

**Standard Foods Corporation
and Subsidiaries**

**Consolidated Financial Statements and Independent
Auditors' Report
For the Three Months Ended March 31, 2022 and 2021**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Standard Foods Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Standard Foods Corporation and its subsidiaries (the "Group") as of March 31, 2022 and 2021 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and related notes, including a summary of significant accounting policies "(collectively referred to as the consolidated financial statements)". Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As disclosed in Note 14 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2022 and 2021, combined total assets of these non-significant subsidiaries were NT\$8,017,970 thousand and NT\$8,665,638 thousand, respectively, representing 30% and 32%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$2,522,787 thousand and NT\$2,589,787 thousand, respectively, representing 32% and 32%, respectively, of the consolidated total liabilities; for the three-month periods ended March 31, 2022 and 2021, the amounts of combined comprehensive income of these subsidiaries were NT\$(77,309) thousand and NT\$146,948 thousand, respectively, representing (18%) and 22%, respectively, of the consolidated total comprehensive income. As disclosed in Note 36 to the consolidated financial statements, the information on these subsidiaries were not reviewed.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Group as at March 31, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting,” endorsed and issues into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 9, 2022

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2022, December 31, 2021 and March 31, 2021

(In Thousands of New Taiwan Dollars)

	March 31, 2022 (Reviewed)		December 31, 2021 (Audited)		March 31, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,695,387	10	\$ 3,748,069	14	\$ 1,746,505	7
Financial assets at fair value through profit or loss - current (Note 7)	1,787,840	7	1,174,960	4	2,391,589	9
Financial assets at fair value through other comprehensive income - current (Note 8)	284,528	1	313,940	1	313,324	1
Financial assets at amortized cost - current (Note 9)	2,181,815	8	1,936,561	7	2,663,186	10
Notes receivable (Notes 10 and 25)	4,911	-	18,370	-	26,684	-
Trade receivables (Notes 10 and 25)	4,145,569	16	5,699,413	20	5,154,640	19
Trade receivables from related parties (Notes 25 and 32)	6,869	-	7,290	-	5,865	-
Finance lease receivables - current (Note 11)	512	-	3,576	-	3,004	-
Other receivables (Note 10)	269,018	1	218,409	1	224,391	1
Current tax assets	9,041	-	4,765	-	66,153	-
Inventories (Note 12)	5,628,419	21	5,701,129	20	5,478,110	21
Prepayments (Note 13)	1,581,565	6	1,527,503	5	1,601,548	6
Other current assets (Notes 19 and 33)	102,359	-	97,350	-	102,312	-
Total current assets	<u>18,697,833</u>	<u>70</u>	<u>20,451,335</u>	<u>72</u>	<u>19,777,311</u>	<u>74</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	10,187	-	7,235	-	10,261	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	369,509	1	507,240	2	339,842	1
Financial assets at amortized cost - non-current (Note 9)	1,103,138	4	716,466	3	303,968	1
Property, plant and equipment (Notes 15 and 33)	4,369,510	17	4,333,681	15	4,147,750	16
Right-of-use assets (Note 16)	654,974	3	652,121	2	604,574	2
Investment properties (Notes 17 and 33)	802,132	3	785,735	3	837,053	3
Goodwill	558	-	558	-	817	-
Other intangible assets (Note 18)	104,292	-	102,423	-	103,410	-
Deferred tax assets	368,226	1	437,485	2	428,551	2
Finance lease receivables - non-current (Note 11)	5,317	-	20,455	-	23,228	-
Net defined benefit assets - non-current	6,928	-	6,143	-	4,320	-
Other non-current assets (Notes 19)	220,981	1	268,263	1	246,739	1
Total non-current assets	<u>8,015,752</u>	<u>30</u>	<u>7,837,805</u>	<u>28</u>	<u>7,050,513</u>	<u>26</u>
TOTAL ASSETS	<u>\$ 26,713,585</u>	<u>100</u>	<u>\$ 28,289,140</u>	<u>100</u>	<u>\$ 26,827,824</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 33)	\$ 822,751	3	\$ 1,372,463	5	\$ 1,403,460	6
Short-term bills payable (Note 20)	259,895	1	259,855	1	99,919	-
Contract liabilities - current (Note 25)	357,259	1	509,315	2	267,239	1
Notes payable (Note 21)	545,336	2	859,254	3	92,145	-
Trade payables (Note 21)	1,326,261	5	1,895,397	7	1,522,075	6
Trade payables to related parties (Note 32)	15,261	-	19,472	-	19,187	-
Other payables (Note 22)	2,924,056	11	3,440,103	12	3,210,829	12
Current tax liabilities	550,895	2	397,210	1	557,393	2
Lease liabilities - current (Note 16)	95,735	-	89,117	-	80,491	-
Other current liabilities (Note 22)	160,747	1	141,994	1	138,338	1
Total current liabilities	<u>7,058,196</u>	<u>26</u>	<u>8,984,180</u>	<u>32</u>	<u>7,391,076</u>	<u>28</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	261,671	1	323,661	1	301,873	1
Lease liabilities - non-current (Note 16)	217,236	1	230,856	1	169,911	1
Net defined benefit liabilities - non-current	241,081	1	242,050	1	261,637	1
Other non-current liabilities (Note 22)	26,942	-	31,176	-	25,577	-
Total non-current liabilities	<u>746,930</u>	<u>3</u>	<u>827,743</u>	<u>3</u>	<u>758,998</u>	<u>3</u>
Total liabilities	<u>7,805,126</u>	<u>29</u>	<u>9,811,923</u>	<u>35</u>	<u>8,150,074</u>	<u>30</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Ordinary shares	<u>9,150,897</u>	<u>34</u>	<u>9,150,897</u>	<u>32</u>	<u>9,150,897</u>	<u>34</u>
Capital surplus	<u>144,066</u>	<u>1</u>	<u>144,066</u>	<u>1</u>	<u>127,392</u>	<u>-</u>
Retained earnings						
Legal reserve	3,606,189	14	3,606,189	13	3,287,022	12
Special reserve	577,494	2	577,494	2	577,494	2
Unappropriated earnings	<u>5,096,847</u>	<u>19</u>	<u>4,769,802</u>	<u>17</u>	<u>5,483,326</u>	<u>21</u>
Total retained earnings	<u>9,280,530</u>	<u>35</u>	<u>8,953,485</u>	<u>32</u>	<u>9,347,842</u>	<u>35</u>
Other equity	(<u>25,917</u>)	<u>-</u>	(<u>190,076</u>)	(<u>1</u>)	(<u>294,289</u>)	(<u>1</u>)
Treasury shares	(<u>21,182</u>)	<u>-</u>	(<u>21,182</u>)	<u>-</u>	(<u>21,182</u>)	<u>-</u>
Total equity attributable to owners of the Company	<u>18,528,394</u>	<u>70</u>	<u>18,037,190</u>	<u>64</u>	<u>18,310,660</u>	<u>68</u>
NON-CONTROLLING INTERESTS (Note 24)	<u>380,065</u>	<u>1</u>	<u>440,027</u>	<u>1</u>	<u>367,090</u>	<u>2</u>
Total equity	<u>18,908,459</u>	<u>71</u>	<u>18,477,217</u>	<u>65</u>	<u>18,677,750</u>	<u>70</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 26,713,585</u>	<u>100</u>	<u>\$ 28,289,140</u>	<u>100</u>	<u>\$ 26,827,824</u>	<u>100</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED MARCH 31, 2022 AND 2021 (REVIEWED, NOT AUDITED) (In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31, 2022		For the Three Months Ended March 31, 2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 25 and 32)	\$ 6,730,455	100	\$ 8,269,002	100
OPERATING COSTS				
Cost of goods sold (Notes 12, 26, and 32)	<u>5,259,254</u>	<u>78</u>	<u>6,163,468</u>	<u>75</u>
GROSS PROFIT	<u>1,471,201</u>	<u>22</u>	<u>2,105,534</u>	<u>25</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	799,818	12	1,097,019	13
General and administrative expenses	228,614	3	253,662	3
Research and development expenses	37,687	1	38,680	-
Expected credit losses (or reversal gains)	<u>3,084</u>	<u>-</u>	<u>(4,012)</u>	<u>-</u>
Total operating expenses	<u>1,069,203</u>	<u>16</u>	<u>1,385,349</u>	<u>16</u>
OPERATING INCOME	<u>401,998</u>	<u>6</u>	<u>720,185</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Interest income	24,430	-	31,291	-
Other income	6,820	-	8,764	-
Other gains and losses	7,681	-	(23,529)	-
Financial cost	<u>(8,279)</u>	<u>-</u>	<u>(11,525)</u>	<u>-</u>
Total non-operating income and expenses	<u>30,652</u>	<u>-</u>	<u>5,001</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	432,650	6	725,186	9
INCOME TAX EXPENSE (Note 27)	<u>99,703</u>	<u>1</u>	<u>153,750</u>	<u>2</u>
NET PROFIT FOR THE PERIOD	<u>332,947</u>	<u>5</u>	<u>571,436</u>	<u>7</u>

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	For the Three Months Ended March 31, 2022		For the Three Months Ended March 31, 2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(\$ 167,193)	(2)	\$ 136,510	2
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	<u>5</u> (<u>167,188</u>)	<u>-</u> (<u>2</u>)	(<u>4</u>) <u>136,506</u>	<u>-</u> <u>2</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	331,428	4	(57,216)	(1)
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	(<u>65,945</u>) <u>265,483</u>	(<u>1</u>) <u>3</u>	<u>11,397</u> (<u>45,819</u>)	<u>-</u> (<u>1</u>)
Other comprehensive income (net, after tax)	<u>98,295</u>	<u>1</u>	<u>90,687</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 431,242</u>	<u>6</u>	<u>\$ 662,123</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 327,045	5	\$ 564,969	7
Non-controlling Interests	<u>5,902</u>	<u>-</u>	<u>6,467</u>	<u>-</u>
	<u>\$ 332,947</u>	<u>5</u>	<u>\$ 571,436</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 491,204	7	\$ 626,172	8
Non-controlling Interests	(<u>59,962</u>)	(<u>1</u>)	<u>35,951</u>	<u>-</u>
	<u>\$ 431,242</u>	<u>6</u>	<u>\$ 662,123</u>	<u>8</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 0.36</u>		<u>\$ 0.62</u>	
Diluted	<u>\$ 0.36</u>		<u>\$ 0.62</u>	

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Three Months Ended March 31, 2022 and 2021

(Reviewed,not Audited)

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
							Other Equity Items						
							Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Treasury shares	Total	Non-controlling Interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated Earnings	Total							
Balance at January 1, 2021	\$ 9,150,897	\$ 127,392	\$ 3,287,022	\$ 577,494	\$ 4,918,357	\$ 8,782,873	(\$ 572,206)	\$ 216,714	(\$ 355,492)	(\$ 21,182)	\$ 17,684,488	\$ 331,139	\$ 18,015,627
Net profit for the three months ended March 31, 2021	-	-	-	-	564,969	564,969	-	-	-	-	564,969	6,467	571,436
Other comprehensive income for the three months ended March 31, 2021	-	-	-	-	-	-	(45,587)	106,790	61,203	-	61,203	29,484	90,687
Total comprehensive income for the three months ended March 31, 2021	-	-	-	-	564,969	564,969	(45,587)	106,790	61,203	-	626,172	35,951	662,123
Balance at March 31, 2021	<u>\$ 9,150,897</u>	<u>\$ 127,392</u>	<u>\$ 3,287,022</u>	<u>\$ 577,494</u>	<u>\$ 5,483,326</u>	<u>\$ 9,347,842</u>	<u>(\$ 617,793)</u>	<u>\$ 323,504</u>	<u>(\$ 294,289)</u>	<u>(\$ 21,182)</u>	<u>\$ 18,310,660</u>	<u>\$ 367,090</u>	<u>\$ 18,677,750</u>
Balance at January 1, 2022	\$ 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	\$ 440,027	\$ 18,477,217
Net profit for the three months ended March 31, 2022	-	-	-	-	327,045	327,045	-	-	-	-	327,045	5,902	332,947
Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	-	263,779	(99,620)	164,159	-	164,159	(65,864)	98,295
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	327,045	327,045	263,779	(99,620)	164,159	-	491,204	(59,962)	431,242
Balance at March 31, 2022	<u>\$ 9,150,897</u>	<u>\$ 144,066</u>	<u>\$ 3,606,189</u>	<u>\$ 577,494</u>	<u>\$ 5,096,847</u>	<u>\$ 9,280,530</u>	<u>(\$ 349,078)</u>	<u>\$ 323,161</u>	<u>(\$ 25,917)</u>	<u>(\$ 21,182)</u>	<u>\$ 18,528,394</u>	<u>\$ 380,065</u>	<u>\$ 18,908,459</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2022 and 2021

(Reviewed, not Audited)

