

Stock code: 1227

**Standard Foods Corporation and
Subsidiaries**

**Consolidated Financial Statements and Independent
Auditors' Report
For the Nine Months Ended September 30, 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 September 30, 2022 and 2021 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the nine-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 September 30, 2022 and 2021, combined total assets of these non-significant subsidiaries were NT\$7,775,475 thousand and NT\$9,380,275 thousand, respectively, representing 29% and 35%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$2,427,029 thousand and NT\$3,728,414 thousand, respectively, representing 28% and 40%, respectively, of the consolidated total liabilities; for the three-month periods ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the amounts of combined comprehensive income of these subsidiaries were NT\$202,119 thousand, NT\$113,391 thousand, NT\$129,713 thousand and NT\$421,370 thousand, respectively, representing 34%, 18%, 13% and 20%, 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 September 30, 2022 and 2021, and of its consolidated financial performance and its consolidated cash flows for the nine-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

November 8, 2022

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2022, December 31, 2021, and September 30, 2021
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 3,405,020	13	\$ 3,748,069	14	\$ 2,688,422	10
Financial assets at fair value through profit or loss - current (Note 7)	448,667	2	1,174,960	4	963,363	4
Financial assets at fair value through other comprehensive income - current (Note 8)	178,225	1	313,940	1	304,515	1
Financial assets at amortized cost - current (Note 9)	2,075,188	8	1,936,561	7	2,532,113	9
Notes receivable (Notes 10 and 25)	5,044	-	18,370	-	43,236	-
Trade receivables (Notes 10 and 25)	4,592,230	17	5,699,413	20	4,969,007	18
Trade receivables from related parties (Notes 25 and 32)	11,716	-	7,290	-	7,654	-
Finance lease receivables - current (Note 11)	514	-	3,576	-	3,383	-
Other receivables (Note 10)	333,702	1	218,409	1	269,782	1
Current tax assets	725	-	4,765	-	1,462	-
Inventories (Note 12)	5,490,237	21	5,701,129	20	6,167,735	23
Prepayments (Note 13)	1,262,168	5	1,527,503	5	1,748,854	7
Other current assets (Notes 19 and 33)	96,218	-	97,350	-	73,857	-
Total current assets	<u>17,899,654</u>	<u>68</u>	<u>20,451,335</u>	<u>72</u>	<u>19,773,383</u>	<u>73</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	8,984	-	7,235	-	10,582	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	425,636	2	507,240	2	449,751	2
Financial assets at amortized cost - non-current (Note 9)	1,720,290	7	716,466	3	601,202	2
Property, plant and equipment (Notes 15 and 33)	4,280,763	16	4,333,681	15	4,072,831	15
Right-of-use assets (Note 16)	619,168	2	652,121	2	692,162	2
Investment properties (Notes 17 and 33)	781,850	3	785,735	3	786,477	3
Goodwill	558	-	558	-	558	-
Other intangible assets (Note 18)	105,450	-	102,423	-	98,965	-
Deferred tax assets	396,926	1	437,485	2	463,583	2
Finance lease receivables - non-current (Note 11)	5,060	-	20,455	-	21,391	-
Net defined benefit assets - non-current	7,516	-	6,143	-	6,116	-
Other non-current assets (Note 19)	200,587	1	268,263	1	200,163	1
Total non-current assets	<u>8,552,788</u>	<u>32</u>	<u>7,837,805</u>	<u>28</u>	<u>7,403,781</u>	<u>27</u>
TOTAL ASSETS	<u>\$ 26,452,442</u>	<u>100</u>	<u>\$ 28,289,140</u>	<u>100</u>	<u>\$ 27,177,164</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 33)	\$ 1,280,460	5	\$ 1,372,463	5	\$ 1,959,576	7
Short-term bills payable (Note 20)	179,746	1	259,855	1	249,882	1
Contract liabilities - current (Note 25)	172,246	1	509,315	2	216,935	1
Notes payable (Note 21)	1,450,135	5	859,254	3	662,664	2
Trade payables (Note 21)	1,567,107	6	1,895,397	7	1,806,427	7
Trade payables to related parties (Note 32)	26,125	-	19,472	-	10,966	-
Other payables (Note 22)	3,099,887	12	3,440,103	12	3,116,958	12
Current tax liabilities	118,830	-	397,210	1	245,888	1
Lease liabilities - current (Note 16)	92,502	-	89,117	-	102,779	-
Other current liabilities (Note 22)	107,840	-	141,994	1	116,753	-
Total current liabilities	<u>8,094,878</u>	<u>30</u>	<u>8,984,180</u>	<u>32</u>	<u>8,488,828</u>	<u>31</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	171,120	1	323,661	1	340,966	1
Lease liabilities - non-current (Note 16)	180,044	1	230,856	1	253,125	1
Net defined benefit liabilities - non-current	241,856	1	242,050	1	250,286	1
Other non-current liabilities (Note 22)	23,263	-	31,176	-	23,972	-
Total non-current liabilities	<u>616,283</u>	<u>3</u>	<u>827,743</u>	<u>3</u>	<u>868,349</u>	<u>3</u>
Total liabilities	<u>8,711,161</u>	<u>33</u>	<u>9,811,923</u>	<u>35</u>	<u>9,357,177</u>	<u>34</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Ordinary Shares	9,150,897	35	9,150,897	32	9,150,897	34
Capital surplus	156,738	1	144,066	1	144,066	-
Retained earnings						
Legal reserve	3,852,023	15	3,606,189	13	3,606,189	13
Special reserve	577,494	2	577,494	2	577,494	2
Unappropriated Earnings	3,761,380	14	4,769,802	17	4,282,644	16
Total retained earnings	8,190,897	31	8,953,485	32	8,466,327	31
Other equity	(141,076)	(1)	(190,076)	(1)	(330,906)	(1)
Treasury shares	(21,182)	-	(21,182)	-	(21,182)	-
Total equity attributable to owners of the Company	<u>17,336,274</u>	<u>66</u>	<u>18,037,190</u>	<u>64</u>	<u>17,409,202</u>	<u>64</u>
NON-CONTROLLING INTERESTS (Note 24)	<u>405,007</u>	<u>1</u>	<u>440,027</u>	<u>1</u>	<u>410,785</u>	<u>2</u>
Total equity	<u>17,741,281</u>	<u>66</u>	<u>18,477,217</u>	<u>65</u>	<u>17,819,987</u>	<u>66</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 26,452,442</u>	<u>100</u>	<u>\$ 28,289,140</u>	<u>100</u>	<u>\$ 27,177,164</u>	<u>100</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (REVIEWED, NOT AUDITED) (IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

