

**Standard Foods Corporation and
Subsidiaries**

**Consolidated Financial Statements and Independent
Auditors' Report
for the Nine Months Ended September 30, 2021 and 2020**

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, 2021 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 8, 2021

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, 2021 and 2020 and the related consolidated statements of comprehensive income for the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, 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, 2021 and 2020, combined total assets of these non-significant subsidiaries were NT\$9,380,275 thousand and NT\$8,467,405 thousand, respectively, representing 35% and 33%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$3,728,414 thousand and NT\$3,291,028 thousand, respectively, representing 40% and 40%, respectively, of the consolidated total liabilities; for the three-month periods ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, the amounts of combined comprehensive income of these subsidiaries were NT\$113,391 thousand, NT\$208,390 thousand, NT\$421,370 thousand and NT\$359,818 thousand, respectively, representing 18%, 18%, 20% and 14%, respectively, of the consolidated total comprehensive income. As disclosed in Note 36 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, 2021 and 2020, its consolidated financial performance for the three months ended September 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2021 and 2020 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 Han-Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 8, 2021

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, 2021, DECEMBER 31, 2020, AND SEPTEMBER 30, 2020

(IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	September 30, 2021(Reviewed)		December 31, 2020(Audited)		September 30, 2020(Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,688,422	10	\$ 4,332,018	16	\$ 2,701,347	11
Financial assets at fair value through profit or loss - current (Note 7)	963,363	4	1,490,336	5	709,982	3
Financial assets at fair value through other comprehensive income - current (Note 8)	304,515	1	249,485	1	210,557	1
Financial assets at amortized cost - current (Note 9)	2,532,113	9	1,728,070	6	2,428,864	10
Notes receivable (Notes 10 and 25)	43,236	-	3,154	-	15,566	-
Trade receivables (Notes 10 and 25)	4,969,007	18	6,295,581	23	6,134,100	24
Trade receivables from related parties (Notes 25 and 32)	7,654	-	9,011	-	9,088	-
Finance lease receivables - current (Note 11)	3,383	-	2,917	-	2,881	-
Other receivables (Note 10)	269,782	1	224,370	1	269,746	1
Current tax assets	1,462	-	23,063	-	841	-
Inventories (Note 12)	6,167,735	23	5,124,648	18	4,792,340	19
Prepayments (Note 13)	1,748,854	7	1,579,289	6	1,286,297	5
Other current assets (Notes 19 and 33)	73,857	-	63,844	-	57,213	-
Total current assets	<u>19,773,383</u>	<u>73</u>	<u>21,125,786</u>	<u>76</u>	<u>18,618,822</u>	<u>74</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	10,582	-	10,666	-	6,239	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	449,751	2	267,178	1	205,078	1
Financial assets at amortized cost - non-current (Note 9)	601,202	2	-	-	-	-
Property, plant and equipment (Notes 15 and 33)	4,072,831	15	4,201,645	15	4,211,020	16
Right-of-use assets (Note 16)	692,162	2	626,440	2	637,600	3
Investment properties (Notes 17 and 33)	786,477	3	844,797	3	838,638	3
Goodwill	558	-	817	-	817	-
Other intangible assets (Note 18)	98,965	-	105,391	-	104,322	-
Deferred tax assets	463,583	2	417,127	2	458,809	2
Finance lease receivables - non-current (Note 11)	21,391	-	24,031	-	24,774	-
Net defined benefit assets - non-current	6,116	-	3,521	-	3,430	-
Other non-current assets (Notes 19)	200,163	1	196,463	1	188,130	1
Total non-current assets	<u>7,403,781</u>	<u>27</u>	<u>6,698,076</u>	<u>24</u>	<u>6,678,857</u>	<u>26</u>
TOTAL ASSETS	<u>\$ 27,177,164</u>	<u>100</u>	<u>\$ 27,823,862</u>	<u>100</u>	<u>\$ 25,297,679</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 33)	\$ 1,959,576	7	\$ 1,846,767	7	\$ 1,277,117	5
Short-term bills payable (Note 20)	249,882	1	129,869	1	149,832	1
Contract liabilities - current (Note 25)	216,935	1	748,044	3	245,792	1
Notes payable (Note 21)	662,664	2	90,333	-	371,043	1
Trade payables (Note 21)	1,806,427	7	2,107,188	8	1,973,379	8
Trade payables to related parties (Note 32)	10,966	-	20,526	-	11,452	-
Other payables (Note 22)	3,116,958	12	3,442,258	12	2,894,867	12
Current tax liabilities	245,888	1	399,020	1	281,409	1
Lease liabilities - current (Note 16)	102,779	-	77,782	-	80,170	-
Other current liabilities (Note 22)	116,753	-	94,108	-	100,512	-
Total current liabilities	<u>8,488,828</u>	<u>31</u>	<u>8,955,895</u>	<u>32</u>	<u>7,385,573</u>	<u>29</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	340,966	1	351,328	1	336,088	1
Lease liabilities - non-current (Note 16)	253,125	1	200,191	1	210,817	1
Net defined benefit liabilities - non-current	250,286	1	280,701	1	256,008	1
Other non-current liabilities (Note 22)	23,972	-	20,120	-	24,196	-
Total non-current liabilities	<u>868,349</u>	<u>3</u>	<u>852,340</u>	<u>3</u>	<u>827,109</u>	<u>3</u>
Total liabilities	<u>9,357,177</u>	<u>34</u>	<u>9,808,235</u>	<u>35</u>	<u>8,212,682</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Ordinary Shares	9,150,897	34	9,150,897	33	9,150,897	36
Capital surplus	144,066	-	127,392	-	127,392	1
Retained earnings						
Legal reserve	3,606,189	13	3,287,022	12	3,287,022	13
Special reserve	577,494	2	577,494	2	577,494	2
Unappropriated Earnings	4,282,644	16	4,918,357	18	4,263,521	17
Total retained earnings	8,466,327	31	8,782,873	32	8,128,037	32
Other equity	(330,906)	(1)	(355,492)	(1)	(591,693)	(2)
Treasury shares	(21,182)	-	(21,182)	-	(21,182)	-
Total equity attributable to owners of the Company	17,409,202	64	17,684,488	64	16,793,451	67
NON-CONTROLLING INTERESTS (Note 24)	<u>410,785</u>	<u>2</u>	<u>331,139</u>	<u>1</u>	<u>291,546</u>	<u>1</u>
Total equity	<u>17,819,987</u>	<u>66</u>	<u>18,015,627</u>	<u>65</u>	<u>17,084,997</u>	<u>68</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 27,177,164</u>	<u>100</u>	<u>\$ 27,823,862</u>	<u>100</u>	<u>\$ 25,297,679</u>	<u>100</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (REVIEWED, NOT AUDITED) (IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

	For the Three Months Ended September 30, 2021		For the Three Months Ended September 30, 2020		For the Nine Months Ended September 30, 2021		For the Nine Months Ended September 30, 2020	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Notes 25 and 32)	\$ 8,668,586	100	\$ 9,600,461	100	\$ 24,345,093	100	\$ 24,224,530	100
OPERATING COSTS								
Cost of goods sold (Notes 12, 26, and 32)	<u>6,581,863</u>	<u>76</u>	<u>6,800,345</u>	<u>71</u>	<u>18,159,804</u>	<u>75</u>	<u>17,063,107</u>	<u>70</u>
GROSS PROFIT	<u>2,086,723</u>	<u>24</u>	<u>2,800,116</u>	<u>29</u>	<u>6,185,289</u>	<u>25</u>	<u>7,161,423</u>	<u>30</u>
OPERATING EXPENSES (Note 26)								
Selling and marketing expenses	962,188	11	1,231,506	13	2,843,923	12	3,029,318	13
General and administrative expenses	268,082	3	274,235	3	763,103	3	775,043	3
Research and development expenses	45,712	1	39,885	-	129,605	-	111,631	-
Expected credit losses (or reversal)	<u>1</u>	<u>-</u>	<u>630</u>	<u>-</u>	<u>(2,934)</u>	<u>-</u>	<u>8,734</u>	<u>-</u>
Total operating expenses	<u>1,275,983</u>	<u>15</u>	<u>1,546,256</u>	<u>16</u>	<u>3,733,697</u>	<u>15</u>	<u>3,924,726</u>	<u>16</u>
OPERATING INCOME	<u>810,740</u>	<u>9</u>	<u>1,253,860</u>	<u>13</u>	<u>2,451,592</u>	<u>10</u>	<u>3,236,697</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)								
Interest income	22,147	-	24,366	-	83,836	-	91,312	-
Other income	22,550	-	9,414	-	47,727	-	31,655	-
Other gains and losses	(30,666)	-	41,011	-	(26,293)	-	75,456	-
Financial cost	<u>(12,323)</u>	<u>-</u>	<u>(9,224)</u>	<u>-</u>	<u>(38,302)</u>	<u>-</u>	<u>(40,541)</u>	<u>-</u>
Total non-operating income and expenses	<u>1,708</u>	<u>-</u>	<u>65,567</u>	<u>-</u>	<u>66,968</u>	<u>-</u>	<u>157,882</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	812,448	9	1,319,427	13	2,518,560	10	3,394,579	14
INCOME TAX EXPENSE (Note 27)	<u>203,352</u>	<u>2</u>	<u>350,727</u>	<u>3</u>	<u>515,602</u>	<u>2</u>	<u>832,812</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>609,096</u>	<u>7</u>	<u>968,700</u>	<u>10</u>	<u>2,002,958</u>	<u>8</u>	<u>2,561,767</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	45,526	-	54,205	-	237,625	1	39,236	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	<u>(1)</u>	<u>-</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>
	<u>45,525</u>	<u>-</u>	<u>54,211</u>	<u>-</u>	<u>237,625</u>	<u>1</u>	<u>39,239</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(41,737)	-	183,429	2	(164,387)	-	(44,257)	-
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	<u>8,304</u>	<u>-</u>	<u>(36,497)</u>	<u>-</u>	<u>32,718</u>	<u>-</u>	<u>8,802</u>	<u>-</u>
	<u>(33,433)</u>	<u>-</u>	<u>146,932</u>	<u>2</u>	<u>(131,669)</u>	<u>-</u>	<u>(35,455)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>12,092</u>	<u>-</u>	<u>201,143</u>	<u>2</u>	<u>105,956</u>	<u>1</u>	<u>3,784</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 621,188</u>	<u>7</u>	<u>\$ 1,169,843</u>	<u>12</u>	<u>\$ 2,108,914</u>	<u>9</u>	<u>\$ 2,565,551</u>	<u>11</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 590,619	7	\$ 951,165	10	\$ 1,971,178	8	\$ 2,536,836	11
Non-controlling Interests	<u>18,477</u>	<u>-</u>	<u>17,535</u>	<u>-</u>	<u>31,780</u>	<u>-</u>	<u>24,931</u>	<u>-</u>
	<u>\$ 609,096</u>	<u>7</u>	<u>\$ 968,700</u>	<u>10</u>	<u>\$ 2,002,958</u>	<u>8</u>	<u>\$ 2,561,767</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 566,718	7	\$ 1,136,594	12	\$ 1,995,764	9	\$ 2,522,637	11
Non-controlling Interests	<u>54,470</u>	<u>-</u>	<u>33,249</u>	<u>-</u>	<u>113,150</u>	<u>-</u>	<u>42,914</u>	<u>-</u>
	<u>\$ 621,188</u>	<u>7</u>	<u>\$ 1,169,843</u>	<u>12</u>	<u>\$ 2,108,914</u>	<u>9</u>	<u>\$ 2,565,551</u>	<u>11</u>
EARNINGS PER SHARE (Note 28)								
Basic	<u>\$ 0.65</u>		<u>\$ 1.05</u>		<u>\$ 2.17</u>		<u>\$ 2.79</u>	
Diluted	<u>\$ 0.65</u>		<u>\$ 1.05</u>		<u>\$ 2.17</u>		<u>\$ 2.79</u>	

