrowings (Note 34)</u>			
Bank loans	\$ 180,000	\$ 150,000	\$ 150,000
<u>Unsecured borrowings</u>			
Bank loans	1,081,324	1,232,955	793,373
Other loans	15,793	-	-
	<u>\$ 1,277,117</u>	<u>\$ 1,382,955</u>	<u>\$ 943,373</u>

The range of interest rates on short-term borrowings or financing was 0.95%-3.20%, 1.05%-4.35%, and 1.35%-4.35% per annum as of September 30, 2020, December 31, 2019, and September 30, 2019, respectively.

b. Short-term notes and bills payable

	September 30, 2020	December 31, 2019	September 30, 2019
Commercial paper payable	\$ 150,000	\$ 100,000	\$ 90,000
Less: Discount on short-term bills payable	(168)	(32)	(105)
	<u>\$ 149,832</u>	<u>\$ 99,968</u>	<u>\$ 89,895</u>

The range of interest rates on commercial paper payable was 1.19%-1.29%, 1.34%-1.36%, and 1.34%-1.36% per annum as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively.

c. Long-term borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Secured borrowings (Note 34)</u>			
Bank loans (1)	\$ -	\$ 6,000	\$ 12,000
Less: Current portions	<u>-</u>	<u>(6,000)</u>	<u>(12,000)</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2019 and September 30, 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 were repayable quarterly from March 2018 and were paid off in February 2020.

21. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Notes payable</u>			
Operating	<u>\$ 371,043</u>	<u>\$ 316,444</u>	<u>\$ 307,077</u>
<u>Trade payables - related parties</u>			
Operating	<u>\$ 1,973,379</u>	<u>\$ 2,014,619</u>	<u>\$ 1,756,209</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

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Current</u>			
Other payables - related parties			
Payable for salaries or bonuses	\$ 290,913	\$ 306,728	\$ 267,322
Payable for compensation of employees	28,381	52,013	27,181
Payable for remuneration to directors	18,529	25,073	17,969
Payable for commission and rebates	992,184	963,712	880,034
Advertisement payable	135,207	199,232	121,899
Payable for royalties	24,201	25,668	23,730
Payable for freight	91,782	100,658	87,078
Payable for equipment	94,495	113,698	115,738
Others	<u>1,219,175</u>	<u>1,063,892</u>	<u>1,241,485</u>
	<u>\$ 2,894,867</u>	<u>\$ 2,850,674</u>	<u>\$ 2,782,436</u>
Other liabilities			
Advance receipts from customers	\$ 1,058	\$ 1,337	\$ 2,891
Refund liability	75,171	13,055	12,984
Others	<u>24,283</u>	<u>14,109</u>	<u>16,031</u>
	<u>\$ 100,512</u>	<u>\$ 28,501</u>	<u>\$ 31,906</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 21,774	\$ 20,044	\$ 18,028
Others	<u>2,422</u>	<u>2,934</u>	<u>5,158</u>
	<u>\$ 24,196</u>	<u>\$ 22,978</u>	<u>\$ 23,186</u>

23. RETIREMENT BENEFIT PLANS

For the three-month and nine-month periods ended September 30, 2020 and 2019, the pension expenses of defined benefit plans were NT\$2,899 thousand, NT\$2,989 thousand, NT\$8,638 thousand, and NT\$8,951 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

	September 30, 2020	December 31, 2019	September 30, 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 September 30, 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 to have their GDRs be converted into corresponding ordinary shares.

b. Capital surplus

	September 30, 2020	December 31, 2019	September 30, 2019
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 1	\$ 1	\$ 1
Treasury share transactions	126,925	109,251	109,251
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	<u>466</u>	<u>466</u>	<u>466</u>
	<u>\$ 127,392</u>	<u>\$ 109,718</u>	<u>\$ 109,718</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 Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be appropriated, less any paying taxes and deficit, 10% thereof as legal reserve, special reserve provided or reversed in accordance with the regulations, and 30% to 100% of 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 in the Articles of Incorporation, please refer to Note 26(i) "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.

The Company appropriates or reserves special reserve in accordance with Letter No. 1010012865 and Letter No. 1010047490 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs."

The appropriations of earnings for 2019 and 2018 that were approved in the shareholders' meetings on June 16, 2020 and June 13, 2019, respectively, were as follows:

	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\$)	\$ 2.65	\$ 2.5

d. Special reserve

	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Balance as of January 1	\$ 330,945	\$ 260,426
Appropriation of special reserve		
Appropriation for deductions in other equity items	<u>246,549</u>	<u>70,519</u>
Balance as of September 30	<u>\$ 577,494</u>	<u>\$ 330,945</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

	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Balance as of January 1	(\$ 693,038)	(\$ 412,869)
In respect of the current year		
Exchange differences on translating the financial statements of foreign operations	(<u>35,211</u>)	(<u>136,027</u>)
Other comprehensive income for the period	(<u>35,211</u>)	(<u>136,027</u>)
Balance as of September 30	<u>(\$ 728,249)</u>	<u>(\$ 548,896)</u>

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

	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Balance as of January 1	\$ 115,544	\$ 81,924
In respect of the current year		
Unrealized gain (loss)		
Equity instruments	<u>21,012</u>	<u>37,348</u>
Other comprehensive income for the period	<u>21,012</u>	<u>37,348</u>
Balance as of September 30	<u>\$ 136,556</u>	<u>\$ 119,272</u>

f. Non-controlling interests

	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Balance as of January 1	\$ 272,564	\$ 233,399
Net profit for the period	24,931	26,168
Other comprehensive income for the period		
Exchange difference on translating the financial statements of foreign operation	(244)	(850)
Unrealized gain (loss) on financial assets at FVTOCI	18,227	20,577
Cash dividends distributed by subsidiaries to non-controlling interests	(<u>23,932</u>)	(<u>17,230</u>)
Balance as of September 30	<u>\$ 291,546</u>	<u>\$ 262,064</u>

g. Treasury stock

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)
Number of shares as of January 1, 2019 and September 30, 2019	<u>6,669</u>
Number of shares as of January 1, 2020 and September 30, 2020	<u>6,669</u>

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 (thousand shares)	Carrying Amount	Market Price
<u>September 30, 2020</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 405,504</u>
<u>December 31, 2019</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 464,195</u>
<u>September 30, 2019</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 414,174</u>

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

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 9,600,461</u>	<u>\$ 7,997,276</u>	<u>\$ 24,224,530</u>	<u>\$ 21,404,896</u>

a. Contract balance

	September 30, 2020	December 31, 2019	September 30, 2019	January 1, 2019
Notes receivable (Note 10)	<u>\$ 15,566</u>	<u>\$ 2,977</u>	<u>\$ 8,812</u>	<u>\$ 2,887</u>
Trade receivables (Note 10)	<u>\$ 6,134,100</u>	<u>\$ 6,439,550</u>	<u>\$ 5,679,370</u>	<u>\$ 6,161,079</u>
Trade receivables from related parties (Notes 33)	<u>\$ 9,088</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contract liabilities - current Sale of goods	<u>\$ 245,792</u>	<u>\$ 326,644</u>	<u>\$ 241,974</u>	<u>\$ 360,115</u>

b. Disaggregation of contract revenue

January 1, 2020 to September 30, 2020

	Reportable Segments			Total
	Nutritious Foods	Condiments	Others	
<u>Types of goods or services</u>				
Revenue from sale of goods	<u>\$ 8,914,489</u>	<u>\$ 12,877,198</u>	<u>\$ 2,432,843</u>	<u>\$ 24,224,530</u>

January 1, 2019 to September 30, 2019

	Reportable Segments			Total
	Nutritious Foods	Condiments	Others	
<u>Types of goods or services</u>				
Revenue from sale of goods	<u>\$ 8,757,652</u>	<u>\$ 9,995,435</u>	<u>\$ 2,651,809</u>	<u>\$ 21,404,896</u>