	For the Three Months Ended September 30, 2022		For the Three Months Ended September 30, 2021		For the Nine Months Ended September 30, 2022		For the Nine Months Ended September 30, 2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Notes 25 and 32)	\$ 7,676,870	100	\$ 8,668,586	100	\$ 20,399,539	100	\$ 24,345,093	100
OPERATING COSTS								
Cost of goods sold (Notes 12, 26, and 32)	<u>5,878,335</u>	<u>77</u>	<u>6,581,863</u>	<u>76</u>	<u>15,730,662</u>	<u>77</u>	<u>18,159,804</u>	<u>75</u>
GROSS PROFIT	<u>1,798,535</u>	<u>23</u>	<u>2,086,723</u>	<u>24</u>	<u>4,668,877</u>	<u>23</u>	<u>6,185,289</u>	<u>25</u>
OPERATING EXPENSES (Note 26)								
Selling and marketing expenses	916,158	12	962,188	11	2,623,785	13	2,843,923	12
General and administrative expenses	257,956	3	268,082	3	721,126	3	763,103	3
Research and development expenses	44,892	1	45,712	1	124,959	1	129,605	-
Expected credit losses (or reversal)	<u>22,861</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>35,413</u>	<u>-</u>	<u>(2,934)</u>	<u>-</u>
Total operating expenses	<u>1,241,867</u>	<u>16</u>	<u>1,275,983</u>	<u>15</u>	<u>3,505,283</u>	<u>17</u>	<u>3,733,697</u>	<u>15</u>
OPERATING INCOME	<u>556,668</u>	<u>7</u>	<u>810,740</u>	<u>9</u>	<u>1,163,594</u>	<u>6</u>	<u>2,451,592</u>	<u>10</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)								
Interest income	35,362	-	22,147	-	91,548	1	83,836	-
Other income	22,234	-	22,550	-	44,066	-	47,727	-
Other gains and losses	62,568	1	(30,666)	-	72,283	-	(26,293)	-
Financial cost	<u>(19,153)</u>	<u>-</u>	<u>(12,323)</u>	<u>-</u>	<u>(43,263)</u>	<u>-</u>	<u>(38,302)</u>	<u>-</u>
Total non-operating income and expenses	<u>101,011</u>	<u>1</u>	<u>1,708</u>	<u>-</u>	<u>164,634</u>	<u>1</u>	<u>66,968</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	657,679	8	812,448	9	1,328,228	7	2,518,560	10
INCOME TAX EXPENSE (Note 27)	<u>136,075</u>	<u>1</u>	<u>203,352</u>	<u>2</u>	<u>303,448</u>	<u>2</u>	<u>515,602</u>	<u>2</u>
NET PROFIT FOR THE PERIOD	<u>521,604</u>	<u>7</u>	<u>609,096</u>	<u>7</u>	<u>1,024,780</u>	<u>5</u>	<u>2,002,958</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(5,690)	-	45,526	-	(217,358)	(1)	237,625	1
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	<u>(4)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(5,694)</u>	<u>-</u>	<u>45,525</u>	<u>-</u>	<u>(217,364)</u>	<u>(1)</u>	<u>237,625</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	95,261	1	(41,737)	-	269,857	1	(164,387)	-
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	<u>(18,966)</u>	<u>-</u>	<u>8,304</u>	<u>-</u>	<u>(53,707)</u>	<u>-</u>	<u>32,718</u>	<u>-</u>
	<u>76,295</u>	<u>1</u>	<u>(33,433)</u>	<u>-</u>	<u>216,150</u>	<u>1</u>	<u>(131,669)</u>	<u>-</u>
Other comprehensive loss for the period, net of income tax	<u>70,601</u>	<u>1</u>	<u>12,092</u>	<u>-</u>	<u>(1,214)</u>	<u>-</u>	<u>105,956</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 592,205</u>	<u>8</u>	<u>\$ 621,188</u>	<u>7</u>	<u>\$ 1,023,566</u>	<u>5</u>	<u>\$ 2,108,914</u>	<u>9</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 488,077	7	\$ 590,619	7	\$ 976,082	5	\$ 1,971,178	8
Non-controlling Interests	<u>33,527</u>	<u>-</u>	<u>18,477</u>	<u>-</u>	<u>48,698</u>	<u>-</u>	<u>31,780</u>	<u>-</u>
	<u>\$ 521,604</u>	<u>7</u>	<u>\$ 609,096</u>	<u>7</u>	<u>\$ 1,024,780</u>	<u>5</u>	<u>\$ 2,002,958</u>	<u>8</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 563,362	8	\$ 566,718	7	\$ 1,025,082	5	\$ 1,995,764	9
Non-controlling Interests	<u>28,843</u>	<u>-</u>	<u>54,470</u>	<u>-</u>	<u>(1,516)</u>	<u>-</u>	<u>113,150</u>	<u>-</u>
	<u>\$ 592,205</u>	<u>8</u>	<u>\$ 621,188</u>	<u>7</u>	<u>\$ 1,023,566</u>	<u>5</u>	<u>\$ 2,108,914</u>	<u>9</u>
EARNINGS PER SHARE (Note 28)								
Basic	<u>\$ 0.54</u>		<u>\$ 0.65</u>		<u>\$ 1.07</u>		<u>\$ 2.17</u>	
Diluted	<u>\$ 0.54</u>		<u>\$ 0.65</u>		<u>\$ 1.07</u>		<u>\$ 2.17</u>	