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (REVIEWED, NOT AUDITED) (IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity Attributable to Owners of the Company						Other Equity Items						
	Ordinary Shares	Capital surplus	Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Treasury shares	Total	Non-controlling Interests	Total equity
			Legal reserve	Special reserve	Unappropriated Earnings	Total							
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													
Legal reserve	-	-	341,610	-	(341,610)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	246,549	(246,549)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,424,987)	(2,424,987)	-	-	-	-	(2,424,987)	-	(2,424,987)
Dividends distributed to subsidiaries to adjust capital surplus	-	17,674	-	-	-	-	-	-	-	-	17,674	-	17,674
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(23,932)	(23,932)
Net profit for the nine months ended September 30, 2020	-	-	-	-	2,536,836	2,536,836	-	-	-	-	2,536,836	24,931	2,561,767
Other comprehensive income for the nine months ended September 30, 2020	-	-	-	-	-	-	(35,211)	21,012	(14,199)	-	(14,199)	17,983	3,784
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
Balance as of September 30, 2020	<u>\$ 9,150,897</u>	<u>\$ 127,392</u>	<u>\$ 3,287,022</u>	<u>\$ 577,494</u>	<u>\$ 4,263,521</u>	<u>\$ 8,128,037</u>	<u>(\$ 728,249)</u>	<u>\$ 136,556</u>	<u>(\$ 591,693)</u>	<u>(\$ 21,182)</u>	<u>\$ 16,793,451</u>	<u>\$ 291,546</u>	<u>\$ 17,084,997</u>
Balance as of January 1, 2021	\$ 9,150,897	\$ 127,392	\$ 3,287,022	\$ 577,494	\$ 4,918,357	\$ 8,782,873	(\$ 572,206)	\$ 216,714	(\$ 355,492)	(\$ 21,182)	\$ 17,684,488	\$ 331,139	\$ 18,015,627
Appropriations and distribution of 2020 earnings													
Legal reserve	-	-	319,167	-	(319,167)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,287,724)	(2,287,724)	-	-	-	-	(2,287,724)	-	(2,287,724)
Dividends distributed to subsidiaries to adjust capital surplus	-	16,674	-	-	-	-	-	-	-	-	16,674	-	16,674
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,504)	(33,504)
Net profit for the nine months ended September 30, 2021	-	-	-	-	1,971,178	1,971,178	-	-	-	-	1,971,178	31,780	2,002,958
Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	-	(130,872)	155,458	24,586	-	24,586	81,370	105,956
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	1,971,178	1,971,178	(130,872)	155,458	24,586	-	1,995,764	113,150	2,108,914
Balance as of September 30, 2021	<u>\$ 9,150,897</u>	<u>\$ 144,066</u>	<u>\$ 3,606,189</u>	<u>\$ 577,494</u>	<u>\$ 4,282,644</u>	<u>\$ 8,466,327</u>	<u>(\$ 703,078)</u>	<u>\$ 372,172</u>	<u>(\$ 330,906)</u>	<u>(\$ 21,182)</u>	<u>\$ 17,409,202</u>	<u>\$ 410,785</u>	<u>\$ 17,819,987</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020 (REVIEWED, NOT AUDITED) (IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,518,560	\$ 3,394,579
Adjustments for:		
Depreciation expenses	451,114	443,858
Amortization expenses	57,388	45,767
Expected credit losses (or reversal)	(2,934)	8,734
Net loss (gain) recognized on financial assets and liabilities measured at FVTPL	34,333	(1,412)
Financial cost	38,302	40,541
Interest income	(83,836)	(91,312)
Dividend income	(23,812)	(9,584)
Net loss on disposal of property, plant and equipment	8,670	2,744
Net loss on disposal of investments	259	-
Others	1,175	-
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	491,111	(39,294)
Notes receivable	(40,537)	(12,577)
Trade receivables	1,264,677	278,123
Trade receivables from related parties	1,357	(9,088)
Other receivables	(38,566)	(71,564)
Inventories	(1,100,647)	(1,149,783)
Prepayments	(190,647)	92,938
Other current assets	(10,350)	(27,748)
Net defined benefit assets	(2,595)	(2,512)
Contract liabilities	(524,774)	(79,089)
Notes payable	579,299	56,282
Trade payables	(294,444)	(36,982)
Trade payables to related parties	(9,560)	(14,690)
Other payables	(298,122)	52,445
Other current liabilities	45,824	71,934
Net defined benefit liabilities	(28,664)	(43,553)
Cash generated from operations	2,842,581	2,898,757

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(Continued from the previous page)

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Interest received	\$ 76,586	\$ 86,152
Interest paid	(38,605)	(41,703)
Income tax paid	(672,300)	(962,664)
Net cash generated from operating activities	<u>2,208,262</u>	<u>1,980,542</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(3,765,103)	(3,248,766)
Disposal of financial assets at amortized cost	2,343,897	3,028,071
Acquisition of property, plant and equipment	(257,394)	(212,235)
Proceeds from disposal of property, plant and equipment	8,172	14,718
Payments for intangible assets	(10,957)	(41,236)
Decrease in finance lease receivables	2,174	2,068
Increase in other financial assets	(16,851)	-
Decrease in other financial assets	-	82,757
Increase in other non-current assets	(37,265)	(50,742)
Dividends received	<u>23,812</u>	<u>9,584</u>
Net cash used in investing activities	(<u>1,709,515</u>)	(<u>415,781</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	137,250	-
Decrease in short-term borrowings	-	(99,136)
Increase in short-term notes and bills payable	120,013	49,864
Payments for long-term borrowings	-	(6,000)
Payments for principal portion of lease liabilities	(66,192)	(67,517)
Increase in other financial liabilities	4,165	1,812
Decrease in other non-current liabilities	-	(566)
Cash dividends distributed	(<u>2,304,554</u>)	(<u>2,431,245</u>)
Net cash used in financing activities	(<u>2,109,318</u>)	(<u>2,552,788</u>)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(<u>33,025</u>)	(<u>16,529</u>)
NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE CURRENT PERIOD	(1,643,596)	(1,004,556)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>4,332,018</u>	<u>3,705,903</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 2,688,422</u>	<u>\$ 2,701,347</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

Notes to consolidated financial statements

For the Nine Months Ended September 30, 2021 and 2020

(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 have been approved by the Board of Directors on November 8, 2021.

3. Application of New, Amended, and Revised Standards and Interpretations

- a. The first-time application of the amended International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to as "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the IFRSs recognized and issued into effect by the FSC should not result in major changes in the accounting policies of the Company and the entities controlled by the Company (hereinafter referred to as the "Group"):

- b. IFRSs endorsed by the FSC and applicable from 2022 onward:

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
Annual improvement of IFRSs 2018-2020	January 1, 2022 (Note 1)
Amendment to IFRS 3 "References to the Conceptual Framework"	January 1, 2022 (Note 2)
Amendments to IAS 16 Real estate, Plant, and Equipment - Proceeds before Intended Use	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1. 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 2. The amendments are applicable to business combinations with acquisition dates in annual reporting periods beginning on or after January 1, 2022.

Note 3. The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4. This amendment applies to contracts that have not fulfilled all obligations on January 1, 2022.

As of the date of authorization of the Consolidated Financial Statements, the Group has continued to assess the effects of amendments to the abovementioned standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

- c. 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)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimate"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

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. This amendment prospectively applies to the annual reporting period beginning after January 1, 2023.

Note 3. This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning after January 1, 2023.

Note 4. Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, this amendment is applicable to transactions that occur after January 1, 2022.

As of the date of authorization of the Consolidated Financial Statements, the Group has continued to assess the effects of amendments to the abovementioned standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial report was formulated in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" recognized and announced to enter into effect by 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. 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 detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other Significant Accounting Policies

Except for the following, please refer to the summary of material accounting policies in the 2020 consolidated financial statements.

1) Pension Benefit in a 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 a defined benefit plan, except that the relevant remeasurements are recognized in profit or loss.

3) Income tax

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of major accounting judgments and uncertainty of estimation and assumptions adopted in these consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2020.

6. CASH AND CASH EQUIVALENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand	\$ 2,088	\$ 2,336	\$ 2,424
Checking accounts and demand deposits	1,622,894	4,258,398	2,649,404
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	968,634	71,284	49,519
Repurchase agreements collateralized by bonds	94,806	-	-
	<u>\$ 2,688,422</u>	<u>\$ 4,332,018</u>	<u>\$ 2,701,347</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Bank deposits	0.001%-3.000%	0.001%-3.220%	0.001%-3.500%
Repurchase agreements collateralized by bonds	0.200%	-	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets at FVTPL - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Fund beneficiary certificate	\$ 934,956	\$ 1,461,304	\$ 680,326
- Bonds	<u>28,407</u>	<u>29,032</u>	<u>29,656</u>
	<u>\$ 963,363</u>	<u>\$ 1,490,336</u>	<u>\$ 709,982</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 4,099	\$ 4,434	\$ -
- Unlisted shares	<u>6,483</u>	<u>6,232</u>	<u>6,239</u>
	<u>\$ 10,582</u>	<u>\$ 10,666</u>	<u>\$ 6,239</u>

8. FINANCIAL ASSETS AT FVTOCI

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Investments in equity instruments	<u>\$ 304,515</u>	<u>\$ 249,485</u>	<u>\$ 210,557</u>
<u>Non-current</u>			
Investments in equity instruments	<u>\$ 449,751</u>	<u>\$ 267,178</u>	<u>\$ 205,078</u>
<u>Investments in equity instruments</u>			
	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Listed shares			
Ordinary shares - Far Eastern International Bank	\$ 15,090	\$ 15,374	\$ 14,135
Ordinary shares - Chunghwa Telecom Co., Ltd	5,370	5,297	5,200

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	September 30, 2021	December 31, 2020	September 30, 2020
Ordinary shares - Formosa Plastics Corp.	\$ 10,379	\$ 8,815	\$ 7,187
Ordinary shares - China Steel Corp.	29,158	19,881	16,427
Ordinary shares - Polytronics Technology Corp.	192,318	152,418	128,638
Ordinary shares - Taiwan Semiconductor Manufacturing Co., Ltd.	<u>52,200</u>	<u>47,700</u>	<u>38,970</u>
	<u>\$ 304,515</u>	<u>\$ 249,485</u>	<u>\$ 210,557</u>
Non-current			
Listed shares			
Ordinary shares - GeneFerm Biotechnology Co., Ltd. (GeneFerm)	\$ 71,539	\$ 62,423	\$ 44,297
Unlisted shares			
Ordinary shares - Dah Chung Bills Finance Corp.	17,181	14,918	14,471
Ordinary shares - InnoComm Mobile Technology Corp.	360,000	188,784	145,404
Ordinary shares - AsiaVest Liquidation Co.	<u>1,031</u>	<u>1,053</u>	<u>906</u>
	<u>\$ 449,751</u>	<u>\$ 267,178</u>	<u>\$ 205,078</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 fair value through other comprehensive income 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, 2021	December 31, 2020	September 30, 2020
Current			
Time deposits with original maturities of more than 3 months	<u>\$ 2,532,113</u>	<u>\$ 1,728,070</u>	<u>\$ 2,428,864</u>
Non-current			
Time deposits with original maturities of more than 3 months	<u>\$ 601,202</u>	<u>\$ -</u>	<u>\$ -</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.26%~4.13%, 0.35%~4.13%, and 0.25%~4.13% per annum as of September 30, 2021, December 31, 2020, and September 30, 2020, respectively.

10. NOTE RECEIVABLES, TRADE RECEIVABLES, AND OTHER RECEIVABLES

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Notes receivable</u>			
Operating	\$ 43,236	\$ 3,154	\$ 15,566
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,994,620	\$ 6,328,068	\$ 6,163,542
Less: Allowance for impairment loss	(25,613)	(32,487)	(29,442)
	\$ 4,969,007	\$ 6,295,581	\$ 6,134,100
<u>Other receivables</u>			
Accrued income	\$ 25,981	\$ 19,033	\$ 14,073
Receivables from payments on behalf of others	201	3,259	460
Receivables from promotion subsidy	9,975	19,543	-
Others	233,625	182,535	255,213
	\$ 269,782	\$ 224,370	\$ 269,746

The Group's credit period for commodity sales averages 30~90 days. To minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual receivable on the balance sheet date to ensure that adequate allowances are 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, 2021

	Not Pass Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
ECL rate	0.01%	0.98%	14.88%	39.76%	72.83%	
Gross carrying amount	\$4,908,347	\$ 67,049	\$ 17,862	\$ 32,929	\$ 11,669	\$5,037,856
Loss allowance (Lifetime ECL)	(711)	(654)	(2,658)	(13,091)	(8,499)	(25,613)
Amortized cost	\$4,907,636	\$ 66,395	\$ 15,204	\$ 19,838	\$ 3,170	\$5,012,243

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December 31, 2020

	Not Pass Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
ECL rate	0.01%	0.44%	2.97%	51.56%	96.04%	
Gross carrying amount	\$5,855,491	\$ 353,466	\$ 74,259	\$ 40,270	\$ 7,736	\$6,331,222
Loss allowance (Lifetime ECL)	(537)	(1,549)	(2,207)	(20,764)	(7,430)	(32,487)
Amortized cost	<u>\$5,854,954</u>	<u>\$ 351,917</u>	<u>\$ 72,052</u>	<u>\$ 19,506</u>	<u>\$ 306</u>	<u>\$6,298,735</u>