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 432,650	\$ 725,186
Adjustments for:		
Depreciation expenses	151,876	151,028
Amortization expenses	18,534	20,053
Expected credit losses (or reversal gains)	3,084	(4,012)
Net loss recognized on financial assets and liabilities measured at FVTPL	41,782	18,905
Financial cost	8,279	11,525
Interest income	(24,430)	(31,291)
Dividend income	(251)	(225)
Net loss (profit) on disposal of property, plant, and equipment	(4,277)	766
Others	-	1,175
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(653,970)	(920,274)
Notes receivable	13,777	(23,766)
Trade receivables	1,624,997	1,114,900
Trade receivables from related parties	421	3,146
Other receivables	(37,635)	3,599
Inventories	169,768	(379,136)
Prepayments	(14,120)	(29,554)
Other current assets	(2,943)	(39,030)
Net defined benefit assets	(785)	(799)
Contract liabilities	(166,047)	(481,415)
Notes payable	(336,255)	2,269
Trade payables	(577,683)	(584,918)
Trade payables to related parties	(4,211)	(1,339)
Other payables	(569,649)	(222,362)
Other current liabilities	15,022	67,414
Net defined benefit liabilities	(1,308)	(17,636)
Cash generated from operations	86,626	(615,791)
Interest received	12,457	27,532
Interest paid	(8,867)	(11,779)
Income tax paid	(6,653)	(89,156)
Net cash generated from/(used in) operating activities	<u>83,563</u>	(<u>689,194</u>)

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	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(\$ 960,508)	(\$ 1,961,974)
Disposal of financial assets at amortized cost	382,678	710,377
Acquisition of property, plant and equipment	(81,249)	(83,186)
Proceeds from disposal of property, plant and equipment	6,589	440
Payments for intangible assets	(4,178)	(6,727)
Decrease in finance lease receivables	18,202	716
Increase in other financial assets	-	(55,112)
Decrease in other financial assets	63,160	-
Increase in other non-current assets	(23,194)	(14,303)
Dividends received	<u>251</u>	<u>225</u>
Net cash used in investing activities	(<u>598,249</u>)	(<u>1,409,544</u>)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(564,493)	(438,158)
Increase in short-term bills payable	40	-
Decrease in short-term bills payable	-	(29,950)
Repayments of principal portion of lease liabilities	(23,325)	(31,864)
Increase in other financial liabilities	-	5,594
Decrease in other financial liabilities	(5,027)	-
Decrease in other non-current liabilities	(<u>123</u>)	<u>-</u>
Net cash generated from/(used in) financing activities	(<u>592,928</u>)	(<u>494,378</u>)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>54,932</u>	<u>7,603</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,052,682)	(2,585,513)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>3,748,069</u>	<u>4,332,018</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 2,695,387</u>	<u>\$ 1,746,505</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

Notes to consolidated financial statements

For the Three Months Ended March 31, 2022 and 2021

(Reviewed, not Audited)

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

1. GENERAL INFORMATION

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

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

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

2. DATE AND PROCEDURES FOR APPROVAL OF FINANCIAL STATEMENTS

The Consolidated Financial Statements have been approved by the Board of Directors on May 9, 2022.

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

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

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

- b. IFRSs issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC:

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendment to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classify Liabilities as Current or Non-current"	January 1, 2023

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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, 2023 (Note 4)

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

Note 2. This amendment prospectively applies to the annual reporting period beginning after January 1, 2023.

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

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

As of the date of authorization of the consolidated financial statements, the Group has continued to assess the effects of amendments to the above-mentioned standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. The consolidated financial statements do not include all IFRSs disclosure information required by the annual financial report.

b. Basis of Preparation

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

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

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

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Refer to Note 14 and Tables 7 and 8 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other Significant Accounting Policies

Except for the following, please refer to the summary of material accounting policies in the 2021 consolidated financial statements.

1) Pension benefit in a defined benefit plan

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

2) Other long-term employee benefits

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

3) Income tax

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of major accounting judgments and uncertainty of estimation and assumptions adopted in these consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2021.

6. CASH AND CASH EQUIVALENTS

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Cash on hand	\$ 1,924	\$ 1,940	\$ 46,035
Checking accounts and demand deposits	1,240,479	2,279,149	1,646,107
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	<u>1,452,984</u>	<u>1,466,980</u>	<u>54,363</u>
	<u>\$ 2,695,387</u>	<u>\$ 3,748,069</u>	<u>\$ 1,746,505</u>

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

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Bank deposits	0.001%-3.550%	0.001%-4.125%	0.001%-3.150%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Financial assets - current</u>			
Mandatorily classified at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 33,163	\$ -	\$ -
- Fund beneficiary certificates	1,725,465	1,146,721	2,362,495
- Bonds	<u>29,212</u>	<u>28,239</u>	<u>29,094</u>
	<u>\$ 1,787,840</u>	<u>\$ 1,174,960</u>	<u>\$ 2,391,589</u>
<u>Financial assets - non-current</u>			
Mandatorily classified at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 7,956	\$ 4,991	\$ 4,047
- Unlisted shares	<u>2,231</u>	<u>2,244</u>	<u>6,214</u>
	<u>\$ 10,187</u>	<u>\$ 7,235</u>	<u>\$ 10,261</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Investments in equity instruments	<u>\$ 284,528</u>	<u>\$ 313,940</u>	<u>\$ 313,324</u>
<u>Non-current</u>			
Investments in equity instruments	<u>\$ 369,509</u>	<u>\$ 507,240</u>	<u>\$ 339,842</u>
<u>Investments in equity instruments</u>			
	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Listed shares			
Ordinary shares - Far Eastern International Bank	\$ 17,617	\$ 15,523	\$ 15,161
Ordinary shares - Chunghwa Telecom Co., Ltd	6,172	5,662	5,419
Ordinary shares - Formosa Plastics Corp.	9,738	9,510	9,236
Ordinary shares - China Steel Corp.	31,287	28,395	20,804
Ordinary shares - Polytronics Technology Corp.	165,984	199,500	209,874
Ordinary shares - Taiwan Semiconductor Manufacturing Co., Ltd.	<u>53,730</u>	<u>55,350</u>	<u>52,830</u>
	<u>\$ 284,528</u>	<u>\$ 313,940</u>	<u>\$ 313,324</u>
<u>Non-current</u>			
Listed shares			
Ordinary shares - GeneFerm Biotechnology Co., Ltd.	\$ 96,530	\$ 95,136	\$ 72,719
Unlisted shares			
Ordinary shares - Dah Chung Bills Finance Corp.	18,773	17,129	15,354
Ordinary shares - InnoComm Mobile Technology Corp.	253,152	393,948	250,704
Ordinary shares - AsiaVest Liquidation Co.	<u>1,054</u>	<u>1,027</u>	<u>1,065</u>
	<u>\$ 369,509</u>	<u>\$ 507,240</u>	<u>\$ 339,842</u>

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 2,181,815</u>	<u>\$ 1,936,561</u>	<u>\$ 2,663,186</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 1,103,138</u>	<u>\$ 716,466</u>	<u>\$ 303,968</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.38%~4.13%, 0.40%~4.13% and 0.15%~4.13% per annum as of March 31, 2022 and December 31 and March 31, 2021, respectively.

10. NOTE RECEIVABLES, TRADE RECEIVABLES, AND OTHER RECEIVABLES

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Notes receivable</u>			
Operating	<u>\$ 4,911</u>	<u>\$ 18,370</u>	<u>\$ 26,684</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,172,423	\$ 5,722,846	\$ 5,179,586
Less: Allowance for impairment loss	(<u>26,854</u>)	(<u>23,433</u>)	(<u>24,946</u>)
	<u>\$ 4,145,569</u>	<u>\$ 5,699,413</u>	<u>\$ 5,154,640</u>
<u>Other receivables</u>			
Accrued income	\$ 31,913	\$ 19,100	\$ 22,673
Receivables from payments on behalf of others	-	-	3,171
Receivables from promotion subsidy	-	-	2,421
Others	<u>237,105</u>	<u>199,309</u>	<u>196,126</u>
	<u>\$ 269,018</u>	<u>\$ 218,409</u>	<u>\$ 224,391</u>

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

The Group adopts the simplified approach of IFRS 9 to measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (ECLs). The Group performs assessment using the three forward-looking factors, i.e., industrial index of the customer, GDP growth rate and unemployment rate, as the ECL rate.

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

The following table details the loss allowance of notes and trade receivables measured by the reserve matrix of the Group.

March 31, 2022

	Not Pass Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
ECL rate	0.03%	1.47%	2.54%	12.36%	34.96%	
Gross carrying amount	\$ 3,522,961	\$ 436,841	\$ 136,220	\$ 55,647	\$ 25,665	\$ 4,177,334
Loss allowance (Lifetime ECL)	(1,137)	(6,407)	(3,459)	(6,879)	(8,972)	(26,854)
Amortized cost	<u>\$ 3,521,824</u>	<u>\$ 430,434</u>	<u>\$ 132,761</u>	<u>\$ 48,768</u>	<u>\$ 16,693</u>	<u>\$ 4,150,480</u>

December 31, 2021

	Not Pass Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
ECL rate	0.02%	0.96%	1.32%	11.66%	56.74%	
Gross carrying amount	\$ 5,148,907	\$ 115,592	\$ 415,704	\$ 42,173	\$ 18,840	\$ 5,741,216
Loss allowance (Lifetime ECL)	(1,237)	(1,106)	(5,484)	(4,916)	(10,690)	(23,433)
Amortized cost	<u>\$ 5,147,670</u>	<u>\$ 114,486</u>	<u>\$ 410,220</u>	<u>\$ 37,257</u>	<u>\$ 8,150</u>	<u>\$ 5,717,783</u>

March 31, 2021

	Not Pass Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
ECL rate	0.05%	2.18%	4.57%	26.90%	44.54%	
Gross carrying amount	\$ 4,857,305	\$ 159,299	\$ 157,102	\$ 14,630	\$ 17,934	\$ 5,206,270
Loss allowance (Lifetime ECL)	(2,367)	(3,469)	(7,187)	(3,935)	(7,988)	(24,946)
Amortized cost	<u>\$ 4,854,938</u>	<u>\$ 155,830</u>	<u>\$ 149,915</u>	<u>\$ 10,695</u>	<u>\$ 9,946</u>	<u>\$ 5,181,324</u>

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

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Balance at January 1	\$ 23,433	\$ 32,487
Add: Provision for impairment loss for the current period	3,084	-
Less: Reversal impairment loss for the current period	-	(4,012)
Less: Actual write-off for the current period	(491)	(3,141)
Foreign exchange translation difference	828	(388)
Balance at March 31	<u>\$ 26,854</u>	<u>\$ 24,946</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Undiscounted lease payments			
Year 1	\$ 571	\$ 4,700	\$ 4,250
Year 2	667	4,800	4,800
Year 3	1,143	4,800	4,800
Year 4	1,143	4,800	4,800
Year 5	2,516	4,800	4,800
Year 6 onwards	-	3,800	7,400
	6,040	27,700	30,850
Less: Unearned finance income	(211)	(3,669)	(4,618)
Net investment in leases presented as finance lease receivables	<u>\$ 5,829</u>	<u>\$ 24,031</u>	<u>\$ 26,232</u>

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

12. INVENTORIES

	March 31, 2022	December 31, 2021	March 31, 2021
Merchandise	\$ 304,422	\$ 389,687	\$ 554,287
Finished goods	1,651,332	2,300,070	1,359,141
Work in progress	931,407	736,022	1,036,330
Raw materials	2,670,004	2,198,038	2,453,391
Packing materials	71,254	77,312	74,961
	<u>\$ 5,628,419</u>	<u>\$ 5,701,129</u>	<u>\$ 5,478,110</u>

Cost of goods sold for the three months ended March 31, 2022 includes loss in inventory value of NT\$27,581 thousand and inventory obsolescence loss of NT\$5,967 thousand, respectively. Cost of goods sold for the three months ended March 31, 2021 includes loss in inventory value of NT\$25,035 thousand and inventory obsolescence loss of NT\$5,080 thousand, respectively.

13. PREPAYMENTS

	March 31, 2022	December 31, 2021	March 31, 2021
Prepayments for purchases	\$ 939,151	\$ 1,045,918	\$ 995,355
Prepayments for rent	5,165	5,317	8,367
Prepayments for insurance	12,403	974	12,741
Excess business tax paid	301,720	234,419	314,331
Prepayments for advertisements	11,376	25,870	17,291
Others	311,750	215,005	253,463
	<u>\$ 1,581,565</u>	<u>\$ 1,527,503</u>	<u>\$ 1,601,548</u>

14. SUBSIDIARIES

Subsidiaries included in consolidated financial statements.