26. NET PROFIT

Net profit includes:

a. Interest income

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Interest income				
Bank deposits	\$ 6,609	\$ 16,380	\$ 43,210	\$ 39,266
Financial assets at amortized cost	17,393	5,022	46,581	13,163
Repurchase agreements collateralized by bonds	36	227	507	445
Others	<u>328</u>	<u>359</u>	<u>1,014</u>	<u>1,035</u>
	<u>\$ 24,366</u>	<u>\$ 21,988</u>	<u>\$ 91,312</u>	<u>\$ 53,909</u>

b. Other income

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Operating lease rental income				
Investment properties (Note 17)	\$ 7,137	\$ 4,720	\$ 21,139	\$ 14,162
Others	<u>397</u>	<u>2,684</u>	<u>932</u>	<u>3,191</u>
	<u>7,534</u>	<u>7,404</u>	<u>22,071</u>	<u>17,353</u>
Dividend income				
Investments in equity instruments at FVTOCI	<u>1,880</u>	<u>9,391</u>	<u>9,584</u>	<u>11,006</u>
	<u>\$ 9,414</u>	<u>\$ 16,795</u>	<u>\$ 31,655</u>	<u>\$ 28,359</u>

c. Other gains and losses

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Gains and losses of financial assets and financial liabilities				
Financial assets mandatorily classified as FVTPL	\$ 345	\$ 2,133	\$ 1,412	\$ 7,535
Net foreign exchange gains (losses)	5,910	(3,688)	(1,828)	5,880
Net gains (losses) from disposal of property, plant and equipment	(3,328)	(684)	(2,744)	(3,000)
Government grants	15,561	51,664	57,987	58,829
Others	<u>22,523</u>	<u>21,884</u>	<u>20,629</u>	<u>50,920</u>
	<u>\$ 41,011</u>	<u>\$ 71,309</u>	<u>\$ 75,456</u>	<u>\$ 120,164</u>

d. Finance costs

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Interest on bank loans	\$ 6,499	\$ 9,452	\$ 32,351	\$ 28,309
Interest on short-term bills payable	394	199	751	731
Interest on lease liabilities	2,319	2,739	7,402	4,727
Other interest expenses	<u>12</u>	<u>12</u>	<u>37</u>	<u>37</u>
	<u>\$ 9,224</u>	<u>\$ 12,402</u>	<u>\$ 40,541</u>	<u>\$ 33,804</u>

e. Impairment losses recognized (reversed)

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Trade receivables - related parties	<u>\$ 630</u>	(<u>\$ 23,159</u>)	<u>\$ 8,734</u>	<u>\$ 10,591</u>
Inventories (included in operating costs)	<u>\$ 7,739</u>	(<u>\$ 2,778</u>)	<u>\$ 8,488</u>	<u>\$ 4,989</u>

f. Depreciation and amortization

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
An analysis of depreciation by function				
Operating costs	\$ 99,069	\$ 103,947	\$ 297,774	\$ 299,136
Operating expenses	46,416	46,062	141,257	122,445
Non-operating revenue and expenses	<u>3,540</u>	<u>797</u>	<u>4,827</u>	<u>1,846</u>
	<u>\$ 149,025</u>	<u>\$ 150,806</u>	<u>\$ 443,858</u>	<u>\$ 423,427</u>
An analysis of amortization by function				
Operating costs	\$ 4,642	\$ 6,032	\$ 14,374	\$ 15,400
Operating expenses	<u>13,099</u>	<u>7,561</u>	<u>31,393</u>	<u>23,950</u>
	<u>\$ 17,741</u>	<u>\$ 13,593</u>	<u>\$ 45,767</u>	<u>\$ 39,350</u>

g. Operating expenses directly related to investment properties

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Direct operating expenses of investment properties				
Direct operating expenses of investment properties that generated rental income	\$ 177	\$ 178	\$ 528	\$ 525
Direct operating expenses of investment properties that did not generated rental income	<u>141</u>	<u>146</u>	<u>427</u>	<u>429</u>
	<u>\$ 318</u>	<u>\$ 324</u>	<u>\$ 955</u>	<u>\$ 954</u>

h. Employee benefit expenses

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Post-employment benefits				
Defined contribution plans	\$ 11,240	\$ 33,277	\$ 44,720	\$ 95,569
Defined benefit plans (see Note 23)	<u>2,899</u>	<u>2,989</u>	<u>8,638</u>	<u>8,951</u>
	14,139	36,266	53,358	104,520
Other employee benefits	<u>732,714</u>	<u>597,795</u>	<u>1,973,518</u>	<u>1,749,254</u>
Total employee benefit expenses	<u>\$ 746,853</u>	<u>\$ 634,061</u>	<u>\$ 2,026,876</u>	<u>\$ 1,853,774</u>
An analysis of employee benefit expenses by function				
Operating costs	\$ 237,213	\$ 218,783	\$ 672,111	\$ 628,156
Operating expenses	<u>509,640</u>	<u>415,278</u>	<u>1,354,765</u>	<u>1,225,618</u>
	<u>\$ 746,853</u>	<u>\$ 634,061</u>	<u>\$ 2,026,876</u>	<u>\$ 1,853,774</u>

i. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors 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. Compensation to employees and remuneration to directors in the three-month period ended September 30, 2020 and 2019, and in the nine-month periods ended September 30, 2020 and 2019 are as follows:

Accrual rate

	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Compensation of employees	0.90%	0.90%
Remuneration of directors	0.59%	0.59%

Amount

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Compensation of employees	<u>\$ 10,562</u>	<u>\$ 11,507</u>	<u>\$ 28,381</u>	<u>\$ 27,181</u>
Remuneration of directors	<u>\$ 6,836</u>	<u>\$ 7,621</u>	<u>\$ 18,529</u>	<u>\$ 17,969</u>

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 compensation of employees 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:

	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 2019 and 2018 compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2019 and 2018.

Information on compensation to employees and remuneration to directors approved by the Board of Directors is available at the Market Observation Post System website of Taiwan Stock Exchange.

j. Gain or loss on foreign currency exchange

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Foreign exchange gains	\$ 33,440	\$ 17,081	\$ 78,426	\$ 49,849
Foreign exchange losses	(27,530)	(20,769)	(80,254)	(43,969)
Net gains (losses)	<u>\$ 5,910</u>	<u>\$ 3,688</u>	<u>(\$ 1,828)</u>	<u>\$ 5,880</u>

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Current tax				
In respect of the current year	\$ 260,862	\$ 341,229	\$ 738,846	\$704,526
Additional tax on undistributed earnings	-	-	18,783	12,941
Adjustments from previous years	<u>5,089</u>	<u>(490)</u>	<u>(6,455)</u>	<u>(505)</u>
	<u>265,951</u>	<u>340,739</u>	<u>751,174</u>	<u>716,962</u>
Deferred tax				
In respect of the current year	<u>84,776</u>	<u>19,386</u>	<u>81,638</u>	<u>36,365</u>
Income tax expense recognized in profit or loss	<u>\$ 350,727</u>	<u>\$ 360,125</u>	<u>\$ 832,812</u>	<u>\$ 753,327</u>

b. Income tax recognized in other comprehensive income

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
<u>Deferred tax</u>				
In respect of the current year				
Exchange differences on translating the financial statements of foreign operations	\$ 36,497	(\$ 50,252)	(\$ 8,802)	(\$ 34,006)
Unrealized gain (loss) on financial assets at FVTOCI	(<u>6</u>)	<u>5</u>	(<u>3</u>)	<u>1</u>
Total income tax recognized in other comprehensive income	<u>\$ 36,491</u>	<u>(\$ 50,247)</u>	<u>(\$ 8,805)</u>	<u>(\$ 34,005)</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, Le Bonta Wellness International, and Domex Technology for the year ended December 31, 2018 had been assessed by the tax authorities.

28. EARNINGS PER SHARE

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Basic earnings per share	<u>\$ 1.05</u>	<u>\$ 1.15</u>	<u>\$ 2.79</u>	<u>\$ 2.69</u>
Diluted earnings per share	<u>\$ 1.05</u>	<u>\$ 1.14</u>	<u>\$ 2.79</u>	<u>\$ 2.68</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

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 951,165</u>	<u>\$ 1,040,184</u>	<u>\$ 2,536,836</u>	<u>\$ 2,439,979</u>

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

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Weighted average number of ordinary shares used in computation of basic earnings per share	908,420	908,420	908,420	908,420
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>488</u>	<u>456</u>	<u>781</u>	<u>644</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>908,908</u>	<u>908,876</u>	<u>909,201</u>	<u>909,064</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 in the amounts of NT\$15,561 thousand, NT\$51,664 thousand, NT\$57,987 thousand, and NT\$58,829 thousand recognized in government grants under other gains and losses for the three-month and nine-month periods ended September 30, 2020 and 2019, respectively.