September 30, 2020

	Not Pass 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>

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

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Balance as of January 1	\$ 32,487	\$ 20,933
Add: Impairment loss provided for the current period	-	8,734
Less: Reversal impairment loss for the current period	(2,934)	-
Less: Actual write-off for the current period	(3,205)	(195)
Foreign exchange translation difference	(735)	(30)
Balance as of September 30	<u>\$ 25,613</u>	<u>\$ 29,442</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Undiscounted lease payments			
Year 1	\$ 4,550	\$ 4,200	\$ 4,200
Year 2	4,800	4,700	4,550
Year 3	4,800	4,800	4,800
Year 4	4,800	4,800	4,800
Year 5	4,800	4,800	4,800
Year 6 onwards	<u>5,000</u>	<u>8,600</u>	<u>9,800</u>
	28,750	31,900	32,950
Less: Unearned finance income	(3,976)	(4,952)	(5,295)
Net investment in leases presented as finance lease receivables	<u>\$ 24,774</u>	<u>\$ 26,948</u>	<u>\$ 27,655</u>

No finance lease receivable was past due on the balance sheet date. 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, 2021	December 31, 2020	September 30, 2020
Merchandise	\$ 419,057	\$ 640,373	\$ 692,893
Finished goods	1,546,483	1,977,416	1,272,451
Work in progress	1,199,915	350,629	589,335
Raw materials	2,932,113	2,092,141	2,181,017
Packing materials	<u>70,167</u>	<u>64,089</u>	<u>56,644</u>
	<u>\$ 6,167,735</u>	<u>\$ 5,124,648</u>	<u>\$ 4,792,340</u>

Cost of goods sold for the three and nine months ended September 30, 2021 and 2020 includes loss in inventory value (gain on recovery) of NT\$(15,668) thousand, NT\$7,739 thousand, NT\$18,311 thousand, and NT\$8,488 thousand, and inventory obsolescence loss of NT\$3,984 thousand, NT\$14,439 thousand, NT\$23,174 thousand, and NT\$32,236 thousand, respectively.

13. PREPAYMENTS

	September 30, 2021	December 31, 2020	September 30, 2020
Prepayments for purchases	\$ 1,072,727	\$ 1,025,145	\$ 743,522
Prepayments for rent	7,101	5,274	8,770
Prepayments for insurance	5,672	980	5,877
Excess business tax paid	360,411	212,798	277,710
Prepayments for advertisements	11,042	19,490	13,391
Others	<u>291,901</u>	<u>315,602</u>	<u>237,027</u>
	<u>\$ 1,748,854</u>	<u>\$ 1,579,289</u>	<u>\$ 1,286,297</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, 2021	December 31, 2020	September 30, 2020	
The Company	Standard Dairy Products Taiwan Ltd. (Standard Dairy Products) (Note)	Manufacture and sale of dairy products and beverages	100.0%	100.0%	100.0%	-
The Company	Chang Hui Ltd.(Chang Hui) (Note)	Investing	100.0%	100.0%	100.0%	-
The Company	Domex Technology Corporation (Domex Technology) (Note)	Manufacture and sale of computer peripherals and computer appliances	52.0%	52.0%	52.0%	-
The Company	Standard Beverage Company Ltd. (Standard Beverage) (Note)	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) (Note)	Sale of health food	-	100.0%	100.0%	Le Bonta Wellness was liquidated in August 2021.
The Company	Standard Foods, LLC.(Note)	Sale of health food	100.0%	100.0%	100.0%	The Company invested US\$300 thousand and set up Standard Foods, LLC. in June 2020.
Accession Limited	Shanghai Standard Foods Co., Ltd. (Shanghai Standard)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	-
Accession Limited	Shanghai Le Ben De Health Technology Co., Ltd. (Shanghai Le Ben De) (Note)	Technical consultant on health technology, technical transfer and technical service	100.0%	100.0%	100.0%	-
Accession Limited	Dermalab S.A. (Dermalab) (Note)	Development and sale of cosmetics	100.0%	100.0%	100.0%	Accession Limited invested CHF 1,450 thousand in Dermalab in March 2021.
Dermalab	Swissderma SL (Swissderma) (Note)	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) Co., Ltd. (China Standard Investment)	Investing and sale of edible oils and nutritious foods	99.0%	99.0%	99.0%	-
Hong Kong Standard	Shanghai Le Min Industrial Co., Ltd. (Shanghai Le Min) (Note)	Management of properties	100.0%	100.0%	100.0%	-
Hong Kong Standard	Shanghai Le Ho Industrial Co., Ltd. (Shanghai Le Ho) (Note)	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) (Note)	Sale of nutritional foods, cosmetics 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) (Note)	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) (Note)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	-

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

15. REAL ESTATE, PLANT, AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Other equipment	Property in Construction and Equipment to Be Tested	Total
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)
Reclassification	2,940	28,248	98,470	29,256	(158,914)	-
Transferred to investment property	-	(748,948)	-	-	-	(748,948)
Net 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
Transferred to investment property	-	(29,475)	-	-	-	(29,475)
Net 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>
Net 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>
Cost						
Balance as of January 1, 2021	\$ 705,345	\$ 3,392,715	\$ 4,168,193	\$ 574,828	\$ 127,003	\$ 8,968,084
Additions	-	-	4,240	1,015	252,139	257,394
Disposals	-	(4,386)	(116,759)	(17,938)	(5,979)	(145,062)
Reclassification	10,805	44,004	123,349	31,687	(209,845)	-
From investment properties	-	36,012	-	-	-	36,012
Net foreign currency exchange differences	-	(31,267)	(20,006)	(4,552)	(266)	(56,091)
Balance as of September 30, 2021	<u>\$ 716,150</u>	<u>\$ 3,437,078</u>	<u>\$ 4,159,017</u>	<u>\$ 585,040</u>	<u>\$ 163,052</u>	<u>\$ 9,060,337</u>
Accumulated depreciation and impairment						
Balance as of January 1, 2021	\$ -	\$ 1,410,765	\$ 2,914,753	\$ 440,921	\$ -	\$ 4,766,439
Disposals	-	(4,362)	(106,632)	(17,226)	-	(128,220)
Depreciation expenses	-	120,205	201,437	32,228	-	353,870
Reclassification	-	-	(109)	109	-	-
From investment properties	-	17,526	-	-	-	17,526
Net foreign currency exchange differences	-	(9,046)	(9,879)	(3,184)	-	(22,109)
Balance as of September 30, 2021	<u>\$ -</u>	<u>\$ 1,535,088</u>	<u>\$ 2,999,570</u>	<u>\$ 452,848</u>	<u>\$ -</u>	<u>\$ 4,987,506</u>
Net amount as of December 31, 2020 and January 1, 2021	<u>\$ 705,345</u>	<u>\$ 1,981,950</u>	<u>\$ 1,253,440</u>	<u>\$ 133,907</u>	<u>\$ 127,003</u>	<u>\$ 4,201,645</u>
Net amount as of September 30, 2021	<u>\$ 716,150</u>	<u>\$ 1,901,990</u>	<u>\$ 1,159,447</u>	<u>\$ 132,192</u>	<u>\$ 163,052</u>	<u>\$ 4,072,831</u>

Depreciation expenses were recognized on a straight-line basis over the following estimated useful lives of the assets:

Buildings

Main buildings	20 ~ 51 years
Electrical and mechanical equipment	8 ~ 20 years
Engineering system	3 ~ 39 years
Others	3 ~ 20 years

Equipment

Main equipment	2 ~ 20 years
Engineering system	3 ~ 20 years
Others	3 ~ 15 years
Other equipment	2 ~ 15 years

For the amount of real estate, plant, and equipment pledged as collateral, refer to Note 33.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amounts of right-of-use assets			
Land	\$ 384,269	\$ 399,166	\$ 393,750
Buildings	302,548	218,696	235,399
Office equipment	372	444	338
Transportation equipment	4,973	8,134	8,113
	<u>\$ 692,162</u>	<u>\$ 626,440</u>	<u>\$ 637,600</u>

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Additions to right-of-use assets	<u>\$ 138,606</u>	<u>\$ 2,440</u>	<u>\$ 171,690</u>	<u>\$ 11,789</u>
Depreciation expenses for right-of-use assets				
Land	\$ 3,082	\$ 3,069	\$ 9,304	\$ 9,200
Buildings	20,525	18,259	57,299	56,591
Office equipment	24	17	72	52
Transportation equipment	766	861	2,389	2,462
	<u>\$ 24,397</u>	<u>\$ 22,206</u>	<u>\$ 69,064</u>	<u>\$ 68,305</u>

b. Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amounts of lease liabilities			
Current	<u>\$ 102,779</u>	<u>\$ 77,782</u>	<u>\$ 80,170</u>
Non-current	<u>\$ 253,125</u>	<u>\$ 200,191</u>	<u>\$ 210,817</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Land	1.07%~1.49%	1.07%~1.49%	1.07%~1.49%
Buildings	1.07%~4.35%	1.07%~4.35%	1.07%~4.35%
Office equipment	1.07%	1.07%	1.07%
Transportation equipment	1.07%~ 3.77%	1.07%~ 3.77%	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.

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Expenses relating to short-term leases	\$ 21,504	\$ 25,993	\$ 74,834	\$ 68,244
Expenses relating to low-value asset leases	\$ 658	\$ 322	\$ 2,020	\$ 860
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 19	\$ 19	\$ 58	\$ 57
Total cash outflow for leases			(\$ 149,418)	(\$ 144,080)

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

17. INVESTMENT PROPERTY

	Completed Investment Properties	Right-of-use assets	Total
<u>Cost</u>			
Balance as of January 1, 2020	\$ 241,711	\$ 5,548	\$ 247,259
From property, plant and equipment	748,948	-	748,948
Net foreign currency exchange differences	1,173	(31)	1,142
Balance as of September 30, 2020	\$ 991,832	\$ 5,517	\$ 997,349
<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
Net foreign currency exchange differences	(357)	(1)	(358)
Balance as of September 30, 2020	\$ 158,055	\$ 656	\$ 158,711
Net amount as of September 30, 2020	\$ 833,777	\$ 4,861	\$ 838,638

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	Completed Investment Properties	Right-of-use assets	Total
<u>Cost</u>			
Balance as of January 1, 2021	\$ 1,009,740	\$ 5,635	\$ 1,015,375
Transferred to property, plant and equipment	(36,012)	-	(36,012)
Net foreign currency exchange differences	(13,769)	(90)	(13,859)
Balance as of September 30, 2021	<u>\$ 959,959</u>	<u>\$ 5,545</u>	<u>\$ 965,504</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2021	\$ 169,797	\$ 781	\$ 170,578
Depreciation expenses	27,851	329	28,180
Transferred to property, plant and equipment	(17,526)	-	(17,526)
Net foreign currency exchange differences	(2,190)	(15)	(2,205)
Balance as of September 30, 2021	<u>\$ 177,932</u>	<u>\$ 1,095</u>	<u>\$ 179,027</u>
Net amount as of December 31, 2020 and January 1, 2021	<u>\$ 839,943</u>	<u>\$ 4,854</u>	<u>\$ 844,797</u>
Net amount as of September 30, 2021	<u>\$ 782,027</u>	<u>\$ 4,450</u>	<u>\$ 786,477</u>

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

Buildings

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

The Group's investment properties are located in Suzhou City, Jiangsu Province, China. Due to the land is included in the industrial districts, the market for comparable properties is inactive and alternative reliable measurements of fair value are not available. Therefore, the fair value is not reliably measurable.

Except the abovementioned, the fair values of the investment properties were \$1,102,261 thousand, \$1,146,959 thousand, and \$1,125,601 thousand as of September 30, 2021, December 31, 2020 and September 30, 2020, respectively. In the absence of hiring an independent appraiser, the management of the Group determined the fair value with reference to market transaction prices of similar properties.

All of the Group's investment properties are held under freehold interests. For the amount of investment real estate set by the Group as a loan guarantee, please refer to Note 33.