Entities of the consolidated financial statements were as follows:

Investor Company	Name of Subsidiary	Main Business	Proportion of Ownership			Remark
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	Standard Dairy Products Taiwan Ltd. (Standard Dairy Products) (Note)	Manufacture and sale of dairy products and beverages	100.0%	100.0%	100.0%	—
The Company	Charng Hui Ltd. (Charng Hui) (Note)	Investing	100.0%	100.0%	100.0%	—
The Company	Domex Technology Corporation (Domex Technology) (Note)	Manufacture and sale of computer peripherals and computer appliances	52.0%	52.0%	52.0%	—
The Company	Standard Beverage Company Ltd. (Standard Beverage) (Note)	Manufacture and sale of beverages	100.0%	100.0%	100.0%	—
The Company	Accession Limited	Investing	100.0%	100.0%	100.0%	—
The Company	Standard Investment (Cayman) Ltd. (Cayman Standard)	Investing	100.0%	100.0%	100.0%	—
The Company	Le Bonta Wellness International Corporation (Le Bonta Wellness) (Note)	Sale of health food	-	-	100.0%	Le Bonta Wellness was liquidated in August 2021
The Company	Standard Foods, LLC. (Note)	Sale of health food	100.0%	100.0%	100.0%	—
Accession Limited	Shanghai Standard Foods Co., Ltd. (Shanghai Standard)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—
Accession Limited	Shanghai Le Ben De Health Technology Co., Ltd. (Shanghai Le Ben De) (Note)	Technical consultant on health technology, technical transfer and technical service	100.0%	100.0%	100.0%	—
Accession Limited	Dermalab S.A. (Dermalab) (Note)	Development and sale of cosmetics	100.0%	100.0%	100.0%	Accession Limited invested CHF 1,450 thousand in Dermalab in March 2021.
Dermalab	Swissderma SL (Swissderma) (Note)	Sale of cosmetics	100.0%	100.0%	100.0%	—
Cayman Standard	Standard Corporation (Hong Kong) Ltd. (Hong Kong Standard)	Investing	100.0%	100.0%	100.0%	—
Hong Kong Standard	Standard Investment (China) Co., Ltd. (China Standard Investment)	Investing and sale of edible oils and nutritious foods	99.0%	99.0%	99.0%	—
Hong Kong Standard	Shanghai Le Min Industrial Co., Ltd. (Shanghai Le Min) (Note)	Management of properties	100.0%	100.0%	100.0%	—
Hong Kong Standard	Shanghai Le Ho Industrial Co., Ltd. (Shanghai Le Ho) (Note)	Management of properties	100.0%	100.0%	100.0%	—
China Standard Investment	Standard Foods (China) Co., Ltd. (China Standard Foods)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—
China Standard Investment	Shanghai Dermalab Corporation (Shanghai Dermalab) (Note)	Sale of nutritional foods, cosmetics and engagement in import and export business	100.0%	100.0%	100.0%	—
The Company and China Standard Investment	Le Bonta Wellness Co., Ltd. (Shanghai Le Bonta) (Note)	Sale of nutritional foods and engagement in import and export business	100.0%	100.0%	100.0%	—
China Standard Investment	Standard Foods (Xiamen) Co., Ltd. (Xiamen Standard) (Note)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—

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

15. REAL ESTATE, PLANT, AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Other equipment	Property in Construction and Equipment to Be Tested	Total
<u>Cost</u>						
Balance at January 1, 2021	\$ 705,345	\$ 3,392,715	\$ 4,168,193	\$ 574,828	\$ 127,003	\$ 8,968,084
Additions	-	-	481	286	82,419	83,186
Disposals	-	(769)	(18,756)	(879)	-	(20,404)
Reclassification	-	16,599	48,127	4,355	(69,081)	-
Transferred to investment property	-	(6,141)	-	-	-	(6,141)
Effects of foreign currency exchange differences	-	(10,026)	(6,308)	(1,839)	(399)	(18,572)
Balance at March 31, 2021	<u>\$ 705,345</u>	<u>\$ 3,392,378</u>	<u>\$ 4,191,737</u>	<u>\$ 576,751</u>	<u>\$ 139,942</u>	<u>\$ 9,006,153</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2021	\$ -	\$ 1,410,765	\$ 2,914,753	\$ 440,921	\$ -	\$ 4,766,439
Disposals	-	(745)	(17,576)	(877)	-	(19,198)
Depreciation expenses	-	40,149	67,930	10,986	-	119,065
Transferred to investment property	-	(560)	-	-	-	(560)
Effects of foreign currency exchange differences	-	(2,963)	(3,140)	(1,240)	-	(7,343)
Balance at March 31, 2021	<u>\$ -</u>	<u>\$ 1,446,646</u>	<u>\$ 2,961,967</u>	<u>\$ 449,790</u>	<u>\$ -</u>	<u>\$ 4,858,403</u>
Carrying amount at March 31, 2021	<u>\$ 705,345</u>	<u>\$ 1,945,732</u>	<u>\$ 1,229,770</u>	<u>\$ 126,961</u>	<u>\$ 139,942</u>	<u>\$ 4,147,750</u>
<u>Cost</u>						
Balance at January 1, 2022	\$ 716,150	\$ 3,434,095	\$ 4,166,454	\$ 592,885	\$ 436,447	\$ 9,346,031
Additions	-	-	-	335	80,914	81,249
Disposals	-	(3,259)	(11,672)	(4,625)	-	(19,556)
Reclassification	810	3,392	11,066	8,318	(23,586)	-
Effects of foreign currency exchange differences	-	71,553	47,062	9,076	1,537	129,228
Balance at March 31, 2022	<u>\$ 716,960</u>	<u>\$ 3,505,781</u>	<u>\$ 4,212,910</u>	<u>\$ 605,989</u>	<u>\$ 495,312</u>	<u>\$ 9,536,952</u>
<u>Accumulated depreciation and impairment</u>						
Balance at January 1, 2022	\$ -	\$ 1,538,424	\$ 3,022,774	\$ 451,152	\$ -	\$ 5,012,350
Disposals	-	(2,196)	(10,545)	(4,503)	-	(17,244)
Depreciation expenses	-	40,604	65,548	11,353	-	117,505
Effects of foreign currency exchange differences	-	22,732	25,249	6,850	-	54,831
Balance at March 31, 2022	<u>\$ -</u>	<u>\$ 1,599,564</u>	<u>\$ 3,103,026</u>	<u>\$ 464,852</u>	<u>\$ -</u>	<u>\$ 5,167,442</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 716,150</u>	<u>\$ 1,895,671</u>	<u>\$ 1,143,680</u>	<u>\$ 141,733</u>	<u>\$ 436,447</u>	<u>\$ 4,333,681</u>
Carrying amount at March 31, 2022	<u>\$ 716,960</u>	<u>\$ 1,906,217</u>	<u>\$ 1,109,884</u>	<u>\$ 141,137</u>	<u>\$ 495,312</u>	<u>\$ 4,369,510</u>

For the three months ended March 31, 2022 and 2021, there were no signs of impairment, so the Group did not conduct any impairment assessment.

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

Buildings	
Main buildings	20 ~ 51 years
Electrical and mechanical equipment	8 ~ 20 years
Engineering system	3 ~ 39 years
Others	3 ~ 20 years
Equipment	
Main equipment	2 ~ 20 years
Engineering system	3 ~ 20 years
Others	3 ~ 15 years
Other equipment	2 ~ 15 years

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Carrying amounts of right-of-use assets			
Land	\$ 396,054	\$ 386,459	\$ 394,266
Buildings	251,975	259,442	203,364
Office equipment	1,928	348	421
Transportation equipment	<u>5,017</u>	<u>5,872</u>	<u>6,523</u>
	<u>\$ 654,974</u>	<u>\$ 652,121</u>	<u>\$ 604,574</u>
	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021	
Additions to right-of-use assets	<u>\$ 11,049</u>	<u>\$ 31,710</u>	
Depreciation expenses for right-of-use assets			
Land	\$ 3,051	\$ 3,122	
Buildings	20,909	18,342	
Office equipment	94	24	
Transportation equipment	<u>873</u>	<u>856</u>	
	<u>\$ 24,927</u>	<u>\$ 22,344</u>	

b. Lease liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Carrying amounts of lease liabilities			
Current	<u>\$ 95,735</u>	<u>\$ 89,117</u>	<u>\$ 80,491</u>
Non-current	<u>\$ 217,236</u>	<u>\$ 230,856</u>	<u>\$ 169,911</u>

Range of discount rate for lease liabilities was as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Land	1.07%~1.49%	1.07%~1.49%	1.07%~1.49%
Buildings	1.07%~4.35%	1.07%~4.35%	1.07%~4.35%
Office equipment	1.07%	1.07%	1.07%
Transportation equipment	1.07%~3.77%	1.07%~3.77%	1.07%~3.77%

c. Material leasing activities and terms

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

d. Other lease information

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

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Expenses relating to short-term leases	<u>\$ 25,550</u>	<u>\$ 29,897</u>
Expenses relating to low-value asset leases	<u>\$ 272</u>	<u>\$ 791</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 20</u>	<u>\$ 20</u>
Total cash outflow for leases	<u>(\$ 51,249)</u>	<u>(\$ 64,744)</u>

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

17. Investment properties

	Completed Investment Properties	Right-of-use assets	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 1,009,740	\$ 5,635	\$ 1,015,375
From property, plant and equipment	6,141	-	6,141
Effects of foreign currency exchange differences	(<u>4,375</u>)	(<u>28</u>)	(<u>4,403</u>)
Balance at March 31, 2021	<u>\$ 1,011,506</u>	<u>\$ 5,607</u>	<u>\$ 1,017,113</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2021	\$ 169,797	\$ 781	\$ 170,578
Depreciation expenses	9,509	110	9,619
From property, plant and equipment	560	-	560
Effects of foreign currency exchange differences	(<u>693</u>)	(<u>4</u>)	(<u>697</u>)
Balance at March 31, 2021	<u>\$ 179,173</u>	<u>\$ 887</u>	<u>\$ 180,060</u>
Carrying amount at March 31, 2021	<u>\$ 832,333</u>	<u>\$ 4,720</u>	<u>\$ 837,053</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 970,272	\$ 5,612	\$ 975,884

	Completed Investment Properties	Right-of-use assets	Total
Effects of foreign currency exchange differences	<u>31,657</u>	<u>210</u>	<u>31,867</u>
Balance at March 31, 2022	<u>\$ 1,001,929</u>	<u>\$ 5,822</u>	<u>\$ 1,007,751</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2022	\$ 188,931	\$ 1,218	\$ 190,149
Depreciation expenses	9,332	112	9,444
Effects of foreign currency exchange differences	<u>5,978</u>	<u>48</u>	<u>6,026</u>
Balance at March 31, 2022	<u>\$ 204,241</u>	<u>\$ 1,378</u>	<u>\$ 205,619</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 781,341</u>	<u>\$ 4,394</u>	<u>\$ 785,735</u>
Carrying amount at March 31, 2022	<u>\$ 797,688</u>	<u>\$ 4,444</u>	<u>\$ 802,132</u>

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

Buildings

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

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

Except the above-mentioned, the fair values of the investment properties were NT\$1,163,560 thousand, NT\$1,129,067 thousand, and NT\$1,092,945 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively. In the absence of hiring an independent appraiser, the management of the Group determined the fair value with reference to market transaction prices of similar properties.

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

18. INTANGIBLE ASSETS

	Trademark	Computer software	Total
<u>Cost</u>			
Balance at January 1, 2021	\$ 261,737	\$ 225,239	\$ 486,976
Additions	59	6,668	6,727
Disposals	(185)	-	(185)
Effects of foreign currency exchange differences	(3,276)	(4)	(3,280)
Balance at March 31, 2021	<u>\$ 258,335</u>	<u>\$ 231,903</u>	<u>\$ 490,238</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2021	\$ 170,665	\$ 210,920	\$ 381,585
Disposals	(185)	-	(185)
Amortization expenses	1,316	2,140	3,456
Effects of foreign currency exchange differences	1,976	(4)	1,972
Balance at March 31, 2021	<u>\$ 173,772</u>	<u>\$ 213,056</u>	<u>\$ 386,828</u>
Carrying amount at March 31, 2021	<u>\$ 84,563</u>	<u>\$ 18,847</u>	<u>\$ 103,410</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 258,477	\$ 242,424	\$ 500,901
Additions	64	4,114	4,178
Effects of foreign currency exchange differences	9,261	4	9,265
Balance at March 31, 2022	<u>\$ 267,802</u>	<u>\$ 246,542</u>	<u>\$ 514,344</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2022	\$ 177,636	\$ 220,842	\$ 398,478
Amortization expenses	1,216	3,130	4,346
Effects of foreign currency exchange differences	7,226	2	7,228
Balance at March 31, 2022	<u>\$ 186,078</u>	<u>\$ 223,974</u>	<u>\$ 410,052</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 80,841</u>	<u>\$ 21,582</u>	<u>\$ 102,423</u>
Carrying amount at March 31, 2022	<u>\$ 81,724</u>	<u>\$ 22,568</u>	<u>\$ 104,292</u>

For the three months ended March 31, 2022 and 2021, there were no signs of impairment, so the Group did not conduct any impairment assessment.