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY For the Nine Months Ended September 30, 2022 And 2021 (Reviewed, not Audited) (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							Other Equity Items					
	Retained earnings						Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Treasury shares	Total	Non-controlling Interests	Total equity
	Ordinary Shares	Capital surplus	Legal reserve	Special reserve	Unappropriated Earnings	Total							
Balance as of January 1, 2021	\$ 9,150,897	\$ 127,392	\$ 3,287,022	\$ 577,494	\$ 4,918,357	\$ 8,782,873	(\$ 572,206)	\$ 216,714	(\$ 355,492)	(\$ 21,182)	\$ 17,684,488	\$ 331,139	\$ 18,015,627
Appropriations and distribution of 2020 earnings													
Legal reserve	-	-	319,167	-	(319,167)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(2,287,724)	(2,287,724)	-	-	-	-	(2,287,724)	-	(2,287,724)
Adjustment on capital surplus upon distribution of stock dividends to subsidiaries	-	16,674	-	-	-	-	-	-	-	-	16,674	-	16,674
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,504)	(33,504)
Net profit for the nine months ended September 30, 2021	-	-	-	-	1,971,178	1,971,178	-	-	-	-	1,971,178	31,780	2,002,958
Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	-	(130,872)	155,458	24,586	-	24,586	81,370	105,956
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	1,971,178	1,971,178	(130,872)	155,458	24,586	-	1,995,764	113,150	2,108,914
Balance as of September 30, 2021	<u>\$ 9,150,897</u>	<u>\$ 144,066</u>	<u>\$ 3,606,189</u>	<u>\$ 577,494</u>	<u>\$ 4,282,644</u>	<u>\$ 8,466,327</u>	<u>(\$ 703,078)</u>	<u>\$ 372,172</u>	<u>(\$ 330,906)</u>	<u>(\$ 21,182)</u>	<u>\$ 17,409,202</u>	<u>\$ 410,785</u>	<u>\$ 17,819,987</u>
Balance as of 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
Appropriations and distribution of 2021 earnings													
Legal reserve	-	-	245,834	-	(245,834)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,738,670)	(1,738,670)	-	-	-	-	(1,738,670)	-	(1,738,670)
Adjustment on capital surplus upon distribution of stock dividends to subsidiaries	-	12,672	-	-	-	-	-	-	-	-	12,672	-	12,672
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,504)	(33,504)
Net profit for the nine months ended September 30, 2022	-	-	-	-	976,082	976,082	-	-	-	-	976,082	48,698	1,024,780
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	-	214,828	(165,828)	49,000	-	49,000	(50,214)	(1,214)
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	976,082	976,082	214,828	(165,828)	49,000	-	1,025,082	(1,516)	1,023,566
Balance as of September 30, 2022	<u>\$ 9,150,897</u>	<u>\$ 156,738</u>	<u>\$ 3,852,023</u>	<u>\$ 577,494</u>	<u>\$ 3,761,380</u>	<u>\$ 8,190,897</u>	<u>(\$ 398,029)</u>	<u>\$ 256,953</u>	<u>(\$ 141,076)</u>	<u>(\$ 21,182)</u>	<u>\$ 17,336,274</u>	<u>\$ 405,007</u>	<u>\$ 17,741,281</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS For the Nine Months Ended September 30, 2022 And 2021 (Reviewed, not Audited) (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,328,228	\$ 2,518,560
Adjustments for:		
Depreciation expenses	448,120	451,114
Amortization expenses	55,442	57,388
Expected credit losses (or reversal)	35,413	(2,934)
Net loss recognized on financial assets and liabilities measured at FVTPL	72,855	34,333
Financial cost	43,263	38,302
Interest income	(91,548)	(83,836)
Dividend income	(24,151)	(23,812)
Net loss (gain) on disposal of property, plant and equipment	(1,526)	8,670
Net loss on disposal of investments	-	259
Others	5,591	1,175
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	654,539	491,111
Notes receivable	13,733	(40,537)
Trade receivables	1,148,551	1,264,677
Trade receivables from related parties	(4,426)	1,357
Other receivables	(76,978)	(38,566)
Inventories	290,972	(1,100,647)
Prepayments	293,828	(190,647)
Other current assets	2,555	(10,350)
Net defined benefit assets	(1,373)	(2,595)
Contract liabilities	(348,369)	(524,774)
Notes payable	562,712	579,299
Trade payables	(339,284)	(294,444)
Trade payables to related parties	6,653	(9,560)
Other payables	(386,652)	(298,122)
Other current liabilities	(36,440)	45,824
Net defined benefit liabilities	(1,239)	(28,664)
Cash generated from operations	3,650,469	2,842,581