18. INTANGIBLE ASSETS

	Trademark	Computer software	Total
<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)
Net foreign currency exchange differences	<u>440</u>	<u>(218)</u>	<u>222</u>
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 expenses	3,809	1,906	5,715
Net foreign currency exchange differences	<u>(1,093)</u>	<u>(217)</u>	<u>(1,310)</u>
Balance as of September 30, 2020	<u>\$ 166,158</u>	<u>\$ 209,657</u>	<u>\$ 375,815</u>
Net amount as of September 30, 2020	<u>\$ 92,782</u>	<u>\$ 11,540</u>	<u>\$ 104,322</u>
<u>Cost</u>			
Balance as of January 1, 2021	\$ 261,737	\$ 225,239	\$ 486,976
Additions	59	10,898	10,957
Disposals	(185)	-	(185)
Net foreign currency exchange differences	<u>(6,267)</u>	<u>(13)</u>	<u>(6,280)</u>
Balance as of September 30, 2021	<u>\$ 255,344</u>	<u>\$ 236,124</u>	<u>\$ 491,468</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2021	\$ 170,665	\$ 210,920	\$ 381,585
Disposals	(185)	-	(185)
Amortization expenses	3,823	7,084	10,907
Net foreign currency exchange differences	<u>207</u>	<u>(11)</u>	<u>196</u>
Balance as of September 30, 2021	<u>\$ 174,510</u>	<u>\$ 217,993</u>	<u>\$ 392,503</u>
Net amount as of December 31, 2020 and January 1, 2021	<u>\$ 91,072</u>	<u>\$ 14,319</u>	<u>\$ 105,391</u>
Net amount as of September 30, 2021	<u>\$ 80,834</u>	<u>\$ 18,131</u>	<u>\$ 98,965</u>

For the nine months ended September 30, 2021 and 2020, there were no signs of impairment, so the Group did not conduct any impairment assessment.

Amortization expenses are calculated on a straight-line basis over the following useful lives:

Trademark	10-20 years
Computer software	2-3 years

19. OTHER ASSETS

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Pledged bank time deposits (Note 33)	\$ 4,016	\$ 4,016	\$ 4,013
Advances to officers	26,666	24,291	12,745
Temporary payments	895	10,094	1,739
Right of products to be returned	41,890	25,320	38,228
Others	<u>390</u>	<u>123</u>	<u>488</u>
	<u>\$ 73,857</u>	<u>\$ 63,844</u>	<u>\$ 57,213</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 21,117	\$ 24,737	\$ 15,441
Refundable deposits	72,435	56,259	56,000
Others	<u>106,611</u>	<u>115,467</u>	<u>116,689</u>
	<u>\$ 200,163</u>	<u>\$ 196,463</u>	<u>\$ 188,130</u>

20. BORROWINGS

a. Short-term borrowings

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Secured borrowings</u> (Note 33)			
Bank loans	\$ 200,000	\$ 180,000	\$ 180,000
<u>Unsecured borrowings</u>			
Bank loans	1,744,668	1,650,614	1,081,324
Other loans	<u>14,908</u>	<u>16,153</u>	<u>15,793</u>
	<u>\$ 1,959,576</u>	<u>\$ 1,846,767</u>	<u>\$ 1,277,117</u>

The annual interest rates of the aforementioned short-term borrowings or financing are 0.95%~3.00%, 0.95%~3.20%, and 0.95%~3.20% on September 30, 2021, December 31, 2020, and September 30, 2020, respectively.

b. Short-term bills payable

	September 30, 2021	December 31, 2020	September 30, 2020
Commercial paper payable	\$ 250,000	\$ 130,000	\$ 150,000
Less: Discount on short-term bills payable	(<u>118</u>)	(<u>131</u>)	(<u>168</u>)
	<u>\$ 249,882</u>	<u>\$ 129,869</u>	<u>\$ 149,832</u>

The annual interest rates payable to commercial promissory notes as of September 30, 2021, December 31, 2020, and September 30, 2020 are 1.19%~1.34%, 1.19%~1.29%, and 1.19%~1.29%, respectively.

21. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Notes payable</u>			
Operating	\$ 662,664	\$ 90,288	\$ 371,043
Non-operating	-	45	-
	<u>\$ 662,664</u>	<u>\$ 90,333</u>	<u>\$ 371,043</u>
<u>Trade payables</u>			
Operating	<u>\$ 1,806,427</u>	<u>\$ 2,107,188</u>	<u>\$ 1,973,379</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, 2021	December 31, 2020	September 30, 2020
<u>Current</u>			
Other payables			
Payable for salaries or bonuses	\$ 373,704	\$ 368,144	\$ 290,913
Payable for compensation of employees	31,950	49,921	28,381
Payable for remuneration to directors	13,530	21,965	18,529
Payable for commission and rebates	1,175,884	1,234,532	992,184
Payable for advertisement	141,391	226,393	135,207
Payable for royalties	21,723	23,682	24,201
Payable for freight	78,066	116,854	91,782
Payable for equipment	68,359	86,794	94,495
Others	<u>1,212,351</u>	<u>1,313,973</u>	<u>1,219,175</u>
	<u>\$ 3,116,958</u>	<u>\$ 3,442,258</u>	<u>\$ 2,894,867</u>
Other liabilities			
Advance receipts from customers	\$ 3,092	\$ 2,430	\$ 1,058
Refund liability	84,536	41,596	75,171
Others	<u>29,125</u>	<u>50,082</u>	<u>24,283</u>
	<u>\$ 116,753</u>	<u>\$ 94,108</u>	<u>\$ 100,512</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 23,852	\$ 19,990	\$ 21,774
Others	<u>120</u>	<u>130</u>	<u>2,422</u>
	<u>\$ 23,972</u>	<u>\$ 20,120</u>	<u>\$ 24,196</u>

The Group accepts returns of sold goods according to the business practices. Taking into account the accumulated experience in the past, the Company and its mainland subsidiaries estimate the return rate based on the most probable amount, and recognize the return liability (recorded as other current liabilities) and related pending returns. Product rights (recorded as other current assets).

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans for the three and nine months ended September 30, 2021 and 2020 were \$7,777 thousand, \$2,899 thousand, \$19,723 thousand, and \$8,638 thousand by the actuarially determined pension cost discount rate as of December 31, 2020 and 2019, respectively.

24. EQUITY

a. Share capital

1) Ordinary shares

	September 30, 2021	December 31, 2020	September 30, 2020
Number of shares authorized (in thousands)	920,000	920,000	920,000
Shares authorized	\$ 9,200,000	\$ 9,200,000	\$ 9,200,000
Number of shares issued and fully paid (in thousands)	915,089	915,089	915,089
Shares issued	\$ 9,150,897	\$ 9,150,897	\$ 9,150,897

2) Global depositary receipts

As of September 30, 2021, 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, 2021	December 31, 2020	September 30, 2020
<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	143,599	126,925	126,925
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	466	466	466
	\$ 144,066	\$ 127,392	\$ 127,392

- 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 any profits in a fiscal year, the profits 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 board of directors and shareholders' meetings proposed and resolved the distribution of earnings for years ended December 31, 2020 and 2019 on July 22, 2021 and June 16, 2020 as follows:

	2020	2019
Legal reserve	<u>\$ 319,167</u>	<u>\$ 341,610</u>
Special reserve	<u>\$ -</u>	<u>\$ 246,549</u>
Cash dividends	<u>\$ 2,287,724</u>	<u>\$ 2,424,987</u>
Cash dividends per share (NT\$)	\$ 2.5	\$ 2.65

d. Special reserve

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Balance as of January 1	\$ 577,494	\$ 330,945
Appropriation of special reserve		
Appropriation for deductions in other equity items	<u>-</u>	<u>246,549</u>
Balance as of September 30	<u>\$ 577,494</u>	<u>\$ 577,494</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. If there is a subsequent reversal of the net deduction of other shareholders' equity, the special reserve reversed may be reverted to distribute the surplus.

e. Other Equity Items

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

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Balance as of January 1	(\$ 572,206)	(\$ 693,038)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(130,872)	(35,211)
Other comprehensive income for the period	(130,872)	(35,211)
Balance as of September 30	<u>(\$ 703,078)</u>	<u>(\$ 728,249)</u>

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

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Balance as of January 1	\$ 216,714	\$ 115,544
Recognized for the year		
Unrealized gain (loss) Equity instruments	<u>155,458</u>	<u>21,012</u>
Other comprehensive income for the period	<u>155,458</u>	<u>21,012</u>
Balance as of September 30	<u>\$ 372,172</u>	<u>\$ 136,556</u>

f. Non-controlling Interests

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Balance as of January 1	\$ 331,139	\$ 272,564
Net profit for the period	31,780	24,931
Other comprehensive income for the period		
Exchange differences on translating the financial statements of foreign operations	(797)	(244)
Unrealized gain (loss) on financial assets at FVTOCI	82,167	18,227
Cash dividends distributed by subsidiaries to non-controlling interests	(33,504)	(23,932)
Balance as of September 30	<u>\$ 410,785</u>	<u>\$ 291,546</u>

g. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)
Number of shares as of January 1 and September 30, 2020	<u>6,669</u>
Number of shares as of January 1 and September 30, 2021	<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, 2021</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 344,145</u>
<u>December 31, 2020</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 408,839</u>
<u>September 30, 2020</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 405,504</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

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Revenue from contracts with customers				
Sale of goods	<u>\$ 8,668,586</u>	<u>\$ 9,600,461</u>	<u>\$ 24,345,093</u>	<u>\$ 24,224,530</u>

a. Contract balances

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Notes receivable (Note 10)	<u>\$ 43,236</u>	<u>\$ 3,154</u>	<u>\$ 15,566</u>	<u>\$ 2,977</u>
Trade receivables (Note 10)	<u>\$ 4,969,007</u>	<u>\$ 6,295,581</u>	<u>\$ 6,134,100</u>	<u>\$ 6,439,550</u>
Trade receivables from related parties (Note 10)	<u>\$ 7,654</u>	<u>\$ 9,011</u>	<u>\$ 9,088</u>	<u>\$ -</u>
Contract liabilities - current				
Sale of goods	<u>\$ 216,935</u>	<u>\$ 748,044</u>	<u>\$ 245,792</u>	<u>\$ 326,644</u>

b. Disaggregation of revenue

For the Nine Months Ended September 30, 2021

	Reportable Segments			Total
	Nutritious Foods	Cooking products Food	Others	
<u>Types of goods or services</u>				
Sale of goods	\$ 8,382,154	\$ 12,117,002	\$ 3,845,937	\$ 24,345,093

For the Nine Months Ended September 30, 2020

	Reportable Segments			Total
	Nutritious Foods	Cooking products Food	Others	
<u>Types of goods or services</u>				
Sale of goods	\$ 8,914,489	\$ 12,877,198	\$ 2,432,843	\$ 24,224,530

26. NET PROFIT

Components of net profit includes:

a. Interest income

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Interest income				
Bank deposits	\$ 6,997	\$ 6,609	\$ 43,211	\$ 43,210
Financial assets at amortized cost	14,862	17,393	39,691	46,581
Repurchase agreements collateralized by bonds	-	36	30	507
Others	288	328	904	1,014
	<u>\$ 22,147</u>	<u>\$ 24,366</u>	<u>\$ 83,836</u>	<u>\$ 91,312</u>

b. Other income

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Operating lease rental income				
Investment properties (Note 17)	\$ 6,309	\$ 7,137	\$ 22,996	\$ 21,139
Others	284	397	919	932
	<u>6,593</u>	<u>7,534</u>	<u>23,915</u>	<u>22,071</u>
Dividend income				
Investments in equity instruments at FVTOCI	15,957	1,880	23,812	9,584
	<u>\$ 22,550</u>	<u>\$ 9,414</u>	<u>\$ 47,727</u>	<u>\$ 31,655</u>

c. Other gains and losses

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Gains and losses of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	(\$ 40,498)	\$ 345	(\$ 34,333)	\$ 1,412
Net foreign exchange gains (losses)	(1,792)	5,910	(20,938)	(1,828)
Net loss on disposal of property, plant and equipment	(4,978)	(3,328)	(8,670)	(2,744)
Government grants	7,706	15,561	18,657	57,987
Others	8,896	22,523	18,991	20,629
	<u>(\$ 30,666)</u>	<u>\$ 41,011</u>	<u>(\$ 26,293)</u>	<u>\$ 75,456</u>

d. Financial costs

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Interest on bank loans	\$ 9,857	\$ 6,499	\$ 30,636	\$ 32,351
Interest on short-term bills payable	392	394	866	751
Interest on lease liabilities	2,051	2,319	6,314	7,402
Other interest expenses	23	12	486	37
	<u>\$ 12,323</u>	<u>\$ 9,224</u>	<u>\$ 38,302</u>	<u>\$ 40,541</u>

e. Derogation loss (or reversal)