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

Trademark	10-20 years
Computer software	2-3 years

19. OTHER ASSETS

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
Pledged bank time deposits (Note 33)	\$ 4,019	\$ 4,019	\$ 4,016
Advances to officers	20,904	17,340	16,430
Temporary payments	25	9	8,623
Right of products to be returned	76,984	75,190	72,483
Others	<u>427</u>	<u>792</u>	<u>760</u>
	<u>\$ 102,359</u>	<u>\$ 97,350</u>	<u>\$ 102,312</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 43,062	\$ 29,583	\$ 19,503
Refundable deposits	78,250	139,038	110,640
Others	<u>99,669</u>	<u>99,642</u>	<u>116,596</u>
	<u>\$ 220,981</u>	<u>\$ 268,263</u>	<u>\$ 246,739</u>

20. BORROWINGS

a. Short-term borrowings

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Secured borrowings</u> (Note 33)			
Bank loans	\$ 264,365	\$ 200,000	\$ 150,000
<u>Unsecured borrowings</u>			
Bank loans	558,386	1,172,463	1,238,323
Other loans	<u>-</u>	<u>-</u>	<u>15,137</u>
	<u>\$ 822,751</u>	<u>\$ 1,372,463</u>	<u>\$ 1,403,460</u>

The annual interest rates of the aforementioned short-term borrowings or financing were 1.10%~3.00%, 1.10%~3.00% and 0.95%~3.20% on March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

b. Short-term bills payable

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Commercial paper payable	\$ 260,000	\$ 260,000	\$ 100,000
Less: Discount on short-term bills payable	(<u>105</u>)	(<u>145</u>)	(<u>81</u>)
	<u>\$ 259,895</u>	<u>\$ 259,855</u>	<u>\$ 99,919</u>

The annual interest rates of payable to commercial promissory notes were 1.19%~1.39%, 1.19%~1.39% and 1.19%~1.29% on March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

21. NOTES PAYABLE AND TRADE PAYABLES

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Notes payable</u>			
Operating	<u>\$ 545,336</u>	<u>\$ 859,254</u>	<u>\$ 92,145</u>
<u>Trade payables</u>			
Operating	<u>\$ 1,326,261</u>	<u>\$ 1,895,397</u>	<u>\$ 1,522,075</u>

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

22. Other liabilities

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Current</u>			
<u>Other payables</u>			
Payable for salaries or bonuses	\$ 294,793	\$ 450,726	\$ 267,398
Payable for compensation of employees	44,127	38,903	58,713
Payable for remuneration to directors	18,961	16,716	25,834
Payable for commission and rebates	1,230,561	1,343,638	1,232,504
Payable for advertisement	207,257	218,665	193,410
Payable for royalties	23,282	24,817	24,209
Payable for freight	63,306	99,060	123,610
Payable for equipment	65,677	89,108	70,958
Others	<u>976,092</u>	<u>1,158,470</u>	<u>1,214,193</u>
	<u>\$ 2,924,056</u>	<u>\$ 3,440,103</u>	<u>\$ 3,210,829</u>
<u>Other liabilities</u>			
Advance receipts from customers	\$ 1,282	\$ 2,349	\$ 2,592
Refund liability	122,606	120,465	113,729
Others	<u>36,859</u>	<u>19,180</u>	<u>22,017</u>
	<u>\$ 160,747</u>	<u>\$ 141,994</u>	<u>\$ 138,338</u>
<u>Non-current</u>			
<u>Other liabilities</u>			
Guarantee deposits	\$ 26,942	\$ 31,055	\$ 25,455
Others	<u>-</u>	<u>121</u>	<u>122</u>
	<u>\$ 26,942</u>	<u>\$ 31,176</u>	<u>\$ 25,577</u>

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

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans for the three months ended March 31, 2022 and 2021 were NT\$2,991 thousand and NT\$4,115 thousand, which were calculated by the actuarially determined pension cost rate as of December 31, 2021 and 2020, respectively.

24. EQUITY

a. Share capital

1) Ordinary shares

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Number of shares authorized (in thousands)	<u>920,000</u>	<u>920,000</u>	<u>920,000</u>
Shares authorized	<u>\$ 9,200,000</u>	<u>\$ 9,200,000</u>	<u>\$ 9,200,000</u>
Number of shares issued and fully paid (in thousands)	<u>915,089</u>	<u>915,089</u>	<u>915,089</u>
Shares issued	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>

2) Global depositary receipts

As of March 31, 2022, a total of 6,908.4 units of Global Depositary Receipts (GDRs) (representing 34,542 ordinary shares of the Company), where each GDR representing 5 ordinary shares of the Company, were traded on the Euro MTF Market of the Luxembourg Stock Exchange. Holders of the GDRs may request at any time to have their GDRs be converted into corresponding ordinary shares.

b. Capital surplus

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 1	\$ 1	\$ 1
Treasury share transactions	143,599	143,599	126,925
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	<u>466</u>	<u>466</u>	<u>466</u>
	<u>\$ 144,066</u>	<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 Articles of Incorporation, where the Company made any profits in a fiscal year, the profits shall be appropriated, less any paying taxes and deficit, 10% thereof as legal reserve, special reserve provided or reversed in accordance with the regulations, and 30% to 100% of the sum of the remainder and prior years' unappropriated earnings as dividends. The Company's Articles of Incorporation also prescribe that 30% to 100% of dividends shall be paid in cash; however, if the Company has major investment plans for which external funds are not available, the percentage may be lowered to 5% to 20%. The distribution plan shall be proposed by the Company's board of directors and resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of the compensation of employees and remuneration of directors in the Articles of Incorporation, please refer to Note 26(i) "employees' compensation and remuneration of directors."

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

The board of directors and shareholders' meetings proposed and resolved the distribution of earnings for the years ended December 31, 2021 and 2020 on March 21, 2022 and July 22, 2021, respectively as follows:

	2021	2020
Legal reserve	<u>\$ 245,834</u>	<u>\$ 319,167</u>
Cash dividends	<u>\$ 1,738,670</u>	<u>\$ 2,287,724</u>
Cash dividends per share (NT\$)	\$ 1.9	\$ 2.5

The Company's 2021 earnings distribution is subject to the resolution at the general shareholders' meeting to be held on June 16, 2022.

d. Special reserve

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Beginning and ending balance	<u>\$ 577,494</u>	<u>\$ 577,494</u>

Appropriation for special reserve should be made in the amount equal to the net debit balance of other equity at the end of the reporting period. If there is a subsequent reversal of the net deduction of other shareholders' equity, the special reserve reversed may be reverted to distribute the surplus.

e. Other Equity Items

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

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Balance at January 1	<u>(\$ 612,857)</u>	<u>(\$ 572,206)</u>
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	<u>263,779</u>	<u>(45,587)</u>
Other comprehensive income for the period	<u>263,779</u>	<u>(45,587)</u>
Balance at March 31	<u>(\$ 349,078)</u>	<u>(\$ 617,793)</u>

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

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Balance at January 1	<u>\$422,781</u>	<u>\$216,714</u>
Recognized for the year		
Unrealized gain (loss) Equity instruments	<u>(99,620)</u>	<u>106,790</u>
Other comprehensive income for the period	<u>(99,620)</u>	<u>106,790</u>
Balance at March 31	<u>\$323,161</u>	<u>\$323,504</u>

f. Non-controlling Interests

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Balance at January 1	\$ 440,027	\$ 331,139
Net profit for the period	5,902	6,467
Other comprehensive income for the period		
Exchange differences on translating the financial statements of foreign operations	1,704	(232)
Unrealized gain (loss) on financial assets at FVTOCI	(67,568)	29,716
Balance at March 31	<u>\$ 380,065</u>	<u>\$ 367,090</u>

g. Treasury shares

<u>Purpose of Buy-back</u>	<u>Shares Held by Subsidiaries (In Thousands Shares)</u>
Number of shares for the three months ended March 31, 2022	<u>6,669</u>
Number of shares for the three months ended March 31, 2021	<u>6,669</u>

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

<u>Name of Subsidiary</u>	<u>Number of Shares Held (In Thousand Shares)</u>	<u>Carrying Amount</u>	<u>Market Price</u>
<u>March 31, 2022</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 331,473</u>
<u>December 31, 2021</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 352,815</u>
<u>March 31, 2021</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 390,831</u>

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

25. REVENUE

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Revenue from contracts with customers		
Sale of goods	<u>\$ 6,730,455</u>	<u>\$ 8,269,002</u>

a. Contract balances

	March 31, 2022	December 31, 2021	March 31, 2021	January 1, 2021
Notes receivable (Note 10)	<u>\$ 4,911</u>	<u>\$ 18,370</u>	<u>\$ 26,684</u>	<u>\$ 3,154</u>
Trade receivables (Note 10)	<u>\$ 4,172,423</u>	<u>\$ 5,722,846</u>	<u>\$ 5,179,586</u>	<u>\$ 6,328,068</u>
Trade receivables from related parties (Note 32)	<u>\$ 6,869</u>	<u>\$ 7,290</u>	<u>\$ 5,865</u>	<u>\$ 9,011</u>
Contract liabilities - current				
Sale of goods	<u>\$ 357,259</u>	<u>\$ 509,315</u>	<u>\$ 267,239</u>	<u>\$ 748,044</u>

b. Disaggregation of revenue

For the Three Months Ended March 31, 2022

	Reportable Segments			Total
	Nutritious Foods	Cooking Products Food	Others	
<u>Types of goods or services</u>				
Sale of goods	<u>\$ 2,529,837</u>	<u>\$ 3,090,107</u>	<u>\$ 1,110,511</u>	<u>\$ 6,730,455</u>

For the Three Months Ended March 31, 2021

	Reportable Segments			Total
	Nutritious Foods	Cooking Products Food	Others	
<u>Types of goods or services</u>				
Sale of goods	<u>\$ 3,023,255</u>	<u>\$ 4,117,601</u>	<u>\$ 1,128,146</u>	<u>\$ 8,269,002</u>

26. NET PROFIT

Net profit includes:

a. Interest income

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Interest income		
Bank deposits	\$ 12,633	\$ 15,044
Financial assets at amortized cost	11,560	15,927
Others	<u>237</u>	<u>320</u>
	<u>\$ 24,430</u>	<u>\$ 31,291</u>

b. Other income

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Operating lease rental income		
Investment properties	\$ 6,250	\$ 8,270
Others	<u>319</u>	<u>269</u>
	<u>6,569</u>	<u>8,539</u>
Dividend income		
Investments in equity instruments at FVTOCI	<u>251</u>	<u>225</u>
	<u>\$ 6,820</u>	<u>\$ 8,764</u>

c. Other gains and losses

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Gains and losses of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	(\$ 41,782)	(\$ 18,905)
Net foreign exchange gains (losses)	51,354	(10,526)
Net gains (losses) on disposal of property, plant and equipment	4,277	(766)
Government grants	629	3,671
Others	<u>(6,797)</u>	<u>2,997</u>
	<u>\$ 7,681</u>	<u>(\$ 23,529)</u>

d. Financial cost

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Interest on bank loans	\$ 5,391	\$ 9,107
Interest on short-term bills payable	535	237
Interest on lease liabilities	2,082	2,172
Other interest expenses	271	9
	<u>\$ 8,279</u>	<u>\$ 11,525</u>

e. Impairment loss (reversal gain)

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Trade receivables	<u>\$ 3,084</u>	<u>(\$ 4,012)</u>
Inventories (included in operating costs)	<u>\$ 27,581</u>	<u>\$ 25,035</u>

f. Depreciation and amortization

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
An analysis of depreciation by function		
Operating costs	\$100,399	\$100,541
Operating expenses	42,033	40,868
Non-operating revenue and expenses	9,444	9,619
	<u>\$151,876</u>	<u>\$151,028</u>
An analysis of amortization by function		
Operating costs	\$ 7,026	\$ 6,630
Operating expenses	11,508	13,423
	<u>\$ 18,534</u>	<u>\$ 20,053</u>

g. Operating expenses directly related to investment properties

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Direct operating expenses of investment properties		
Direct operating expenses of investment properties that generated rental income	\$ 126	\$ 364
Direct operating expenses of investment properties that did not generated rental income	<u>143</u>	<u>145</u>
	<u>\$ 269</u>	<u>\$ 509</u>

h. Employee benefit expenses

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Post-employment benefits		
Defined contribution plans	\$ 39,568	\$ 37,718
Defined benefit plans (Note 23)	<u>2,991</u>	<u>4,115</u>
	42,559	41,833
Other employee benefits	<u>567,089</u>	<u>686,500</u>
Total employee benefit expenses	<u>\$609,648</u>	<u>\$728,333</u>
An analysis of employee benefit expenses by function		
Operating costs	\$210,680	\$205,011
Operating expenses	<u>398,968</u>	<u>523,322</u>
	<u>\$609,648</u>	<u>\$728,333</u>

i. Employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrued employees' compensation and remuneration of directors at rates of no less than 0.5% and no higher than 0.75%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. Compensation to employees and remuneration to directors for the three months ended March 31, 2022 and 2021 are as follows:

Accrual rate

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Compensation of employees	1.28%	1.25%
Remuneration of directors	0.55%	0.55%

Amount

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Compensation of employees	<u>\$ 5,224</u>	<u>\$ 8,792</u>
Remuneration of directors	<u>\$ 2,245</u>	<u>\$ 3,869</u>

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

Remunerations for employees and directors for 2021 and 2020 were resolved by the Board of Directors on March 21, 2022 and March 22, 2021, respectively as follows:

	2021 Cash	2020 Cash
Compensation of employees	\$ 38,903	\$ 49,921
Remuneration of directors	16,716	21,965

The amounts of employee and directors' compensation distributed for the years ended December 31, 2021 and 2020 were consistent with those recognized in the 2021 and 2020 consolidated financial statements.