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	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Interest received	\$ 53,993	\$ 76,586
Interest paid	(43,916)	(38,605)
Income tax paid	(741,655)	(672,300)
Net cash generated from/(used in) operating activities	<u>2,918,891</u>	<u>2,208,262</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(3,685,061)	(3,765,103)
Disposal of financial assets at amortized cost	2,578,977	2,343,897
Acquisition of property, plant and equipment	(246,488)	(257,394)
Proceeds from disposal of property, plant and equipment	7,927	8,172
Payments for intangible assets	(11,755)	(10,957)
Acquisition of right-of-use assets	(16,412)	-
Decrease in finance lease receivables	18,457	2,174
Increase in other financial assets	-	(16,851)
Decrease in other financial assets	73,262	-
Increase in other non-current assets	(40,049)	(37,265)
Dividends received	<u>24,151</u>	<u>23,812</u>
Net cash used in investing activities	<u>(1,296,991)</u>	<u>(1,709,515)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	137,250
Decrease in short-term borrowings	(115,667)	-
Increase in short-term notes and bills payable	-	120,013
Decrease in short-term bills payable	(80,109)	-
Payments for principal portion of lease liabilities	(64,836)	(66,192)
Increase in other financial liabilities	-	4,165
Decrease in other financial liabilities	(8,533)	-
Decrease in other non-current liabilities	(125)	-
Distribution of cash dividends	<u>(1,759,502)</u>	<u>(2,304,554)</u>
Net cash generated from financing activities	<u>(2,028,772)</u>	<u>(2,109,318)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>63,823</u>	<u>(33,025)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE CURRENT PERIOD	<u>(343,049)</u>	<u>(1,643,596)</u>
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>\$ 3,405,020</u>	<u>\$ 2,688,422</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the Nine Months Ended September 30, 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 November 3, 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 ("Group").

