

# **Standard Foods Corporation**

**Financial Statements for the  
Years Ended December 31, 2021 and 2020 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Standard Foods Corporation

### **Opinion**

We have audited the accompanying financial statements of Standard Foods Corporation (the “Company”), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

The key audit matter identified in the Company's financial statements for the year ended December 31, 2021 is stated as follows:

#### Estimate of Return Liability

The Company mainly manufactures and sells nutrient-rich food, edible oil products, dairy products and beverages. Taking into account the current market conditions and the historical experience of its sales in the past, the Company estimates the probable amount of each product's return liability. Refer to Notes 5 and 19 to the financial statements for detailed information related to the Company's return liability. Because the assessment of return liability involves management's critical accounting estimates and judgments, we considered the assessment of return liability to be a key audit matter.

The key audit procedures that we performed in respect of the estimate of return liability included the following:

1. We obtained an understanding and tested the design and operating effectiveness of the key controls over the estimates of the return liability.
2. We selected samples from the sales return transactions and inspected the correctness of the sales returns in the current year.
3. We obtained the relevant reports of estimates of sales return liability, and we recalculated and reviewed that the assessment results were adequate.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tza-Li Gung and Han-Ni Fang.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 28, 2022

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.*

# STANDARD FOODS CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars)

ASSETS	2021		2020	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 607,824	3	\$ 205,747	1
Financial assets at fair value through profit or loss - current (Note 7)	973,217	4	1,118,813	5
Financial assets at fair value through other comprehensive income - current (Note 8)	21,185	-	20,671	-
Financial assets at amortized cost - current (Note 9)	1,309,153	6	1,092,961	5
Notes receivable (Notes 10 and 22)	175	-	5	-
Trade receivables from unrelated parties (Notes 10 and 22)	1,828,686	9	1,980,474	10
Trade receivables from related parties (Notes 22 and 28)	127,773	1	136,585	1
Other receivables (Note 10)	12,673	-	34,420	-
Other receivables from related parties (Note 28)	906,220	4	947,545	5
Inventories (Note 11)	1,690,929	8	1,834,330	9
Prepayments (Note 12)	354,000	2	167,706	1
Other current assets (Notes 17 and 19)	34,931	-	27,378	-
Total current assets	7,866,766	37	7,566,635	37
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	2,244	-	1,894	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	112,265	1	77,341	-
Investments accounted for using the equity method (Note 13)	11,189,831	53	11,167,932	54
Property, plant and equipment (Note 14)	1,341,650	6	1,352,887	7
Right-of-use assets (Note 15)	140,460	1	63,174	-
Other intangible assets (Note 16)	21,101	-	13,660	-
Deferred tax assets (Note 24)	346,687	2	321,299	2
Other non-current assets (Note 17)	28,319	-	19,928	-
Total non-current assets	13,182,557	63	13,018,115	63
TOTAL	\$ 21,049,323	100	\$ 20,584,750	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 22)	\$ 17,285	-	\$ 21,440	-
Notes payable (Note 18)	20,201	-	289	-
Trade payables (Note 18)	732,876	4	827,945	4
Trade payables to related parties (Note 28)	19,472	-	20,526	-
Other payables (Note 19)	1,260,824	6	1,110,589	5
Current tax liabilities (Note 24)	282,639	1	299,812	2
Lease liabilities - current (Note 15)	31,963	-	20,979	-
Other current liabilities (Notes 5 and 19)	43,418	-	24,670	-
Total current liabilities	2,408,678	11	2,326,250	11
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 24)	319,821	2	347,410	2
Lease liabilities - non-current (Note 15)	108,617	-	38,059	-
Net defined benefit liabilities (Note 20)	174,867	1	188,393	1
Other non-current liabilities (Note 19)	150	-	150	-
Total non-current liabilities	603,455	3	574,012	3
Total liabilities	3,012,133	14	2,900,262	14
EQUITY (Note 21)				
Ordinary shares	9,150,897	43	9,150,897	44
Capital surplus	144,066	1	127,392	1
Retained earnings				
Legal reserve	3,606,189	17	3,287,022	16
Special reserve	577,494	3	577,494	3
Unappropriated earnings	4,769,802	23	4,918,357	24
Total retained earnings	8,953,485	43	8,782,873	43
Other equity	(190,076)	(1)	(355,492)	(2)
Treasury shares	(21,182)	-	(21,182)	-
Total equity	18,037,190	86	17,684,488	86
TOTAL	\$ 21,049,323	100	\$ 20,584,750	100

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

# STANDARD FOODS CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

	2021		2020	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 22 and 28)	\$ 12,496,867	100	\$ 13,184,535	100
OPERATING COSTS				
Cost of goods sold (Notes 11, 23 and 28)	<u>7,945,262</u>	<u>64</u>	<u>8,455,471</u>	<u>64</u>
GROSS PROFIT	<u>4,551,605</u>	<u>36</u>	<u>4,729,064</u>	<u>36</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	1,387,798	11	1,340,048	10
General and administrative expenses	418,982	3	453,697	3
Research and development expenses	85,952	-	87,553	1
Expected credit loss (gain)	<u>419</u>	<u>-</u>	<u>(217)</u>	<u>-</u>
Total operating expenses	<u>1,893,151</u>	<u>14</u>	<u>1,881,081</u>	<u>14</u>
OPERATING INCOME	<u>2,658,454</u>	<u>22</u>	<u>2,847,983</u>	<u>22</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 23 and 28)	19,427	-	21,974	-
Other income (Notes 23 and 28)	10,503	-	11,298	-
Other gains (Note 23)	(12,388)	-	50,398	-
Finance costs (Note 23)	(843)	-	(1,084)	-
Share of the profit of subsidiaries	<u>309,413</u>	<u>2</u>	<u>990,798</u>	<u>8</u>
Total non-operating income and expenses	<u>326,112</u>	<u>2</u>	<u>1,073,384</u>	<u>8</u>
PROFIT BEFORE INCOME TAX	2,984,566	24	3,921,367	30
INCOME TAX EXPENSE (Note 24)	<u>527,938</u>	<u>4</u>	<u>708,566</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>2,456,628</u>	<u>20</u>	<u>3,212,801</u>	<u>24</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(1,293)	-	(20,575)	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	35,438	-	(5,155)	-

(Continued)

# STANDARD FOODS CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2021		2020	
	Amount	%	Amount	%
Share of the other comprehensive income of subsidiaries accounted for using the equity method	\$ 174,817	2	\$ 101,676	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	(1,187)	-	4,095	-
Total items that will not be reclassified subsequently to profit or loss	<u>207,775</u>	<u>2</u>	<u>80,041</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(50,814)	(1)	151,041	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	10,163	-	(30,209)	-
Total items that may be reclassified subsequently to profit or loss	<u>(40,651)</u>	<u>(1)</u>	<u>120,832</u>	<u>1</u>
Other comprehensive income (loss) for the year, net of income (loss) tax	<u>167,124</u>	<u>1</u>	<u>200,873</u>	<u>2</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,623,752</u>	<u>21</u>	<u>\$ 3,413,674</u>	<u>26</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 2.70</u>		<u>\$ 3.54</u>	
Diluted	<u>\$ 2.70</u>		<u>\$ 3.53</u>	

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

(Concluded)



# STANDARD FOODS CORPORATION

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

	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total					
BALANCE AT JANUARY 1, 2020	\$ 9,150,897	\$ 109,718	\$ 2,945,412	\$ 330,945	\$ 4,739,831	\$ 8,016,188	\$ (693,038)	\$ 115,544	\$ (577,494)	\$ (21,182)	\$ 16,678,127
Appropriation of 2019 earnings											
Legal reserve	-	-	341,610	-	(341,610)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	246,549	(246,549)	-	-	-	-	-	-
Share dividends to shareholders	-	-	-	-	(2,424,987)	(2,424,987)	-	-	-	-	(2,424,987)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	17,674	-	-	-	-	-	-	-	-	17,674
Net profit for the year ended December 31, 2020	-	-	-	-	3,212,801	3,212,801	-	-	-	-	3,212,801
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(21,129)	(21,129)	120,832	101,170	222,002	-	200,873
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	3,191,672	3,191,672	120,832	101,170	222,002	-	3,413,674
BALANCE AT DECEMBER 31, 2020	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
Appropriation of 2020 earnings											
Legal reserve	-	-	319,167	-	(319,167)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,287,724)	(2,287,724)	-	-	-	-	(2,287,724)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	16,674	-	-	-	-	-	-	-	-	16,674
Net profit for the year ended December 31, 2021	-	-	-	-	2,456,628	2,456,628	-	-	-	-	2,456,628
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	1,708	1,708	(40,651)	206,067	165,416	-	167,124
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	2,458,336	2,458,336	(40,651)	206,067	165,416	-	2,623,752
BALANCE AT DECEMBER 31, 2021	\$ 9,150,897	\$ 144,066	\$ 3,606,189	\$ 577,494	\$ 4,769,802	\$ 8,953,485	\$ (612,857)	\$ 422,781	\$ (190,076)	\$ (21,182)	\$ 18,037,190

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

# STANDARD FOODS CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,984,566	\$ 3,921,367
Adjustments for:		
Depreciation expenses	226,629	225,981
Amortization expenses	15,378	8,105
Expected credit loss recognized (reversed) on trade receivables	419	(217)
Net gain (loss) on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	35,432	(3,063)
Finance costs	843	1,084
Interest income	(19,427)	(21,974)
Dividend income	(1,471)	(1,721)
Share of the profit of subsidiaries	(309,413)	(990,798)
Net loss on disposal of property, plant and equipment	15,247	951
Net loss on disposal of investment	259	-
Others	(922)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	109,814	(553,676)
Notes receivable	(170)	(5)
Trade receivables	134,622	168,589
Trade receivables from related parties	8,812	4,899
Other receivables	21,244	(20,660)
Other receivables from related parties	41,325	(944,303)
Inventories	143,401	92,441
Prepayments	(186,294)	74,443
Other current assets	(7,553)	(12,030)
Contract liabilities	(4,155)	6,405
Notes payable	19,912	(288)
Trade payables	(95,069)	(48,317)
Trade payables to related parties	(1,054)	(5,615)
Other payables	150,235	69,453
Other current liabilities	35,495	16,386
Net defined benefit liabilities	(14,819)	(43,387)
Cash generated from operations	3,303,286	1,944,050
Interest received	19,930	23,737
Interest paid	(843)	(1,084)
Income tax paid	(589,112)	(688,243)
Net cash generated from operating activities	<u>2,733,261</u>	<u>1,278,460</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(2,307,737)	(2,240,636)
Proceeds from sale of financial assets at amortized cost	2,091,545	2,757,870
Net cash inflow on disposal of subsidiary	8,584	-
Payments for property, plant and equipment	(204,677)	(185,413)

(Continued)

# STANDARD FOODS CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 (In Thousands of New Taiwan Dollars)

	2021	2020
Proceeds from disposal of property, plant and equipment	\$ 2,649	\$ 2,417
Payments for intangible assets	(16,979)	(13,541)
Increase in other financial assets	(7,474)	-
Decrease in other financial assets	-	1,323
Increase in other non-current assets	(6,757)	(3,409)
Dividends received from subsidiaries	419,348	442,255
Other dividends received	<u>1,471</u>	<u>1,721</u>
Net cash generated from (used in) investing activities	<u>(20,027)</u>	<u>762,587</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(23,433)	(25,688)
Dividends paid to owners of the Company	(2,287,724)	(2,424,987)
Acquisition of interest in subsidiaries	<u>-</u>	<u>(9,056)</u>
Net cash used in financing activities	<u>(2,311,157)</u>	<u>(2,459,731)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	402,077	(418,684)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>205,747</u>	<u>624,431</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 607,824</u>	<u>\$ 205,747</u>

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

(Concluded)

# STANDARD FOODS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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#### 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 financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s board of directors on March 21, 2022.

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

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2022

New IFRSs	Effective Date Announced by IASB
“Annual Improvements to IFRS Standards 2018-2020”	January 1, 2022 (Note 1)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022 (Note 2)
Amendments to IAS 16 “Property, 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 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoptions of IFRSs” will be applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the annual reporting period 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: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2022 (Note 4)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Statement of compliance

These financial statements of the Company are the parent company only financial statements and have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

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

When preparing these parent company only financial statements, the Company adopts the equity method to account for its investment in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in these parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to the investments accounted for by the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting the financial statements, the functional currencies of the entities (including operations of the subsidiaries in other countries that use currencies which are different from the functional currency of the Company) are translated into the presentation currency - the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing of control over the subsidiary, the proportionate share of accumulated exchange differences is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, packaging materials and supplies, work-in-process, finished goods and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investment in subsidiaries

The Company used the equity method to account for its investments in subsidiaries.

Subsidiaries are the entities controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the entire financial statements of the invested company. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits and losses resulting from downstream transactions are eliminated in full in the financial statements. Profits and losses transactions from upstream and transactions between subsidiaries are recognized in the financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment (including assets held under finance leases) are stated at cost, less recognized accumulated depreciation and accumulated impairment loss.

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

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. If a lease term is shorter than the assets' useful lives, such assets are depreciated over the lease term. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.



h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method or the fixed-percentage of declining-balance method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use asset, intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, other receivables and other financial assets that measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-impaired effective interest rate to the amortized cost of such financial assets; and

- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

- iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

- b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and finance lease receivables.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables and finance lease receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

- c) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

## 2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## 3) Financial liabilities

### a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

### b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

## 1. Revenue recognition

The Company identifies contracts with customers and recognizes revenue when performance obligations are satisfied.