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

j. Profit or loss on foreign currency exchange

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Foreign exchange gains	\$ 65,992	\$ 23,877
Foreign exchange losses	(14,638)	(34,403)
Net gains (losses)	<u>\$ 51,354</u>	<u>(\$ 10,526)</u>

27. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Current tax		
In respect of the current year	\$ 154,073	\$201,898
Additional tax on undistributed earnings	-	323
Adjustments from previous years	<u>2,261</u>	<u>1,543</u>
	<u>156,334</u>	<u>203,764</u>
Deferred tax		
In respect of the current year	(<u>56,631</u>)	(<u>50,014</u>)
Income tax expenses recognized in profit or loss	<u>\$ 99,703</u>	<u>\$ 153,750</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
<u>Deferred tax</u>		
Recognized for the year		
- Exchange differences of foreign operations	\$ 65,945	(\$ 11,397)
- Unrealized gain (loss) on financial assets at FVTOCI	(<u>5</u>)	<u>4</u>
Income tax recognized in other comprehensive income	<u>\$ 65,940</u>	(<u>\$ 11,393</u>)

c. Income tax assessments

The income tax returns of the Company, Standard Dairy Products, Charng Hui, Standard Beverage, and Le Bonta Wellness for the year ended December 31, 2020 had been assessed by the tax authorities.

The income tax returns of Domex Technology for the year ended December 31, 2019 had been assessed by the tax authorities.

28. EARNINGS PER SHARE EARNINGS PER SHARE

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Basic earnings per share	<u>\$ 0.36</u>	<u>\$ 0.62</u>
Diluted earnings per share	<u>\$ 0.36</u>	<u>\$ 0.62</u>

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

Net profit for the period

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Net profit used in the computation of basic and diluted earnings per share	<u>\$327,045</u>	<u>\$564,969</u>

Shares

Unit: Thousand shares

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
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>825</u>	<u>953</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>909,245</u>	<u>909,373</u>

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

29. INFORMATION ON CASH FLOWS

Changes in liabilities arising from financing activities:

For the Three Months Ended March 31, 2022

	January 1, 2022	Cash Flows	Non-cash Flow		March 31, 2022
			Addition of Lease/ Lease Modification	Adjustment of Changes in Exchange Rates	
Short-term borrowings	\$ 1,372,463	(\$ 564,493)	\$ -	\$ 14,781	\$ 822,751
Short-term bills payable	259,855	40	-	-	259,895
Lease liabilities	319,973	(23,325)	11,049	5,274	312,971
Guarantee deposits	31,055	(5,027)	-	914	26,942
Other non-current liabilities	121	(123)	-	2	-
	<u>\$ 1,983,467</u>	<u>(\$ 592,928)</u>	<u>\$ 11,049</u>	<u>\$ 20,971</u>	<u>\$ 1,422,559</u>

For the Three Months Ended March 31, 2021

	January 1, 2021	Cash Flows	Non-cash Flow		March 31, 2021
			Addition of Lease/ Lease Modification	Adjustment of Changes in Exchange Rates	
Short-term borrowings	\$ 1,846,767	(\$ 438,158)	\$ -	(\$ 5,149)	\$ 1,403,460
Short-term bills payable	129,869	(29,950)	-	-	99,919
Lease liabilities	277,973	(31,864)	27,696	(23,403)	250,402
Guarantee deposits	19,990	5,594	-	(129)	25,455
Other non-current liabilities	130	-	-	(8)	122
	<u>\$ 2,274,729</u>	<u>(\$ 494,378)</u>	<u>\$ 27,696</u>	<u>(\$ 28,689)</u>	<u>\$ 1,779,358</u>

30. CAPITAL RISK MANAGEMENT

The Group's capital management objective is to ensure financial resources are available and operating plans are in place for working capital, capital expenditures, research and development expenses, repay liabilities and dividend disbursement, etc. in the next 12 months. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of debt and equity balance.

31. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

March 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 41,119	\$ -	\$ -	\$ 41,119
Unlisted shares	-	-	2,231	2,231
Mutual fund beneficiary certification	1,725,465	-	-	1,725,465
Bond investments	-	29,212	-	29,212
Total	<u>\$ 1,766,584</u>	<u>\$ 29,212</u>	<u>\$ 2,231</u>	<u>\$ 1,798,027</u>

Financial assets at FVTOCI

Investments in equity instruments				
- Listed shares	\$ 381,058	\$ -	\$ -	\$ 381,058
- Unlisted shares	-	-	272,979	272,979
Total	<u>\$ 381,058</u>	<u>\$ -</u>	<u>\$ 272,979</u>	<u>\$ 654,037</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 4,991	\$ -	\$ -	\$ 4,991
Unlisted shares	-	-	2,244	2,244
Mutual fund beneficiary certification	1,146,721	-	-	1,146,721
Bond investments	-	28,239	-	28,239
Total	<u>\$ 1,151,712</u>	<u>\$ 28,239</u>	<u>\$ 2,244</u>	<u>\$ 1,182,195</u>

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Listed shares	\$ 409,076	\$ -	\$ -	\$ 409,076
- Unlisted shares	-	-	412,104	412,104
Total	<u>\$ 409,076</u>	<u>\$ -</u>	<u>\$ 412,104</u>	<u>\$ 821,180</u>

March 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 4,047	\$ -	\$ -	\$ 4,047
Unlisted shares	-	-	6,214	6,214
Mutual fund beneficiary certification	2,362,495	-	-	2,362,495
Bond investments	-	29,094	-	29,094
Total	<u>\$ 2,366,542</u>	<u>\$ 29,094</u>	<u>\$ 6,214</u>	<u>\$ 2,401,850</u>

Financial assets at FVTOCI

Investments in equity instruments				
- Listed shares	\$ 386,043	\$ -	\$ -	\$ 386,043
- Unlisted shares	-	-	267,123	267,123
Total	<u>\$ 386,043</u>	<u>\$ -</u>	<u>\$ 267,123</u>	<u>\$ 653,166</u>

For the three months ended March 31, 2022 and 2021, there was no transfer between Level 1 and Level 2 fair value measurement.

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

For the Three Months Ended March 31, 2022

	Financial assets at FVTPL	Financial assets at FVTOCI	Total
Financial assets	Equity instruments	Equity instruments	
Balance at January 1	\$ 2,244	\$ 412,104	\$ 414,348
Recognized in profit or loss (included in other gains and losses)	(13)	-	(13)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(139,163)	(139,163)
Impact of exchange rates	-	38	38
Balance at March 31	<u>\$ 2,231</u>	<u>\$ 272,979</u>	<u>\$ 275,210</u>
Recognized in other gains and losses			
- unrealized	(\$ 13)	\$ -	(\$ 13)

For the Three Months Ended March 31, 2021

Financial assets	Financial assets at FVTPL Equity instruments	Financial assets at FVTOCI Equity instruments	Total
Balance at January 1	\$ 6,232	\$ 204,755	\$ 210,987
Recognized in profit or loss (included in other gains and losses)	(18)	-	(18)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	62,373	62,373
Impact of exchange rates	-	(5)	(5)
Balance at March 31	<u>\$ 6,214</u>	<u>\$ 267,123</u>	<u>\$ 273,337</u>
Recognized in other gains and losses - unrealized	(\$ 18)	\$ -	(\$ 18)

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

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

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

The valuation techniques of unlisted shares without active market are mostly the market and asset valuation methods.

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

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

b. Categories of financial instruments

	March 31, 2022	December 31, 2021	March 31, 2021
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,798,027	\$ 1,182,195	\$ 2,401,850
Financial assets at amortized cost (Note 1)	10,488,976	12,487,635	10,239,895
Financial assets at FVTOCI			
Investments in equity instruments	654,037	821,180	653,166

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
<u>Financial liabilities</u>			
Financial liabilities at			
amortized cost (Note 2)	\$ 3,064,043	\$ 4,529,069	\$ 3,236,023

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

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

c. Financial risk management objectives and policies

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

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see 1) below) and interest rates (see 2) below).

a) Foreign currency risk

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

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

Sensitivity analysis

The Group is mainly exposed to the fluctuation of RMB, USD, EUR, AUD, and CHF.

The following table details the Group's sensitivity to a 3% increase or decrease in the functional currency against the relevant foreign currencies. A change of 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis used the outstanding foreign-currency denominated monetary items at the end of

the reporting period and assumed the exchange rates at the end of the reporting period changed by 3%. The amount below indicates an increase (decrease) in pre-tax profit associated with the functional currency depreciating by 3% against the relevant currency. For a 3% appreciating of the functional currency against the relevant currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	RMB Impact		USD Impact	
	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Profit or loss	\$ 29,966 (i)	\$ 26,994 (i)	\$ 12,039 (ii)	\$ 3,103 (ii)

	EUR Impact		AUD Impact	
	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Profit or loss	(\$ 713) (iii)	\$ - (iii)	\$ - (iv)	\$ 847 (iv)

	CHF Impact	
	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Profit or loss	\$ 121 (v)	\$ 936 (v)

- i. This was mainly derived from the Group's RMB-denominated bank deposits which were still outstanding at the balance sheet date and not set as cash flow hedging.
- ii. This was mainly derived from the Group's USD-denominated bank deposits, trade receivables and trade payables which were still outstanding at the balance sheet date and not set as cash flow hedging.
- iii. This was mainly derived from the Company's EUR-denominated trade payables which were still outstanding at the balance sheet date and not set as cash flow hedging.
- iv. This was mainly derived from the Company's AUD-denominated bank deposits which were still outstanding at the balance sheet date and not set as cash flow hedging.
- v. This was mainly derived from the Company's CHF-denominated bank deposits and trade payables which were still outstanding at the balance sheet date and not set as cash flow hedging.

b) Interest rate risk

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

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

	March 31, 2022	December 31, 2021	March 31, 2021
Fair value interest rate risk			
- Financial assets	\$ 3,817,884	\$ 3,168,157	\$ 2,322,265
- Financial liabilities	1,166,628	1,784,660	1,643,781
Cash flow interest rate risk			
- Financial assets	929,900	979,900	729,500
- Financial liabilities	228,989	167,631	110,000

Sensitivity analysis

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

If the interest rate increases by 1% and all other variables remain unchanged, the Group's pre-tax profit for the three months ended March 31, 2022 and 2021 would have increased (decreased) by NT\$1,752 thousand and NT\$1,549 thousand, respectively; if the interest rate decreases by 1%, its impact on the pre-tax profit would be the negative of the same amount.

c) Other price risk

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

Sensitivity analysis

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

For the three months ended March 31, 2022, if prices rise/fall by 1%, the pre-tax income would have increased (decreased) by NT\$17,980 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss, while the pre-tax other comprehensive income for the three months ended March 31, 2022 would have increased (decreased) by NT\$6,540 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

For the three months ended March 31, 2021, if prices rise/fall by 1%, the pre-tax income would have increased (decreased) by NT\$24,019 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss, while the pre-tax other comprehensive income for the three months ended March 31, 2021 would have increased (decreased) by NT\$6,532 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the consolidated balance sheets date, the Group's largest credit risk exposure from a counterparty's failure to fulfill obligations came from the carrying amount of financial assets recognized in the consolidated balance sheets.

The accounts receivable cover a number of customers in different industries and geographical areas. The Group continuously evaluates the collateral and financial status obtained by accounts receivable customers.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of March 31, 2022, December 31, 2021 and March 31, 2021, the Group had available bank loan facilities in the amounts of NT\$6,612,887 thousand, NT\$5,397,639 thousand, and NT\$4,797,991 thousand, respectively.

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

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

March 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 634,697	\$1,268,580	\$ 50,808	\$ 26,942
Lease liabilities	8,159	18,833	73,527	225,120
Variable interest rate liabilities	10,003	103,012	116,027	-
Fixed interest rate liabilities	789,761	50,049	14,366	-
Contract liabilities	119,086	238,173	-	-
	<u>\$1,561,706</u>	<u>\$1,678,647</u>	<u>\$ 254,728</u>	<u>\$ 252,062</u>

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 932,720	\$1,863,680	\$ 68,348	\$ 31,055
Lease liabilities	8,186	18,808	68,826	238,837
Variable interest rate liabilities	-	105,669	62,018	-
Fixed interest rate liabilities	770,437	109,951	282,618	304,297
Contract liabilities	169,772	339,543	-	-
	<u>\$1,881,115</u>	<u>\$2,437,651</u>	<u>\$ 481,810</u>	<u>\$ 574,189</u>

March 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 550,382	\$1,100,765	\$ 54,733	\$ 25,455
Lease liabilities	5,356	16,841	64,748	180,350
Variable interest rate liabilities	34,011	34,011	42,006	-
Fixed interest rate liabilities	497,601	711,524	188,834	-
Contract liabilities	89,080	178,159	-	-
	<u>\$1,176,430</u>	<u>\$2,041,300</u>	<u>\$ 350,321</u>	<u>\$ 205,805</u>

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

32. RELATED PARTY TRANSACTIONS

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

a. Related parties and relationships

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

b. Sales

<u>Related Party Category</u>	<u>For the Three Months Ended March 31, 2022</u>	<u>For the Three Months Ended March 31, 2021</u>
The Company is one of the directors	<u>\$ 8,615</u>	<u>\$ 6,231</u>

Sales from related parties were conducted on normal commercial terms.

c. Purchases

<u>Related Party Category</u>	<u>For the Three Months Ended March 31, 2022</u>	<u>For the Three Months Ended March 31, 2021</u>
The Company is one of the directors	<u>\$ 19,357</u>	<u>\$ 22,439</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

<u>Item</u>	<u>Name of Related Party</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Trade receivables from related parties	GeneFerm	<u>\$ 6,869</u>	<u>\$ 7,290</u>	<u>\$ 5,865</u>

The outstanding receivables from related parties were unsecured. No loss allowances were set aside for receivables from related parties for the three months ended March 31, 2022 and 2021.

e. Payables to related parties

<u>Item</u>	<u>Name of Related Party</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Trade payables to related parties	GeneFerm	<u>\$ 15,261</u>	<u>\$ 19,472</u>	<u>\$ 19,187</u>

The outstanding payables to related parties were unsecured.