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Trade receivables	<u>\$ 1</u>	<u>\$ 630</u>	<u>(\$ 2,934)</u>	<u>\$ 8,734</u>
Inventories (included in operating costs)	<u>(\$ 15,668)</u>	<u>\$ 7,739</u>	<u>\$ 18,311</u>	<u>\$ 8,488</u>

f. Depreciation and amortization

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
An analysis of depreciation by function				
Operating costs	\$ 100,038	\$ 99,069	\$ 301,717	\$ 297,774
Operating expenses	41,094	46,416	121,217	141,257
Non-operating revenue and expenses	9,237	3,540	28,180	4,827
	<u>\$ 150,369</u>	<u>\$ 149,025</u>	<u>\$ 451,114</u>	<u>\$ 443,858</u>
An analysis of amortization by function				
Operating costs	\$ 5,798	\$ 4,642	\$ 18,349	\$ 14,374
Operating expenses	12,838	13,099	39,039	31,393
	<u>\$ 18,636</u>	<u>\$ 17,741</u>	<u>\$ 57,388</u>	<u>\$ 45,767</u>

g. Direct operating expenses of investment properties

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Direct operating expenses of investment properties				
Direct operating expenses of investment properties that generated rental income	\$ 460	\$ 177	\$ 1,310	\$ 528
Direct operating expenses of investment properties that did not generated rental income	150	141	446	427
	<u>\$ 610</u>	<u>\$ 318</u>	<u>\$ 1,756</u>	<u>\$ 955</u>

h. Employee benefit expenses

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Post-employment benefits				
Defined contribution plans	\$ 41,108	\$ 11,240	\$ 116,365	\$ 44,720
Defined benefit plans (Note 23)	7,777	2,899	19,723	8,638
	48,885	14,139	136,088	53,358
Other employee benefits	643,816	732,714	1,966,180	1,973,518
Total employee benefit expenses	<u>\$ 692,701</u>	<u>\$ 746,853</u>	<u>\$ 2,102,268</u>	<u>\$ 2,026,876</u>
An analysis of employee benefit expenses by function				
Operating costs	\$ 241,781	\$ 237,213	\$ 712,251	\$ 672,111
Operating expenses	450,920	509,640	1,390,017	1,354,765
	<u>\$ 692,701</u>	<u>\$ 746,853</u>	<u>\$ 2,102,268</u>	<u>\$ 2,026,876</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 for the three and nine months ended September 30, 2021 and 2020 are as follows:

Accrual rate

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Compensation of employees	1.25%	0.90%
Remuneration of directors	0.55%	0.59%

Amount

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Compensation of employees	\$ 9,581	\$ 10,562	\$ 30,750	\$ 28,381
Remuneration of directors	\$ 4,215	\$ 6,836	\$ 13,530	\$ 18,529

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.

Remunerations for employees and directors for 2020 and 2019 were resolved by the Board of Directors on March 22, 2021 and March 18, 2020, respectively.

	2020	2019
	Cash	Cash
Compensation of employees	\$ 49,921	\$ 52,013
Remuneration of directors	21,965	25,073

The amounts of employee and directors' compensation distributed for the years ended December 31, 2020 and 2019 and those recognized in the consolidated financial statements are consistent.

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. Profit or loss on foreign currency exchange

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Foreign exchange gains	\$ 16,000	\$ 33,440	\$ 65,095	\$ 78,426
Foreign exchange losses	(17,792)	(27,530)	(86,033)	(80,254)
Net gains (losses)	(\$ 1,792)	\$ 5,910	(\$ 20,938)	(\$ 1,828)

27. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Current tax				
In respect of the current year	\$ 170,167	\$ 260,862	\$ 551,193	\$ 738,846
Additional tax on undistributed earnings	29,239	-	29,359	18,783
Adjustments from previous years	<u>210</u>	<u>5,089</u>	<u>(39,675)</u>	<u>(6,455)</u>
	<u>199,616</u>	<u>265,951</u>	<u>540,877</u>	<u>751,174</u>
Deferred tax				
In respect of the current year	<u>3,736</u>	<u>84,776</u>	<u>(25,275)</u>	<u>81,638</u>
Income tax expenses recognized in profit or loss	<u>\$ 203,352</u>	<u>\$ 350,727</u>	<u>\$ 515,602</u>	<u>\$ 832,812</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
<u>Deferred tax</u>				
Recognized for the year				
- Exchange differences of foreign operations	(\$ 8,304)	\$ 36,497	(\$ 32,718)	(\$ 8,802)
- Unrealized gain (loss) on financial assets at FVTOCI	<u>1</u>	<u>(6)</u>	<u>-</u>	<u>(3)</u>
Income tax recognized in other comprehensive income	<u>(\$ 8,303)</u>	<u>\$ 36,491</u>	<u>(\$ 32,718)</u>	<u>(\$ 8,805)</u>

c. Income tax assessments

The income tax returns of the Company for the year ended December 31, 2018 had been assessed by the tax authorities.

The income tax returns of Standard Dairy Products, Charng Hui, Standard Beverage, and Domex Technology for the year ended December 31, 2019 had been assessed by the tax authorities.

The income tax returns of Le Bonta Wellness International for the year ended December 31, 2020 had been assessed by the tax authorities.

28. EARNINGS PER SHARE EARNINGS PER SHARE

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Basic earnings per share	\$ 0.65	\$ 1.05	\$ 2.17	\$ 2.79
Diluted earnings per share	\$ 0.65	\$ 1.05	\$ 2.17	\$ 2.79

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

Net profit for the period

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Earnings used in the computation of basic and diluted earnings per share	\$ 590,619	\$ 951,165	\$ 1,971,178	\$ 2,536,836

Shares

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2021
Unit: Thousand shares				
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	626	488	889	781
Weighted average number of ordinary shares used in the computation of diluted earnings per share	909,046	908,908	909,309	909,201

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. INFORMATION ON CASH FLOWS

Changes in liabilities arising from financing activities:

For the Nine Months Ended September 30, 2021

	<u>January 1, 2021</u>	<u>Cash Flows</u>	<u>Non-cash flow</u>		<u>September 30, 2021</u>
			<u>Addition of lease/ lease modification</u>	<u>Adjustment of changes in exchange rates</u>	
Short-term borrowings	\$ 1,846,767	\$ 137,250	\$ -	(\$ 24,441)	\$ 1,959,576
Short-term bills payable	129,869	120,013	-	-	249,882
Lease liabilities	277,973	(66,192)	167,575	(23,452)	355,904
Guarantee deposits	19,990	4,165	-	(303)	23,852
Other non-current liabilities	130	-	-	(10)	120
	<u>\$ 2,274,729</u>	<u>\$ 195,236</u>	<u>\$ 167,575</u>	<u>(\$ 48,206)</u>	<u>\$ 2,589,334</u>

For the Nine Months Ended September 30, 2020

	<u>January 1, 2020</u>	<u>Cash Flows</u>	<u>Non-cash flow</u>		<u>September 30, 2020</u>
			<u>Addition of lease/ lease modification</u>	<u>Adjustment of changes in exchange rates</u>	
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)	-	-	-
Lease liabilities	347,615	(67,517)	11,789	900	290,987
Guarantee deposits	20,044	1,812	-	(82)	21,774
Other non-current liabilities	2,934	(566)	-	54	2,422
	<u>\$ 1,859,516</u>	<u>(\$ 121,543)</u>	<u>\$ 11,789</u>	<u>(\$ 5,830)</u>	<u>\$ 1,742,132</u>

30. CAPITAL RISK 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.

31. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

September 30, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 4,099	\$ -	\$ -	\$ 4,099
Unlisted shares	-	-	6,483	6,483
Mutual fund beneficiary certification	934,956	-	-	934,956
Debt securities	-	28,407	-	28,407
Total	<u>\$ 939,055</u>	<u>\$ 28,407</u>	<u>\$ 6,483</u>	<u>\$ 973,945</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Listed shares	\$ 376,054	\$ -	\$ -	\$ 376,054
- Unlisted shares	-	-	378,212	378,212
	<u>\$ 376,054</u>	<u>\$ -</u>	<u>\$ 378,212</u>	<u>\$ 754,266</u>

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 4,434	\$ -	\$ -	\$ 4,434
Unlisted shares	-	-	6,232	6,232
Mutual fund beneficiary certification	1,461,304	-	-	1,461,304
Debt securities	-	29,032	-	29,032
Total	<u>\$1,465,738</u>	<u>\$ 29,032</u>	<u>\$ 6,232</u>	<u>\$1,501,002</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Listed shares	\$ 311,908	\$ -	\$ -	\$ 311,908
- Unlisted shares	-	-	204,755	204,755
	<u>\$ 311,908</u>	<u>\$ -</u>	<u>\$ 204,755</u>	<u>\$ 516,663</u>

September 30, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Unlisted shares	\$ -	\$ -	\$ 6,239	\$ 6,239
Mutual fund beneficiary certification	680,326	-	-	680,326
Debt securities	-	29,656	-	29,656
Total	<u>\$ 680,326</u>	<u>\$ 29,656</u>	<u>\$ 6,239</u>	<u>\$ 716,221</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Listed 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>

For the nine months ended September 30, 2021 and 2020, there was no transfer between Level 1 and Level 2 fair value measurement.

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

For the Nine Months Ended September 30, 2021

Financial assets	Financial assets at FVTPL Equity instruments	Financial assets at FVTOCI Equity instruments	Total
Balance as of January 1	\$ 6,232	\$ 204,755	\$ 210,987
Recognized in profit or loss (included in other gains and losses)	251	-	251
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	173,474	173,474
Impact of exchange rates	-	(17)	(17)
Balance as of September 30	<u>\$ 6,483</u>	<u>\$ 378,212</u>	<u>\$ 384,695</u>
Recognized in other gains and losses - unrealized	<u>\$ 251</u>	<u>\$ -</u>	<u>\$ 251</u>

For the Nine Months Ended 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	<u>(\$ 1,055)</u>	<u>\$ -</u>	<u>(\$ 1,055)</u>

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

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

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

The valuation techniques of unlisted shares with no active market are 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, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 973,945	\$ 1,501,002	\$ 716,221
Financial assets at amortized cost (Note 1)	11,187,867	12,652,479	11,618,724
Financial assets at FVTOCI			
Investments in equity instruments	754,266	516,663	415,635
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	4,784,462	4,304,650	3,901,485

Note 1. The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, debt instrument investments, note receivables, account receivables, other receivables, and other financial assets.

Note 2. The balance includes short-term borrowings, short-term bills payable, note payable, trade payables and other financial liabilities, which are financial liabilities measured at amortized cost.

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 (1) below) and interest rates (see (2) below).

a) Foreign currency risk

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

For the monetary assets and liabilities of the Group denominated in non-functional currencies on the balance sheet date (including those written off in the consolidated financial statements), refer to Note 35.

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	
	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Profit or loss	\$ 28,753 (i)	\$ 25,887 (i)	(\$ 2,235)(ii)	\$ 12,492 (ii)

	EUR Impact		AUD Impact	
	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Profit or loss	(\$ 136)(iii)	\$ 258(iii)	\$ 630(iv)	(\$ 354)(iv)

	CHF Impact	
	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Profit or loss	\$ 810(v)	\$ 1,099(v)

- i. This was mainly derived from the outstanding RMB-denominated bank deposits which were not hedged at the end of the reporting period.
- ii. This was mainly derived from the outstanding USD-denominated bank deposits, receivables and payables which were not hedged at the end of the reporting period.
- iii. This was mainly derived from the outstanding EUR-denominated bank deposits and payables which were not hedged at the end of the reporting period.
- iv. This was mainly derived from the outstanding AUD-denominated bank deposits and receivables which were not hedged at the end of the reporting period.
- v. This was mainly derived from the outstanding CHF-denominated bank deposits 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, 2021	December 31, 2020	September 30, 2020
Fair value interest rate risk			
- Financial assets	\$ 3,245,645	\$ 1,136,118	\$ 1,866,051
- Financial liabilities	2,372,984	2,147,609	1,621,936
Cash flow interest rate risk			
- Financial assets	979,900	694,200	644,000
- Financial liabilities	192,378	107,000	96,000

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 by assuming that 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 months period ended September 30, 2021 and 2020 would increase (decrease) by NT\$5,906 thousand and NT\$4,110 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 months ended September 30, 2021, if prices rise/fall by 1%, the pre-tax income would increase/decrease by NT\$9,739 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss, while the pre-tax other comprehensive income for the nine months ended September 30, 2021 would increase/decrease by NT\$7,543 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

If equity prices had been 1% higher/lower, pre-tax profit for the nine months period ended September 30, 2020 would have increased/decreased by \$7,162 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the nine months ended September 30, 2020 would have increased/decreased by \$4,156 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As of 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 accounts receivable cover a number of customers in different industries and geographical areas. The Group continuously evaluates the collateral and financial status obtained by accounts receivable customers.

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, 2021, December 31, 2020, and September 30, 2020, the Group has available bank loan facilities in the amounts of NT\$5,488,814 thousand, NT\$5,296,868 thousand, and NT\$4,187,810 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. As a result, bank loans of the Group that are repayable on demand are included in the earliest period presented regardless of the probability of the banks exercising their right immediately. The maturity analysis for other non-derivative financial liabilities is prepared based on the agreed repayment dates.