### Revenue from the sale of goods

Revenue from the sale of goods comes from sales of nutritious foods, cooking products. Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and contract assets are recognized concurrently. Any amounts previously recognized as contract assets are reclassified to trade receivables when the remaining obligations are performed. When the customer initially purchases the goods, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

## m. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

### The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term resulting from a change to those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

#### n. Employee benefits

##### 1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

##### 2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined contribution retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, effect of changes to asset ceiling and return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

### 3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the Company recognizes any related restructuring costs.

## o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

### 1) Current tax

Income tax payable is based on taxable profit for the year determined according to the applicable tax laws of each tax jurisdiction.

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

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

### 2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused tax credits for research and development expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3) Current tax and deferred taxes for the year

Current tax and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

### Estimate of return liability

The sales of goods are recognized upon completion of the profit-making process, on the conditions set out in Note 4. Management estimates the return liability based on market condition and the historical return rates. The sales return allowance are recorded as the deduction of sales and management periodically reviews the reasonableness of accounting estimates.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Cash on hand	\$ 1,130	\$ 1,432
Checking accounts and demand deposits	294,015	168,318
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	<u>312,679</u>	<u>35,997</u>
	<u>\$ 607,824</u>	<u>\$ 205,747</u>

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

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Bank balance	0.001%-2.900%	0.010%-2.500%

## 7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2021	2020
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	\$ 944,978	\$ 1,089,781
Note cash	<u>28,239</u>	<u>29,032</u>
	<u>\$ 973,217</u>	<u>\$ 1,118,813</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	<u>\$ 2,244</u>	<u>\$ 1,894</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2021	2020
<u>Current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	<u>\$ 21,185</u>	<u>\$ 20,671</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI	<u>\$ 112,265</u>	<u>\$ 77,341</u>
<b>Investments in Equity Instruments at FVTOCI</b>		
	December 31	
	2021	2020
<u>Current</u>		
Listed shares and emerging market shares		
Ordinary shares - Far Eastern International Bank	\$ 15,523	\$ 15,374
Ordinary shares - Chunghwa Telecom Co., Ltd.	<u>5,662</u>	<u>5,297</u>
	<u>\$ 21,185</u>	<u>\$ 20,671</u>
<u>Non-current</u>		
Listed shares and emerging market shares		
Ordinary shares - GeneFerm Biotechnology Co., Ltd.	\$ 95,136	\$ 62,423
Unlisted shares		
Ordinary shares - Dah Chung Bills Finance Corp.	<u>17,129</u>	<u>14,918</u>
	<u>\$ 112,265</u>	<u>\$ 77,341</u>



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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 1,309,153</u>	<u>\$ 1,092,961</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.40%-2.62% and 0.40%-2.08% per annum as of December 31, 2021 and 2020, respectively.

## 10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Notes receivable</u>		
Operating	<u>\$ 175</u>	<u>\$ 5</u>
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,829,594	\$ 1,981,590
Less: Allowance for impairment loss	<u>(908)</u>	<u>(1,116)</u>
	<u>\$ 1,828,686</u>	<u>\$ 1,980,474</u>
<u>Other receivables</u>		
Accrued interest	\$ 2,939	\$ 3,442
Payment on behalf of others	-	3,259
Accrued promoted subsidy	-	19,543
Others	<u>9,734</u>	<u>8,176</u>
	<u>\$ 12,673</u>	<u>\$ 34,420</u>

The average credit period of sales of goods was 30-90 days. In order to minimize credit risk, the management of the Company 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 Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook.

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

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

December 31, 2021

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.01%	4.98%	15.82%	50.00%	100.00%	
Gross carrying amount	\$ 1,822,307	\$ 5,083	\$ 2,194	\$ 102	\$ 83	\$ 1,829,769
Loss allowance (Lifetime ECL)	(174)	(253)	(347)	(51)	(83)	(908)
Amortized cost	<u>\$ 1,822,133</u>	<u>\$ 4,830</u>	<u>\$ 1,847</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 1,828,861</u>

December 31, 2020

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.01%	6.72%	21.74%	51.11%	100.00%	
Gross carrying amount	\$ 1,979,787	\$ 506	\$ 322	\$ 315	\$ 665	\$ 1,981,595
Loss allowance (Lifetime ECL)	(186)	(34)	(70)	(161)	(665)	(1,116)
Amortized cost	<u>\$ 1,979,601</u>	<u>\$ 472</u>	<u>\$ 252</u>	<u>\$ 154</u>	<u>\$ -</u>	<u>\$ 1,980,479</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Balance at January 1	\$ 1,116	\$ 1,333
Add: Net remeasurement of loss allowance	419	-
Less: Net remeasurement of loss allowance	-	(217)
Less: Amounts written off	<u>(627)</u>	<u>-</u>
Balance at December 31	<u>\$ 908</u>	<u>\$ 1,116</u>

## 11. INVENTORIES

	December 31	
	2021	2020
Merchandise	\$ 214,067	\$ 481,002
Finished goods	881,331	724,984
Work in progress	130,125	145,137
Raw materials	422,421	451,762
Packing materials	<u>42,985</u>	<u>31,445</u>
	<u>\$ 1,690,929</u>	<u>\$ 1,834,330</u>

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2021 included loss on write-downs of inventories \$9,508 thousand and loss on abandoned inventories of \$7,434 thousand. The cost of inventories recognized as cost of goods sold for the year ended December 31, 2020 included reversals of inventory write-downs of \$2,765 thousand and loss on abandoned inventories of \$6,123 thousand.

## 12. PREPAYMENTS

	December 31	
	2021	2020
Prepayments for purchases	\$ 294,232	\$ 128,696
Prepayments for rent	20,037	-
Prepayments for equipment parts	18,351	18,338
Prepayments for fuel oil	2,520	2,352
Prepayments for insurance	426	482
Prepayments for advertisements	2,224	1,540
Others	<u>16,210</u>	<u>16,298</u>
	<u>\$ 354,000</u>	<u>\$ 167,706</u>

## 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2021	2020
<u>Unlisted companies</u>		
Accession Limited	\$ 3,546,644	\$ 3,623,593
Standard Investment (Cayman) Limited (“Cayman Standard”)	5,538,645	5,685,589
Standard Dairy Products Taiwan Limited (“Standard Dairy Products”)	1,134,020	1,006,590
Charng Hui Ltd. (“Charng Hui”)	422,385	354,881
Domex Technology Corporation (“Domex Technology”)	425,275	305,990
Standard Beverage Company Limited (“Standard Beverage”)	82,390	83,597
Le Bonta Wellness International Corporation (“Le Bonta Wellness”)	-	8,958
Shanghai Le Ben Tuo Health Technology Co., Ltd. (“Shanghai Le Ben Tuo”)	32,168	90,190
Standard Foods, LLC.	<u>8,304</u>	<u>8,544</u>
	<u>\$ 11,189,831</u>	<u>\$ 11,167,932</u>

Name of Subsidiary	Proportion of Ownership and Voting Rights	
	December 31	
	2021	2020
Accession Limited	100.0%	100.0%
Cayman Standard	100.0%	100.0%
Standard Dairy Products	100.0%	100.0%
Charng Hui	100.0%	100.0%
Domex Technology	52.0%	52.0%
Standard Beverage	100.0%	100.0%
Le Bonta Wellness (Note 1)	-	100.0%
Shanghai Le Ben Tuo	51.0%	51.0%
Standard Foods, LLC. (Note 2)	100.0%	100.0%

Note 1: Le Bonta Wellness has been liquidated in August, 2021.

Note 2: The Company invested US\$300 thousand in June 2020.

Refer to Note 31 for the details of the subsidiaries indirectly held by the Company.

#### 14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Other Equipment	Property in Construction	Total
<u>Cost</u>						
Balance at January 1, 2020	\$ 396,356	\$ 1,027,351	\$ 2,266,941	\$ 187,458	\$ 69,269	\$ 3,947,375
Additions	-	-	-	-	185,413	185,413
Disposals	-	(8,859)	(74,601)	(13,838)	-	(97,298)
Reclassified	2,940	44,932	78,562	10,624	(137,058)	-
Balance at December 31, 2020	<u>\$ 399,296</u>	<u>\$ 1,063,424</u>	<u>\$ 2,270,902</u>	<u>\$ 184,244</u>	<u>\$ 117,624</u>	<u>\$ 4,035,490</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2020	\$ -	\$ 633,689	\$ 1,788,743	\$ 152,314	\$ -	\$ 2,574,746
Disposals	-	(8,698)	(71,401)	(13,831)	-	(93,930)
Depreciation expenses	-	55,685	132,742	13,360	-	201,787
Balance at December 31, 2020	<u>\$ -</u>	<u>\$ 680,676</u>	<u>\$ 1,850,084</u>	<u>\$ 151,843</u>	<u>\$ -</u>	<u>\$ 2,682,603</u>
Carrying amount at December 31, 2020	<u>\$ 399,296</u>	<u>\$ 382,748</u>	<u>\$ 420,818</u>	<u>\$ 32,401</u>	<u>\$ 117,624</u>	<u>\$ 1,352,887</u>
<u>Cost</u>						
Balance at January 1, 2021	\$ 399,296	\$ 1,063,424	\$ 2,270,902	\$ 184,244	\$ 117,624	\$ 4,035,490
Additions	-	-	-	-	204,677	204,677
Disposals	-	(56,063)	(156,403)	(17,238)	-	(229,704)
Reclassified	10,805	59,790	115,620	35,752	(221,967)	-
Balance at December 31, 2021	<u>\$ 410,101</u>	<u>\$ 1,067,151</u>	<u>\$ 2,230,119</u>	<u>\$ 202,758</u>	<u>\$ 100,334</u>	<u>\$ 4,010,463</u>

(Continued)

	Freehold Land	Buildings	Equipment	Other Equipment	Property in Construction	Total
Accumulated depreciation and impairment						
Balance at January 1, 2021	\$ -	\$ 680,676	\$ 1,850,084	\$ 151,843	\$ -	\$ 2,682,603
Disposals	-	(45,844)	(149,646)	(16,318)	-	(211,808)
Depreciation expenses	-	58,855	124,880	14,283	-	198,018
Balance at December 31, 2021	<u>\$ -</u>	<u>\$ 693,687</u>	<u>\$ 1,825,318</u>	<u>\$ 149,808</u>	<u>\$ -</u>	<u>\$ 2,668,813</u>
Carrying amount at December 31, 2021	<u>\$ 410,101</u>	<u>\$ 373,464</u>	<u>\$ 404,801</u>	<u>\$ 52,950</u>	<u>\$ 100,334</u>	<u>\$ 1,341,650</u>
						(Concluded)

No impairment assessment was performed for the years ended December 31, 2021 and 2020 as there was no indication of impairment.

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

Building	
Main buildings	40 years
Electrical and mechanical equipment	8-15 years
Engineering	7-39 years
Others	3-14 years
Equipment	
Main equipment	2-20 years
Engineering	7-20 years
Others	3-15 years
Other equipment	2-15 years

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	December 31	
	2021	2020
<u>Carrying amounts</u>		
Land	\$ 2,179	\$ 2,898
Buildings	136,528	56,602
Office equipment	349	445
Transportation equipment	<u>1,404</u>	<u>3,229</u>
	<u>\$ 140,460</u>	<u>\$ 63,174</u>

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Additions to right-of-use assets	<u>\$ 149,116</u>	<u>\$ 3,073</u>
Depreciation charge for right-of-use assets		
Land	\$ 1,853	\$ 1,851
Buildings	25,870	21,190
Office equipment	96	76
Transportation equipment	<u>792</u>	<u>1,077</u>
	<u>\$ 28,611</u>	<u>\$ 24,194</u>

b. Lease liabilities

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Carrying amounts</u>		
Current	<u>\$ 31,963</u>	<u>\$ 20,979</u>
Non-current	<u>\$ 108,617</u>	<u>\$ 38,059</u>

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Land	1.07%	1.07%
Buildings	1.07%	1.07%
Office equipment	1.07%	1.07%
Transportation equipment	1.07%	-

c. Material lease-in activities and terms

The Company leases land, buildings and transportation equipment for the use of parking garage, offices, office equipment and official vehicles with lease terms of 1 to 6 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Expenses relating to short-term leases	<u>\$ 19,860</u>	<u>\$ 23,730</u>
Total cash outflow for leases	<u>\$ (44,136)</u>	<u>\$ (50,362)</u>

The Company's leases of certain office equipment and retail stores qualify as short-term leases. The Company has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

## 16. INTANGIBLE ASSETS

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2020	\$ 210,383
Additions	<u>13,541</u>
Balance at December 31, 2020	<u>\$ 223,924</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2020	\$ 207,440
Amortization expenses	<u>2,824</u>
Balance at December 31, 2020	<u>\$ 210,264</u>
Carrying amount at December 31, 2020	<u>\$ 13,660</u>
<u>Cost</u>	
Balance at January 1, 2021	\$ 223,924
Additions	<u>16,979</u>
Balance at December 31, 2021	<u>\$ 240,903</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2021	\$ 210,264
Amortization expenses	<u>9,538</u>
Balance at December 31, 2021	<u>\$ 219,802</u>
Carrying amount at December 31, 2021	<u>\$ 21,101</u>

No impairment assessment was performed for the years ended December 31, 2021 and 2020 as there was no indication of impairment.