Compensation of key management personnel

	For the Three Months Ended March 31, 2022	For the Three Months Ended March 31, 2021
Short-term employee benefits	\$ 7,246	\$ 6,459
Post-employment benefits	79	59
	<u>\$ 7,325</u>	<u>\$ 6,518</u>

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

33. PLEDGED ASSETS

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

	March 31, 2022	December 31, 2021	March 31, 2021
Pledge time deposits (included in other current assets)	\$ 4,019	\$ 4,019	\$ 4,016
Property, plant and equipment - net	105,109	105,997	84,596
Investment properties - net	<u>34,962</u>	<u>35,257</u>	<u>60,210</u>
	<u>\$ 144,090</u>	<u>\$ 145,273</u>	<u>\$ 148,822</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Except for those disclosed in other notes, significant commitments and contingencies of the Group on March 31, 2022 are as follows:

- a. The Company has entered into a license agreement with The Quaker Oats Company (Quaker) for a period ending July 11, 2034. The agreement provides that the Company may use Quaker's trademark, and process, manufacture, market, and sell Quaker baby cereal, oatmeal, fruit cereal, ready-to-eat cereal, sesame paste, milk powder, and other cereal products in the ROC. In consideration of the above, the Company shall pay Quaker royalties at an agreed percentage of net sales (as defined).
- b. Unused letters of credit of approximately US\$3,020 thousand.
- c. Unrecognized commitments for acquisition of property, plant and equipment of approximately NT\$176,061 thousand.
- d. Unrecognized commitments for acquiring colostrum from dairymen were approximately 14,753 metric tons.

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

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

March 31, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 16,889	28.63 (USD: NTD)	\$ 483,435
USD	1,277	6.35 (USD: RMB)	36,538
RMB	221,676	4.51 (RMB: NTD)	998,870
CHF	606	30.94 (CHF: NTD)	18,747
CHF	163	6.87 (CHF: RMB)	5,030
			<u>\$ 1,542,620</u>
Foreign currency liabilities			
<u>Monetary items</u>			
USD	4,145	28.63 (USD: NTD)	\$ 118,662
EUR	744	31.92 (EUR: NTD)	23,755
CHF	638	6.87 (CHF: RMB)	19,751
			<u>\$ 162,168</u>

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 12,229	27.68 (USD: NTD)	\$ 338,501
USD	1,280	6.37 (USD: RMB)	35,405
EUR	450	31.32 (EUR: NTD)	14,103
RMB	223,285	4.34 (RMB: NTD)	969,948
CHF	600	30.18 (CHF: NTD)	18,105
CHF	279	6.95 (CHF: RMB)	8,432
			<u>\$ 1,384,494</u>
Foreign currency liabilities			
<u>Monetary items</u>			
USD	12,864	27.68 (USD: NTD)	\$ 356,088
EUR	2,854	31.32 (EUR: NTD)	89,390
			<u>\$ 445,478</u>

March 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
Foreign currency assets			
<u>Monetary items</u>			
USD	\$ 5,424	28.54 (USD: NTD)	\$ 154,786
USD	1,358	6.57 (USD: RMB)	38,774
RMB	207,135	4.34 (RMB: NTD)	899,794
AUD	1,301	21.71 (AUD: NTD)	28,240
CHF	2,050	30.28 (CHF: NTD)	62,064
CHF	360	6.97 (CHF: RMB)	10,897
			<u>\$ 1,194,555</u>
Foreign currency liabilities			
<u>Monetary items</u>			
USD	3,158	28.54 (USD: NTD)	\$ 90,117
CHF	1,379	6.97 (CHF: RMB)	41,747
			<u>\$ 131,864</u>

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

	For the Three Months Ended March 31, 2022		For the Three Months Ended March 31, 2021	
Functional Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD: NTD)	\$ 51,791	1 (NTD: NTD)	(\$ 12,359)
RMB	4.41 (RMB: NTD)	(434)	4.38 (RMB: NTD)	1,830
CHF	30.31 (CHF: NTD)	(3)	31.34 (CHF: NTD)	3
		<u>\$ 51,354</u>		<u>(\$ 10,526)</u>

36. SUPPLEMENTARY DISCLOSURES

a. Information on Significant Transactions:

- 1) Financing provided to others: TABLE 1.
- 2) Endorsements/guarantees provided to others: TABLE 2.
- 3) Marketable securities held (excluding investments in subsidiaries): TABLE 3.
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.

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

37. SEGMENT INFORMATION

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

Standard Foods segment - the Company

Standard Dairy Products segment - Standard Dairy Products

China Standard segment - Shanghai Standard, China Standard Investment, China Standard Foods, and Xiamen Standard

Other segments - other than the above subsidiaries

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

	Standard Foods Segment	Standard Dairy Products Segment	China Standard Segment	Other Segments	Adjustments and Eliminations	Total
<u>For the Three Months Ended March</u>						
<u>31, 2022</u>						
Sales from external customers	\$ 2,717,817	\$ 493,876	\$ 2,776,516	\$ 742,246	\$ -	\$ 6,730,455
Sales among intersegments	289,947	242,795	32	792	(533,566)	-
Total sales	<u>\$ 3,007,764</u>	<u>\$ 736,671</u>	<u>\$ 2,776,548</u>	<u>\$ 743,038</u>	<u>(\$ 533,566)</u>	<u>\$ 6,730,455</u>
Interest income	\$ 5,206	\$ 534	\$ 21,541	\$ 658	(\$ 3,509)	\$ 24,430
Financial cost	\$ 367	\$ -	\$ 7,214	\$ 4,207	(\$ 3,509)	\$ 8,279
Depreciation expenses	\$ 56,512	\$ 11,009	\$ 60,465	\$ 24,797	(\$ 907)	\$ 151,876
Amortization expenses	\$ 4,384	\$ 1,103	\$ 8,956	\$ 4,091	\$ -	\$ 18,534
Operating segment income (loss)	<u>\$ 673,920</u>	<u>\$ 104,865</u>	<u>(\$ 370,393)</u>	<u>(\$ 16,605)</u>	<u>\$ 40,863</u>	\$ 432,650
Unallocated amount						-
Profit before income tax						<u>\$ 432,650</u>
<u>For the Three Months Ended March</u>						
<u>31, 2021</u>						
Sales from external customers	\$ 3,178,330	\$ 493,539	\$ 3,781,451	\$ 815,682	\$ -	\$ 8,269,002
Sales among intersegments	263,449	170,262	497	1,137	(435,345)	-
Total sales	<u>\$ 3,441,779</u>	<u>\$ 663,801</u>	<u>\$ 3,781,948</u>	<u>\$ 816,819</u>	<u>(\$ 435,345)</u>	<u>\$ 8,269,002</u>
Interest income	\$ 3,965	\$ 818	\$ 28,448	\$ 850	(\$ 2,790)	\$ 31,291
Financial cost	\$ 114	\$ 10	\$ 11,647	\$ 2,544	(\$ 2,790)	\$ 11,525
Depreciation expenses	\$ 56,126	\$ 12,552	\$ 59,549	\$ 23,706	(\$ 905)	\$ 151,028
Amortization expenses	\$ 3,264	\$ 1,393	\$ 11,606	\$ 3,790	\$ -	\$ 20,053
Operating segment income (loss)	<u>\$ 842,087</u>	<u>\$ 101,323</u>	<u>(\$ 230,804)</u>	<u>(\$ 3,604)</u>	<u>\$ 16,184</u>	\$ 725,186
Unallocated amount						-
Profit before income tax						<u>\$ 725,186</u>

Table 1

STANDARD FOODS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

For the Three Months Ended March 31, 2022

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Balance at March 31	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debts	Collateral		Financing Limit for Each Borrowing Company	Financing Amount Limit	Notes
													Name	Value			
0	Standard Foods Corporation	Dermalab S.A.	Financing receivables - related parties	Yes	\$ 18,561	\$ 18,561	\$ -	1.000%	2	\$ -	Need for operation	\$ -	—	\$ -	\$ 7,214,876 (Note 3)	\$ 7,214,876 (Note 3)	-
0	Standard Foods Corporation	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	225,460	225,460	225,460	1.000%	2	-	Need for operation	-	—	-	3,607,438 (Note 4)	7,214,876 (Note 5)	Note 11
0	Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd	Financing receivables - related parties	Yes	676,380	676,380	676,380	1.000%	2	-	Need for operation	-	—	-	3,607,438 (Note 4)	7,214,876 (Note 5)	Note 11
0	Standard Foods Corporation	Standard Beverage Company Ltd.	Financing receivables - related parties	Yes	50,000	50,000	32,800	0.950%	2	-	Need for operation	-	—	-	7,214,876 (Note 3)	7,214,876 (Note 3)	Note 11
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Yes	180,368	180,368	105,718	1.000%	2	-	Need for operation	-	—	-	1,925,345 (Note 6)	1,925,345 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Financing receivables - related parties	Yes	180,368	180,368	161,249	1.000%	2	-	Need for operation	-	—	-	1,925,345 (Note 6)	1,925,345 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd	Financing receivables - related parties	Yes	541,104	541,104	121,956	1.000%	2	-	Need for operation	-	—	-	1,925,345 (Note 6)	1,925,345 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	450,920	450,920	151,072	1.000%	2	-	Need for operation	-	—	-	1,925,345 (Note 6)	1,925,345 (Note 6)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	631,288	631,288	528,442	1.000%	2	-	Need for operation	-	—	-	1,278,596 (Note 7)	1,278,596 (Note 7)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd	Financing receivables - related parties	Yes	473,466	473,466	-	1.000%	2	-	Need for operation	-	—	-	1,278,596 (Note 7)	1,278,596 (Note 7)	-
3	Shanghai Le Ben De Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	11,273	11,273	11,273	1.000%	2	-	Need for operation	-	—	-	11,946 (Note 8)	11,946 (Note 8)	Note 11
4	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	9,018	9,018	9,018	1.000%	2	-	Need for operation	-	—	-	190,278 (Note 9)	190,278 (Note 9)	Note 11
5	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	22,546	22,546	22,104	1.000%	2	-	Need for operation	-	—	-	118,821 (Note 10)	118,821 (Note 10)	Note 11

Note 3. "0" for the Company. Subsidiaries are numbered in order from "1."

Note 4. Reasons for financing are as follows:

(1) Please fill in 1 for having business transactions.

(2) Please fill in 2 for short-term financing.

Note 5. The individual and total amount shall not exceed 40% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be NT\$7,214,876 thousand (the net value per financial statements of NT\$18,037,190 thousand x 40% as of December 31, 2021).

Note 6. The individual and total amount shall not exceed 20% of net value of Standard Foods Corporation. per the latest financial statements, which was calculated to be NT\$3,607,438 thousand (the net value per financial statements of NT\$18,037,190 thousand x 20% as of December 31, 2021).

Note 7. The individual and total amount shall not exceed 40% of net value of Standard Foods Corporation. per the latest financial statements, which was calculated to be NT\$7,214,876 thousand (the net value per financial statements of NT\$18,037,190 thousand x 40% as of December 31, 2021).

Note 8. The individual and total amount shall not exceed 40% of net value of Standard Investment (China) Co., Ltd. per the latest financial statements, which was calculated to be NT\$1,925,345 thousand (the net value per financial statements of NT\$4,813,362 thousand x 40% as of December 31, 2021).

Note 9. The individual and total amount shall not exceed 40% of the net value of Shanghai Standard Foods Co., Ltd. per the latest financial statements, which was calculated to be NT\$1,278,596 thousand (the net value per financial statements of NT\$3,196,491 thousand x 40% as of December 31, 2021).

Note 10. The individual and total amount shall not exceed 40% of net value of Shanghai Le Ben De Health Technology Co., Ltd. per the latest financial statements, which was calculated to be NT\$11,946 thousand (the net value per financial statements of NT\$29,864 thousand x 40% as of December 31, 2021).

- Note 11. The individual and total amount shall not exceed 40% of net value of Shanghai Le Ho Industrial Co., Ltd. per the latest financial statements, which was calculated to be NT\$190,278 thousand (the net value per financial statements of NT\$475,694 thousand x 40% as of December 31, 2021).
- Note 12. The individual and total amount shall not exceed 40% of net value of Shanghai Le Min Industrial Co., Ltd. per the latest financial statements, which was calculated to be NT\$118,821 thousand (the net value per financial statements of NT\$297,052 thousand x 40% as of December 31, 2021).
- Note 13. The amounts presented above were eliminated upon consolidation.