30. CASH FLOWS INFORMATION

Changes in liabilities arising from financing activities:

January 1, 2020 to September 30, 2020

	January 1, 2020	Cash Flows	Non-cash flow	September 30, 2020
Short-term borrowings	\$ 1,382,955	(\$ 99,136)	(\$ 6,702)	\$ 1,277,117
Short-term bills payable	99,968	49,864	-	149,832
Long-term borrowings	6,000	(6,000)	-	-
Guarantee deposits	20,044	1,812	(82)	21,774
Lease liabilities	347,615	(67,517)	10,889	290,987
Other non-current liabilities	2,934	(566)	54	2,422
	<u>\$ 1,859,516</u>	<u>(\$ 121,543)</u>	<u>\$ 4,159</u>	<u>\$ 1,742,132</u>

January 1, 2019 to September 30, 2019

	January 1, 2019	Cash Flows	Non-cash Changes Exchanging Rate Adjustments	September 30, 2019
Short-term borrowings	\$ 1,731,478	(\$ 781,802)	(\$ 6,303)	\$ 943,373
Short-term bills payable	119,904	(30,009)	-	89,895
Long-term borrowings	27,000	(15,000)	-	12,000
Guarantee deposits	19,961	(1,688)	(245)	18,028
Lease liabilities	139,110	(55,888)	277,184	360,406
Other non-current liabilities	4,734	410	14	5,158
	<u>\$ 2,042,187</u>	<u>(\$ 883,977)</u>	<u>\$ 270,650</u>	<u>\$ 1,428,860</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, repay liabilities and dividend disbursement, etc. in the next 12 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 debt and equity balance.

32. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

September 30, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Unlisted shares	\$ -	\$ -	\$ 6,239	\$ 6,239
Mutual fund beneficiary certification	680,326	-	-	680,326
Bonds	-	29,656	-	29,656
Total	<u>\$ 680,326</u>	<u>\$ 29,656</u>	<u>\$ 6,239</u>	<u>\$ 716,221</u>

Financial assets at FVTOCI

Equity instruments				
Listed shares and emerging market shares	\$ 254,854	\$ -	\$ -	\$ 254,854
Unlisted shares	-	-	160,781	160,781
	<u>\$ 254,854</u>	<u>\$ -</u>	<u>\$ 160,781</u>	<u>\$ 415,635</u>

December 31, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Unlisted shares	\$ -	\$ -	\$ 7,575	\$ 7,575
Mutual fund beneficiary certification	667,673	-	-	667,673
Total	<u>\$ 667,673</u>	<u>\$ -</u>	<u>\$ 7,575</u>	<u>\$ 675,248</u>

Financial assets at FVTOCI

Equity instruments				
Listed shares and emerging market shares	\$ 252,351	\$ -	\$ -	\$ 252,351
Unlisted shares	-	-	124,055	124,055
	<u>\$ 252,351</u>	<u>\$ -</u>	<u>\$ 124,055</u>	<u>\$ 376,406</u>

September 30, 2019

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Unlisted shares	\$ -	\$ -	\$ 8,433	\$ 8,433
Mutual fund beneficiary certification	300,399	-	-	300,399
Total	<u>\$ 300,399</u>	<u>\$ -</u>	<u>\$ 8,433</u>	<u>\$ 308,832</u>

Financial assets at FVTOCI

Equity instruments				
Listed shares and emerging market shares	\$ 257,316	\$ -	\$ -	\$ 257,316
Unlisted shares	-	-	122,281	122,281
	<u>\$ 257,316</u>	<u>\$ -</u>	<u>\$ 122,281</u>	<u>\$ 379,597</u>

There were no transfers between Levels 1 and 2 for the nine-month period ended September 30, 2020 and 2019.

2) Reconciliation of financial instruments at Level 3 fair value measurement

January 1, 2020 to September 30, 2020

Financial assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance as of January 1	\$ 7,575	\$ 124,055	\$ 131,630
Recognized in profit or loss (included in other gains and losses)	(1,336)	-	(1,336)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	36,732	36,732
Impact of exchange rates	-	(6)	(6)
Balance as of September 30	<u>\$ 6,239</u>	<u>\$ 160,781</u>	<u>\$ 167,020</u>
Recognized in other gains and losses - unrealized	(\$ 1,055)	\$ -	(\$ 1,055)

January 1, 2019 to September 30, 2019

Financial assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance as of January 1	\$ 7,315	\$ 77,165	\$ 84,480
Recognized in profit or loss (included in other gains and losses)	1,118	-	1,118
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	45,136	45,136
Impact of exchange rates	-	(20)	(20)
Balance as of September 30	<u>\$ 8,433</u>	<u>\$ 122,281</u>	<u>\$ 130,714</u>
Recognized in other gains and losses - unrealized	<u>\$ 1,118</u>	<u>\$ -</u>	<u>\$ 1,118</u>

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

Financial Instrument	Valuation Technique and Inputs
Bonds	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 mostly the market and asset valuation methods.

The market method takes into account the market prices and status of object similar to the investment objects to measure the latter's fair value.

The asset method mainly takes into account the investment objects' net asset values for fair value measurement.

b. Categories of financial instruments

	September 30, 2020	December 31, 2019	September 30, 2019
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 716,221	\$ 675,248	\$ 308,832
Financial assets at amortized cost (Note 1)	11,618,724	12,691,896	11,072,893
Financial assets at FVTOCI			
Equity instruments	415,635	376,406	379,597
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	3,901,485	3,983,402	3,255,969

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

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payables, long-term borrowings, and other financial liabilities.

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 borrowings. 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 foreign 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 has monetary assets and monetary liabilities denominated in currencies other than the functional currency, which expose it to foreign currency risk. The Group monitors exchange rate fluctuations, and takes appropriate actions to manage the exchange rate risk.

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

Sensitivity analysis

The Group is mainly exposed to the fluctuation of 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%. The amount below indicates an increase (decrease) in pre-tax profit associated with the functional currency weakening by 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	
	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Profit or loss	\$ 25,887 (i)	\$ 2,465 (i)	\$ 12,492 (ii)	\$ 22,073 (ii)

	EUR Impact		AUD Impact	
	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Profit or loss	\$ 258(iii)	\$ 3,915(iii)	(\$ 354)(iv)	\$ 1,677(iv)

	CHF Impact	
	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Profit or loss	\$ 1,099(v)	\$ 1,895(v)

- i. This was mainly attributable to the outstanding RMB bank deposits which were not hedged at the end of the reporting period.
- ii. This was mainly attributable to the 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 outstanding EUR bank deposits and payables which were not hedged at the end of the reporting period.
- iv. This was mainly attributable to the outstanding AUD bank deposits and payables which were not hedged at the end of the reporting period.
- v. This was mainly attributable to the outstanding CHF bank deposits and payables 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 interest rates in the market, and takes appropriate actions to manage the interest rate risk.

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

	September 30, 2020	December 31, 2019	September 30, 2019
Fair value interest rate risk			
Financial assets	\$ 1,866,051	\$ 1,658,861	\$ 1,421,445
Financial liabilities	1,621,936	1,791,538	1,360,674
Cash flow interest rate risk			
Financial assets	644,000	1,172,500	1,262,324
Financial liabilities	96,000	45,000	45,000

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rate risk 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 reporting period. 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 the interest rate increases by 1% and all other variables remain unchanged, the Group's pre-tax profit for the nine-month period ended September 30, 2020 and 2019 would increase (decrease) by NT\$4,110 thousand and NT\$9,130 thousand, respectively; if the interest rate decreases by 1%, its impact on the pre-tax profit will be the negative of the same amount.

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 designated personnel 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.

For the nine-month period ended September 30, 2020, if equity prices rise/fall by 1%, the pre-tax profit would increase/decrease by NT\$7,162 thousand due to the increase/decrease in the fair value of financial assets at FVTPL, while other comprehensive income before tax would increase/decrease by NT\$4,156 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

For the nine-month period ended September 30, 2019, if equity prices rise/fall by 1%, the pre-tax profit would increase/decrease by NT\$3,088 thousand due to the increase/decrease in the fair value of financial assets at FVTPL, while other comprehensive income before tax would increase/decrease by NT\$3,796 thousand due to the increase/decrease in the 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) was the carrying amount of financial assets recognized in the consolidated balance sheets.

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

September 30, 2020

Credit-impaired financial instruments applicable based on IFRS 9	Carrying Amount	Maximum Exposure to Credit Risk Mitigated by		
		Collateral	Other Credit Enhancements	Total
Receivables	\$ 6,149,666	\$ 53,443	\$ 1,276	\$ 54,719

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

September 30, 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	\$ 5,688,182	\$ 78,266	\$ 3,622	\$ 81,888

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 September 30, 2020, December 31, and September 30, 2019, the Group had available bank loan facilities in the amounts of NT\$4,187,810 thousand, NT\$5,186,434 thousand, and NT\$8,326,878 thousand, respectively.

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.