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

Computer software	2-3 years
-------------------	-----------

## 17. OTHER ASSETS

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Current</u>		
Advances to officers	\$ 17,330	\$ 24,177
Right to recover a product	16,978	3,201
Others	<u>623</u>	<u>-</u>
	<u>\$ 34,931</u>	<u>\$ 27,378</u>
<u>Non-current</u>		
Refundable deposits	\$ 23,633	\$ 16,159
Others	<u>4,686</u>	<u>3,769</u>
	<u>\$ 28,319</u>	<u>\$ 19,928</u>

## 18. NOTES PAYABLE AND TRADE PAYABLES

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Notes payable</u>		
Operating	<u>\$ 20,201</u>	<u>\$ 289</u>
<u>Trade payables</u>		
Operating	<u>\$ 732,876</u>	<u>\$ 827,945</u>

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

## 19. OTHER LIABILITIES

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Current</u>		
Other payables		
Payable for salaries and bonuses	\$ 194,941	\$ 183,654
Payable for compensation of employees	38,903	49,921
Payable for remuneration of directors	16,716	21,965
Payable for commission and rebates	476,823	432,133
Advertisement payable	194,686	157,725
Payable for royalties	24,817	23,682
Payable for freight	6,011	5,993

(Continued)



	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Payable for purchases of equipment	\$ 65,890	\$ 54,891
Payable for labor and health insurance	17,613	15,773
Payable for environmental recycling fee	10,322	10,343
Others	<u>214,102</u>	<u>154,509</u>
	<u>\$ 1,260,824</u>	<u>\$ 1,110,589</u>
Other liabilities		
Return liability and Others	<u>\$ 43,418</u>	<u>\$ 24,670</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits	<u>\$ 150</u>	<u>\$ 150</u>
		(Concluded)

In accordance with business practices, the Company accepts the returns of goods sold. Taking into account the historical experience in the past, the Company estimates the return rate with the most probable amount, and recognizes the return liability, which accounts for other current liabilities, and related product rights to be returned, which accounts for other current assets.

## 20. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

### b. Defined benefit plan

The defined benefit plan of the Company is operated by the government of the Republic of China ("ROC") in accordance with the Labor Standards Act. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company makes monthly contributions to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name.

Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plan were as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Present value of defined benefit obligation	\$ 493,434	\$ 515,182
Fair value of plan assets	<u>(318,567)</u>	<u>(326,789)</u>
Net defined benefit liability	<u>\$ 174,867</u>	<u>\$ 188,393</u>

Movements in net defined benefit liability (asset) were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability</b>
Balance at January 1, 2020	<u>\$ 524,433</u>	<u>\$ (313,228)</u>	<u>\$ 211,205</u>
Service cost			
Current service cost	4,178	-	4,178
Net interest expense (income)	<u>3,933</u>	<u>(2,372)</u>	<u>1,561</u>
Recognized in profit or loss	<u>8,111</u>	<u>(2,372)</u>	<u>5,739</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(10,454)	(10,454)
Actuarial loss - changes in demographic assumptions	2,043	-	2,043
Actuarial loss - changes in financial assumptions	12,746	-	12,746
Actuarial loss - experience adjustments	<u>16,240</u>	<u>-</u>	<u>16,240</u>
Recognized in other comprehensive income	<u>31,029</u>	<u>(10,454)</u>	<u>20,575</u>
Contributions from the employer	<u>-</u>	<u>(49,126)</u>	<u>(49,126)</u>
Benefits paid	<u>(48,391)</u>	<u>48,391</u>	<u>-</u>
Balance at December 31, 2020	<u>515,182</u>	<u>(326,789)</u>	<u>188,393</u>
Service cost			
Current service cost	3,647	-	3,647
Net effects in employee transfer	18,983	-	18,983
Net interest expense (income)	<u>2,576</u>	<u>(1,694)</u>	<u>882</u>
Recognized in profit or loss	<u>25,206</u>	<u>(1,694)</u>	<u>23,512</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(4,097)	(4,097)
Actuarial loss - changes in demographic assumptions	12,953	-	12,953
Actuarial profit - experience adjustments	<u>(7,563)</u>	<u>-</u>	<u>(7,563)</u>
Recognized in other comprehensive income	<u>5,390</u>	<u>(4,097)</u>	<u>1,293</u>
Contributions from the employer	<u>-</u>	<u>(38,331)</u>	<u>(38,331)</u>
Benefits paid	<u>(52,344)</u>	<u>52,344</u>	<u>-</u>
Balance at December 31, 2021	<u>\$ 493,434</u>	<u>\$ (318,567)</u>	<u>\$ 174,867</u>

Through the defined benefit plan under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Discount rate	0.500%	0.500%
Expected rate of salary increase	3.000%	3.000%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Discount rate		
0.250% increase	<u>\$ (11,755)</u>	<u>\$ (12,759)</u>
0.250% decrease	<u>\$ 12,168</u>	<u>\$ 13,219</u>
Expected rate of salary increase		
0.250% increase	<u>\$ 11,678</u>	<u>\$ 12,680</u>
0.250% decrease	<u>\$ (11,347)</u>	<u>\$ (12,310)</u>

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
The expected contributions to the plan for the next year	<u>\$ 28,055</u>	<u>\$ 23,807</u>
The average duration of the defined benefit obligation	9.6 years	10.3 years

## 21. EQUITY

### a. Share capital

#### 1) Ordinary shares

	December 31	
	2021	2020
Shares authorized (in thousands of shares)	920,000	920,000
Shares authorized, par value of \$10 (in thousands of NT\$)	\$ 9,200,000	\$ 9,200,000
Shares issued and fully paid (in thousands of shares)	915,089	915,089
Shares issued (in thousands of NT\$)	\$ 9,150,897	\$ 9,150,897

#### 2) Global depositary receipts

As of December 31, 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 five shares of the Company's ordinary shares, were traded on the Euro MTF Market of the Luxembourg Stock Exchange. Holders of the GDRs may request at any time that the shares represented by the GDRs be transferred to them.

### b. Capital surplus

	December 31	
	2021	2020
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Recognized from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 1	\$ 1
Recognized from treasury share transactions	143,599	126,925
<u>May be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries (2)	466	466
	<u>\$ 144,066</u>	<u>\$ 127,392</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries that result from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

### c. Retained earnings and dividend policy

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

#### 1) 10% thereof as legal reserve;

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

The Company's Articles of Incorporation also prescribe that 30% to 100% of dividends shall be paid in cash; however, if the Company has major investment plans for which external funds are not available, the percentage may be lowered to 5% to 20%. The distribution plan shall be proposed by the Company's board of directors and resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of the compensation of employees and remuneration of directors after amendment, refer to Note 23(h). compensation of employees 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 appropriations of earnings 2020 and 2019 approved in the shareholders' meetings on July 22, 2021 and June 16, 2020, respectively, were as follows:

	<b>Appropriation of Earnings For the Year Ended December 31</b>	
	<b>2020</b>	<b>2019</b>
Legal reserve	\$ 319,167	\$ 341,610
Special reserve	\$ -	\$ 246,549
Cash dividends	\$ 2,287,724	\$ 2,424,987
Cash dividends per share (NT\$)	\$2.5	\$2.65

The appropriations of earnings for 2021 had been proposed by the Company's board of directors on March 21, 2022. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>
Legal reserve	\$ 245,834
Special reserve	\$ 1,738,670
Cash dividends	\$1.9

The appropriations of earnings for 2021 are subject to the resolution of the shareholders in their meeting to be held on June 16, 2022.

d. Special reserve

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Beginning at January 1	\$ 577,494	\$ 330,945
Appropriation in respect of:		
Debit to other equity items	-	246,549
Balance at December 31	\$ 577,494	\$ 577,494

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

e. Other equity items

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

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ (572,206)	\$ (693,038)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	<u>(40,651)</u>	<u>120,832</u>
Other comprehensive income recognized for the year	<u>(40,651)</u>	<u>120,832</u>
Balance at December 31	<u>\$ (612,857)</u>	<u>\$ (572,206)</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Balance at January 1	\$ 216,714	\$ 115,544
Recognized for the year		
Unrealized gain (loss) - equity instruments	<u>206,067</u>	<u>101,170</u>
Other comprehensive income recognized for the year	<u>206,067</u>	<u>101,170</u>
Balance at December 31	<u>\$ 422,781</u>	<u>\$ 216,714</u>

f. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Held by Subsidiaries (In Thousands of Shares)</b>
Number of shares at January 1, 2021 and December 31, 2021	<u>6,669</u>
Number of shares at January 1, 2020 and December 31, 2020	<u>6,669</u>

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

<b>Name of Subsidiary</b>	<b>Number of Shares Held (In Thousands of Shares)</b>	<b>Carrying Amount</b>	<b>Market Price</b>
<u>December 31, 2021</u>			
Chang Hui	6,669	<u>\$ 21,182</u>	<u>\$ 352,815</u>
<u>December 31, 2020</u>			
Chang Hui	6,669	<u>\$ 21,182</u>	<u>\$ 408,839</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 shareholders' rights.

## 22. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Revenue from contracts with customers		
Revenue from sale of goods	<u>\$ 12,496,867</u>	<u>\$ 13,184,535</u>

### a. Contract balances

	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>January 1, 2020</b>
Notes receivable (Note 10)	<u>\$ 175</u>	<u>\$ 5</u>	<u>\$ -</u>
Trade receivables (Note 10)	<u>\$ 1,829,594</u>	<u>\$ 1,981,590</u>	<u>\$ 2,150,179</u>
Trade receivables from related parties (Note 10)	<u>\$ 127,773</u>	<u>\$ 136,585</u>	<u>\$ 141,484</u>
Contract liabilities - current			
Sale of goods	<u>\$ 17,285</u>	<u>\$ 21,440</u>	<u>\$ 15,035</u>

### b. Disaggregation of revenue

	<b>Reportable Segments</b>			
	<b>Nutritious Foods</b>	<b>Cooking Products</b>	<b>Others</b>	<b>Total</b>
For the year ended <u>December 31, 2021</u>				
Type of goods or services				
Sale of goods	<u>\$ 9,938,204</u>	<u>\$ 2,238,090</u>	<u>\$ 320,573</u>	<u>\$ 12,496,867</u>
For the year ended <u>December 31, 2020</u>				
Type of goods or services				
Sale of goods	<u>\$ 10,824,568</u>	<u>\$ 1,998,655</u>	<u>\$ 361,312</u>	<u>\$ 13,184,535</u>

## 23. NET PROFIT

### Net Profit

#### a. Interest income

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Interest income		
Bank deposits	\$ 4,591	\$ 2,850
Financial assets at amortized cost	7,010	13,886
Repurchase agreements collateralized by bonds	70	361
Loans to related parties	7,672	4,812
Others	<u>84</u>	<u>65</u>
	<u>\$ 19,427</u>	<u>\$ 21,974</u>

#### b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Royalties	\$ 9,032	\$ 9,577
Dividends	<u>1,471</u>	<u>1,721</u>
	<u>\$ 10,503</u>	<u>\$ 11,298</u>

#### c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Fair value changes of financial assets and financial liabilities		
Net gain (loss) on financial assets mandatorily classified as at FVTPL	\$ (35,432)	\$ 3,063
Net foreign exchange gains	3,029	37,129
Net loss on disposal of property, plant and equipment	(15,247)	(951)
Government grants	-	98
Others	<u>35,262</u>	<u>11,059</u>
	<u>\$ (12,388)</u>	<u>\$ 50,398</u>

#### d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Interest on bank loan	\$ -	\$ 140
Interest on lease liabilities	<u>843</u>	<u>944</u>
	<u>\$ 843</u>	<u>\$ 1,084</u>



e. Impairment losses recognized (reversed)

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Trade receivables	\$ 419	\$ (217)
Inventories (included in operating costs)	<u>9,508</u>	<u>(2,765)</u>
	<u>\$ 9,927</u>	<u>\$ (2,982)</u>

f. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
An analysis of depreciation by function		
Operating costs	\$ 169,049	\$ 173,659
Operating expenses	<u>57,580</u>	<u>52,322</u>
	<u>\$ 226,629</u>	<u>\$ 225,981</u>
An analysis of amortization by function		
Operating costs	\$ 8,987	\$ 4,127
Operating expenses	<u>6,391</u>	<u>3,978</u>
	<u>\$ 15,378</u>	<u>\$ 8,105</u>

g. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Post-employment benefits		
Defined contribution plans	\$ 36,693	\$ 34,577
Defined benefit plans (see Note 20)	<u>23,512</u>	<u>5,739</u>
	60,205	40,316
Other employee benefits	<u>1,154,969</u>	<u>1,148,500</u>
Total employee benefits expense	<u>\$ 1,215,174</u>	<u>\$ 1,188,816</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 534,097	\$ 523,231
Operating expenses	<u>681,077</u>	<u>665,585</u>
	<u>\$ 1,215,174</u>	<u>\$ 1,188,816</u>

h. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at the rates of no less than 0.5% and no higher than 0.75%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 21, 2022 and March 22, 2021, respectively, were as follows:

Accrual rate

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Compensation of employees	1.28%	1.25%
Remuneration of directors	0.55%	0.55%

Amount

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 38,903	\$ 49,921
Remuneration of directors	16,716	21,965

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2020 and 2019.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors in 2021 and 2020 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gain or loss on foreign currency exchange

	<b><u>For the Year Ended December 31</u></b>	
	<b>2021</b>	<b>2020</b>
Foreign exchange gains	\$ 33,208	\$ 85,396
Foreign exchange losses	<u>(30,179)</u>	<u>(48,267)</u>
Net gain	<u>\$ 3,029</u>	<u>\$ 37,129</u>