Table 2**STANDARD FOODS CORPORATION AND SUBSIDIARIES****ENDORSEMENTS/GUARANTEES PROVIDED**

For the Three Months Ended March 31, 2022

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Balance on Endorsement/ Guarantee to Single Entity	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount	Guarantee Provided by Parent Company (Note 5)	Guarantee Provided by Subsidiary (Note 5)	Guarantee Provided to Subsidiaries in Mainland China (Note 5)	Notes
		Name	Nature of Relationships (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company Ltd.	(2)	\$ 14,429,752 (Note 3)	\$ 145,875	\$ 145,875	\$ -	\$ -	0.81%	\$ 18,037,190 (Note 4)	Y	-	-	

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

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

- (1) Trading partner.
- (2) The company in which the Company holds, directly or indirectly, more than fifty percent (50%) of the voting shares.
- (3) The company that holds, directly or indirectly, more than fifty percent (50%) of the Company's voting shares.
- (4) The company in which the Company holds, directly or indirectly, more than ninety percent (90%) of the voting shares.
- (5) Guaranteed by construction contracts formed due to the need of construction projects, in which the companies in the same industry or joint builders provide endorsement/guarantee to one another.
- (6) The guarantees were provided by shareholders based on their proportionate share in a jointly invested company.
- (7) Companies in the same industry provided among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3. The individual and total amount shall not exceed 80% of net value of Standard Foods Corporation. per the latest financial statements, which was calculated to be NT\$14,429,752 thousand (the net value per financial statements of NT\$18,037,190 thousand x 80% as of December 31, 2021).

Note 4. The individual and total amount shall not exceed 100% of net value of Standard Foods Corporation. per the latest financial statements, which was calculated to be NT\$18,037,190 thousand (the net value per financial statements of NT\$18,037,190 thousand x 100% as of December 31, 2021).

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

Table 3

STANDARD FOODS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)

March 31, 2022

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Notes
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Foods Corporation	Shares	Far Eastern International Commercial Bank Co., Ltd.	The Company is one of the directors	Financial assets at FVTOCI - current	1,444,013	\$ 17,617	-	\$ 17,617	
	Shares	Chunghwa Telecom Co., Ltd.		Financial assets at FVTOCI - current	48,600	6,172	-	6,172	
	Shares	GeneFerm Biotechnology Co., Ltd.		Financial assets at FVTOCI - non-current	2,145,110	96,530	5.2%	96,530	
	Shares	Dah Chung Bills Finance Corp.		Financial assets at FVTOCI - non-current	1,274,480	18,773	0.3%	18,773	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTPL - current	12,000	7,164	-	7,164	
	Shares	Apple Inc.		Financial assets at FVTPL - current	1,675	8,372	-	8,372	
	Shares	Amazon.com, Inc.		Financial assets at FVTPL - current	37	3,453	-	3,453	
	Shares	Alphabet Inc.		Financial assets at FVTPL - current	41	3,264	-	3,264	
	Shares	Microsoft Corporation		Financial assets at FVTPL - current	372	3,283	-	3,283	
	Shares	NVIDIA Corporation		Financial assets at FVTPL - current	467	3,648	-	3,648	
	Shares	Tesla, Inc.		Financial assets at FVTPL - current	129	3,979	-	3,979	
	Mutual funds	Jih Sun Money Market Fund		Financial assets at FVTPL - current	6,134,806	92,000	-	92,000	
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	3,585,869	84,232	-	84,232	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	4,720,915	58,072	-	58,072	
	Mutual funds	Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	4,869,260	80,000	-	80,000	
	Mutual funds	Cathay Global Aggressive Fund		Financial assets at FVTPL - current	2,284,844	57,510	-	57,510	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	29,231,806	400,122	-	400,122	

(Continued)

(Continued from the previous page)

Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Notes
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Dairy Products Taiwan Ltd.	Mutual funds	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	41,475,510	\$ 642,107	-	\$ 642,107	
	Debt Securities	CODEIS Smart Cash Note		Financial assets at FVTPL - current	10,000	29,212	-	29,212	
	Shares	Techgains Pan-Pacific Corporation		Financial assets at FVTPL - non-current	500,000	-	0.9%	-	
	Shares	Authenex, Inc.		Financial assets at FVTPL - non-current	2,424,242	-	5.5%	-	
	Shares	Paradigm Venture Capital Corporation		Financial assets at FVTPL - non-current	153,320	2,231	7.0%	2,231	
	Shares	U-Teck Environment Corporation, Ltd.		Financial assets at FVTPL - non-current	11,200	-	0.2%	-	
	Shares	Octamer, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	800,000	-	7.8%	-	
	Shares	Octamer, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	107,815	-	1.0%	-	
	Shares	Fortemedia, Inc. - Series D Preferred Stock		Financial assets at FVTPL - non-current	3,455	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	71,397	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	29,173	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series G Preferred Stock		Financial assets at FVTPL - non-current	31,135	-	1.3%	-	
	Shares	Fortemedia, Inc. - Series I Preferred Stock		Financial assets at FVTPL - non-current	29,102	-	1.3%	-	
	Shares	Fortemedia, Inc. - Common Stock		Financial assets at FVTPL - non-current	12,938	-	1.2%	-	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	7,016,539	96,042	-	96,042	
	Mutual funds	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	1,292,474	20,010	-	20,010	
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	1,195,290	28,077	-	28,077	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	786,819	9,679	-	9,679	
	Mutual funds	Cathay Global Aggressive Fund		Financial assets at FVTPL - current	761,615	19,170	-	19,170	

(Continued)

(Continued from the previous page)

Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Notes
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Charng Hui Ltd.	Shares	Standard Foods Corporation	Parent of Charng Hui Ltd.	Financial assets at FVTOCI - current	6,669,471	\$ 331,473	0.7%	\$ 331,473	Note
	Shares	Formosa Plastics Corporation		Financial assets at FVTOCI - current	91,440	9,738	-	9,738	
	Shares	China Steel Corporation		Financial assets at FVTOCI - current	803,258	31,287	-	31,287	
	Shares	Polytronics Technology Corporation	Charng Hui Ltd. is one of the directors	Financial assets at FVTOCI - current	1,596,000	165,984	2.0%	165,984	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTOCI - current	90,000	53,730	-	53,730	
	Mutual funds	Fuh Hwa Global Strategic Allocation FoF		Financial assets at FVTPL - current	1,000,000	12,750	-	12,750	
	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds		Financial assets at FVTPL - current	1,453,360	17,511	-	17,511	
	Mutual funds	Taishin 1699 Money Market Fund	Charng Hui Ltd. is one of the directors	Financial assets at FVTPL - current	73,768	1,010	-	1,010	
	Shares	Hong Da Leasing & Finance Co., Ltd.		Financial assets at FVTPL - non-current	8,297,000	-	23.7%	-	
	Shares	CNEX Co., Ltd.		Financial assets at FVTPL - non-current	1,000,000	-	6.0%	-	
	Shares	Amphastar Pharmaceuticals Inc. (AMPH)		Financial assets at FVTPL - non-current	7,742	7,956	-	7,956	
Standard Beverage Company Ltd.	Mutual funds	Fuh Hwa Greater China Mid & Small Cap Fund		Financial assets at FVTPL - current	225,000	2,527	-	2,527	
	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds - Accu.		Financial assets at FVTPL - current	282,988	3,409	-	3,409	
Domex Technology Corporation Accession Limited	Shares	InnoComm Mobile Technology Corp.		Financial assets at FVTOCI - non-current	3,600,000	253,152	13.4%	253,152	
	Shares	AsiaVest Liquidation Co.		Financial assets at FVTOCI - non-current	200	1,054	0.7%	1,054	
	Mutual funds	Term Liquidity Fund		Financial assets at FVTPL - current	33,453	101,237	-	101,237	

Note: The amounts presented above were eliminated upon consolidation.

Table 4

STANDARD FOODS CORPORATION AND SUBSIDIARIES

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

For the Three Months Ended March 31, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Trade Receivable (Payable)		Notes
			Purchases (Sales)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (Payable)	
Standard Foods Corporation	Standard Dairy Products Taiwan Ltd.	The Company's subsidiary	Sales	(\$ 289,947)	9.64%	55 days after month-end closing (net of receivables and payables)	—	—	\$ 119,530	6.65%	Note
			Purchases	242,795	12.81%	55 days after month-end closing (net of receivables and payables)	—	—	-	-	Note
Standard Dairy Products Taiwan Ltd.	Standard Foods Corporation	Parent company of Standard Dairy Products Taiwan Ltd.	Purchases	289,947	51.28%	55 days after month-end closing (net of receivables and payables)	—	—	(119,530)	35.94%	Note
			Sales	(242,795)	32.96%	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	(355,265)	82.53%	60 days after month-end closing	—	—	196,295	98.94%	Note
			Purchases	101,508	20.75%	60 days after month-end closing	—	—	(86,197)	70.45%	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	355,265	19.98%	60 days after month-end closing	—	—	(196,295)	10.46%	Note
			Sales	(101,508)	3.86%	60 days after month-end closing	—	—	86,197	5.35%	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(881,492)	85.72%	60 days after month-end closing	—	—	558,720	99.95%	Note
			Purchases	881,492	49.89%	60 days after month-end closing	—	—	(558,720)	29.76%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(525,304)	95.04%	60 days after month-end closing	—	—	669,659	100.00%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Subsidiary of Standard Investment (China) Co., Ltd.	Purchases	525,304	29.73%	60 days after month-end closing	—	—	(669,659)	35.67%	Note

Note: The amounts presented above were eliminated upon consolidation.

Table 5

STANDARD FOODS CORPORATION AND SUBSIDIARIES

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

March 31, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Counter-party	Nature of Relationships	Ending Balance for Trade Receivable - Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for loss amount	Notes
					Amount	Actions Taken			
Standard Foods Corporation	Standard Dairy Products Taiwan Ltd.	The Company's subsidiary	Trade receivables <u>\$ 119,530</u>	9.66	<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	(Note 2)
Standard Foods Corporation	Standard Foods (China) Co., Ltd.	The Company's subsidiary	Financing receivables \$ 225,460		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables <u>1,643</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 227,103</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd	The Company's subsidiary	Financing receivables \$ 676,380		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables <u>4,929</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 681,309</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 \$ 196,295	3.67	\$ -		\$ 196,295 (Note 1)	\$ -	(Note 2)
			Financing receivables 528,442		-		- (Note 1)	-	(Note 2)
			Other receivables <u>3,998</u>		<u>-</u>		<u>401</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 728,735</u>		<u>\$ -</u>		<u>\$ 196,696</u> (Note 1)	<u>\$ -</u>	
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Trade receivables \$ 558,720	3.53	\$ -		\$ 55,356 (Note 1)	\$ -	(Note 2)
			Other receivables <u>18,600</u>		<u>-</u>		<u>11,380</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 577,320</u>		<u>\$ -</u>		<u>\$ 66,736</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Subsidiary of Standard Investment (China) Co., Ltd.	Trade receivables \$ 95	12.83	\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Financing receivables 151,072		-		- (Note 1)	-	(Note 2)
			Other receivables <u>5,582</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 156,749</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd	Subsidiary of Standard Investment (China) Co., Ltd.	Trade receivables \$ 2	93.54	\$ -		\$ 2 (Note 1)	\$ -	(Note 2)
			Financing receivables 121,956		-		- (Note 1)	-	(Note 2)
			Other receivables <u>7,706</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 129,664</u>		<u>\$ -</u>		<u>\$ 2</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Subsidiary of Standard Investment (China) Co., Ltd.	Trade receivables \$ 41	6.24	\$ -		\$ 41 (Note 1)	\$ -	(Note 2)
			Financing receivables \$ 161,249		-		- (Note 1)	-	(Note 2)
			Other receivables <u>250</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 161,540</u>		<u>\$ -</u>		<u>\$ 41</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Subsidiary of Standard Investment (China) Co., Ltd.	Financing receivables \$ 105,718		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables <u>502</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 106,220</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods (Xiamen) Co., Ltd	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables \$ 669,659	1.95	\$ -		\$ 455,924 (Note 1)	\$ -	(Note 2)
			Other receivables <u>11,181</u>		<u>-</u>		<u>7,622</u> (Note 1)	<u>-</u>	(Note 2)
			<u>\$ 680,840</u>		<u>\$ -</u>		<u>\$ 463,546</u> (Note 1)	<u>\$ -</u>	

Note 1. The amount received as of May 9, 2022.