September 30, 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	\$ 790,516	\$ 1,588,981	\$ 72,454	\$ 21,774
Lease liabilities	5,751	16,646	65,253	224,028
Variable interest rate liabilities	-	51,515	44,511	-
Fixed interest rate liabilities	739,295	580,443	15,793	-
Contract liabilities	81,931	163,861	-	-
	<u>\$ 1,617,493</u>	<u>\$ 2,401,446</u>	<u>\$ 198,011</u>	<u>\$ 245,802</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	108,881	217,763	-	-
	<u>\$ 1,540,309</u>	<u>\$ 2,613,265</u>	<u>\$ 232,430</u>	<u>\$ 303,072</u>

September 30, 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	\$ 702,768	\$ 1,399,715	\$ 88,367	\$ 18,028
Lease liabilities	6,587	11,750	70,919	302,324
Variable interest rate liabilities	-	10,004	35,006	-
Fixed interest rate liabilities	641,356	352,370	9,049	-
Contract liabilities	80,658	161,316	-	-
	<u>\$ 1,431,369</u>	<u>\$ 1,935,155</u>	<u>\$ 203,341</u>	<u>\$ 320,352</u>

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

33. TRANSACTIONS WITH RELATED PARTIES

Transactions, balances, income and expenses 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. Names and relationships of related parties

Name of Related Party	Relationship with the Group
GeneFerm Biotechnology Co., Ltd.	The Company is one of the directors

b. Sales of goods

Related Party Category	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
The Company is one of the directors	\$ 8,656	\$ -	\$ 15,238	\$ -

Sales from related parties were conducted on normal commercial terms.

c. Purchases of goods

Related Party Category	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
The Company is one of the directors	\$ 11,854	\$ 9,774	\$ 46,796	\$ 23,406

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from Related Parties

Line Item	Name of Related Party	September 30, 2020	December 31, 2019	September 30, 2019
Trade receivables from related parties	GeneFerm	\$ 9,088	\$ -	\$ -

The outstanding receivables from related parties were unsecured. No loss allowance is provided for the amount receivables from related parties due between January 1 and September 30, 2020 and 2019.

e. Payables to related parties

Line Item	Name of Related Party	September 30, 2020	December 31, 2019	September 30, 2019
Trade payables to related parties	GeneFerm	\$ 11,452	\$ 26,141	\$ 10,263

The outstanding payables to related parties were unsecured.

f. Compensation of key management personnel

	July 1, 2020 to September 30, 2020	July 1, 2019 to September 30, 2019	January 1, 2020 to September 30, 2020	January 1, 2019 to September 30, 2019
Short-term employee benefits	\$ 9,442	\$ 11,224	\$ 32,845	\$ 34,482
Post-employment benefits	70	129	256	389
	\$ 9,512	\$ 11,353	\$ 33,101	\$ 34,871

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:

	September 30, 2020	December 31, 2019	September 30, 2019
Pledge time deposits (included in other current assets)	\$ 4,013	\$ 4,013	\$ 4,010
Pledge time deposits (included in other non-current assets)	-	85,950	87,772
Property, plant and equipment - net	125,494	137,554	141,572
Investment properties - net	<u>55,569</u>	<u>56,909</u>	<u>57,356</u>
	<u>\$ 185,076</u>	<u>\$ 284,426</u>	<u>\$ 290,710</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 September 30, 2020 were as follows:

- a. The Company has entered into a license agreement with The Quaker Oats Company (Quaker) for a period ending July 11, 2034. 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).
- b. Unused letters of credit was approximately US\$431 thousand.
- c. Unrecognized commitments for acquisition of property, plant, and equipment were approximately NT\$126,363 thousand.
- d. Unrecognized commitments for acquiring colostrum from dairymen were approximately 34,448 tons.

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is aggregated in foreign currencies other than the functional currency of the Group. The exchange rate disclosed is the exchange rate of the foreign currency into the functional currency. Foreign currency assets and liabilities with significant influences are as follows:

September 30, 2020

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 13,564	29.10 (USD: NTD)	\$ 394,722
USD	2,669	6.81 (USD: RMB)	77,583
EUR	252	34.15 (USD: NTD)	8,602
RMB	202,131	4.27 (RMB:NTD)	862,897
CHF	1,450	31.59 (CHF: NTD)	45,798
CHF	780	7.40 (CHF: RMB)	24,623
			<u>\$ 1,414,225</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,921	29.10 (USD: NTD)	\$ 55,900
AUD	570	20.72 (AUD: NTD)	11,805
CHF	1,070	7.40 (CHF: RMB)	33,793
			<u>\$ 101,498</u>

December 31, 2019

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
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)	18,272
			<u>\$ 1,200,596</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,003	29.98 (USD:NTD)	\$ 30,087
AUD	762	21.01 (AUD:NTD)	16,006
SGD	520	22.28 (SGD:NTD)	11,586
			<u>\$ 57,679</u>

September 30, 2019

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 19,035	31.04 (USD:NTD)	\$ 590,823
USD	6,458	7.07 (USD: RMB)	200,485
EUR	4,516	33.95 (EUR:NTD)	153,335
RMB	18,888	4.35 (RMB:NTD)	82,164
AUD	2,666	20.97 (AUD: NTD)	55,890
CHF	1,404	31.27 (CHF:NTD)	43,907
CHF	616	7.19 (CHF: RMB)	19,260
			<u>\$ 1,145,864</u>
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	1,789	31.04 (USD:NTD)	\$ 55,525
EUR	673	33.95 (EUR:NTD)	22,847
			<u>\$ 78,372</u>

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:

July 1, 2020 to September 30, 2020			July 1, 2019 to September 30, 2019		
		Net Foreign Exchange Gains (Losses)			Net Foreign Exchange Gains (Losses)
Functional Currencies	Exchange Rate		Exchange Rate		
NTD	1 (NTD:NTD)	\$ 10,630	1 (NTD:NTD)	(\$ 12,092)	
RMB	4.26 (RMB:NTD)	(4,501)	4.44 (RMB:NTD)	8,219	
CHF	32.01 (CHF:NTD)	(219)	31.63 (CHF:NTD)	185	
		<u>\$ 5,910</u>		<u>(\$ 3,688)</u>	
January 1, 2020 to September 30, 2020			January 1, 2019 to September 30, 2019		
		Net Foreign Exchange Gains (Losses)			Net Foreign Exchange Gains (Losses)
Functional Currencies	Exchange Rate		Exchange Rate		
NTD	1 (NTD:NTD)	\$ 663	1 (NTD:NTD)	(\$ 1,338)	
RMB	4.26 (RMB:NTD)	(2,280)	4.51 (RMB:NTD)	7,090	
CHF	31.36 (CHF:NTD)	(211)	31.27 (CHF:NTD)	128	
		<u>(\$ 1,828)</u>		<u>\$ 5,880</u>	

37. SEPARATELY DISCLOSED ITEMS

- a. Information on (I) significant transactions and (II) investees is as follows:
- 1) Financing provided to others: See Table 1 attached.
 - 2) Endorsements/guarantees provided to others: See Table 2 attached.
 - 3) Marketable securities held at the end of the period (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, the method of investment, information on inflow or outflow of capital, percentage of ownership, investment income (losses), 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 on major stockholders: names of stockholders with a holding ratio of 5% or more as well as the number and proportion of shares held: 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. Accordingly, 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 subsidiaries