## 24. INCOME TAXES

### a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Current tax		
In respect of the current year	\$ 550,479	\$ 588,864
Income tax on unappropriated earnings	29,239	18,783
Adjustments for prior years	<u>(7,779)</u>	<u>(11,340)</u>
	571,939	596,307
Deferred tax		
In respect of the current year	<u>(44,001)</u>	<u>112,259</u>
Income tax expense recognized in profit or loss	<u>\$ 527,938</u>	<u>\$ 708,566</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Profit before tax from continuing operations	<u>\$ 2,984,566</u>	<u>\$ 3,921,367</u>
Income tax expense calculated at the statutory rate (20%)	\$ 596,913	\$ 784,273
Nondeductible expenses in determining taxable income	23,524	18,089
Tax-exempt income	(113,959)	(101,239)
Income tax on unappropriated earnings	29,239	18,783
Adjustments for prior years' tax	<u>(7,779)</u>	<u>(11,340)</u>
Income tax expense recognized in profit or loss	<u>\$ 527,938</u>	<u>\$ 708,566</u>

### b. Income tax recognized in other comprehensive income

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (10,163)	\$ 30,209
Remeasurement of defined benefit plans	1,190	(4,115)
Fair value changes of financial assets at FVTOCI	<u>(3)</u>	<u>20</u>
Total income tax recognized in other comprehensive income	<u>\$ (8,976)</u>	<u>\$ 26,114</u>

### c. Current tax liabilities

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Current tax liabilities		
Income tax payable	<u>\$ 282,639</u>	<u>\$ 299,812</u>

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 49,881	\$ 22,960	\$ -	\$ 72,841
Exchange differences on translation of the financial statements of foreign operations	143,050	-	10,163	153,213
Defined benefit plans	68,829	163	259	69,251
Deferred sales returns and allowances	3,916	(141)	-	3,775
Allowance for inventory loss	1,624	1,902	-	3,526
FVTOCI financial assets	43,869	-	3	43,872
Others	10,130	(9,921)	-	209
	<u>\$ 321,299</u>	<u>\$ 14,963</u>	<u>\$ 10,425</u>	<u>\$ 346,687</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 307,620	\$ (24,753)	\$ -	\$ 282,867
Reserve for land value increment tax	33,685	-	-	33,685
Defined benefit plans	-	(213)	1,449	1,236
Others	6,105	(4,072)	-	2,033
	<u>\$ 347,410</u>	<u>\$ (29,038)</u>	<u>\$ 1,449</u>	<u>\$ 319,821</u>

For the year ended December 31, 2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 82,086	\$ (32,205)	\$ -	\$ 49,881
Exchange differences on translation of the financial statements of foreign operations	173,259	-	(30,209)	143,050
Defined benefit plans	64,530	184	4,115	68,829
Deferred sales returns and allowances	2,171	1,745	-	3,916
Allowance for inventory loss	2,177	(553)	-	1,624
FVTOCI financial assets	43,889	-	(20)	43,869
Others	10,020	110	-	10,130
	<u>\$ 378,132</u>	<u>\$ (30,719)</u>	<u>\$ (26,114)</u>	<u>\$ 321,299</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 232,185	\$ 75,435	\$ -	\$ 307,620
Reserve for land value increment tax	33,685	-	-	33,685
Others	-	6,105	-	6,105
	<u>\$ 265,870</u>	<u>\$ 81,540</u>	<u>\$ -</u>	<u>\$ 347,410</u>

e. Income tax assessments

The income tax returns of the Company through 2020 have been assessed by the tax authorities.

## 25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Basic earnings per share	<u>\$ 2.70</u>	<u>\$ 3.54</u>
Diluted earnings per share	<u>\$ 2.70</u>	<u>\$ 3.53</u>

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

### Net Profit for the Year

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Earnings used in the computation of basic earnings per share	<u>\$ 2,456,628</u>	<u>\$ 3,212,801</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Weighted average number of ordinary shares used in computation of basic earnings per share	908,420	908,420
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>968</u>	<u>1,070</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>909,388</u>	<u>909,490</u>

The Company may settle compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares are 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.

## 26. CAPITAL MANAGEMENT

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

## 27. FINANCIAL INSTRUMENTS

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

#### 1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ 2,244	\$ 2,244
Mutual funds	944,978	-	-	944,978
Note cash	-	28,239	-	28,239
	<u>\$ 944,978</u>	<u>\$ 28,239</u>	<u>\$ 2,244</u>	<u>\$ 975,461</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 116,321	\$ -	\$ -	\$ 116,321
Unlisted shares	-	-	17,129	17,129
	<u>\$ 116,321</u>	<u>\$ -</u>	<u>\$ 17,129</u>	<u>\$ 133,450</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ 1,894	\$ 1,894
Mutual funds	1,089,781	-	-	1,089,781
Note cash	-	29,032	-	29,032
	<u>\$ 1,089,781</u>	<u>\$ 29,032</u>	<u>\$ 1,894</u>	<u>\$ 1,120,707</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	\$ 83,094	\$ -	\$ -	\$ 83,094
Unlisted shares	-	-	14,918	14,918
	<u>\$ 83,094</u>	<u>\$ -</u>	<u>\$ 14,918</u>	<u>\$ 98,012</u>

There were no transfers between Levels 1 and 2 in the current and prior year.

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

For the year ended December 31, 2021

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2021	\$ 1,894	\$ 14,918	\$ 16,812
Recognized in profit or loss (included in other gains and losses)	350	-	350
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	2,211	2,211
Balance at December 31, 2021	<u>\$ 2,244</u>	<u>\$ 17,129</u>	<u>\$ 19,373</u>
Recognized in other gains and losses - unrealized	<u>\$ 350</u>		<u>\$ 350</u>

For the year ended December 31, 2020

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2020	\$ 7,575	\$ 15,702	\$ 23,277
Recognized in profit or loss (included in other gains and losses)	(1,343)	-	(1,343)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(784)	(784)
Sales/settlements	<u>(4,338)</u>	<u>-</u>	<u>(4,338)</u>
Balance at December 31, 2020	<u>\$ 1,894</u>	<u>\$ 14,918</u>	<u>\$ 16,812</u>
Recognized in other gains and losses - unrealized	<u>\$ 1,062</u>		<u>\$ 1,062</u>

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

<b>Financial Instrument</b>	<b>Valuation Technique and Inputs</b>
Note cash	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 year.

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

The fair values of unlisted equity securities - ROC was determined using the market approach and the asset approach (adjusted net asset method).

The market approach uses prices and other relevant information that have been generated by market transactions that involved underlying assets.

The asset approach is that assets and liabilities of an investee are measured at fair value with the objective of obtaining the fair value of the investee's underlying asset at the measurement date.

b. Categories of financial instruments

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 975,461	\$ 1,120,707
Financial assets at amortized cost (1)	4,816,137	4,413,896
Financial assets at FVTOCI		
Equity instruments	133,450	98,012
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	838,589	903,801

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, trade receivables from related parties, other receivables and other receivables from related parties and refundable deposits.
- 2) The balances include financial liabilities measured at amortized cost, which comprise notes payable, trade payables, trade payables from related parties, payables for purchases of equipment and guarantee deposits.

c. Financial risk management objectives and policies

The Company's major financial instruments include cash and cash equivalents, equity and debt investments, mutual funds, trade receivables and trade payables. The Company'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 Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

a) Foreign currency risk

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 30.



### Sensitivity analysis

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

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

	<b>RMB Impact</b>		<b>USD Impact</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Profit or loss	\$ 29,119 (i)	\$ 26,980 (i)	\$ (1,403) (ii)	\$ 5,874 (ii)
	<b>EUR Impact</b>		<b>AUD Impact</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Profit or loss	\$ (2,259) (iii)	\$ - (iii)	\$ 113 (iv)	\$ 775 (iv)
			<b>CHF Impact</b>	
			<b>For the Year Ended December 31</b>	
			<b>2021</b>	<b>2020</b>
Profit or loss			\$ 543 (v)	\$ 1,405 (v)

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

b) Interest rate risk

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

	<b>December 31</b>	
	<b>2021</b>	<b>2020</b>
Fair value interest rate risk		
Financial assets	\$ 742,732	\$ 434,758
Financial liabilities	140,580	59,038
Cash flow interest rate risk		
Financial assets	879,100	694,200

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$8,791 thousand and \$6,942 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by \$9,755 thousand and \$11,207 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by \$1,335 thousand and \$980 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation and due to financial guarantees provided by the Company could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The amount of contingent liabilities in relation to financial guarantees issued by the Company.

In order to minimize credit risk, management of the Company 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 Company reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts.

The Company's concentration of credit risk of 74% and 79% in total trade receivables as of December 31, 2021 and 2020, was related to the Company's four largest customers.

### 3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2021 and 2020, the Company had available unutilized bank loan facilities in the amounts of \$1,977,047 thousand and \$2,032,062 thousand, respectively.

#### Liquidity and interest rate risk tables for non-derivative financial liabilities

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

To the extent that interest flows are at floating rates, the undiscounted amount was derived from interest rate curve at the end of the reporting period.

#### December 31, 2021

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing	\$ 263,595	\$ 525,427	\$ 49,417	\$ 150
Lease liabilities	2,811	5,540	24,933	110,708
Contract liabilities	<u>5,762</u>	<u>11,523</u>	<u>-</u>	<u>-</u>
	<u>\$ 272,168</u>	<u>\$ 542,490</u>	<u>\$ 74,350</u>	<u>\$ 110,858</u>

December 31, 2020

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing	\$ 282,526	\$ 579,957	\$ 41,168	\$ 150
Lease liabilities	18,720	601	2,076	38,272
Contract liabilities	<u>7,147</u>	<u>14,293</u>	<u>-</u>	<u>-</u>
	<u>\$ 308,393</u>	<u>\$ 594,851</u>	<u>\$ 43,244</u>	<u>\$ 38,422</u>

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

## 28. TRANSACTIONS WITH RELATED PARTIES

The transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

### a. Related parties and relationships

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Standard Dairy Products	Subsidiary
Standard Beverage	Subsidiary
Dermalab S.A. ("Dermalab")	Subsidiary
Standard Foods (China) Co., Ltd. ("Chain Standard Foods")	Subsidiary
Standard Foods (Xiamen) Co., Ltd. ("Xiamen Standard Foods")	Subsidiary
Shanghai Le Ben Tuo Health Technology Co., Ltd.	Subsidiary
GeneFerm Biotechnology Co., Ltd. ("GeneFerm")	The Company is one of the directors

### b. Sales of goods

<b>Line Items</b>	<b>Related Party Category/Name</b>	<b>For the Year Ended December 31</b>	
		<b>2021</b>	<b>2020</b>
Sales	Subsidiaries		
	Standard Dairy Products	\$ 1,403,341	\$ 1,442,012
	GeneFerm	24,683	26,058
	Others	<u>105</u>	<u>-</u>
		<u>\$ 1,428,129</u>	<u>\$ 1,468,070</u>

Sales to related parties were conducted on normal commercial terms.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
Subsidiaries		
Standard Dairy Products	\$ 858,375	\$ 900,852
Others	-	1,015
The Company is one of the directors		
GeneFerm	<u>76,368</u>	<u>72,095</u>
	<u>\$ 934,743</u>	<u>\$ 973,692</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

Line Items	Related Party Category/Name	December 31	
		2021	2020
Trade receivables	Subsidiaries		
	Standard Dairy Products	\$ 120,483	\$ 127,574
	The Company is one of the directors		
	GeneFerm	<u>7,290</u>	<u>9,011</u>
		<u>\$ 127,773</u>	<u>\$ 136,585</u>
Other receivables	Subsidiaries		
	Standard Dairy Products	\$ 4,087	\$ 2,761
	Standard Beverage	10,416	20,117
	Dermalab	18,105	46,842
	China Standard Foods	218,403	351,346
	Xiamen Standard Foods	<u>655,209</u>	<u>526,479</u>
		<u>\$ 906,220</u>	<u>\$ 947,545</u>

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Items	Related Party Category/Name	December 31	
		2021	2020
Trade payables	The Company is one of the directors		
	GeneFerm	<u>\$ 19,472</u>	<u>\$ 20,526</u>

The outstanding payables from related parties are unsecured.

f. Loans to related parties

Related Party Category/Name	December 31	
	2021	2020
Standard Beverage	\$ 10,300	\$ 20,000
Dermalab	18,105	46,842
China Standard Foods	217,355	349,184
Xiamen Standard Foods	<u>652,065</u>	<u>523,776</u>
	<u>\$ 897,825</u>	<u>\$ 939,802</u>

Interest expenses

Related Party Category/Name	For the Year Ended December 31	
	2021	2020
Standard Beverage	\$ 151	\$ 15
Dermalab	443	-
China Standard Foods	2,126	2,128
Xiamen Standard Foods	<u>4,952</u>	<u>2,669</u>
	<u>\$ 7,672</u>	<u>\$ 4,812</u>

g. Endorsements and guarantees

Endorsements and guarantees provided by the Company

Related Party Category/Name	December 31	
	2021	2020
Subsidiaries		
Standard Beverage		
Amount endorsed	\$ 143,040	\$ 202,400
Amount utilized	-	-

h. Other transactions with related parties

Line Items	Related Party Category/Name	For the Year Ended December 31	
		2021	2020
Royalty revenue	Subsidiaries		
	Standard Dairy Products	<u>\$ 9,032</u>	<u>\$ 9,577</u>
Service revenue	Subsidiaries		
	Standard Beverage	<u>\$ 1,320</u>	<u>\$ 1,320</u>

i. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2021</b>	<b>2020</b>
Short-term employee benefits	\$ 28,036	\$ 38,785
Post-employment benefits	<u>241</u>	<u>326</u>
	<u>\$ 28,277</u>	<u>\$ 39,111</u>

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

## 29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2021 were as follows:

- 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).
- Unused letters of credit of approximately US\$1,812 thousand and JP¥18,567 thousand.
- Unrecognized commitments for acquisition of property, plant and equipment of approximately \$101,532 thousand.
- Unrecognized commitments for acquiring approximately 14,753 tons of colostrum from dairymen.