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

Table 6

STANDARD FOODS CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Three Months Ended March 31, 2022

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Assets (Note 3)
0	Standard Foods Corporation	Standard Dairy Products	1	Trade receivables	\$ 119,530	According to the general conditions	0.4%
0	Standard Foods Corporation	Standard Dairy Products	1	Trade payables	24,121	According to the general conditions	0.1%
0	Standard Foods Corporation	Standard Dairy Products	1	Sales	289,947	According to the general conditions	4.3%
0	Standard Foods Corporation	Standard Dairy Products	1	Purchases	242,795	According to the general conditions	3.6%
0	Standard Foods Corporation	Standard Dairy Products	1	Royalty revenue	1,591	According to the general conditions	-
0	Standard Foods Corporation	Standard Beverage	1	Other receivables	117	According to the general conditions	-
0	Standard Foods Corporation	Standard Beverage	1	Financing receivables	32,800	Interest rate 0.950% per annum	0.1%
0	Standard Foods Corporation	Standard Beverage	1	Interest income	22	Interest rate 0.950% per annum	-
0	Standard Foods Corporation	Standard Beverage	1	Service revenue (recognized under sundry revenue)	330	According to the general conditions	-
0	Standard Foods Corporation	Dermalab	1	Interest income	186	Interest rate 1.000% per annum	-
0	Standard Foods Corporation	China Standard Foods	1	Other receivables	1,643	According to the general conditions	-
0	Standard Foods Corporation	China Standard Foods	1	Financing receivables	225,460	Interest rate 1.000% per annum	0.8%
0	Standard Foods Corporation	China Standard Foods	1	Interest income	546	Interest rate 1.000% per annum	-
0	Standard Foods Corporation	Xiamen Standard	1	Other receivables	4,929	According to the general conditions	-
0	Standard Foods Corporation	Xiamen Standard	1	Financing receivables	676,380	Interest rate 1.000% per annum	2.5%
0	Standard Foods Corporation	Xiamen Standard	1	Interest income	1,638	Interest rate 1.000% per annum	-
1	Shanghai Standard	China Standard Investment	3	Trade receivables	196,295	According to the general conditions	0.7%
1	Shanghai Standard	China Standard Investment	3	Financing receivables	528,442	Interest rate 1.000% per annum	2.0%
1	Shanghai Standard	China Standard Investment	3	Other receivables	3,998	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Trade payables	86,197	According to the general conditions	0.3%
1	Shanghai Standard	China Standard Investment	3	Other payables	962	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Sales	355,265	According to the general conditions	5.3%
1	Shanghai Standard	China Standard Investment	3	Purchases	101,508	According to the general conditions	1.5%
1	Shanghai Standard	China Standard Investment	3	Interest income	1,147	Interest rate 1.000% per annum	-
1	Shanghai Standard	China Standard Investment	3	Other expenses	199	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Research and development expenses	938	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Trade receivables	2,101	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Sales	1,890	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Purchases	1	According to the general conditions	-
1	Shanghai Standard	Shanghai Le Bonta	3	Sales	1	According to the general conditions	-

(Continued)

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No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Assets (Note 3)
1	Shanghai Standard	Xiamen Standard	3	Other receivables	\$ 710	According to the general conditions	-
1	Shanghai Standard	Xiamen Standard	3	Interest income	554	Interest rate 1.000% per annum	-
2	China Standard Investment	China Standard Foods	1	Trade receivables	95	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Other receivables	5,582	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Financing receivables	151,072	Interest rate 1.000% per annum	0.6%
2	China Standard Investment	China Standard Foods	1	Trade payables	558,720	According to the general conditions	2.1%
2	China Standard Investment	China Standard Foods	1	Other payables	18,600	According to the general conditions	0.1%
2	China Standard Investment	China Standard Foods	1	Sales	162	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Purchases	881,492	According to the general conditions	13.1%
2	China Standard Investment	China Standard Foods	1	Interest income	928	Interest rate 1.000% per annum	-
2	China Standard Investment	China Standard Foods	1	Other income	5,157	According to the general conditions	0.1%
2	China Standard Investment	China Standard Foods	1	Rental expenses	24	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	1	Other receivables	502	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	1	Financing receivables	105,718	Interest rate 1.000% per annum	0.4%
2	China Standard Investment	Shanghai Dermalab	1	Interest income	487	Interest rate 1.000% per annum	-
2	China Standard Investment	Xiamen Standard	1	Trade receivables	2	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Other receivables	7,706	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Financing receivables	121,956	Interest rate 1.000% per annum	0.5%
2	China Standard Investment	Xiamen Standard	1	Trade payables	669,659	According to the general conditions	2.5%
2	China Standard Investment	Xiamen Standard	1	Other payables	11,181	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Sales	152	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Purchases	525,304	According to the general conditions	7.8%
2	China Standard Investment	Xiamen Standard	1	Interest income	4,228	Interest rate 1.000% per annum	0.1%
2	China Standard Investment	Xiamen Standard	1	Other income	3,282	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Trade receivables	41	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Other receivables	250	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Financing receivables	161,249	Interest rate 1.000% per annum	0.6%
2	China Standard Investment	Shanghai Le Bonta	1	Trade payables	26	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Sales	32	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Purchases	771	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	1	Interest income	490	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Bonta	1	Other expenses	21	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Other payables	250	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Financing payables	9,018	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Interest expenses	42	Interest rate 1.000% per annum	-

(Continued)

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No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Assets (Note 3)
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Other payables	\$ 80	According to the general conditions	-
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Financing payables	22,104	Interest rate 1.000% per annum	0.1%
2	China Standard Investment	Shanghai Le Min Industrial Co., Ltd.	3	Interest expenses	71	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Ben De	3	Other payables	31	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ben De	3	Financing payables	11,273	Interest rate 1.000% per annum	-
2	China Standard Investment	Shanghai Le Ben De	3	Interest expenses	28	Interest rate 1.000% per annum	-
3	Shanghai Dermalab	Dermalab	3	Trade payables	18,204	According to the general conditions	0.1%
3	Shanghai Dermalab	Dermalab	3	Purchases	14,650	According to the general conditions	0.2%
3	Shanghai Dermalab	Shanghai Le Ben De	3	Trade payables	489	According to the general conditions	-
3	Shanghai Dermalab	Shanghai Le Ben De	3	Purchases	582	According to the general conditions	-
4	China Standard Foods	Shanghai Le Bonta	3	Other receivables	1,170	According to the general conditions	-
4	China Standard Foods	Shanghai Le Bonta	3	Rental income	907	According to the general conditions	-
4	China Standard Foods	Shanghai Le Bonta	3	Other expenses	1,508	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Trade payables	22	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Purchases	19	According to the general conditions	-
5	Shanghai Le Bonta	Shanghai Le Ben De	3	Sales	2,525	According to the general conditions	-
5	Shanghai Le Bonta	Shanghai Le Ben De	3	Purchases	2,566	According to the general conditions	-
6	Shanghai Le Ben De	Dermalab	3	Trade payables	551	According to the general conditions	-
6	Shanghai Le Ben De	Dermalab	3	Purchases	540	According to the general conditions	-

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

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

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

1. Parent company to its subsidiaries.
2. Subsidiaries to its parent company.
3. Subsidiaries to subsidiaries.

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

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

Table 7**STANDARD FOODS CORPORATION AND SUBSIDIARIES****INFORMATION ON INVESTEE COMPANIES (EXCLUDING MAINLAND INVESTED COMPANIES)**

For the Three Months Ended March 31, 2022

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Notes
				March 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Limited	Tortola, British Virgin Islands	Investing	\$ 3,936,267	\$ 3,936,267	123,600,000	100%	\$ 3,673,893	(\$ 7,613)	(\$ 3,866)	Subsidiary (Note 4)
	Standard Investment (Cayman) Ltd.	Grand Cayman, Cayman Islands	Investing	4,710,865	4,710,865	150,124,815	100%	5,386,482	(349,563)	(349,563)	Subsidiary (Note 4)
	Standard Dairy Products Taiwan Ltd.	Taipei, Taiwan	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100%	1,212,989	83,893	78,969	Subsidiary (Note 4)
	Charng Hui Ltd.	Taipei, Taiwan	Investing	230,000	230,000	24,100,000	100%	393,078	2,708	2,708	Subsidiary (Note 4)
	Domex Technology Corporation	Hsinchu, Taiwan	Manufacture and sale of computer peripherals and computer appliances	114,116	114,116	10,374,399	52%	362,174	19,471	10,127	Subsidiary (Note 4)
	Standard Beverage Company Ltd.	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100%	82,246	(144)	(144)	Subsidiary (Note 4)
	Standard Foods, LLC.	U.S.A.	Sale of health food	9,056	9,056	註3	100%	8,588	-	-	Subsidiary (Note 4)
Accession Limited	Dermalab S.A.	Switzerland	Development and sale of cosmetics	379,489	379,489	4,050	100%	228,686	(5,523)	-	Sub-subsidiary (Note 4)
Dermalab S.A.	Swissderma SL	Spain	Sale of cosmetics	96	96	3,000	100%	-	-	-	Third-tier subsidiary (Note 4)
Standard Investment (Cayman) Ltd.	Standard Corporation (Hong Kong) Ltd.	Hong Kong	Investing	4,708,566	4,708,566	150,050,815	100%	5,386,273	(349,513)	-	Sub-subsidiary (Note 4)

Note 1. This amount was the share of net loss from the investee of NT\$7,613 thousand plus the unrealized gain or loss on sidestream transactions of NT\$3,747 thousand.

Note 2. This amount was the share of net profit from the investee of NT\$83,893 thousand minus the unrealized gain or loss on upstream transactions of NT\$4,924 thousand.

Note 3. This is a Ltd. company without shares issued.

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

Table 8

STANDARD FOODS CORPORATION AND SUBSIDIARIES

Information on Investments in Mainland China
For the Three Months Ended March 31, 2022
(In Thousands of New Taiwan Dollars)

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance or Recovery of Funds		Accumulated Outward Remittance for Investment from Taiwan at the as of March 31, 2022	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Profit (Loss) Recognized (Note 2)	Carrying Amount as of March 31, 2022	Accumulated Repatriation of Investment Income as of March 31, 2022	Notes
					Outward	Inward							
Shanghai Standard Foods Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	\$ 3,949,575	(2) (Note 3)	\$ 3,949,575 (Note 4)	\$ -	\$ -	\$ 3,949,575 (Note 4)	\$ 2,779	100.0%	\$ 6,649 (Note 9)	\$ 3,315,731	\$ -	Note 12
Standard Investment (China) Co., Ltd.	Investment and sales of edible oil products and nutritional foods	3,755,530	(2) (Note 5)	3,718,677 (Note 5)	-	-	3,718,677 (Note 5)	(344,213)	99.0%	(340,771) (Note 9)	4,593,247	-	Note 12
Standard Foods (China) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,714,756	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	(36,566)	99.0%	(18,718) (Note 9)	2,398,112	-	Note 12
Shanghai Dermalab Corporation	Sale of nutritional foods, cosmetics and engagement in import and export business	93,989	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	(2,074)	99.0%	(2,053) (Note 10)	(4,770)	-	Note 12
Le Bonta Wellness Co., Ltd.	Sale of nutritional foods and engagement in import and export business	380,418	(1) and (3) (Note 7)	181,048 (Note 7)	-	-	181,048 (Note 7)	(22,475)	99.5%	(22,365) (Note 10)	42,075	-	Note 12
Shanghai Le Ben De Health Technology Co., Ltd.	Sale of nutritional foods and engagement in export business	31,220	(3) (Notes 4 and 8)	31,220 (Note 4)	-	-	31,220 (Note 4)	134	100.0%	134 (Note 10)	31,113	-	Note 12
Standard Foods (Xiamen) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,307,582	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	(55,630)	99.0%	(30,515) (Note 10)	1,536,435	-	Note 12
Shanghai Le Ho Industrial Co., Ltd.	Management of properties	607,717	(2) (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(5,401)	100.0%	(5,401) (Note 10)	487,890	-	Note 12
Shanghai Le Min Industrial Co., Ltd.	Management of properties	378,009	(2) (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(3,301)	100.0%	(3,301) (Note 10)	304,742	-	Note 12

Accumulated Outward Remittance for Investment in Mainland China at the End of the Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$8,919,525	\$9,656,767	Unlimited amount of investment (Note 11)

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

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

(3) Other methods.

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

(1) There was no investment income (loss) recognized due to the investment still being in the development stage.

(2) The investment income (loss) was determined based on the following basis:

A. The financial statements were audited and certified by an international accounting firm in cooperation with an accounting firm in ROC.

B. The financial statements were audited by the CPA of the parent company in Taiwan.

C. Others.

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

Note 4. The accumulated amount invested from Taiwan for the current period is NT\$4,034,074 thousand, and amid the amount, NT\$53,279 thousand has been retained in Accession Limited. The remaining balance thereof, amounting to NT\$3,980,795 thousand, was originally the outward remittance of the investment of Shanghai Standard Foods Co., Ltd. However, as of July 2015, of the NT\$3,980,795 thousand, NT\$31,220 thousand was invested in Shanghai Le Ben De Health Technology Co., Ltd. by Shanghai Standard Foods Co., Ltd. In aggregate, the outward remittance of the investments in Shanghai Standard Foods Co., Ltd. and Shanghai Le Ben De Health Technology Co., Ltd. was NT\$3,949,575 thousand and NT\$31,220 thousand, respectively.

Note 5. Standard Corporation (Hong Kong) Ltd. is the investor company in a third region.

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

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

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

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

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

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

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

Table 9**STANDARD FOODS CORPORATION****INFORMATION ON MAJOR SHAREHOLDERS**

March 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership
Mu Te Investment Co., Ltd. Trust Property Account	158,864,400	17.36%
Chia Yun Investment Co., Ltd. Trust Property Account	133,125,408	14.54%
Chia Chieh Investment Co., Ltd. Trust Property Account	108,503,160	11.85%

Note 1. The major shareholders in this table are shareholders holding more than 5% of the ordinary and preference shares that have completed delivery without physical registration (including treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial report and the number of shares actually delivered by the company without physical registration may differ due to calculation basis.

Note 2. If the shares above are entrusted by the shareholders, the information thereto shall be disclosed by the individual trust account opened by the trustees. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act, and their shareholdings including their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to MOPS.