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	Total
<u>January 1, 2020 to September 30, 2020</u>						
Sales from external customers	\$ 8,791,096	\$ 2,036,685	\$ 11,362,697	\$ 2,034,052	\$ -	\$24,224,530
Sales among intersegments	<u>1,111,765</u>	<u>640,132</u>	<u>170</u>	<u>8,317</u>	(1,760,384)	-
Total sales	<u>\$ 9,902,861</u>	<u>\$ 2,676,817</u>	<u>\$ 11,362,867</u>	<u>\$ 2,042,369</u>	(\$ 1,760,384)	<u>\$24,224,530</u>
Interest income	<u>\$ 17,544</u>	<u>\$ 5,072</u>	<u>\$ 67,757</u>	<u>\$ 6,968</u>	(\$ 6,029)	<u>\$ 91,312</u>
Financial cost	<u>\$ 869</u>	<u>\$ 19</u>	<u>\$ 37,932</u>	<u>\$ 7,750</u>	(\$ 6,029)	<u>\$ 40,541</u>
Depreciation expenses	<u>\$ 169,790</u>	<u>\$ 36,571</u>	<u>\$ 174,024</u>	<u>\$ 66,113</u>	(\$ 2,640)	<u>\$ 443,858</u>
Amortization expense	<u>\$ 5,554</u>	<u>\$ 2,468</u>	<u>\$ 27,905</u>	<u>\$ 9,840</u>	\$ -	<u>\$ 45,767</u>
Operating segment income (loss)	<u>\$ 2,298,593</u>	<u>\$ 394,144</u>	<u>\$ 707,881</u>	<u>\$ 11,813</u>	(\$ 17,852)	<u>\$ 3,394,579</u>
Unallocated amount						-
Income before income tax						<u>\$ 3,394,579</u>
<u>January 1, 2019 to September 30, 2019</u>						
Sales from external customers	\$ 8,528,625	\$ 2,018,412	\$ 9,115,202	\$ 1,742,657	\$ -	\$21,404,896
Sales among intersegments	<u>1,121,759</u>	<u>672,646</u>	<u>412</u>	<u>11,274</u>	(1,806,091)	-
Total sales	<u>\$ 9,650,384</u>	<u>\$ 2,691,058</u>	<u>\$ 9,115,614</u>	<u>\$ 1,753,931</u>	(\$ 1,806,091)	<u>\$21,404,896</u>
Interest income	<u>\$ 16,497</u>	<u>\$ 3,958</u>	<u>\$ 30,119</u>	<u>\$ 7,025</u>	(\$ 3,690)	<u>\$ 53,909</u>
Financial cost	<u>\$ 1,018</u>	<u>\$ 12</u>	<u>\$ 26,804</u>	<u>\$ 9,660</u>	(\$ 3,690)	<u>\$ 33,804</u>
Depreciation expenses	<u>\$ 164,475</u>	<u>\$ 32,277</u>	<u>\$ 174,384</u>	<u>\$ 56,000</u>	(\$ 3,709)	<u>\$ 423,427</u>
Amortization expense	<u>\$ 8,654</u>	<u>\$ 1,809</u>	<u>\$ 20,725</u>	<u>\$ 8,162</u>	\$ -	<u>\$ 39,350</u>
Operating segment income (loss)	<u>\$ 2,256,484</u>	<u>\$ 426,602</u>	<u>\$ 544,552</u>	<u>\$ 35,823</u>	(\$ 43,987)	<u>\$ 3,219,474</u>
Unallocated amount						-
Income before income tax						<u>\$ 3,219,474</u>

TABLE 1

Standard Foods Corporation and Subsidiaries

FINANCING PROVIDED TO OTHERS

For the nine-month period ended September 30, 2020

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Balance as of September 30	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debts	Collateral		Financing Limit for Each Borrowing Company	Financing Amount Limit	Note
													Item	Value			
0	Standard Foods Corporation	Dermalab S.A.	Financing receivables - related parties	Y	\$ 48,893	\$ 47,378	\$ 45,798	1.000%	2	\$ -	Need for operation	\$ -	—	\$ -	\$ 6,255,673 (Note 3)	\$ 6,255,673 (Note 3)	Note 12
0	Standard Foods Corporation	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	343,880	341,848	341,848	1.000%	2	-	Need for operation	-	—	-	3,127,837 (Note 4)	6,255,673 (Note 5)	Note 12
0	Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	515,820	512,772	512,772	1.000%	2	-	Need for operation	-	—	-	3,127,837 (Note 4)	6,255,673 (Note 5)	Note 12
1	Standard Investment (China) Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Y	171,940	170,924	43,188	2.500%	2	-	Need for operation	-	—	-	1,791,563 (Note 6)	1,791,563 (Note 6)	Note 12
1	Standard Investment (China) Ltd.	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	701,312	512,772	400,424	2.500%	2	-	Need for operation	-	—	-	1,791,563 (Note 6)	1,791,563 (Note 6)	Note 12
1	Standard Investment (China) Ltd.	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	438,320	427,310	395,270	2.500%	2	-	Need for operation	-	—	-	1,791,563 (Note 6)	1,791,563 (Note 6)	Note 12
1	Standard Investment (China) Ltd.	Le Bonta Wellness Co., Ltd.	Financing receivables - related parties	Y	171,940	170,924	17,674	2.500%	2	-	Need for operation	-	—	-	1,791,563 (Note 6)	1,791,563 (Note 6)	Note 12
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Ltd.	Financing receivables - related parties	Y	635,564	598,234	115,827	2.500%	2	-	Need for operation	-	—	-	1,201,709 (Note 7)	1,201,709 (Note 7)	Note 12
2	Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	460,236	448,676	448,676	2.500%	2	-	Need for operation	-	—	-	1,201,709 (Note 7)	1,201,709 (Note 7)	Note 12
3	Le Bonta Wellness Co., Ltd.	Standard Investment (China) Ltd.	Financing receivables - related parties	Y	21,916	-	-	2.500%	2	-	Need for operation	-	—	-	76,942 (Note 8)	76,942 (Note 8)	Note 12
4	Shanghai Le Ben De Health Technology Co., Ltd.	Standard Investment (China) Ltd.	Financing receivables - related parties	Y	10,746	10,683	10,683	2.500%	2	-	Need for operation	-	—	-	11,261 (Note 9)	11,261 (Note 9)	Note 12
5	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Ltd.	Financing receivables - related parties	Y	175,328	8,546	6,948	2.500%	2	-	Need for operation	-	—	-	194,587 (Note 10)	194,587 (Note 10)	Note 12
6	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Ltd.	Financing receivables - related parties	Y	87,664	8,546	5,901	2.500%	2	-	Need for operation	-	—	-	121,496 (Note 11)	121,496 (Note 11)	Note 12

Note 1: "0" for the Company. Subsidiaries are numbered in order from "1."

Note 2: Reasons for financing are as follows:

- Please fill in 1 for need for operation.
- Please fill in 2 for short-term financing.

Note 3: The individual and total amount shall not exceed 40% of the net value of Standard Foods Corporation per the latest financial statements, which was calculated to be NT\$6,255,673 thousand (the net value of NT\$15,639,183 thousand per financial statements as of June 30, 2020 multiplied by 40%).

Note 4: The individual amount shall not exceed 20% of the net value of Standard Foods Corporation per the latest financial statements, which was calculated to be NT\$3,127,837 thousand (the net value of NT\$15,639,183 thousand per financial statements as of June 30, 2020 multiplied by 20%).

Note 5: The total amount shall not exceed 40% of the net value Standard Foods Corporation per the latest financial statements, which was calculated to be NT\$6,255,673 thousand (the net value of NT\$15,639,183 thousand per financial statements as of June 30, 2020 multiplied by 40%).

Note 6: The individual and total amount shall not exceed 40% of the net value of Standard Investment (China) Ltd. per the latest financial statements, which was calculated to be NT\$1,791,563 thousand (the net value of NT\$4,478,908 thousand per financial statements as of June 30, 2020 multiplied by 40%).

Note 7: The individual and total amount shall not exceed 40% of the net value of Shanghai Standard Foods Co., Ltd. per the latest financial statements, which was calculated to be NT\$1,201,709 thousand (the net value of NT\$3,004,273 thousand per financial statements as of June 30, 2020 multiplied by 40%).

Note 8: The individual and total amount shall not exceed 40% of the net value of Le Bonta Wellness Co., Ltd. per the latest financial statements, which was calculated to be NT\$76,942 thousand (the net value of NT\$192,356 thousand per financial statements as of June 30, 2020 multiplied by 40%).

Note 9: The individual and total amount shall not exceed 40% of the net value of Shanghai Le Ben De Health Technology Co., Ltd. per the latest financial statements, which was calculated to be NT\$11,261 thousand (the net value of NT\$28,153 thousand per financial statements as of June 30, 2020 multiplied by 40%).

Note 10: The individual and total amount shall not exceed 40% of the net value of Shanghai Le Ho Industrial Co., Ltd. per the latest financial statements, which was calculated to be NT\$194,587 thousand (the net value of NT\$486,468 thousand per financial statements as of June 30, 2020 multiplied by 40%).

Note 11: The individual and total amount shall not exceed 40% of the net value of Shanghai Le Min Industrial Co., Ltd. per the latest financial statements, which was calculated to be NT\$121,496 thousand (the net value of NT\$303,741 thousand per financial statements as of June 30, 2020 multiplied by 40%).

Note 12: The amount was eliminated upon consolidation.

TABLE 2

Standard Foods Corporation and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED
For the nine-month period ended September 30, 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	Actual Borrowing Amount	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	Relationship (Note 2)											
0	Standard Foods Corporation	Standard Beverage Ltd.	(2)	\$ 12,511,346 (Note 3)	\$ 208,150	\$ 205,500	\$ 56,400	\$ -	1.31%	\$ 15,639,183 (Note 4)	Y	-	-	

Note 1: "0" for the Company. Subsidiaries are numbered in order from "1."