## 30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2021

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 8,949	27.68 (USD:NTD)	\$ 247,707
EUR	450	31.32 (EUR:NTD)	14,104
RMB	223,285	4.35 (RMB:NTD)	970,640
AUD	187	20.08 (AUD:NTD)	3,754
CHF	600	30.18 (CHF:NTD)	<u>18,105</u>
			<u>\$ 1,254,310</u>
			(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
Non-monetary items			
Investments accounted for using the equity method			
USD	\$ 300	27.68 (USD:NTD)	\$ 8,304
RMB	2,097,347	4.35 (RMB:NTD)	<u>9,117,457</u>
			<u>\$ 9,125,761</u>

#### Financial liabilities

Monetary items			
USD	10,639	27.68 (USD:NTD)	\$ 294,489
EUR	2,854	31.32 (EUR:NTD)	<u>89,390</u>
			<u>\$ 383,879</u>
			(Concluded)

#### December 31, 2020

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
Financial assets			
Monetary items			
USD	\$ 7,013	28.48 (USD:NTD)	\$ 199,736
RMB	205,470	4.38 (RMB:NTD)	899,341
AUD	1,576	21.95 (AUD:NTD)	34,585
CHF	1,450	32.31 (CHF:NTD)	<u>46,842</u>
			<u>\$ 1,180,504</u>
Non-monetary items			
Investments accounted for using the equity method			
USD	300	28.48 (USD:NTD)	\$ 8,544
RMB	2,153,318	4.38 (RMB:NTD)	<u>9,399,372</u>
			<u>\$ 9,407,916</u>
Financial liabilities			
Monetary items			
USD	138	28.48 (USD:NTD)	\$ 3,936
AUD	399	21.95 (AUD:NTD)	<u>8,756</u>
			<u>\$ 12,692</u>



The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2021		2020	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	28.01 (USD:NTD)	\$ 8,365	29.55 (USD:NTD)	\$ 962
RMB	4.34 (RMB:NTD)	(6,392)	4.28 (RMB:NTD)	32,372
EUR	33.16 (EUR:NTD)	3,471	33.71 (EUR:NTD)	2,040
AUD	21.06 (AUD:NTD)	449	20.40 (AUD:NTD)	(215)
CHF	30.64 (CHF:NTD)	(3,105)	31.47 (CHF:NTD)	1,675
SGD	20.85 (SGD:NTD)	(16)	21.43 (SGD:NTD)	143
Others		<u>257</u>		<u>152</u>
		<u>\$ 3,029</u>		<u>\$ 37,129</u>

### 31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financings provided: (Table 1)
- 2) Endorsement/guarantee provided: (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.

b. Information on reinvestments (excluding investees in mainland China): (Table 6).

c. Information on investment in mainland China

- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: (Table 7)

- 2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss: None.
- c. 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 8)

**TABLE 1**

**STANDARD FOODS CORPORATION**

**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Standard Foods Corporation	Dermalab S.A.	Financing receivables - related parties	Y	\$ 63,578	\$ 18,105	\$ 18,105	1.000%	b.	\$ -	Need for operation	\$ -	-	\$ -	\$ 6,963,681 (Note 3)	\$ 6,963,681 (Note 3)	Note 11
		Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	350,984	217,355	217,355	1.000%	b.	-	Need for operation	-	-	-	3,481,840 (Note 4)	6,963,681 (Note 5)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	653,670	652,065	652,065	1.000%	b.	-	Need for operation	-	-	-	3,481,840 (Note 4)	6,963,681 (Note 5)	Note 11
		Standard Beverage Company Limited	Financing receivables - related parties	Y	50,000	50,000	10,300	0.950%	b.	-	Need for operation	-	-	-	6,963,681 (Note 3)	6,963,681 (Note 3)	Note 11
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Y	175,492	173,884	107,543	1.000%	b.	-	Need for operation	-	-	-	1,941,274 (Note 6)	1,941,274 (Note 6)	Note 11
		Shanghai Le Ben Tuo Health Technology Co., Ltd.	Financing receivables - related parties	Y	175,492	173,884	143,646	1.000%	b.	-	Need for operation	-	-	-	1,941,274 (Note 6)	1,941,274 (Note 6)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	526,476	521,652	19,797	1.000%	b.	-	Need for operation	-	-	-	1,941,274 (Note 6)	1,941,274 (Note 6)	Note 11
		Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	438,730	434,710	431,098	1.000%	b.	-	Need for operation	-	-	-	1,941,274 (Note 6)	1,941,274 (Note 6)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	614,222	608,594	402,585	1.000%	b.	-	Need for operation	-	-	-	1,263,406 (Note 7)	1,263,406 (Note 7)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	460,667	456,446	456,446	1.000%	b.	-	Need for operation	-	-	-	1,263,406 (Note 7)	1,263,406 (Note 7)	Note 11
3	Shanghai Le Ben De Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	10,968	10,868	10,868	1.000%	b.	-	Need for operation	-	-	-	11,884 (Note 8)	11,884 (Note 8)	Note 11
4	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	8,775	8,694	6,686	1.000%	b.	-	Need for operation	-	-	-	189,013 (Note 9)	189,013 (Note 9)	Note 11
5	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	21,789	21,736	17,693	1.000%	b.	-	Need for operation	-	-	-	118,024 (Note 10)	118,024 (Note 10)	Note 11

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

Note 2: Reasons for financing are as follows:

- a. Need for operation.
- b. Need for short-term financing.

Note 3: The total amount shall not exceed 40% of net value of Standard Foods Corporation, which was calculated to be \$6,963,681 thousand (the net value per financial statements of \$17,409,202 thousand x 40% as of September 30, 2021).

Note 4: The total amount shall not exceed 20% of net value of Standard Foods Corporation, which was calculated to be \$3,481,840 thousand (the net value per financial statements of \$17,409,202 thousand x 20% as of September 30, 2021).

Note 5: The total amount shall not exceed 40% of net value of Standard Foods Corporation, which was calculated to be \$6,963,681 thousand (the net value per financial statements of \$17,409,202 thousand x 40% as of September 30, 2021).

Note 6: The total amount shall not exceed 40% of net value of Standard Investment (China) Co., Ltd., which was calculated to be \$1,941,274 thousand (the net value per financial statements of \$4,853,185 thousand x 40% as of September 30, 2021).

Note 7: The total amount shall not exceed 40% of net value of Shanghai Standard Foods Co., Ltd., which was calculated to be \$1,263,406 thousand (the net value per financial statements of \$3,158,515 thousand x 40% as of September 30, 2021).

Note 8: The total amount shall not exceed 40% of net value of Shanghai Le Ben De Health Technology Co., Ltd., which was calculated to be \$11,884 thousand (the net value per financial statements of \$29,709 thousand x 40% as of September 30, 2021).

Note 9: The total amount shall not exceed 40% of net value of Shanghai Le Ho Industrial Co., Ltd., which was calculated to be \$189,013 thousand (the net value per financial statements of \$472,532 thousand x 40% as of September 30, 2021).

Note 10: The total amount shall not exceed 40% of net value of Shanghai Le Min Industrial Co., Ltd., which was calculated to be \$118,024 thousand (the net value per financial statements of \$295,060 thousand x 40% as of September 30, 2021).

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

(Concluded)

TABLE 2

STANDARD FOODS CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount	Guarantee Provided by Parent Company (Note 9)	Guarantee Provided by Subsidiary (Note 9)	Guarantee Provided to Subsidiaries in Mainland China (Note 9)	Note
		Name	Nature of Relationship (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company Limited	b.	\$ 13,927,362 (Note 3)	\$ 145,605	\$ 143,040	\$ -	\$ -	0.82%	\$ 17,409,202 (Note 4)	Y	-	-	

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

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

- a. Trading partner.
- b. Majority owned subsidiary.
- c. The Company and subsidiary owns over 50% ownership of the investee company.
- d. A subsidiary jointly owned by the Company and company’s directly-owned subsidiary.
- e. Guaranteed by the Company according to construction contract.
- f. Investee company. The guarantees were provided based on the Company’s proportionate share in an investee company.
- g. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The total amount shall not exceed 80% of the net value in the financial statements of Standard Foods Corporation; the amount was calculated at \$13,927,362 thousand (the net value per financial statements of \$17,409,202 thousand x 80% as of September 30, 2021).

Note 4: The total amount shall not exceed 100% of the net value in the financial statements of Standard Foods Corporation; the amount was calculated at \$17,409,202 thousand (the net value per financial statements of \$17,409,202 thousand x 100% as of September 30, 2021).

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

**TABLE 3**

**STANDARD FOODS CORPORATION**

**MARKETABLE SECURITIES HELD**  
**DECEMBER 31, 2021**  
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Foods Corporation	<u>Shares</u>	The Company is one of the directors						
	Far Eastern International Commercial Bank Co., Ltd.		Financial assets at fair value through other comprehensive income - current	1,444,013	\$ 15,523	-	\$ 15,523	
	Chunghwa Telecom Co., Ltd.		Financial assets at fair value through other comprehensive income - current	48,600	5,662	-	5,662	
	GeneFerm Biotechnology Co., Ltd.		Financial assets at fair value through other comprehensive income - non-current	2,145,110	95,136	5.3	95,136	
	Dah Chung Bills Finance Corp.		Financial assets at fair value through other comprehensive income - non-current	1,274,480	17,129	0.3	17,129	
	<u>Mutual funds</u>							
	Mega Diamond Money Market Fund		Financial assets at fair value through profit or loss - current	15,776,977	200,014	-	200,014	
	Jih Sun Money Market Fund		Financial assets at fair value through profit or loss - current	14,031,671	210,294	-	210,294	
	Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	9,285,458	127,012	-	127,012	
	Cathay China Domestic Demand Growth Fund		Financial assets at fair value through profit or loss - current	3,585,869	101,408	-	101,408	
	Cathay Target Date 2029 Fund		Financial assets at fair value through profit or loss - current	4,720,915	60,701	-	60,701	
	FSITC Taiwan Money Market Fund		Financial assets at fair value through profit or loss - current	9,312,631	144,079	-	144,079	
	Cathay Global Aggressive Fund		Financial assets at fair value through profit or loss - current	2,284,844	61,645	-	61,645	
	President Hang Seng TECH Index		Financial assets at fair value through profit or loss - current	5,900,000	39,825	-	39,825	
	<u>Note cash</u>							
	CODEIS Smart Cash Note		Financial assets at fair value through profit or loss - current	10,000	28,239	-	28,239	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
	<u>Shares</u> Techgains Pan-Pacific Corporation		Financial assets at fair value through profit or loss - non-current	500,000	\$ -	0.9	\$ -	
	Authenex, Inc.		Financial assets at fair value through profit or loss - non-current	2,424,242	-	5.5	-	
	Paradigm Venture Capital Corporation		Financial assets at fair value through profit or loss - non-current	153,320	2,244	7.0	2,244	
	U-Teck Environment Corporation, Ltd.		Financial assets at fair value through profit or loss - non-current	11,200	-	0.2	-	
	Octamer, Inc. - Series E Preference Shares		Financial assets at fair value through profit or loss - non-current	800,000	-	7.8	-	
	Octamer, Inc. - Series F Preference Shares		Financial assets at fair value through profit or loss - non-current	107,815	-	1.0	-	
	Fortemedia, Inc. - Series D Preference Shares		Financial assets at fair value through profit or loss - non-current	3,455	-	1.2	-	
	Fortemedia, Inc. - Series E Preference Shares		Financial assets at fair value through profit or loss - non-current	71,397	-	1.2	-	
	Fortemedia, Inc. - Series F Preference Shares		Financial assets at fair value through profit or loss - non-current	29,173	-	1.2	-	
	Fortemedia, Inc. - Series G Preference Shares		Financial assets at fair value through profit or loss - non-current	31,135	-	1.3	-	
	Fortemedia, Inc. - Series I Preference Shares		Financial assets at fair value through profit or loss - non-current	29,102	-	1.3	-	
	Fortemedia, Inc. - Series - Ordinary Shares		Financial assets at fair value through profit or loss - non-current	12,938	-	1.2	-	
Standard Dairy Products Taiwan Limited	<u>Mutual funds</u> Cathay China Domestic Demand Growth Fund		Financial assets at fair value through profit or loss - current	1,195,290	33,803	-	33,803	
	Cathay Target Date 2029 Fund		Financial assets at fair value through profit or loss - current	786,819	10,117	-	10,117	
	Cathay Global Aggressive Fund		Financial assets at fair value through profit or loss - current	761,615	20,548	-	20,548	
Charng Hui Ltd.	<u>Shares</u> Standard Foods Corporation	Parent of Charng Hui Ltd.	Financial assets at fair value through other comprehensive income - current	6,669,471	352,815	0.7	352,815	Note
	Formosa Plastics Corporation		Financial assets at fair value through other comprehensive income - current	91,440	9,510	-	9,510	
	China Steel Corporation		Financial assets at fair value through other comprehensive income - current	803,258	28,395	-	28,395	
	Polytronics Technology Corp.	Charng Hui Ltd. is one of the directors	Financial assets at fair value through other comprehensive income - current	1,596,000	199,500	2.0	199,500	
	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at fair value through other comprehensive income - current	90,000	55,350	-	55,350	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Beverage Company Limited	<u>Mutual funds</u> Fuh Hwa Global Strategic Allocation FoF	Charng Hui Ltd. is one of the directors	Financial assets at fair value through profit or loss - current	1,000,000	\$ 13,380	-	\$ 13,380	
	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds-Accu.		Financial assets at fair value through profit or loss - current	1,453,360	18,218	-	18,218	
	Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	73,768	1,009	-	1,009	
	<u>Shares</u> Hong Da Leasing & Finance Co., Ltd.		Financial assets at fair value through profit or loss - non-current	8,297,000	-	23.7	-	
	CNEX Co., Ltd.		Financial assets at fair value through profit or loss - non-current	1,000,000	-	6.0	-	
	Amphastar Pharmaceuticals Inc. (AMPH)		Financial assets at fair value through profit or loss - non-current	7,742	4,991	-	4,991	
	<u>Mutual funds</u> Fuh Hwa Greater China Mid & Small Cap		Financial assets at fair value through profit or loss - current	225,000	3,258	-	3,258	
	Franklin Templeton SinoAm Global Bd Acc		Financial assets at fair value through profit or loss - current	282,988	3,547	-	3,547	
	<u>Shares</u> InnoComm Mobile Technology Corp.		Financial assets at fair value through other comprehensive income - non-current	3,600,000	393,948	13.4	393,948	
	<u>Shares</u> AsiaVest Liquidation Co.		Financial assets at fair value through other comprehensive income - non-current	200	1,027	0.7	1,027	
Domex Technology Corporation								
Accession Limited	<u>Mutual funds</u> Term Liquidity Fund		Financial assets at fair value through profit or loss - current	33,453	97,863	-	97,863	

Note: The amounts presented above were eliminated upon consolidation.