September 30, 2021

	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	\$ 831,711	\$ 1,665,436	\$ 52,760	\$ 23,852
Lease liabilities	7,712	17,675	83,940	263,370
Variable interest rate liabilities	40,013	8,000	144,407	-
Fixed interest rate liabilities	1,254,278	201,241	264,510	300,601
Contract liabilities	<u>72,312</u>	<u>144,623</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,206,026</u>	<u>\$ 2,036,975</u>	<u>\$ 545,617</u>	<u>\$ 587,823</u>

December 31, 2020

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 741,613	\$ 1,498,132	\$ 66,711	\$ 19,990
Lease liabilities	23,864	12,939	47,976	212,012
Variable interest rate liabilities	-	33,911	73,126	-
Fixed interest rate liabilities	721,695	961,677	193,263	-
Contract liabilities	<u>249,348</u>	<u>498,696</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,736,520</u>	<u>\$ 3,005,355</u>	<u>\$ 381,076</u>	<u>\$ 232,002</u>

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	<u>81,931</u>	<u>163,861</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,617,493</u>	<u>\$ 2,401,446</u>	<u>\$ 198,011</u>	<u>\$ 245,802</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.

32. RELATED PARTY TRANSACTIONS

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. Related parties and relationships

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

b. Sales

Related Party Category	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
The Company is one of the directors	<u>\$ 9,472</u>	<u>\$ 8,656</u>	<u>\$ 20,528</u>	<u>\$ 15,238</u>

Sales from related parties were conducted on normal commercial terms.

c. Purchases

Related Party Category	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
The Company is one of the directors	<u>\$ 16,594</u>	<u>\$ 11,854</u>	<u>\$ 52,980</u>	<u>\$ 46,796</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

Financial Statement Account	Name of Related Party	September 30, 2021	December 31, 2020	September 30, 2020
Trade receivables from related parties	GeneFerm	<u>\$ 7,654</u>	<u>\$ 9,011</u>	<u>\$ 9,088</u>

The outstanding receivables from related parties were unsecured. No loss allowances were set aside for receivables from related parties for the nine months ended September 30, 2021 and 2020.

e. Payables to related parties

Financial Statement Account	Name of Related Party	September 30, 2021	December 31, 2020	September 30, 2020
Trade payables to related parties	GeneFerm	<u>\$ 10,966</u>	<u>\$ 20,526</u>	<u>\$ 11,452</u>

The outstanding payables to related parties were unsecured.

f. Compensation of key management personnel

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Short-term employee benefits	<u>\$ 5,721</u>	<u>\$ 9,442</u>	<u>\$ 23,345</u>	<u>\$ 32,845</u>
Post-employment benefits	<u>61</u>	<u>70</u>	<u>181</u>	<u>256</u>
	<u>\$ 5,782</u>	<u>\$ 9,512</u>	<u>\$ 23,526</u>	<u>\$ 33,101</u>

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

33. PLEDGED ASSETS

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

	September 30, 2021	December 31, 2020	September 30, 2020
Pledge time deposits (included in other current assets)	\$ 4,016	\$ 4,016	\$ 4,013
Property, plant and equipment - net	106,886	121,362	125,494
Investment properties - net	<u>35,552</u>	<u>55,122</u>	<u>55,569</u>
	<u>\$ 146,454</u>	<u>\$ 180,500</u>	<u>\$ 185,076</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Except for those disclosed in other notes, significant commitments and contingencies of the Group on September 30, 2021 are 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 of approximately US\$1,263 thousand.
- c. Unrecognized commitments for acquisition of property, plant and equipment of approximately \$298,901 thousand.
- d. Unrecognized commitments for acquiring colostrum from dairymen were approximately 18,581 tons.

35. INFORMATION ON FOREIGN CURRENCY-DENOMINATED ASSETS AND LIABILITIES OF SIGNIFICANT INFLUENCE

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, 2021

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Financial assets			
<u>Monetary items</u>			
USD	\$ 5,717	27.85 (USD:NTD)	\$ 159,205
USD	1,346	6.49 (USD:RMB)	37,588
EUR	963	32.32 (EUR:NTD)	31,137
RMB	222,632	4.31 (RMB:NTD)	958,432
AUD	1,047	20.07 (AUD:NTD)	21,010
CHF	600	29.82 (CHF:NTD)	17,889
CHF	306	6.93 (CHF:RMB)	9,109
			<u>\$ 1,234,370</u>
Financial liabilities			
<u>Monetary items</u>			
USD	9,741	27.85 (USD:NTD)	\$ 271,301
EUR	1,104	32.32 (EUR:NTD)	35,669
			<u>\$ 306,970</u>

December 31, 2020

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Financial assets			
<u>Monetary items</u>			
USD	\$ 12,230	28.48 (USD:NTD)	\$ 348,298
USD	2,785	6.52 (USD:RMB)	79,539
RMB	206,642	4.38 (RMB:NTD)	904,473
AUD	1,576	21.95 (AUD:NTD)	34,585
CHF	1,450	32.31 (CHF:NTD)	46,842
CHF	754	7.38 (CHF:RMB)	24,355
			<u>\$ 1,438,092</u>
Financial liabilities			
<u>Monetary items</u>			
USD	2,294	28.48 (USD:NTD)	\$ 65,335
CHF	1,086	7.38 (CHF:RMB)	35,089
			<u>\$ 100,424</u>

September 30, 2020

	<u>Foreign Currencies</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
Financial assets			
<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 (EUR: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>
Financial liabilities			
<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>

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:

Functional Currencies	For the Three Months Ended September 30, 2021		For the Three Months Ended September 30, 2020	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	(\$ 1,679)	1 (NTD:NTD)	\$ 10,630
RMB	4.31 (RMB:NTD)	(114)	4.26 (RMB:NTD)	(4,501)
CHF	30.34 (CHF:NTD)	1	32.01 (CHF:NTD)	(219)
		(\$ 1,792)		\$ 5,910

Functional Currencies	For the Nine Months Ended September 30, 2021		For the Nine Months Ended September 30, 2020	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	(\$ 21,148)	1 (NTD:NTD)	\$ 663
RMB	4.34 (RMB:NTD)	374	4.26 (RMB:NTD)	(2,280)
CHF	30.79 (CHF:NTD)	(164)	31.36 (CHF:NTD)	(211)
		(\$ 20,938)		(\$ 1,828)

36. SUPPLEMENTARY DISCLOSURES

a. Information on Significant Transactions

- 1) Financing provided to others: Table 1.
- 2) Endorsements/guarantees provided to others: Table 2.
- 3) Marketable securities held (excluding investments in subsidiaries): Table 3.
- 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: Table 4.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
- 9) Trading in derivative instruments: None.
- 10) Others: Intercompany relationships and significant intercompany transactions: Table 6.

b. Information on reinvestments (excluding investees in mainland China): Table 7.

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: Table 8.
- 2) Significant direct or indirect (through a third region) transactions with the investee, its prices and terms of payment, unrealized gain or loss: None.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater, showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 9)

37. 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>For the Nine Months Ended September 30,</u>						
<u>2021</u>						
Sales from external customers	\$ 8,379,760	\$ 1,921,578	\$ 11,043,136	\$ 3,000,619	\$ -	\$24,345,093
Sales among intersegments	1,064,123	637,312	3,689	4,302	(1,709,426)	-
Total sales	<u>\$ 9,443,883</u>	<u>\$ 2,558,890</u>	<u>\$ 11,046,825</u>	<u>\$ 3,004,921</u>	<u>(\$ 1,709,426)</u>	<u>\$24,345,093</u>
Interest income	\$ 14,464	\$ 2,148	\$ 72,581	\$ 2,225	(\$ 7,582)	\$ 83,836
Financial cost	\$ 465	\$ 18	\$ 36,276	\$ 9,125	(\$ 7,582)	\$ 38,302
Depreciation expenses	\$ 169,324	\$ 37,266	\$ 176,458	\$ 70,753	(\$ 2,687)	\$ 451,114
Amortization expenses	\$ 10,056	\$ 3,710	\$ 33,100	\$ 10,522	\$ -	\$ 57,388
Operating segment income (loss)	<u>\$ 2,132,410</u>	<u>\$ 425,764</u>	<u>(\$ 47,153)</u>	<u>\$ 9,916</u>	<u>(\$ 2,377)</u>	\$ 2,518,560
Unallocated amount						-
PROFIT BEFORE INCOME TAX						<u>\$ 2,518,560</u>
<u>For the Nine Months Ended September 30,</u>						
<u>2020</u>						
Sales from external customers	\$ 8,791,096	\$ 2,036,685	\$ 11,362,697	\$ 2,034,052	\$ -	\$24,224,530
Sales among intersegments	1,111,765	640,132	170	8,317	(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>	<u>(\$ 1,760,384)</u>	<u>\$24,224,530</u>
Interest income	\$ 17,544	\$ 5,072	\$ 67,757	\$ 6,968	(\$ 6,029)	\$ 91,312
Financial cost	\$ 869	\$ 19	\$ 37,932	\$ 7,750	(\$ 6,029)	\$ 40,541
Depreciation expenses	\$ 169,790	\$ 36,571	\$ 174,024	\$ 66,113	(\$ 2,640)	\$ 443,858
Amortization expenses	\$ 5,554	\$ 2,468	\$ 27,905	\$ 9,840	\$ -	\$ 45,767
Operating segment income (loss)	<u>\$ 2,298,593</u>	<u>\$ 394,144</u>	<u>\$ 707,881</u>	<u>\$ 11,813</u>	<u>(\$ 17,852)</u>	\$ 3,394,579
Unallocated amount						-
PROFIT BEFORE INCOME TAX						<u>\$ 3,394,579</u>

TABLE 1

STANDARD FOODS CORPORATION AND SUBSIDIARIES

**FINANCING PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(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	Amount Actually Drawn	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
													Name	Value			
0	Standard Foods Corporation	Dermalab S.A.	Financing receivables - related parties	Yes	\$ 63,578	\$ 17,889	\$ 17,889	1.000%	2	\$ -	Need for operation	\$ -	-	\$ -	\$ 6,730,324 (Note 3)	\$ 6,730,324 (Note 3)	Note 11
0	Standard Foods Corporation	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	350,984	214,715	214,715	1.000%	2	-	Need for operation	-	-	-	3,365,162 (Note 4)	6,730,324 (Note 5)	Note 11
0	Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd	Financing receivables - related parties	Yes	651,045	644,145	644,145	1.000%	2	-	Need for operation	-	-	-	3,365,162 (Note 4)	6,730,324 (Note 5)	Note 11
0	Standard Foods Corporation	Standard Beverage Company Ltd.	Financing receivables - related parties	Yes	50,000	50,000	50,000	0.950%	2	-	Need for operation	-	-	-	6,730,324 (Note 3)	6,730,324 (Note 3)	Note 11
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Yes	175,492	171,772	80,003	1.000%	2	-	Need for operation	-	-	-	1,908,796 (Note 6)	1,908,796 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Financing receivables - related parties	Yes	175,492	171,772	104,510	1.000%	2	-	Need for operation	-	-	-	1,908,796 (Note 6)	1,908,796 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd	Financing receivables - related parties	Yes	526,476	515,316	453,083	1.000%	2	-	Need for operation	-	-	-	1,908,796 (Note 6)	1,908,796 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	438,730	429,430	411,652	1.000%	2	-	Need for operation	-	-	-	1,908,796 (Note 6)	1,908,796 (Note 6)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	614,222	601,202	40,512	1.000%	2	-	Need for operation	-	-	-	1,287,785 (Note 7)	1,287,785 (Note 7)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd	Financing receivables - related parties	Yes	460,667	450,902	450,902	1.000%	2	-	Need for operation	-	-	-	1,287,785 (Note 7)	1,287,785 (Note 7)	Note 11
3	Shanghai Le Ben De Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	10,968	10,736	10,736	1.000%	2	-	Need for operation	-	-	-	11,906 (Note 8)	11,906 (Note 8)	Note 11
4	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	8,775	8,589	6,721	1.000%	2	-	Need for operation	-	-	-	192,386 (Note 9)	192,386 (Note 9)	Note 11
5	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	21,472	21,472	14,163	1.000%	2	-	Need for operation	-	-	-	120,096 (Note 10)	120,096 (Note 10)	Note 11

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

Note 2. Reasons for financing are as follows:

- a. Please fill in 1 for having business transactions.
- b. Please fill in 2 for short-term financing.

Note 3. The individual and total amount shall not exceed 40% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$6,730,324 thousand (the net value per financial statements of \$16,825,810 thousand x 40% as of June 30, 2021).

Note 4. The individual amount shall not exceed 20% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$3,365,162 thousand (the net value per financial statements of \$16,825,810 thousand x 20% as of June 30, 2021).