Note 2: There are seven types of relationships between the guaranteed party and the Company:

- a. Trading partner.
- b. The Company directly or indirectly holds more than 50 percent of the voting rights of the investee company.
- c. A company that directly or indirectly holds more than 50 percent of the voting rights of the Company.
- d. The Company directly or indirectly holds more than 90 percent of the voting rights of the investee company.
- e. Guaranteed by construction contracts formed due to the need of construction projects, in which the companies in the same industry or joint builders provide endorsement/guarantee to one another.
- f. The guarantees were provided by shareholders based on their proportionate share in a jointly invested company.
- g. Companies in the same industry provided among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The individual amount shall not exceed 80% of the net value of Standard Foods Corporation per the latest financial statements, which was calculated to be NT\$12,511,346 thousand (the net value of NT\$15,639,183 thousand per financial statements as of June 30, 2020 multiplied by 80%).

Note 4: The total amount shall not exceed 100% of the net value of Standard Foods Corporation per the latest financial statements, which was calculated to be NT\$15,639,183 thousand (the net value of NT\$15,639,183 thousand per financial statements as of June 30, 2020 multiplied by 100%).

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 (EXCLUDING INVESTMENTS IN SUBSIDIARIES)****September 30, 2020****(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2020				Note
					Number of Shares/Units	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Foods Corporation	Shares	Far Eastern International Commercial Bank Co., Ltd.	The Company is one of the directors	Financial assets at FVTOCI - current	1,379,027	\$ 14,135	-	\$ 14,135	
	Shares	Chunghwa Telecom Co., Ltd.		Financial assets at FVTOCI - current	48,600	5,200	-	5,200	
	Shares	GeneFerm Biotechnology Co., Ltd.		Financial assets at FVTOCI - non-current	2,145,110	44,297	7.7%	44,297	
	Shares	Dah Chung Bills Finance Corp.		Financial assets at FVTOCI - non-current	1,243,213	14,471	0.3%	14,471	
	Mutual funds	Jih Sun Money Market Fund		Financial assets at FVTPL - current	4,019,723	60,034	-	60,034	
	Mutual funds	Mega Diamond Money Market Fund		Financial assets at FVTPL - current	12,512,356	158,136	-	158,136	
	Mutual funds	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	8,564,804	132,064	-	132,064	
	Bonds	CODEIS Smart Cash Note		Financial assets at FVTPL - current	10,000	29,656	-	29,656	
	Shares	Techgains Pan-Pacific Corporation		Financial assets at FVTPL - non-current	500,000	-	0.9%	-	
	Shares	Authenex, Inc.		Financial assets at FVTPL - non-current	2,424,242	-	5.5%	-	
	Shares	Paradigm Venture Capital Corporation		Financial assets at FVTPL - non-current	180,376	1,901	7.0%	1,901	
	Shares	U-Teck Environment Corporation, Ltd.		Financial assets at FVTPL - non-current	11,200	-	0.2%	-	
	Shares	Octamer, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	800,000	-	7.8%	-	
	Shares	Octamer, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	107,815	-	1.0%	-	
	Shares	Fortemedia, Inc. - Series D Preferred Stock		Financial assets at FVTPL - non-current	3,455	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	71,397	-	1.2%	-	

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Holding Company Name	Type of Marketable Securities	Name of Marketable Security	Relationship with the Holding Company	Financial Statement Account	September 30, 2020				Note
					Number of Shares/Units	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Dairy Products Taiwan Ltd.	Shares	Fortemedia, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	29,173	\$ -	1.2%	\$ -	Note 1
	Shares	Fortemedia, Inc. - Series G Preferred Stock		Financial assets at FVTPL - non-current	31,135	-	1.3%	-	
	Shares	Fortemedia, Inc. - Series I Preferred Stock		Financial assets at FVTPL - non-current	29,102	-	1.3%	-	
	Shares	Fortemedia, Inc. - Common Stock		Financial assets at FVTPL - non-current	12,938	-	1.2%	-	
	Mutual funds	Mega Diamond Money Market Fund		Financial assets at FVTPL - current	3,963,725	50,095	-	50,095	
	Mutual funds	Jih Sun Money Market Fund		Financial assets at FVTPL - current	5,866,056	87,609	-	87,609	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	3,917,908	53,416	-	53,416	
Charng Hui Ltd	Shares	Standard Foods Corporation	Parent of Charng Hui Ltd.	Financial assets at FVTOCI - current	6,669,471	405,504	0.7%	405,504	
	Shares	Formosa Plastics Corporation		Financial assets at FVTOCI - current	91,440	7,187	-	7,187	
	Shares	China Steel Corporation		Financial assets at FVTOCI - current	803,258	16,427	-	16,427	
	Shares	Polytronics Technology Corporation	Charng Hui Ltd. is one of the directors	Financial assets at FVTOCI - current	1,596,000	128,638	2.0%	128,638	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTOCI - current	90,000	38,970	-	38,970	
	Mutual funds	Fuh Hwa Global Strategic Alloc FoF		Financial assets at FVTPL - current	1,000,000	11,270	-	11,270	
	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds		Financial assets at FVTPL - current	1,453,360	18,395	-	18,395	
	Mutual funds	Taishin 1699 Money Market Fund	Charng Hui Ltd. is one of the directors	Financial assets at FVTPL - current	59,321	809	-	809	
	Shares	Global Strategic Investment Co., Ltd.		Financial assets at FVTPL - non-current	850,500	4,338	1.9%	4,338	
	Shares	Hong Da Leasing & Finance Co., Ltd.		Financial assets at FVTPL - non-current	8,297,000	-	23.7%	-	
	Shares	CNEX Co., Ltd.		Financial assets at FVTPL - non-current	1,000,000	-	6.0%	-	

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Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2020				Note
					Number of Shares/Units	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Beverage Ltd. Domex Technology Corporation Accession Ltd.	Mutual funds	Fuh Hwa Greater China Mid & Small Cap Fund		Financial assets at FVTPL - current	225,000	\$ 2,943	-	\$ 2,943	
	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds - Accu.		Financial assets at FVTPL - current	282,988	3,582	-	3,582	
	Shares	InnoComm Mobile Technology Corp.		Financial assets at FVTOCI - non-current	3,600,000	145,404	13.4%	145,404	
	Shares	AsiaVest Liquidation Co.		Financial assets at FVTOCI - non-current	200	906	0.7%	906	
	Mutual funds	Term Deposit Fund		Financial assets at FVTPL - current	33,453	101,973	-	101,973	

Note 1: The amount was eliminated upon consolidation.

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 nine-month period ended September 30, 2020****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Trade 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 Ltd.	The Company's subsidiary	Sales	(\$ 1,111,765)	11.23%	55 days after month-end closing (net of receivables and payables)	—	—	\$ 192,746	8.75%	Note
			Purchases	640,132	11.70%	55 days after month-end closing (net of receivables and payables)	—	—	-	-	Note
Standard Dairy Products Taiwan Ltd.	Standard Foods Corporation	Parent company of Standard Dairy Products Taiwan Ltd.	Purchases	1,111,765	57.59%	55 days after month-end closing (net of receivables and payables)	—	—	(192,746)	48.49%	Note
			Sales	(640,132)	23.91%	55 days after month-end closing (net of receivables and payables)	—	—	-	-	Note
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Sales	(1,351,206)	72.32%	60 days after month-end closing	—	—	454,229	93.34%	Note
			Purchases	297,309	16.40%	60 days after month-end closing	—	—	(57,845)	60.35%	Note
Standard Investment (China) Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Ltd.	Purchases	1,351,206	16.23%	60 days after month-end closing	—	—	(454,229)	18.33%	Note
			Sales	(297,309)	2.82%	60 days after month-end closing	—	—	57,845	2.29%	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(4,152,368)	99.61%	60 days after month-end closing	—	—	1,344,427	99.97%	Note
Standard Investment (China) Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Ltd.'s subsidiary	Purchases	4,152,368	49.84%	60 days after month-end closing	—	—	(1,344,427)	54.25%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(2,815,513)	74.42%	60 days after month-end closing	—	—	667,335	82.13%	Note
Standard Investment (China) Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Ltd.'s subsidiary	Purchases	2,815,513	33.80%	60 days after month-end closing	—	—	(667,335)	26.93%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Sales	(340,046)	8.99%	60 days after month-end closing	—	—	145,172	17.87%	Note
Standard Foods (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Standard Foods (China) Co., Ltd.	Purchases	340,046	8.35%	60 days after month-end closing	—	—	(145,172)	39.79%	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