(Concluded)

**TABLE 4****STANDARD FOODS CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable (Receivable)		Note
			Purchases (Sales)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Standard Foods Corporation	Standard Dairy Products Taiwan Limited	The Company's subsidiary	Sales	\$ (1,403,341)	11.23	55 days after month end closing (net of receivables and payables)	-	-	\$ 120,483	6.15	Note
			Purchases	858,375	12.79	55 days after month end closing (net of receivables and payables)	-	-	-	-	Note
Standard Dairy Products Taiwan Limited	Standard Foods Corporation	Parent company of Standard Dairy Products Taiwan Limited	Purchases	1,403,341	58.65	55 days after month end closing (net of receivables and payables)	-	-	(120,483)	39.49	Note
			Sales	(858,375)	25.34	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	(2,064,727)	72.79	60 days after month-end closing	-	-	577,402	99.76	Note
			Purchases	661,822	22.44	60 days after month-end closing	-	-	(203,137)	87.95	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	2,064,727	14.72	60 days after month-end closing	-	-	(577,402)	13.54	Note
			Sales	(661,822)	4.19	60 days after month-end closing	-	-	203,137	6.47	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(6,665,006)	98.90	60 days after month-end closing	-	-	1,439,345	99.97	Note
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	6,665,006	47.49	60 days after month-end closing	-	-	(1,439,345)	33.75	Note
Standard Foods (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Standard Foods (China) Co., Ltd.	Purchases	265,648	4.23	60 days after month-end closing	-	-	(230,445)	51.40	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Sales	(265,648)	4.40	60 days after month-end closing	-	-	230,445	11.34	Note
	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(5,259,295)	87.03	60 days after month-end closing	-	-	1,489,519	73.31	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	5,259,295	37.47	60 days after month-end closing	-	-	(1,489,519)	34.92	Note

Note: The amounts presented above were eliminated upon consolidation.



TABLE 5

## STANDARD FOODS CORPORATION

## RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2021

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationships	Ending Balance for Account Receivable - Related Parties		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	Note
						Amount	Actions Taken			
Standard Foods Corporation	Standard Dairy Products Taiwan Limited	The Company's subsidiary	Trade receivables	\$ 120,483	11.31	\$ -		\$ 120,483 (Note 1)	\$ -	(Note 2)
			Other receivables	<u>4,087</u>		<u>-</u>		<u>4,087</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 124,570</u>		<u>\$ -</u>		<u>\$ 124,570</u> (Note 1)	<u>\$ -</u>	
	Standard Foods (China) Co., Ltd.	The Company's subsidiary	Financing receivables	\$ 217,355		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables	<u>1,048</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 218,403</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
	Standard Foods (Xiamen) Co., Ltd.	The Company's subsidiary	Financing receivables	\$ 652,065		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables	<u>3,144</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 655,209</u>		<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	\$ 577,402	3.66	\$ -		\$ 577,402 (Note 1)	\$ -	(Note 2)
			Financing receivables	<u>402,585</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
			Other receivables	<u>10,605</u>		<u>-</u>		<u>10,605</u> (Note 1)	<u>-</u>	(Note 2)
	Standard Foods (Xiamen) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.		<u>\$ 990,592</u>		<u>\$ -</u>		<u>\$ 588,007</u> (Note 1)	<u>\$ -</u>	
			Financing receivables	\$ 456,446		-		\$ 456,446 (Note 1)	\$ -	(Note 2)
			Other receivables	<u>4,717</u>		<u>-</u>		<u>4,615</u> (Note 1)	<u>-</u>	(Note 2)
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.		<u>\$ 461,163</u>		<u>\$ -</u>		<u>\$ 461,061</u> (Note 1)	<u>\$ -</u>	
			Trade receivables	\$ 1,439,345	4.27	\$ -		\$ 1,439,345 (Note 1)	\$ -	(Note 2)
			Other receivables	<u>18,080</u>		<u>-</u>		<u>18,080</u> (Note 1)	<u>-</u>	(Note 2)
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary		<u>\$ 1,457,425</u>		<u>\$ -</u>		<u>\$ 1,457,425</u> (Note 1)	<u>\$ -</u>	
			Trade receivables	\$ 6	82.18	\$ -		\$ 6 (Note 1)	\$ -	(Note 2)
			Financing receivables	<u>431,098</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Other receivables	<u>22,502</u>		<u>-</u>		<u>22,469</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 453,606</u>		<u>\$ -</u>		<u>\$ 22,475</u> (Note 1)	<u>\$ -</u>	
			Trade receivables	\$ 11	63.00	\$ -		\$ 11 (Note 1)	\$ -	(Note 2)
	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Financing receivables	<u>19,797</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
			Other receivables	<u>14,299</u>		<u>-</u>		<u>14,299</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 34,107</u>		<u>\$ -</u>		<u>\$ 14,310</u> (Note 1)	<u>\$ -</u>	
	Shanghai Le Ben Tuo Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Trade receivables	\$ 203,137	5.10	\$ -		\$ 203,137 (Note 1)	\$ -	(Note 2)
			Other receivables	<u>4,085</u>		<u>-</u>		<u>4,085</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 207,222</u>		<u>\$ -</u>		<u>\$ 207,222</u> (Note 1)	<u>\$ -</u>	
Shanghai Dermalab Corporation	Shanghai Le Ben Tuo Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Financing receivables	\$ 143,646		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables	<u>1,053</u>		<u>-</u>		<u>1,053</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 144,699</u>		<u>\$ -</u>		<u>\$ 1,053</u> (Note 1)	<u>\$ -</u>	
	Shanghai Dermalab Corporation	Standard Investment (China) Co., Ltd.'s subsidiary	Financing receivables	\$ 107,543		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables	<u>820</u>		<u>-</u>		<u>820</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 108,363</u>		<u>\$ -</u>		<u>\$ 820</u> (Note 1)	<u>\$ -</u>	

(Continued)

Company Name	Related Party	Relationships	Ending Balance for Account Receivable - Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	Note
					Amount	Actions Taken			
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables	\$ 1,489,519	3.79	\$ -	\$ 1,278,866 (Note 1)	\$ -	(Note 2)
			Note receivables	311,798	3.79	-	311,798 (Note 1)	-	(Note 2)
			Other receivables	<u>6,561</u>		<u>-</u>	<u>6,561</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 1,807,878</u>		<u>\$ -</u>	<u>\$ 1,597,225</u> (Note 1)	<u>\$ -</u>	
	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables	<u>\$ 230,445</u>	1.28	<u>\$ -</u>	<u>\$ 230,445</u> (Note 1)	<u>\$ -</u>	(Note 2)

Note 1:   Amounts received before March 28, 2022.

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

(Concluded)

**TABLE 6****STANDARD FOODS CORPORATION****INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Limited	Tortola, British Virgin Islands	Investment business	\$ 3,936,267	\$ 3,936,267	123,600,000	100	\$ 3,546,644	\$ (41,944)	\$ (57,202) (Note 1)	Subsidiary (Note 7)
	Standard Investment (Cayman) Limited	Grand Cayman, Cayman Islands	Investment business	4,710,865	4,710,865	150,124,815	100	5,538,645	(123,764)	(123,764)	Subsidiary (Note 7)
	Standard Dairy Products Taiwan Limited	Taipei, Taiwan	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100	1,134,020	492,673	491,772 (Note 2)	Subsidiary (Note 7)
	Charng Hui Ltd.	Taipei, Taiwan	Investment business	230,000	230,000	24,100,000	100	422,385	21,936	5,262 (Note 3)	Subsidiary (Note 7)
	Domex Technology Corporation	Hsinchu, Taiwan	Manufacture and sale of computer peripherals and computer and information products	114,116	114,116	10,374,399	52	425,275	94,719	49,263	Subsidiary (Note 7)
	Standard Beverage Company Limited	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100	82,390	1,805	1,795 (Note 4)	Subsidiary (Note 7)
	Le Bonta Wellness International Corporation	Taipei, Taiwan	Sale of health foods	-	14,350	Note 5	-	-	(115)	(115)	Subsidiary (Notes 6 and 7)
	Standard Foods, LLC.	U.S.A.	Sale of health foods	9,056	9,056	Note 5	100	8,304	-	-	Subsidiary (Note 7)
Accession Limited	Dermalab S.A.	Switzerland	Development and sale of cosmetics	379,489	335,215	4,050	100	229,420	6,369	-	Indirect subsidiary (Note 7)
Dermalab S.A.	Swissderma SL	Spain	Sale of cosmetics	96	96	3,000	100	-	-	-	Indirect subsidiary (Note 7)
Standard Investment (Cayman) Limited	Standard Corporation (Hong Kong) Limited	Hong Kong	Investment business	4,708,566	4,708,566	150,050,815	100	5,538,394	(123,445)	-	Indirect subsidiary (Note 7)

Note 1: This amount was the share of loss of the investee of \$41,944 thousand minus the unrealized gain on sidestream transactions of \$15,258 thousand.

Note 2: This amount was the share of profit of the investee of \$492,673 thousand minus the unrealized gain on sidestream transactions of \$901 thousand.

Note 3: This amount was the share of profit of the investee of \$21,936 thousand minus the Standard Foods Corporation cash dividends paid of \$16,674 thousand.

Note 4: This amount was the share of profit of the investee of \$1,805 thousand minus the unrealized gain on upstream transactions of \$10 thousand.

Note 5: This is a limited company with no issued shares.

Note 6: Le Bonta Wellness International Corporation has been liquidated in August, 2021.

Note 7: The amounts presented above were eliminated upon consolidation.

TABLE 7

STANDARD FOODS CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2021	Accumulated Repatriation of Investment Income as of December 31, 2021	Note
					Outward	Inward							
Shanghai Standard Foods Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	\$ 3,949,575	b. (Note 3)	\$ 3,949,575 (Note 4)	\$ -	\$ -	\$ 3,949,575 (Note 4)	\$ (33,916)	100.0	\$ (33,915) (Note 9)	\$ 3,189,833	\$ -	Note 11
Standard Investment (China) Co., Ltd.	Investment and sales of edible oil products and nutritional foods	3,755,530	b. (Note 5)	3,718,677 (Note 5)	-	-	3,718,677 (Note 5)	(97,861)	99.0	(96,882) (Note 9)	4,765,228	-	Note 11
Standard Foods (China) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,714,756	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	43,441	99.0	37,470 (Note 9)	2,111,896	-	Note 11
Shanghai Dermalab Corporation	Sale of nutritional foods, cosmetics and international trading	93,989	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	(10,944)	99.0	(10,835) (Note 9)	(2,567)	-	Note 11
Shanghai Le Ben Tuo Health Technology Co., Ltd.	Sale of nutritional foods and international trading	380,418	a. and c. (Note 7)	181,048 (Note 7)	-	-	181,048 (Note 7)	(112,803)	99.5	(112,251) (Note 9)	62,684	-	Note 11
Shanghai Le Ben De Health Technology Co., Ltd.	Sale of nutritional foods and international trading	31,220	c. (Note 4 and 8)	31,220 (Note 4)	-	-	31,220 (Note 4)	154	100.0	154 (Note 4)	29,864	-	Note 11
Standard Foods (Xiamen) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,307,582	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	73,863	99.0	62,038 (Note 9)	1,511,632	-	Note 11
Shanghai Le Ho Industrial Co., Ltd.	Property management	607,717	b. (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(16,342)	100.0	(16,342) (Note 9)	475,694	-	Note 11
Shanghai Le Min Industrial Co., Ltd.	Property management	378,009	b. (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(10,055)	100.0	(10,055) (Note 9)	297,052	-	Note 11

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$8,919,525	\$9,656,767	Unlimited amount of investment (Note 10)

Note 1: The methods for engaging in investment in mainland China include the following:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through companies registered in a third region.
- c. Other methods.