Note 5. The total amount shall not exceed 40% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$6,730,324 thousand (the net value per financial statements of \$16,825,810 thousand x 40% as of June 30, 2021).

Note 6. The individual and total amount shall not exceed 40% of net value of Standard Investment (China) Co., Ltd. per the latest financial statements, which was calculated to be \$1,908,796 thousand (the net value per financial statements of \$4,771,990 thousand x 40% as of June 30, 2021).

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\$1,287,785 thousand (the net value per financial statements of \$3,219,462 thousand x 40% as of June 30, 2021).

Note 8. The individual and total amount shall not exceed 40% of net value of Shanghai Le Ben De Health Technology Co., Ltd. per the latest financial statements, which was calculated to be \$11,906 thousand (the net value per financial statements of \$29,766 thousand x 40% as of June 30, 2021).

Note 9. The individual and total amount shall not exceed 40% of net value of Shanghai Le Ho Industrial Co., Ltd. per the latest financial statements, which was calculated to be \$192,386 thousand (the net value per financial statements of \$480,966 thousand x 40% as of June 30, 2021).

Note 10. The individual and total amount shall not exceed 40% of net value of Shanghai Le Min Industrial Co., Ltd. per the latest financial statements, which was calculated to be \$120,096 thousand (the net value per financial statements of \$300,239 thousand x 40% as of June 30, 2021).

Note 11. The amounts presented above were eliminated upon consolidation.

TABLE 2

STANDARD FOODS CORPORATION AND SUBSIDIARIES

**ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(IN THOUSANDS OF NEW TAIWAN DOLLARS)**

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Endorse to single entity Balance on guarantee	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount	Guarantee Provided by Parent Company (Note 5)	Guarantee Provided by Subsidiary (Note 5)	Guarantee Provided to Subsidiaries in Mainland China (Note 5)	Note
		Name	Nature of Relationships (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company Ltd.	(2)	\$ 13,460,648 (Note 3)	\$ 145,605	\$ 143,550	\$ 8,000	\$ -	0.85%	\$ 16,825,810 (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 in which the Company holds, directly or indirectly, more than fifty percent (50%) of the voting shares.
- c. The company that holds, directly or indirectly, more than fifty percent (50%) of the Company's voting shares.
- d. The company in which the Company holds, directly or indirectly, more than ninety percent (90%) of the voting shares.
- 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 net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$13,460,648 thousand (the net value per financial statements of \$16,825,810 thousand x 80% as of June 30, 2021).

Note 4. The total amount shall not exceed 100% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$16,825,810 thousand (the net value per financial statements of \$16,825,810 thousand x 100% as of June 30, 2021).

Note 5. Fill in Y if a listed parent company provides endorsements/guarantees for its subsidiary or if a subsidiary provides endorsements/guarantees for its listed parent company or if endorsements/guarantees involve mainland China.

TABLE 3**STANDARD FOODS CORPORATION AND SUBSIDIARIES**

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)
 SEPTEMBER 30, 2021
 (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	End of the Period				Note
					Shares	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	1,444,013	\$ 15,090	-	\$ 15,090	
	Shares	Chunghwa Telecom Co., Ltd.		Financial assets at FVTOCI - current	48,600	5,370	-	5,370	
	Shares	GeneFerm Biotechnology Co., Ltd.		Financial assets at FVTOCI - non-current	2,145,110	71,539	5.3%	71,539	
	Shares	Dah Chung Bills Finance Corp.		Financial assets at FVTOCI - non-current	1,243,213	17,181	0.3%	17,181	
	Mutual funds	Mega Diamond Money Market		Financial assets at FVTPL - current	8,566,555	108,554	-	108,554	
	Mutual funds	Jih Sun Money Market Fund		Financial assets at FVTPL - current	4,019,723	60,213	-	60,213	
	Mutual funds	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	5,173,774	80,000	-	80,000	
	Mutual funds	President Hang Seng TECH Index ETN		Financial assets at FVTPL - current	5,900,000	44,309	-	44,309	
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	3,585,869	107,002	-	107,002	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	4,720,915	58,681	-	58,681	
	Mutual funds	Cathay Glb Aggressive FOFs		Financial assets at FVTPL - current	2,284,844	59,749	-	59,749	
	Debt securities	CODEIS Smart Cash Note		Financial assets at FVTPL - current	10,000	28,407	-	28,407	
	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	153,320	2,145	7.0%	2,145	
	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%	-	

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Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Note
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Dairy Products Taiwan Ltd.	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%	-	
	Shares	Fortemedia, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	29,173	-	1.2%	-	
	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	50,228	-	50,228	
	Mutual funds	Jih Sun Money Market Fund		Financial assets at FVTPL - current	5,866,056	87,870	-	87,870	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	3,861,813	52,795	-	52,795	
Charng Hui Ltd.	Mutual funds	FSITC Taiwan Money Market Fund	Parent of Charng Hui Ltd.	Financial assets at FVTPL - current	1,209,051	18,695	-	18,695	Note
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	1,195,290	35,667	-	35,667	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	786,819	9,780	-	9,780	
	Mutual funds	Cathay Glb Aggressive FOFs		Financial assets at FVTPL - current	761,615	19,916	-	19,916	
	Shares	Standard Foods Corporation		Financial assets at FVTOCI - current	6,669,471	344,145	0.7%	344,145	
	Shares	Formosa Plastics Corporation		Financial assets at FVTOCI - current	91,440	10,379	-	10,379	
	Shares	China Steel Corporation		Financial assets at FVTOCI - current	803,258	29,158	-	29,158	
	Shares	Polytronics Technology Corporation		Financial assets at FVTOCI - current	1,596,000	192,318	2.0%	192,318	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.	Charng Hui Ltd. is one of the directors	Financial assets at FVTOCI - current	90,000	52,200	-	52,200	
	Mutual funds	Fuh Hwa Global Strategic Allocation FoF		Financial assets at FVTPL - current	1,000,000	12,890	-	12,890	

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Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Note
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Beverage Company Ltd.	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds	Charng Hui Ltd. is one of the directors	Financial assets at FVTPL - current	1,453,360	\$ 18,588	-	\$ 18,588	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	351,634	4,807	-	4,807	
	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%	-	
	Shares	Amphastar Pharmaceuticals Inc. (AMPH)		Financial assets at FVTPL - non-current	7,742	4,099	-	4,099	
	Mutual funds	Fuh Hwa Greater China Mid & Small Cap Fund		Financial assets at FVTPL - current	225,000	3,404	-	3,404	
	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds - Accu.		Financial assets at FVTPL - current	282,988	3,619	-	3,619	
	Shares	InnoComm Mobile Technology Corp.		Financial assets at FVTOCI - non-current	3,600,000	360,000	13.4%	360,000	
	Shares	AsiaVest Liquidation Co.		Financial assets at FVTOCI - non-current	200	1,031	0.7%	1,031	
Domex Technology Corporation Accession Limited	Mutual funds	Term Liquidity Fund		Financial assets at FVTPL - current	33,453	98,189	-	98,189	

Note: The amounts presented above were 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 MONTHS ENDED SEPTEMBER 30, 2021
(IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Company Name	Counter-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	Ratio to Total Notes or Accounts Receivable (payable)	
Standard Foods Corporation	Standard Dairy Products Taiwan Ltd.	The Company's subsidiary	Sales	(\$ 1,064,017)	11.27%	55 days after month-end closing (net of receivables and payables)	-	-	\$ 182,316	9.50%	Note
			Purchases	637,312	12.81%	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	1,064,017	58.16%	55 days after month-end closing (net of receivables and payables)	-	-	(182,316)	44.51%	Note
			Sales	(637,312)	24.91%	55 days after month-end closing (net of receivables and payables)	-	-	-	-	Note
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Sales	(1,323,831)	72.66%	60 days after month-end closing	-	-	462,615	95.37%	Note
			Purchases	430,963	19.54%	60 days after month-end closing	-	-	(155,832)	86.82%	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	1,323,831	15.41%	60 days after month-end closing	-	-	(462,615)	15.77%	Note
			Sales	(430,963)	4.05%	60 days after month-end closing	-	-	155,832	6.74%	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(4,196,833)	99.58%	60 days after month-end closing	-	-	1,364,684	97.21%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	4,196,833	48.81%	60 days after month-end closing	-	-	(1,364,684)	46.52%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(3,048,652)	88.29%	60 days after month-end closing	-	-	1,099,296	100.00%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	3,048,652	35.46%	60 days after month-end closing	-	-	(1,099,296)	37.47%	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, 2021
 (IN THOUSANDS OF NEW TAIWAN DOLLARS)

Company Name	Counter-party	Nature of Relationships	Ending Balance for Trade Receivable - Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for loss amount	Note
					Amount	Actions Taken			
Standard Foods Corporation	Standard Dairy Products Taiwan Ltd.	The Company's subsidiary	Trade receivables	9.16	\$ -		\$ 41,206 (Note 1)	\$ -	(Note 2)
			Other receivables		-		3,607 (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 44,813</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (China) Co., Ltd.	The Company's subsidiary	Financing receivables - related parties		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	The Company's subsidiary	Financing receivables - related parties		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivables	3.48	\$ -		\$ 213,370 (Note 1)	\$ -	(Note 2)
			Financing receivables - related parties		-		- (Note 1)	-	(Note 2)
			Other receivables		-		252 (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 213,622</u> (Note 1)	<u>\$ -</u>	
Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivables	2.48	\$ -		\$ 19,316 (Note 1)	\$ -	(Note 2)
			Financing receivables - related parties		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 19,316</u> (Note 1)	<u>\$ -</u>	
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Trade receivables	3.67	\$ -		\$ 1,021,631 (Note 1)	\$ -	(Note 2)
			Notes receivable	3.67	-		- (Note 1)	-	(Note 2)
			Other receivables		-		22,161 (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 1,043,792</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Trade receivables	7.72	\$ -		\$ 1 (Note 1)	\$ -	(Note 2)
			Financing receivables - related parties		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 1</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Trade receivables	11.35	\$ -		\$ 95 (Note 1)	\$ -	(Note 2)
			Financing receivables - related parties		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 95</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Trade receivables	5.42	\$ -		\$ 71,721 (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 71,721</u> (Note 1)	<u>\$ -</u>	

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Company Name	Counter-party	Nature of Relationships	Ending Balance for Trade Receivable - Related Parties		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for loss amount	Note
Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Trade receivables	\$ 2	5.33	\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Financing receivables	104,510		-		- (Note 1)	-	(Note 2)
			- related parties							
			Other receivables	<u>596</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 105,108</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables	\$ 949,532	3.41	\$ -		\$ 851,071 (Note 1)	\$ -	(Note 2)
			Notes receivable	149,764		-		149,764 (Note 1)	-	(Note 2)
			Other receivables	<u>9,351</u>		<u>-</u>		<u>9,351</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 1,108,647</u>		<u>\$ -</u>		<u>\$ 1,010,186</u> (Note 1)	<u>\$ -</u>	