September 30, 2020

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Ending Balance for Trade 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 Ltd.	The Company's subsidiary	Trade receivables	8.87	\$ -		\$ 53,431 (Note 1)	\$ -	(Note 2)
			Other receivables		-		3,570 (Note 1)	-	(Note 2)
					<u>\$ 196,316</u>		<u>\$ 57,001</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (China) Co., Ltd.	The Company's subsidiary	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ 343,103</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	The Company's subsidiary	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ 514,125</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivables	3.81	\$ -		\$ 202,958 (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		6,830 (Note 1)	-	(Note 2)
					<u>\$ 587,428</u>		<u>\$ 209,788</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	2.13	\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ 457,462</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods (China) Co., Ltd.	Standard Investment (China) Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Trade receivables	3.68	\$ -		\$ 542,989 (Note 1)	\$ -	(Note 2)
			Other receivables		-		16,669 (Note 1)	-	(Note 2)
					<u>\$ 1,369,201</u>		<u>\$ 559,658</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Ltd.'s subsidiary	Trade receivables	5.82	\$ -		\$ 5 (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ 405,069</u>		<u>\$ 5</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Ltd.'s subsidiary	Trade receivables	8.54	\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ 420,113</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables	4.25	\$ -		\$ 163,602 (Note 1)	\$ -	(Note 2)
			Other receivables		-		13,103 (Note 1)	-	(Note 2)
					<u>\$ 691,085</u>		<u>\$ 176,705</u> (Note 1)	<u>\$ -</u>	
Standard Foods (Xiamen) Co., Ltd.	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables	2.47	<u>\$ -</u>		<u>\$ 111,387</u> (Note 1)	<u>\$ -</u>	(Note 2)

Note 1: Amount received as of November 12, 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 nine-month period ended September 30, 2020

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Assets (Note 3)
0	Standard Foods Corporation	Standard Dairy Products	1	Trade receivables - related parties	\$ 192,746	According to the general conditions	0.8%
0	Standard Foods Corporation	Standard Dairy Products	1	Other receivables - related parties	3,570	According to the general conditions	-
0	Standard Foods Corporation	Standard Dairy Products	1	Sales	1,111,765	According to the general conditions	4.6%
0	Standard Foods Corporation	Standard Dairy Products	1	Purchases	640,132	According to the general conditions	2.6%
0	Standard Foods Corporation	Standard Dairy Products	1	Royalty revenue	7,273	According to the general conditions	-
0	Standard Foods Corporation	Standard Beverage	1	Other receivables - related parties	166	According to the general conditions	-
0	Standard Foods Corporation	Standard Beverage	1	Trade payables - related parties	451	According to the general conditions	-
0	Standard Foods Corporation	Standard Beverage	1	Service revenue (recognized under sundry revenue)	990	According to the general conditions	-
0	Standard Foods Corporation	Standard Beverage	1	Purchases	1,015	According to the general conditions	-
0	Standard Foods Corporation	Dermalab	1	Financing receivables - related parties	45,798	Interest rate 1.000% per annum	0.2%
0	Standard Foods Corporation	China Standard Foods	1	Financing receivables - related parties	341,848	Interest rate 1.000% per annum	1.4%
0	Standard Foods Corporation	China Standard Foods	1	Other receivables - related parties	1,255	According to the general conditions	-
0	Standard Foods Corporation	China Standard Foods	1	Interest income	1,251	Interest rate 1.000% per annum	-
0	Standard Foods Corporation	Xiamen Standard	1	Financing receivables - related parties	512,772	Interest rate 1.000% per annum	2.0%
0	Standard Foods Corporation	Xiamen Standard	1	Other receivables - related parties	1,353	According to the general conditions	-
0	Standard Foods Corporation	Xiamen Standard	1	Interest income	1,355	Interest rate 1.000% per annum	-
1	Shanghai Standard	China Standard Investment	3	Trade receivables - related parties	454,229	According to the general conditions	1.8%
1	Shanghai Standard	China Standard Investment	3	Financing receivables - related parties	115,827	Interest rate 2.500% per annum	0.5%
1	Shanghai Standard	China Standard Investment	3	Other receivables - related parties	17,372	According to the general conditions	0.1%
1	Shanghai Standard	China Standard Investment	3	Trade payables - related parties	57,845	According to the general conditions	0.2%
1	Shanghai Standard	China Standard Investment	3	Other payables - related parties	12,174	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Sales	1,351,206	According to the general conditions	5.6%
1	Shanghai Standard	China Standard Investment	3	Purchases	297,309	According to the general conditions	1.2%
1	Shanghai Standard	China Standard Investment	3	Interest income	1,609	Interest rate 2.500% per annum	-
1	Shanghai Standard	China Standard Investment	3	Other expenses	317	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Research and development expenses	5,554	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Trade receivables - related parties	8,166	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Sales	18,136	According to the general conditions	0.1%
1	Shanghai Standard	China Standard Foods	3	Purchases	13,849	According to the general conditions	0.1%
1	Shanghai Standard	Le Bonta Wellness	3	Trade payables - related parties	12	According to the general conditions	-
1	Shanghai Standard	Le Bonta Wellness	3	Other expenses	10	According to the general conditions	-

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No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Assets (Note 3)
1	Shanghai Standard	Xiamen Standard	3	Financing receivables - related parties	\$ 448,676	Interest rate 2.500% per annum	1.8%
1	Shanghai Standard	Xiamen Standard	3	Other receivables - related parties	8,786	According to the general conditions	-
1	Shanghai Standard	Xiamen Standard	3	Sales	5,310	According to the general conditions	-
1	Shanghai Standard	Xiamen Standard	3	Interest income	8,515	Interest rate 2.500% per annum	-
2	China Standard Investment	China Standard Foods	1	Trade receivables - related parties	76	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Financing receivables - related parties	395,270	Interest rate 2.500% per annum	1.6%
2	China Standard Investment	China Standard Foods	1	Other receivables - related parties	9,723	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Trade payables - related parties	1,344,427	According to the general conditions	5.3%
2	China Standard Investment	China Standard Foods	1	Other payables - related parties	24,774	According to the general conditions	0.1%
2	China Standard Investment	China Standard Foods	1	Sales	369	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Purchases	4,152,368	According to the general conditions	17.1%
2	China Standard Investment	China Standard Foods	1	Interest income	2,465	Interest rate 2.500% per annum	-
2	China Standard Investment	China Standard Foods	1	Other income	9,700	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Rental expenses	70	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	1	Financing receivables - related parties	43,188	Interest rate 2.500% per annum	0.2%
2	China Standard Investment	Shanghai Dermalab	1	Other receivables - related parties	1,717	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	1	Interest income	1,712	Interest rate 2.500% per annum	-
2	China Standard Investment	Shanghai Dermalab	1	Expenses (social expenses and other expenses)	26	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Trade receivables - related parties	85	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Financing receivables - related parties	400,424	Interest rate 2.500% per annum	1.6%
2	China Standard Investment	Xiamen Standard	1	Other receivables - related parties	19,604	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Trade payables - related parties	667,335	According to the general conditions	2.6%
2	China Standard Investment	Xiamen Standard	1	Other payables - related parties	23,750	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Sales	362	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Purchases	2,815,513	According to the general conditions	11.6%
2	China Standard Investment	Xiamen Standard	1	Interest income	12,503	Interest rate 2.500% per annum	0.1%
2	China Standard Investment	Xiamen Standard	1	Other income	7,057	According to the general conditions	-
2	China Standard Investment	Le Bonta Wellness	1	Financing receivables - related parties	17,674	Interest rate 2.500% per annum	0.1%
2	China Standard Investment	Le Bonta Wellness	1	Other receivables - related parties	1,548	According to the general conditions	-
2	China Standard Investment	Le Bonta Wellness	1	Trade payables - related parties	1,296	According to the general conditions	-
2	China Standard Investment	Le Bonta Wellness	1	Sales	7	According to the general conditions	-
2	China Standard Investment	Le Bonta Wellness	1	Purchases	5,996	According to the general conditions	-
2	China Standard Investment	Le Bonta Wellness	1	Interest income	1,547	Interest rate 2.500% per annum	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Financing payables - related parties	6,948	Interest rate 2.500% per annum	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Other payables - related parties	46	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Interest expenses	46	Interest rate 2.500% per annum	-