(Continued)

- Note 2: For the investment income (loss) recognized in the current period:
- a. There was no investment income (loss) recognized due to the investment still being in the development stage.
  - b. The investment income (loss) was determined based on the following basis:
    - 1) The financial report was audited and certified by an international accounting firm in cooperation with an ROC accounting firm.
    - 2) The financial statements audited by the CPA of the parent company in Taiwan.
    - 3) Others.
- Note 3: Accession Limited is the investor company in third region.
- Note 4: There was no difference between the beginning balance and the ending balance of the accumulated amount invested from Taiwan for the year ended December 31, 2021; the investment remained at \$4,034,074 thousand. Of the \$4,034,074 thousand, \$53,279 thousand has been retained in Accession Limited. The remaining balance of thereof, amounting to \$3,980,795 thousand, was originally the outward remittance of the investment of Shanghai Standard Foods Co., Ltd. in 2015. However, as of July 2015, of the \$3,980,795 thousand, \$31,220 thousand was invested in Shanghai Le Ben De Health Technology Co., Ltd. by Shanghai Standard Foods Co., Ltd. In aggregate, the outward remittance of the investments of Shanghai Standard Foods Co., Ltd. and Shanghai Le Ben De Health Technology Co., Ltd. was \$3,949,575 thousand and \$31,220 thousand, respectively.
- Note 5: Standard Corporation (Hong Kong) Limited is the investor company in third region.
- Note 6: The Company in mainland China was reinvested through a company registered in mainland China, namely Standard Investment (China) Co., Ltd.
- Note 7: The Company in mainland China was invested directly by Standard Foods Corporation and was reinvested through a company registered in mainland China, namely Standard Investment (China) Co., Ltd. The amount invested directly was \$181,048 thousand.
- Note 8: This company was spun off from Shanghai Standard Foods Co., Ltd.; it is the investor company in third region.
- Note 9: Recognition of investment income (loss) was based on Note 2, b, 2).
- Note 10: The Industrial Development Bureau of the MOEA issued the proofing document of operational headquarters to the Company; the document is still valid within the audit period. Hence, according to the Investment Commission of the MOEA, there is no upper limit on the amount of investment.
- Note 11: The amounts presented above were eliminated upon consolidation.

(Concluded)

**TABLE 8****STANDARD FOODS CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2021**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Mu Te Investment Co., Ltd. Trust Property Account	157,822,400	17.24
Chia Yun Investment Co., Ltd. Trust Property Account	133,125,408	14.54
Chia Chieh Investment Co., Ltd. Trust Property Account	108,503,160	11.85

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

# STANDARD FOODS CORPORATION

## THE CONTENTS OF SCHEDULES OF MAJOR ACCOUNTING ITEMS

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<u>Item</u>	<u>Schedule Index</u>
Major Accounting Items in Assets, Liabilities and Equity	
Schedule of cash and cash equivalents	1
Schedule of financial assets at fair value through profit or loss - current	2
Schedule of financial assets at fair value through other comprehensive income - current	3
Schedule of financial assets at amortized cost - current	4
Schedule of trade receivables	5
Schedule of inventories	6
Schedule of financial assets at fair value through profit or loss - non-current	7
Schedule of financial assets at fair value through other comprehensive income - non-current	8
Schedule of changes in investments accounted for using the equity method	9
Schedule of changes in right-of-use assets	10
Schedule of trade payables	11
Schedule of lease liabilities	12
Major Accounting Items in Profit or Loss	
Schedule of operating revenue	13
Schedule of operating costs	14
Schedule of operating expenses	15
Schedule of labor, depreciation and amortization by function	16

**SCHEDULE 1****STANDARD FOODS CORPORATION****SCHEDULE OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<b>Item</b>	<b>Description</b>	<b>Interest Rate</b>	<b>Amount</b>
Cash on hand			\$ 1,130
Cash in banks			
Checking account deposits			115,146
Demand deposits		0.001%-0.030%	842
Foreign currency demand deposits	Including US\$5,705 thousand @27.68, EUR450 thousand @31.32, AUD187 thousand @20.08, RMB521 thousand @4.35	0.001%-0.030%	178,027
			294,015
Cash equivalents			
Time deposits		0.350%	200,075
Foreign time deposits	Including US\$1,800 thousand @27.68 and RMB14,442 thousand @4.35	0.380%-2.900%	112,604
			312,679
			\$ 607,824



**STANDARD FOODS CORPORATION**

**SCHEDULE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

**DECEMBER 31, 2021**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Name of Financial Assets	Shares/Units	Par Value (NT\$)	Total Amount	Acquisition Cost	Fair Value		Changes in Fair Value Attributed to Credit Risk	Note
					Unit Price	Total Amount		
Mutual fund								
Mega Diamond Money Market Fund	15,776,976.66	12.68	\$ 200,014	\$ 200,000	12.68	\$ 200,014	\$ 14	
Jih Sun Money Market Fund	14,031,671.03	14.99	210,294	210,000	14.99	210,294	294	
Taishin 1699 Money Market Fund	9,285,458.39	13.68	127,012	127,000	13.68	127,012	12	
	3,585,869.30	28.28	101,408	120,000	28.28	101,408	(18,592)	
	4,720,915.20	12.86	60,701	60,000	12.86	60,701	701	
FSITC Taiwan Money Market Fund	9,312,631.20	15.47	144,079	144,023	15.47	144,079	56	
	2,284,843.90	26.98	61,645	60,000	26.98	61,645	1,645	
	<u>5,900,000.00</u>	6.75	<u>39,825</u>	<u>62,528</u>	6.75	<u>39,825</u>	<u>(22,703)</u>	
	<u>64,898,365.68</u>		<u>944,978</u>	<u>983,551</u>		<u>944,978</u>	<u>(38,573)</u>	
Note cash								
CODEIS Smart Cash Note	<u>10,000.00</u>	102.02	<u>28,239</u>	<u>30,830</u>	102.02	<u>28,239</u>	<u>(2,591)</u>	
	<u>64,908,365.68</u>		<u>\$ 973,217</u>	<u>\$ 1,014,381</u>		<u>\$ 973,217</u>	<u>\$ (41,164)</u>	

**STANDARD FOODS CORPORATION****SCHEDULE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME - CURRENT****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Name of Financial Assets	Shares	Par Value (NT\$)	Total Amount	Acquisition Cost	Accumulated Impairment	Fair Value	
						Unit Price	Total Amount
Listed shares							
Chunghwa Telecom Co., Ltd.	48,600	10.00	\$ 486	\$ 4,063	\$ -	116.50	\$ 5,662
Far Eastern International Commercial Bank Co., Ltd.	1,444,013	10.00	<u>14,440</u>	<u>17,114</u>	<u>-</u>	10.75	<u>15,523</u>
			<u>\$ 14,926</u>	<u>\$ 21,177</u>	<u>\$ -</u>		<u>\$ 21,185</u>

**STANDARD FOODS CORPORATION**

**SCHEDULE OF FINANCIAL ASSETS AT AMORTIZED COST - CURRENT**

**DECEMBER 31, 2021**

**(In Thousands of New Taiwan Dollars)**

Name	Description	Number	Par Value	Currency	Total Amount	Annual Interest Rate	Carrying Amount	Remark
Far Eastern International Bank time deposit	Expiry in January 2022, maturity interest	2	4,900	NTD	\$ 9,800	0.80%	\$ 9,800	Floating
Far Eastern International Bank time deposit	Expiry in February 2022, maturity interest	7	4,900	NTD	34,300	0.80%	34,300	Floating
Far Eastern International Bank time deposit	Expiry in March 2022, maturity interest	8	4,900	NTD	39,200	0.76%	39,200	Fixed
Far Eastern International Bank time deposit	Expiry in August 2022, maturity interest	9	4,900	NTD	44,100	0.80%	44,100	Floating
Far Eastern International Bank time deposit	Expiry in October 2022, maturity interest	3	2,900	NTD	8,700	0.80%	8,700	Floating
Far Eastern International Bank time deposit	Expiry in November 2022, maturity interest	9	4,900	NTD	44,100	0.80%	44,100	Floating
Far Eastern International Bank time deposit	Expiry in December 2022, maturity interest	6	4,900	NTD	29,400	0.80%	29,400	Floating
The Shanghai Commercial & Saving Bank time deposit	Expiry in January 2022, maturity interest	3	49,900	NTD	149,700	0.56%	149,700	Floating
The Shanghai Commercial & Saving Bank time deposit	Expiry in May 2022, maturity interest	1	40,000	NTD	40,000	0.65%	40,000	Fixed
The Shanghai Commercial & Saving Bank time deposit	Expiry in February 2022, maturity interest	1	40,000	NTD	40,000	0.40%	40,000	Floating
The Shanghai Commercial & Saving Bank time deposit	Expiry in February 2022, maturity interest	1	20,000	NTD	20,000	0.40%	20,000	Floating
The Shanghai Commercial & Saving Bank time deposit	Expiry in February 2022, maturity interest	4	49,900	NTD	199,600	0.40%	199,600	Floating
The Shanghai Commercial & Saving Bank time deposit	Expiry in March 2022, maturity interest	1	49,900	NTD	49,900	0.54%	49,900	Fixed
The Shanghai Commercial & Saving Bank time deposit	Expiry in March 2022, maturity interest	4	49,900	NTD	199,600	0.56%	199,600	Floating
The Shanghai Commercial & Saving Bank time deposit	Expiry in April 2022, maturity interest	4	49,900	NTD	199,600	0.54%	199,600	Fixed
The Shanghai Commercial & Saving Bank time deposit	Expiry in June 2022, maturity interest	2	49,900	NTD	99,800	0.56%	99,800	Floating
President Securities Corporation time deposit	Expiry in May 2022, maturity interest	1	70,000	NTD	70,000	0.38%	70,000	Fixed
Bank of China foreign time deposit	Expiry in May 2022, maturity interest	1	1,619	RMB	7,040	2.54%	7,040	Fixed (@4.3471)
Bank of China foreign time deposit	Expiry in June 2022, maturity interest	1	5,593	RMB	<u>24,313</u>	2.62%	<u>24,313</u>	Fixed (@4.3471)
					<u>\$ 1,309,153</u>		<u>\$ 1,309,153</u>	

**STANDARD FOODS CORPORATION****SCHEDULE OF TRADE RECEIVABLES****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Amount</b>
Unrelated parties	
Company A	\$ 590,613
Company B	341,309
Company C	132,526
Company D	293,774
Others (Note)	<u>471,372</u>
	1,829,594
Less: Allowance for impairment loss	<u>(908)</u>
	<u><u>\$ 1,828,636</u></u>
Related party	
Standard Dairy Products Taiwan Limited	\$ 120,483
GeneFerm Biotechnology Co., Ltd.	<u>7,290</u>
	<u><u>\$ 127,773</u></u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

**STANDARD FOODS CORPORATION****SCHEDULE OF INVENTORIES****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	
	<b>Cost</b>	<b>Net Realizable Value</b>
Merchandise	\$ 214,067	\$ 350,639
Finished goods	881,331	1,546,518
Work in progress	130,125	227,074
Raw materials	422,421	727,088
Packaging materials	<u>42,985</u>	<u>56,693</u>
	<u>\$ 1,690,929</u>	<u>\$ 2,908,012</u>

**STANDARD FOODS CORPORATION**

**SCHEDULE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)**

Investees	Balance at January 1, 2021		Addition		Deduction		Accumulated Reversal of Impairment Loss	Balance at December 31, 2021		Collateral	Accumulated Impairment	Remark
	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount		Shares/Units	Fair Value			
Paradigm Venture Capital Corporation	180,376	\$ 1,894	-	\$ 621	27,056	\$ 271	\$ -	153,320	\$ 2,244	Nil	\$ -	Note
Authenex, Inc.	2,424,242	-	-	-	-	-	-	2,424,242	-	Nil	-	-
Techgains Pan-Pacific Corporation	500,000	-	-	-	-	-	-	500,000	-	Nil	-	-
U-Teck Environment Corporation, Ltd.	11,200	-	-	-	-	-	-	11,200	-	Nil	-	-
Octamer, Inc. - Series E preference shares	800,000	-	-	-	-	-	-	800,000	-	Nil	-	-
Octamer, Inc. - Series F preference shares	107,815	-	-	-	-	-	-	107,815	-	Nil	-	-
ForteMedia, Inc. - Series D preference shares	3,455	-	-	-	-	-	-	3,455	-	Nil	-	-
ForteMedia, Inc. - Series E preference shares	71,397	-	-	-	-	-	-	71,397	-	Nil	-	-
ForteMedia, Inc. - Series F preference shares	29,173	-	-	-	-	-	-	29,173	-	Nil	-	-
ForteMedia, Inc. - Series G preference shares	31,135	-	-	-	-	-	-	31,135	-	Nil	-	-
ForteMedia, Inc. - Series I preference shares	29,102	-	-	-	-	-	-	29,102	-	Nil	-	-
ForteMedia - ordinary shares	12,938	-	-	-	-	-	-	12,938	-	Nil	-	-
		<u>\$ 1,894</u>		<u>\$ 621</u>		<u>\$ 271</u>	<u>\$ -</u>		<u>\$ 2,244</u>			

Note: The increased due to the changes in the fair value; the decreased due to the capital reduction and cash refund.

STANDARD FOODS CORPORATION

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2021		Addition		Deduction		Unrealized Gain (Loss)	Balance at December 31, 2021		Accumulated Impairment	Collateral	Remark
	Shares	Fair Value	Shares	Amount	Shares	Amount		Shares	Fair Value			
Emerging market shares												
GeneFerm Biotechnology Co., Ltd.	2,145,110	\$ 62,423	-	\$ -	-	\$ -	\$ 32,713	2,145,110	\$ 95,136	\$ -	Nil	-
Dah Chung Bills Finance Corp	1,243,213	<u>14,918</u>	31,267	<u>-</u>	-	<u>-</u>	<u>2,211</u>	1,274,480	<u>17,129</u>	<u>-</u>	Nil	Note
		<u>\$ 77,341</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ 34,924</u>		<u>\$ 112,265</u>	<u>\$ -</u>		

Note: The increased due to the share dividend.