b. IFRSs endorsed by the FSC and applicable from 2023 onward

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimate"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)

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

Note 2. 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 3. 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.

Until the date of approval and issuance of the consolidated financial statements, the consolidated companies are still evaluating the effects posed by said standards and amendments to interpretations to their financial position and performance. The related effects will be disclosed upon completion of the evaluation.

c. 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
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments 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, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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: Seller and also Lessee shall retroactively apply the amendments to IFRS 16 to the sale and leaseback transactions executed after the date of the first-time application of IFRS 16.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

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

Any change in the consolidated companies' ownership of any subsidiaries which did not result in loss of control is treated as the equity transaction. The carrying amount of the consolidated companies and the non-controlling equity has been adjusted to reflect the change in the relative equity on the subsidiaries. The difference between the adjusted amount of the non-controlling equity and the considerations paid or collected is directly recognized as equity and attributable to the Company's owners.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 1,616	\$ 1,940	\$ 2,088
Checking accounts and demand deposits	1,852,128	2,279,149	1,622,894
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	1,551,276	1,466,980	968,634
Repo	-	-	94,806
	<u>\$ 3,405,020</u>	<u>\$ 3,748,069</u>	<u>\$ 2,688,422</u>

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

	September 30, 2022	December 31, 2021	September 30, 2021
Bank deposits	0.001%-4.130%	0.001%-4.125%	0.001%-3.000%
Repo	-	-	0.200%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets at FVTPL -</u>			
<u>current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 26,903	\$ -	\$ -
- Fund beneficiary certificates	421,764	1,146,721	934,956
- Bonds	-	28,239	28,407
	<u>\$ 448,667</u>	<u>\$ 1,174,960</u>	<u>\$ 963,363</u>
<u>Financial assets at FVTPL - non-</u>			
<u>current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 6,907	\$ 4,991	\$ 4,099
- Unlisted shares	2,077	2,244	6,483
	<u>\$ 8,984</u>	<u>\$ 7,235</u>	<u>\$ 10,582</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Investments in equity instruments	<u>\$ 178,225</u>	<u>\$ 313,940</u>	<u>\$ 304,515</u>
<u>Non-current</u>			
Investments in equity instruments	<u>\$ 425,636</u>	<u>\$ 507,240</u>	<u>\$ 449,751</u>