Note 1. The amount received as of November 8, 2021.
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 MONTHS ENDED SEPTEMBER 30, 2021
(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	\$ 182,316	According to the general conditions	0.7%
0	Standard Foods Corporation	Standard Dairy Products	1	Other receivables	3,607	According to the general conditions	-
0	Standard Foods Corporation	Standard Dairy Products	1	Sales	1,064,017	According to the general conditions	4.4%
0	Standard Foods Corporation	Standard Dairy Products	1	Purchases	637,312	According to the general conditions	2.6%
0	Standard Foods Corporation	Standard Dairy Products	1	Royalty revenue	7,077	According to the general conditions	-
0	Standard Foods Corporation	Standard Beverage	1	Other receivables	118	According to the general conditions	-
0	Standard Foods Corporation	Standard Beverage	1	Financing receivables - related parties	50,000	Interest rate 0.950% per annum	0.2%
0	Standard Foods Corporation	Standard Beverage	1	Interest income	86	Interest rate 0.950% per annum	-
0	Standard Foods Corporation	Standard Beverage	1	Service revenue (recognized under sundry revenue)	990	According to the general conditions	-
0	Standard Foods Corporation	Dermalab	1	Financing receivables - related parties	17,889	Interest rate 1.000% per annum	0.1%
0	Standard Foods Corporation	Dermalab	1	Interest income	443	Interest rate 1.000% per annum	-
0	Standard Foods Corporation	China Standard Foods	1	Other receivables	494	According to the general conditions	-
0	Standard Foods Corporation	China Standard Foods	1	Financing receivables - related parties	214,715	Interest rate 1.000% per annum	0.8%
0	Standard Foods Corporation	China Standard Foods	1	Interest income	1,573	Interest rate 1.000% per annum	-
0	Standard Foods Corporation	Xiamen Standard	1	Other receivables	1,482	According to the general conditions	-
0	Standard Foods Corporation	Xiamen Standard	1	Financing receivables - related parties	644,145	Interest rate 1.000% per annum	2.4%
0	Standard Foods Corporation	Xiamen Standard	1	Interest income	3,294	Interest rate 1.000% per annum	-
1	Shanghai Standard	China Standard Investment	3	Trade receivables	462,615	According to the general conditions	1.7%
1	Shanghai Standard	China Standard Investment	3	Financing receivables - related parties	40,512	Interest rate 1.000% per annum	0.1%
1	Shanghai Standard	China Standard Investment	3	Other receivables	4,604	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Trade payables	155,832	According to the general conditions	0.6%
1	Shanghai Standard	China Standard Investment	3	Other payables	3,227	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Sales	1,323,831	According to the general conditions	5.4%
1	Shanghai Standard	China Standard Investment	3	Purchases	430,963	According to the general conditions	1.8%
1	Shanghai Standard	China Standard Investment	3	Interest income	349	Interest rate 1.000% per annum	-
1	Shanghai Standard	China Standard Investment	3	Other expenses	69	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Research and development expenses	2,932	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Trade payables	1	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Sales	9,874	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Purchases	4,737	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	Shanghai Le Bonta	3	Trade receivables	\$ 3,166	According to the general conditions	-
1	Shanghai Standard	Shanghai Le Bonta	3	Sales	3,194	According to the general conditions	-
1	Shanghai Standard	Xiamen Standard	3	Trade receivables	19,316	According to the general conditions	0.1%
1	Shanghai Standard	Xiamen Standard	3	Other receivables	3,519	According to the general conditions	-
1	Shanghai Standard	Xiamen Standard	3	Financing receivables - related parties	450,902	Interest rate 1.000% per annum	1.7%
1	Shanghai Standard	Xiamen Standard	3	Sales	17,995	According to the general conditions	0.1%
1	Shanghai Standard	Xiamen Standard	3	Interest income	3,450	Interest rate 1.000% per annum	-
2	China Standard Investment	China Standard Foods	1	Trade receivables	149	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Other receivables	15,959	According to the general conditions	0.1%
2	China Standard Investment	China Standard Foods	1	Financing receivables - related parties	411,652	Interest rate 1.000% per annum	1.5%
2	China Standard Investment	China Standard Foods	1	Trade payables	1,241,456	According to the general conditions	4.6%
2	China Standard Investment	China Standard Foods	1	Notes payable	123,228	According to the general conditions	0.5%
2	China Standard Investment	China Standard Foods	1	Other payables	22,161	According to the general conditions	0.1%
2	China Standard Investment	China Standard Foods	1	Sales	446	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Purchases	4,196,833	According to the general conditions	17.2%
2	China Standard Investment	China Standard Foods	1	Interest income	3,190	Interest rate 1.000% per annum	-
2	China Standard Investment	China Standard Foods	1	Other income	16,123	According to the general conditions	0.1%
2	China Standard Investment	China Standard Foods	1	Rental expenses	72	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	1	Other receivables	333	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	1	Financing receivables - related parties	80,003	Interest rate 1.000% per annum	0.3%
2	China Standard Investment	Shanghai Dermalab	1	Trade payables	29	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	1	Interest income	1,024	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Dermalab	1	Expenses (social expenses and other expenses)	882	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Trade receivables	98	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Other receivables	10,156	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Financing receivables - related parties	453,083	Interest rate 1.000% per annum	1.7%
2	China Standard Investment	China Standard Foods	1	Notes payable	149,764	According to the general conditions	0.6%
2	China Standard Investment	China Standard Foods	1	Trade payables	949,532	According to the general conditions	3.5%
2	China Standard Investment	China Standard Foods	1	Other payables	9,351	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Prepayments for purchases	19,324	According to the general conditions	0.1%
2	China Standard Investment	Xiamen Standard	1	Sales	430	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Purchases	3,048,652	According to the general conditions	12.5%
2	China Standard Investment	Xiamen Standard	1	Interest income	14,211	Interest rate 1.000% per annum	0.1%
2	China Standard Investment	Xiamen Standard	1	Other income	10,260	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)
2	China Standard Investment	Shanghai Le Bonta	1	Trade receivables	\$ 2	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Other receivables	596	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Financing receivables - related parties	104,510	Interest rate 1.000% per annum	0.4%
2	China Standard Investment	Shanghai Le Bonta	1	Trade payables	127	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Sales	4	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Purchases	1,641	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Interest income	848	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Bonta	1	Other expenses	1,291	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Other payables	108	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Financing payables - related parties	6,721	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Interest expenses	110	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Other payables	122	According to the general conditions	-
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Financing payables - related parties	14,163	Interest rate 1.000% per annum	0.1%
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Interest expenses	123	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Ben De	3	Other payables	84	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ben De	3	Financing payables - related parties	10,736	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Ben De	3	Interest expenses	82	Interest rate 1.000% per annum	-
3	Shanghai Dermalab	Dermalab	3	Trade payables	2,988	According to the general conditions	-
3	Shanghai Dermalab	Dermalab	3	Purchases	51,592	According to the general conditions	0.2%
3	Shanghai Dermalab	Shanghai Le Bonta	3	Other payables	16	According to the general conditions	-
4	China Standard Foods	Shanghai Le Bonta	3	Other receivables	1,359	According to the general conditions	-
4	China Standard Foods	Shanghai Le Bonta	3	Sales	490	According to the general conditions	-
4	China Standard Foods	Shanghai Le Bonta	3	Rental income	2,686	According to the general conditions	-
4	China Standard Foods	Shanghai Le Bonta	3	Other expenses	3,651	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Trade receivables	46	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Trade payables	6	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Sales	226	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Purchases	54,373	According to the general conditions	0.2%
5	Shanghai Le Bonta	Shanghai Le Ben De	3	Trade receivables	29	According to the general conditions	-
5	Shanghai Le Bonta	Shanghai Le Ben De	3	Trade payables	37	According to the general conditions	-
5	Shanghai Le Bonta	Shanghai Le Ben De	3	Sales	476	According to the general conditions	-
5	Shanghai Le Bonta	Shanghai Le Ben De	3	Purchases	489	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. The transaction amounts are calculated as percentage of consolidated total revenue or total assets; balance sheet accounts are calculated as percentage of consolidated total assets; amounts of income statement accounts are calculated as percentage of consolidated total revenues.

Note 4. The amounts presented above were eliminated upon consolidation.

TABLE 7**STANDARD FOODS CORPORATION AND SUBSIDIARIES**

**INFORMATION ON INVESTEE COMPANIES (EXCLUDING MAINLAND INVESTED COMPANIES)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(IN THOUSANDS OF NEW TAIWAN DOLLARS)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Limited	Tortola, British Virgin Islands	Investing	\$ 3,936,267	\$ 3,936,267	123,600,000	100%	\$ 3,520,274	(\$ 34,567)	(\$ 32,616) (Note 1)	Subsidiary (Note 5)
	Standard Investment (Cayman) Limited	Grand Cayman , Cayman Islands	Investing	4,710,865	4,710,865	150,124,815	100%	5,573,071	(20,895)	(20,895)	Subsidiary (Note 5)
	Standard Dairy Products Taiwan Ltd.	Taipei, Taiwan	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100%	979,322	337,784	334,292 (Note 2)	Subsidiary (Note 5)
	Charng Hui Ltd.	Taipei, Taiwan	Investing	230,000	230,000	24,100,000	100%	413,211	21,463	4,789	Subsidiary (Note 5)
	Domex Technology Corporation	Hsinchu, Taiwan	Manufacture and sale of computer peripherals and computer appliances	114,116	114,116	10,374,399	52%	393,153	66,189	34,425	Subsidiary (Note 5)
	Standard Beverage Company Ltd.	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100%	81,783	1,300	1,290 (Note 3)	Subsidiary (Note 5)
	Le Bonta Wellness International Corporation	Taipei, Taiwan	Sale of health food	-	14,350	Note 4	-	-	(115)	(115)	Subsidiary (Note 5, Note 6)
	Standard Foods, LLC.	U.S.A.	Sale of health food	9,056	9,056	Note 4	100%	8,355	-	-	Subsidiary (Note 5)
Accession Limited	Dermalab S.A.	Switzerland	Development and sale of cosmetics	379,489	335,215	4,050	100%	222,779	8,830	-	Sub-subsubsidiary (Note 5)
Dermalab S.A.	Swissderma SL	Spain	Sale of cosmetics	96	96	3,000	100%	-	-	-	Third-tier subsidiary (Note 5)
Standard Investment (Cayman) Limited	Standard Corporation (Hong Kong) Limited	Hong Kong	Investing	4,708,566	4,708,566	150,050,815	100%	5,572,706	(20,694)	-	Sub-subsubsidiary (Note 5)

Note 1. This amount was the share of net loss from the investee of NT\$34,567 thousand plus the unrealized gain or loss on sidestream transactions of NT\$1,951 thousand.

Note 2. This amount was the share of net profit from the investee of NT\$337,784 thousand minus the unrealized gain or loss on upstream transactions of NT\$3,492 thousand.

Note 3. This amount was the share of net profit from the investee of NT\$1,300 thousand minus the unrealized gain or loss on upstream transactions of NT\$10 thousand.

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

Note 5. The amounts presented above were eliminated upon consolidation.

Note 6. Le Bonta Wellness International Corporation was liquidated in August 2021.

STANDARD FOODS CORPORATION AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(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 at the Beginning of the Period	Remittance or Recovery of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Profit (Loss) Recognized (Note 2)	Carrying Amount as of September 30, 2021	Accumulated Repatriation of Investment Income at the End of the Period	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)	(\$ 33,006)	100.0%	(\$ 30,692) (Note 9)	\$ 3,154,170	\$ -	Note 12
Standard Investment (China) Co., 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)	1,532	99.0%	1,517 (Note 9)	4,804,653	-	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)	29,958	99.0%	36,888 (Note 9)	2,004,266	-	Note 12
Shanghai Dermalab Corporation	Sale of nutritional foods, cosmetics and engage in import and export business	93,989	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	1,635	99.0%	1,619 (Note 10)	9,780	-	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)	(74,127)	99.5%	(73,764) (Note 10)	99,896	-	Note 12
Shanghai Le Ben De Health Technology Co., Ltd.	Sale of nutritional foods and engagement in export business	31,220	(3) (Note 4 and 8)	31,220 (Note 4)	-	-	31,220 (Note 4)	364	100.0%	364 (Note 10)	29,709	-	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)	(54,395)	99.0%	(45,234) (Note 10)	1,386,953	-	Note 12
Shanghai Le Ho Industrial Co., Ltd.	Management of properties	607,717	(2) (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(13,682)	100.0%	(13,682) (Note 10)	472,532	-	Note 12
Shanghai Le Min Industrial Co., Ltd.	Management of properties	378,009	(2) (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(8,412)	100.0%	(8,412) (Note 10)	295,060	-	Note 12

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

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

Note 2. For the investment income (loss) recognized in the current period:
a. There was no investment income (loss) recognized due to the investment still being in the development stage.
b. The investment income (loss) was determined based on the following basis:
1) The financial statements were audited and certified by an international accounting firm in cooperation with an accounting firm in ROC.
2) The financial statements were audited by the CPA of the parent company in Taiwan.
3) Others.

Note 3. Accession Ltd. is the investor company in a third region.

Note 4. The accumulated amount invested from Taiwan for the current period is \$4,034,074 thousand, and amid the amount, \$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. 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 a third region.

Note 6. The company in mainland China was reinvested through a company registered in mainland China, namely Standard Investment (China) Co., Ltd.

Note 7. The company in mainland China was invested directly by Standard Foods Corporation and was reinvested through a company registered in mainland China, namely Standard Investment (China) Co., Ltd. The amount invested directly was \$181,048 thousand.

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

Note 9. The basis for recognition of investment profit and loss is Note 2. b. Item c) is based on the financial statements of the investee reviewed by CPAs of the parent company in Taiwan during the same period.

Note 10. The basis for recognition of investment profit and loss is Note 2. b. Item c) is based on the financial statements of the investee that have not been reviewed by any CPA during the same period.

Note 11. The Industrial Development Bureau of the MOEA issued the proofing document of operational headquarters to the Company; the document is still valid within the review period. Hence, according to the Investment Commission of the MOEA, there is no upper limit on the amount of investment.

Note 12. The amounts presented above were eliminated upon consolidation.

STANDARD FOODS CORPORATION

**INFORMATION OF MAJOR SHAREHOLDERS
SEPTEMBER 30, 2021**

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership
Mu Te Investment Co., Ltd. Trust Property Account	157,247,400	17.18%
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%
Nan Shan Life Insurance Co., Ltd.	46,506,000	5.08%

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.