**STANDARD FOODS CORPORATION**

**SCHEDULE OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)**

Investees	Balance at January 1, 2021		Addition		Decrease		Balance at December 31, 2021			Net Assets Value		Collateral	Remark
	Shares/Unit	Amount	Shares/Unit	Amount	Shares/Unit	Amount	Shares/Unit	%	Amount	Unit Price (NT\$)	Total Price		
Accession Limited	123,600,000	\$ 3,623,593	-	\$ 7,223	-	\$ 84,172	123,600,000	100.00	\$ 3,546,644	29.08	\$ 3,593,954	Nil	Note 1
Standard Dairy Products Taiwan Limited	30,000,000	1,006,590	-	491,772	-	364,342	30,000,000	100.00	1,134,020	38.29	1,148,641	Nil	Note 2
Charng Hui Ltd.	24,100,000	354,881	-	85,878	-	18,374	24,100,000	100.00	422,385	32.17	775,200	Nil	Note 3
DOMEX Technology Corporation	10,374,399	305,990	-	155,595	-	36,310	10,374,399	52.00	425,275	40.93	424,637	Nil	Note 4
Standard Beverage Company Limited	7,907,000	83,597	-	1,897	-	3,104	7,907,000	100.00	82,390	10.42	82,390	Nil	Note 5
Standard Investment (Cayman) Limited	150,124,815	5,685,589	-	-	-	146,944	150,124,815	100.00	5,538,645	36.89	5,538,645	Nil	Note 6
Le Bonta Wellness International Corporation	-	8,958	-	-	-	8,958	-	-	-	-	-	Nil	Notes 7 and 10
Shanghai Le Ben Tuo Health Technology Co., Ltd.	-	90,190	-	-	-	58,022	-	51.00	32,168	-	32,168	Nil	Notes 8 and 10
Standard Foods, LLC.	-	<u>8,544</u>	-	<u>-</u>	-	<u>240</u>	-	100.00	<u>8,304</u>	-	<u>8,304</u>	Nil	Notes 9 and 10
		<u>\$ 11,167,932</u>		<u>\$ 742,365</u>		<u>\$ 720,466</u>			<u>\$ 11,189,831</u>		<u>\$ 11,603,939</u>		

Note 1: For the year ended December 31, 2021, the increase amount of other comprehensive income accounted for using the equity method was \$7,223 thousand; the decrease amount of investment income accounted for using the equity method was \$57,202 thousand; and the decrease amount of translation adjustment was \$26,970 thousand.

Note 2: For the year ended December 31, 2021, the increase amount of investment income accounted for using the equity method was \$491,772 thousand; the decrease amount of the cash dividend issued by the investee was \$361,560 thousand; and the decrease amount of other comprehensive income was \$2,782 thousand.

Note 3: This is a subsidiary of the Company, and because it held the shares of the Company, it received cash dividend from the Company. Therefore, there was an increase in cash dividend which amounted to a total of \$85,878 thousand, of which adjustment to the capital surplus was \$16,674 thousand and other comprehensive income was \$63,942 thousand. The investment income accounted for using the equity method was \$5,262 thousand. For the year ended December 31, 2021, the decrease amount of the cash dividend which was issued by the investee was \$18,374 thousand.

Note 4: For the year ended December 31, 2021, the increase amount of investments amounted to a total of \$155,595 thousand, of which the equity method adopted for the accounting of the investment income was \$49,263 thousand; other comprehensive income was \$106,332 thousand; and the decrease amount of cash dividend which was issued by the investee was \$36,310 thousand.

Note 5: For the year ended December 31, 2021, the increase amount of investments amounted to \$1,897 thousand, of which the equity method adopted for the accounting of the investment income was \$1,795 thousand; other comprehensive income was \$102 thousand; the decrease amount of cash dividend which was issued by the investee was \$3,104 thousand.

Note 6: For the year ended December 31, 2021, the decrease amount of investment income accounted for using the equity method was \$123,764 thousand; and the decrease amount of translation adjustment was \$23,180 thousand.

Note 7: For the year ended December 31, 2021, the decrease amount of investment income accounted for using the equity method was \$115 thousand; and the decrease amount of investment was \$8,843 thousand.

Note 8: For the year ended December 31, 2021, the decrease amount of investment income accounted for using the equity method was \$57,598 thousand; and the decrease amount of translation adjustment was \$424 thousand.

Note 9: For the year ended December 31, 2021, the decrease amount of translation adjustment accounted for using the equity method was \$240 thousand.

Note 10: This is a limited company with no issued shares.



**STANDARD FOODS CORPORATION****SCHEDULE OF CHANGES IN RIGHT-OF-USE ASSETS****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**


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<b>Item</b>	<b>Land</b>	<b>Buildings</b>	<b>Office Equipment</b>	<b>Transportation Equipment</b>	<b>Amount</b>
<u>Cost</u>					
As originally stated on January 1, 2021	\$ 4,011	\$ 96,664	\$ 550	\$ 6,460	\$ 107,685
Additions	1,134	145,875	-	2,107	149,116
Lease expiration/termination	<u>(1,134)</u>	<u>(94,281)</u>	<u>-</u>	<u>(6,460)</u>	<u>(101,875)</u>
Balance at December 31, 2021	<u>\$ 4,011</u>	<u>\$ 148,258</u>	<u>\$ 550</u>	<u>\$ 2,107</u>	<u>\$ 154,926</u>
<u>Accumulated depreciation</u>					
As originally stated on January 1, 2021	\$ 1,113	\$ 40,062	\$ 105	\$ 3,231	\$ 44,511
Depreciation expenses	1,853	25,870	96	792	28,611
Lease expiration/termination	<u>(1,134)</u>	<u>(54,202)</u>	<u>-</u>	<u>(3,320)</u>	<u>(58,656)</u>
Balance at December 31, 2021	<u>\$ 1,832</u>	<u>\$ 11,730</u>	<u>\$ 201</u>	<u>\$ 703</u>	<u>\$ 14,466</u>

**STANDARD FOODS CORPORATION****SCHEDULE OF TRADE PAYABLES****DECEMBER 31, 2021****(In Thousands of New Taiwan Dollars)**

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<b>Vendor Name</b>	<b>Amount</b>
Unrelated parties	
Company B	\$ 54,294
Company C	50,451
Company D	49,585
Company E	40,872
Company F	36,574
Others (Note)	<u>501,100</u>
	<u>\$ 732,876</u>
Related party	
GeneFerm Biotechnology Co., Ltd.	<u>\$ 19,472</u>

Note: The amount of individual vendor included in others does not exceed 5% of the account balance.

**STANDARD FOODS CORPORATION**
**SCHEDULE OF LEASE LIABILITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(In Thousands of New Taiwan Dollars)**


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	<b>Lease Term</b>	<b>Discount Rate</b>	<b>Balance at December 31, 2021</b>	<b>Remark</b>
Land	December 1, 2021 - November 30, 2022	1.07%	\$ 1,040	
Buildings	January 1, 2021 - October 31, 2026	1.07%	137,767	
Office equipment	August 1, 2019 - September 16, 2025	1.07%	361	
Transportation equipment	January 1, 2021 - December 31, 2023	1.07%	<u>1,412</u>	
			140,580	
Less: Within 1 year			<u>(31,963)</u>	
Lease liabilities - non-current			<u>\$ 108,617</u>	

**STANDARD FOODS CORPORATION****SCHEDULE OF OPERATING REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Quantity (Tons)</b>	<b>Amount</b>
Nutritious foods	94,956	\$ 11,514,792
Cooking products	26,058	2,508,673
Others	7,031	<u>410,212</u>
Total sales		14,433,677
Less: Sales returns		(137,332)
Sales allowances		<u>(1,799,478)</u>
Net sales		<u>\$ 12,496,867</u>

**STANDARD FOODS CORPORATION**
**SCHEDULE OF OPERATING COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(In Thousands of New Taiwan Dollars)**


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<b>Item</b>	<b>Amount</b>
Cost of goods sold - finished goods	
Raw materials, beginning of year	\$ 483,207
Add: Raw materials purchased	5,270,383
Gain on physical inventory of raw materials	103
Less: Transferred to other accounts	(7,341)
Sales of raw materials	(115,025)
Raw materials scrapped	(3,014)
Raw materials, end of year	<u>(465,406)</u>
Raw materials consumed	5,162,907
Direct labor	250,597
Manufacturing expenses	<u>967,732</u>
Manufacturing costs	6,381,236
Work in progress, beginning of year	145,137
Less: Work in progress scrapped	(558)
Other use	<u>(10,110)</u>
Cost of finished goods	6,515,705
Work in progress, end of year	(130,125)
Finished goods, beginning of year	724,984
Less: Transferred to other accounts	(72,629)
Profit on physical inventory of finished goods	12
Finished goods scrapped	(1,242)
Cost of goods sold adjustment	(13,185)
Finished goods, end of year	<u>(881,331)</u>
Cost of goods sold - finished goods	<u>6,142,189</u>
Cost of goods sold - merchandise	
Merchandise, beginning of year	481,002
Add: Merchandise purchased	1,423,759
Profit on physical inventory of merchandise	75
Less: Other use	(6,754)
Merchandise scrapped	(2,620)
Cost of goods sold adjustment	(591)
Merchandise, end of year	<u>(214,067)</u>
Cost of goods sold - merchandise	<u>1,680,804</u>
Cost of sales of raw materials	<u>115,025</u>
Gain on physical inventory	<u>(190)</u>
Inventory scrap losses	<u>7,434</u>
	<u><u>\$ 7,945,262</u></u>

**STANDARD FOODS CORPORATION****SCHEDULE OF OPERATING EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2021  
(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Selling and Marketing Expenses</b>	<b>General and Administrative Expenses</b>	<b>Research and Development Expenses</b>	<b>Amount</b>
Advertising expenses	\$ 780,970	\$ -	\$ -	\$ 780,970
Salaries and pensions	328,857	253,302	37,255	619,414
Freight expenses	118,543	-	-	118,543
Taxes	10,432	110	11	10,553
Professional service fees	-	24,483	31	24,514
Rental	15,207	1,513	27	16,747
Insurance premiums	33,297	17,175	3,571	54,043
Amortization	2,452	3,939	-	6,391
Depreciation	23,188	22,316	12,076	57,580
Traveling expenses	16,347	772	434	17,553
Repair and maintenance expenses	5,019	484	889	6,392
Computer expenses	16,480	48,406	240	65,126
Meal expenses	10,585	3,857	1,076	15,518
Postage and telephone charges	295	2,859	277	3,431
Entertainment expenses	672	10,970	163	11,805
Employee welfare	8,448	2,965	841	12,254
Utilities	5,241	2,398	1,346	8,985
Donations	1,471	12,089	-	13,560
Others	10,294	31,617	27,715	69,626
Cost-sharing sectors	-	(19,854)	-	(19,854)(Note)
	<u>\$ 1,387,798</u>	<u>\$ 419,401</u>	<u>\$ 85,952</u>	<u>\$ 1,893,151</u>

Note: Transferred to manufacturing expenses.

**STANDARD FOODS CORPORATION**

**SCHEDULE OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020  
(In Thousands of New Taiwan Dollars)**

Item	For the Year Ended December 31					
	2021			2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor cost						
Salary and bonus	\$ 431,595	\$ 552,610	\$ 984,205	\$ 435,143	\$ 548,351	\$ 983,494
Labor and health insurance	42,582	46,050	88,632	39,624	40,193	79,817
Pension	28,650	31,555	60,205	17,029	23,287	40,316
Remuneration of directors	-	16,716	16,716	-	21,965	21,965
Others	<u>31,270</u>	<u>34,146</u>	<u>65,416</u>	<u>31,435</u>	<u>31,789</u>	<u>63,224</u>
	<u>\$ 534,097</u>	<u>\$ 681,077</u>	<u>\$ 1,215,174</u>	<u>\$ 523,231</u>	<u>\$ 665,585</u>	<u>\$ 1,188,816</u>
Depreciation	<u>\$ 169,049</u>	<u>\$ 57,580</u>	<u>\$ 226,629</u>	<u>\$ 173,659</u>	<u>\$ 52,322</u>	<u>\$ 225,981</u>
Amortization	<u>\$ 8,987</u>	<u>\$ 6,391</u>	<u>\$ 15,378</u>	<u>\$ 4,127</u>	<u>\$ 3,978</u>	<u>\$ 8,105</u>

Note 1: As of December 31, 2021 and 2020, the Company had 1,008 and 996 employees, respectively, of which 5 directors were not concurrently appointed as employees.

Note 2: The average employee benefit expense for 2021 is \$1,195 thousand. (“Total amounts of current year employee benefit expenses - Total amounts of remuneration of directors”/“The number of current year employee - The number of directors who are not concurrent employees”).

Note 3: The average employee benefit expense for 2020 is \$1,177 thousand. (“Total amounts of period year employee benefit expenses - Total amounts of remuneration of directors”/“The number of period year employee - The number of directors who are not concurrent employees”).

Note 4: The average employee salary expense for 2021 is \$981 thousand. (Total amounts of current year employee salary expenses - “The number of current year employee - The number of directors who are not concurrent employees”).

Note 5: The average employee salary expense for 2020 is \$992 thousand. (Total amounts of period year employee salary expenses/“The number of period year employee - The number of directors who are not concurrent employees”).

Note 6: The change in average employee salary expenses is -1.11%. (“Total amounts of current year average employee salary expenses - Total amounts of period year average employee salary expenses”/Total amounts of period year average employee salary expenses).

Note 7: The supervisors salary expense for 2021 is \$0.

Note 8: The supervisors salary expense for 2020 is \$0.

Note 9: The Company’s payment fees are determined and regularly reviewed by the Remuneration Committee, and in addition to referring to the usual level of payment of the same industry, and to consider the reasonableness of the correlation with individual performance, company operating performance, payment methods and future operational risks. It shall be implemented after the adoption of the report to the board of directors; those who are assigned items of the surplus distribution table shall also be expected to report to the shareholders' meeting for adoption.