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No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Assets (Note 3)
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Financing payables - related parties	\$ 5,901	Interest rate 2.500% per annum	-
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Other payables - related parties	53	According to the general conditions	-
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Interest expenses	52	Interest rate 2.500% per annum	-
2	China Standard Investment	Shanghai Le Ben De	3	Financing payables - related parties	10,683	Interest rate 2.500% per annum	-
2	China Standard Investment	Shanghai Le Ben De	3	Other payables - related parties	67	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ben De	3	Purchases	1,056	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ben De	3	Interest expenses	67	Interest rate 2.500% per annum	-
3	Shanghai Dermalab	Dermalab	3	Trade payables - related parties	33,793	According to the general conditions	0.1%
3	Shanghai Dermalab	Dermalab	3	Purchases	52,542	According to the general conditions	0.2%
4	China Standard Foods	Le Bonta Wellness	3	Other receivables - related parties	1,184	According to the general conditions	-
4	China Standard Foods	Le Bonta Wellness	3	Trade payables - related parties	15	According to the general conditions	-
4	China Standard Foods	Le Bonta Wellness	3	Sales	164	According to the general conditions	-
4	China Standard Foods	Le Bonta Wellness	3	Purchases	13	According to the general conditions	-
4	China Standard Foods	Le Bonta Wellness	3	Rental income	2,640	According to the general conditions	-
4	China Standard Foods	Le Bonta Wellness	3	Other expenses	3,185	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Trade receivables - related parties	39	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Trade payables - related parties	145,172	According to the general conditions	0.6%
4	China Standard Foods	Xiamen Standard	3	Sales	43	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Purchases	340,046	According to the general conditions	1.4%
5	Le Bonta Wellness	Shanghai Le Ben De	3	Trade receivables - related parties	171	According to the general conditions	-
5	Le Bonta Wellness	Shanghai Le Ben De	3	Trade payables - related parties	215	According to the general conditions	-
5	Le Bonta Wellness	Shanghai Le Ben De	3	Sales	1,198	According to the general conditions	-
5	Le Bonta Wellness	Shanghai Le Ben De	3	Purchases	190	According to the general conditions	-
5	Le Bonta Wellness	Xiamen Standard	3	Trade receivables - related parties	11	According to the general conditions	-
5	Le Bonta Wellness	Xiamen Standard	3	Sales	9	According to the general conditions	-

Note 1: Where the parent company and its subsidiaries do business with each other, information shall be stated separately in the "No." column and numbered as follows:

- Parent company is 0.
- Subsidiaries are numbered in order by Arabic numerals from 1.

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

- Parent company to its subsidiaries.
- Subsidiaries to its parent company.
- Subsidiaries to subsidiaries.

Note 3: For the calculation of the percentage of the transaction amount to the consolidated total revenue or total assets, if it is a balance sheet account, it is measured as the ending balance to the consolidated total assets; if it is an income statement account, it is measured as the cumulative amount for the period to consolidated total revenue.

Note 4: The amount was eliminated upon consolidation.

TABLE 7**Standard Foods Corporation and Subsidiaries****INFORMATION ON INVESTEEES (EXCLUDING INVESTEEES OF MAINLAND CHINA)****For the nine-month period ended September 30, 2020****(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2020			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2020	December 31, 2019	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Ltd.	Tortola, British Virgin Islands	Investing	\$ 3,936,267	\$ 3,936,267	123,600,000	100%	\$ 3,506,855	\$ 141,504	\$ 139,098 (Note 1)	Subsidiary (Note 5)
	Standard Investment (Cayman) Ltd.	Grand Cayman, Cayman Islands	Investing	4,710,865	4,710,865	150,124,815	100%	5,522,219	331,079	331,079	Subsidiary (Note 5)
	Standard Dairy Products Taiwan Ltd.	Taipei City	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100%	922,347	315,996	316,382 (Note 2)	Subsidiary (Note 5)
	Charng Hui Ltd	Taipei City	Investing	230,000	230,000	24,100,000	100%	316,829	19,954	2,280	Subsidiary (Note 5)
	Domex Technology Corporation	Hsinchu City	Manufacture and sale of computer peripherals and computer appliances	114,116	114,116	10,374,399	52%	264,793	44,407	23,096	Subsidiary (Note 5)
	Standard Beverage Ltd.	Taipei City	Manufacture and sale of beverages	79,072	79,072	7,907,000	100%	82,401	2,250	\$2,276 (Note 3)	Subsidiary (Note 5)
	Le Bonta Wellness International Corporation	Taipei City	Sale of health food	14,350	14,350	Note 4	100%	8,820	38	38	Subsidiary (Note 5)
	Standard Foods, LLC.	U.S.A.	Sale of health food	9,056	-	Note 4	100%	8,730	-	-	Subsidiary (Note 5)
Accession Ltd.	Dermalab S.A.	Switzerland	Development and sale of cosmetics	335,215	266,587	2,600	100%	188,388	12,729		Sub-subsidiary (Note 5)
Dermalab S.A.	Swissderma SL	Spain	Sale of cosmetics	96	96	3,000	100%	-	-		Sub-sub-subsidiary (Note 5)
Standard Investment (Cayman) Ltd.	Standard Corporation (Hong Kong) Ltd.	Hong Kong	Investing	4,708,566	4,708,566	150,050,815	100%	5,521,570	331,265		Sub-subsidiary (Note 5)

Note 1: This amount was the share of profit from the investee of NT\$141,504 thousand minus the unrealized gain on sidestream transactions of NT\$2,406 thousand.

Note 2: This amount was the share of profit from the investee of NT\$315,996 thousand plus the realized gain on upstream transactions of NT\$386 thousand.

Note 3: This amount was the share of profit from the investee of NT\$2,250 thousand plus the unrealized gain on upstream transactions of NT\$26 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 nine-month period ended September 30, 2020****(In Thousands of New Taiwan Dollars)**

Investee Company in Mainland China	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 or Recovery of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2020	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2020	Accumulated Repatriation of Investment Income as of September 30, 2020	Note
					Outward	Inward							
Shanghai Standard Foods Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	\$ 3,949,575	(2) (Note 3)	\$ 3,949,575 (Note 4)	\$ -	\$ -	\$ 3,949,575 (Note 4)	\$ 137,448	100.0%	\$ 137,360 (Note 9)	\$ 3,113,211	\$ -	Note 12
Standard Investment (China) Ltd.	Investment and sales of edible oil products and nutritional foods	3,755,530	(2) (Note 5)	3,718,677 (Note 5)	-	-	3,718,677 (Note 5)	362,015	99.0%	358,395 (Note 9)	4,725,641	-	Note 12
Standard Foods (China) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,631,668	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	16,767	99.0%	17,000 (Note 9)	1,840,688	-	Note 12
Shanghai Dermalab Corporation	Sale of nutritional foods, cosmetic and engage in import and export business	93,989	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	(15,977)	99.0%	(15,817) (Note 10)	9,388	-	Note 12
Le Bonta Wellness Co., Ltd.	Sale of nutritional foods and engage in import and export business	380,418	(1) and (3) (Note 7)	181,048 (Note 7)	-	-	181,048 (Note 7)	(24,252)	99.5%	(24,133) (Note 10)	185,805	-	Note 12
Shanghai Le Ben De Health Technology Co., Ltd.	Sale of nutritional foods and engagement in export business	31,220	(3) (Notes 4 and 8)	31,220 (Note 4)	-	-	31,220 (Note 4)	557	100.0%	557 (Note 10)	29,045	-	Note 12
Standard Foods (Xiamen) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,307,582	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	(18,627)	99.0%	(17,026) (Note 10)	1,304,358	-	Note 12
Shanghai Le Ho Industrial Co., Ltd.	Management of properties	607,717	(2) (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(16,762)	100.0%	(16,762) (Note 10)	489,619	-	Note 12
Shanghai Le Min Industrial Co., Ltd.	Management of properties	378,009	(2) (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(10,148)	100.0%	(10,148) (Note 10)	305,665	-	Note 12

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 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:

- Direct investment in mainland China.
- Indirect investment in mainland China through companies registered in a third region. (Please specify the investor company in third region.)
- Other methods.

Note 2: For the investment income (loss) recognized in the current period:

- There was no investment income (loss) recognized due to the investment still being in the development stage.
- The investment income (loss) was determined based on the following basis:
 - The financial statements were audited and certified by an international accounting firm in cooperation with an ROC accounting firm.
 - The financial statements were audited by the CPA of the parent company in Taiwan.
 - Others.

Note 3: Accession Ltd. 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 nine-month period ended September 30, 2020. The investment remained at \$4,034,074 thousand. Of the \$4,034,074 thousand, \$53,279 thousand has been retained in Accession Ltd. The remaining balance 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 in 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) Ltd. 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) 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) Ltd. The amount invested directly was \$181,048 thousand.

Note 8: This company was spun off from Shanghai Standard Foods Co., Ltd. Accession Ltd. is the investor company in third region.

Note 9: Recognition of investment income (loss) is based on the financial statements of the investee reviewed by CPAs of the parent company in Taiwan during the same period, as described in Note 2(b)3.

Note 10: The recognition of investment income (loss) is based on the financial statements of the investee not reviewed by CPAs during the same period, as described in Note 2(b)3

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 review 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.

Standard Foods Corporation
INFORMATION OF MAJOR SHAREHOLDERS
September 30, 2020

TABLE 9

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 major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares that have completed delivery without 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 shares above are entrusted by the shareholders, the information thereto shall be disclosed by the individual trust account 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 including their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.