Investments in equity instruments

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Listed shares			
Ordinary shares - Far Eastern International Bank	\$ 16,282	\$ 15,523	\$ 15,090
Ordinary shares - Chunghwa Telecom Co., Ltd	5,540	5,662	5,370
Ordinary shares - Formosa Plastics Corp.	7,919	9,510	10,379
Ordinary shares - China Steel Corp.	21,447	28,395	29,158
Ordinary shares - Polytronics Technology Corp.	89,057	199,500	192,318
Ordinary shares - Taiwan Semiconductor Manufacturing Co., Ltd.	37,980	55,350	52,200
	<u>\$ 178,225</u>	<u>\$ 313,940</u>	<u>\$ 304,515</u>
<u>Non-current</u>			
Listed shares			
Ordinary shares - GeneFerm Biotechnology Co., Ltd. (GeneFerm)	\$ 122,915	\$ 95,136	\$ 71,539
Unlisted shares			
Ordinary shares - Dah Chung Bills Finance Corp.	15,064	17,129	17,181
Ordinary shares - InnoComm Mobile Technology Corp.	286,560	393,948	360,000
Ordinary shares - AsiaVest Liquidation Co.	1,097	1,027	1,031
	<u>\$ 425,636</u>	<u>\$ 507,240</u>	<u>\$ 449,751</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 profit or loss as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 2,075,188</u>	<u>\$ 1,936,561</u>	<u>\$ 2,532,113</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 1,720,290</u>	<u>\$ 716,466</u>	<u>\$ 601,202</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.76%~4.13%, 0.40%~4.13%, and 0.26%~4.13% per annum as of September 30, 2022, December 31, 2021, and September 30, 2021, respectively.

10. NOTE RECEIVABLES, TRADE RECEIVABLES, AND OTHER RECEIVABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Notes receivable</u>			
Operating	<u>\$ 5,044</u>	<u>\$ 18,370</u>	<u>\$ 43,236</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 4,649,613	\$ 5,722,846	\$ 4,994,620
Less: Allowance for impairment loss	(<u>57,383</u>)	(<u>23,433</u>)	(<u>25,613</u>)
	<u>\$ 4,592,230</u>	<u>\$ 5,699,413</u>	<u>\$ 4,969,007</u>
<u>Other receivables</u>			
Accrued income	\$ 57,264	\$ 19,100	\$ 25,981
Receivables from payments on behalf of others	-	-	201
Receivables from promotion subsidy	-	-	9,975
Others	<u>276,438</u>	<u>199,309</u>	<u>233,625</u>
	<u>\$ 333,702</u>	<u>\$ 218,409</u>	<u>\$ 269,782</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 of the Group.

September 30, 2022

	<u>Not Pass Due</u>	<u>Less than 30 Days</u>	<u>31 to 90 Days</u>	<u>91 to 180 Days</u>	<u>Over 180 Days</u>	<u>Total</u>
ECL rate	0.06%	2.01%	2.77%	14.53%	94.33%	
Gross carrying amount	\$ 4,096,312	\$ 224,756	\$ 186,309	\$ 117,326	\$ 29,954	\$ 4,654,657
Loss allowance (Lifetime ECL)	(<u>2,417</u>)	(<u>4,513</u>)	(<u>5,152</u>)	(<u>17,045</u>)	(<u>28,256</u>)	(<u>57,383</u>)
Amortized cost	<u>\$ 4,093,895</u>	<u>\$ 220,243</u>	<u>\$ 181,157</u>	<u>\$ 100,281</u>	<u>\$ 1,698</u>	<u>\$ 4,597,274</u>

December 31, 2021

	<u>Not Pass Due</u>	<u>Less than 30 Days</u>	<u>31 to 90 Days</u>	<u>91 to 180 Days</u>	<u>Over 180 Days</u>	<u>Total</u>
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)	(<u>1,237</u>)	(<u>1,106</u>)	(<u>5,484</u>)	(<u>4,916</u>)	(<u>10,690</u>)	(<u>23,433</u>)
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>

September 30, 2021

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

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

	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Balance as of January 1	\$ 23,433	\$ 32,487
Add: Impairment loss provided for the current period	35,413	-
Less: Reversal impairment loss for the current period	-	(2,934)
Less: Actual write-off for the current period	(2,538)	(3,205)
Foreign exchange translation difference	<u>1,075</u>	<u>(735)</u>
Balance as of September 30	<u>\$ 57,383</u>	<u>\$ 25,613</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Undiscounted lease payments			
Year 1	\$ 571	\$ 4,700	\$ 4,550
Year 2	952	4,800	4,800
Year 3	1,143	4,800	4,800
Year 4	1,143	4,800	4,800
Year 5	1,945	4,800	4,800
Year 6 onwards	<u>-</u>	<u>3,800</u>	<u>5,000</u>
	5,754	27,700	28,750
Less: Unearned finance income	(<u>180</u>)	(<u>3,669</u>)	(<u>3,976</u>)
Net investment in leases presented as finance lease receivables	<u>\$ 5,574</u>	<u>\$ 24,031</u>	<u>\$ 24,774</u>

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

12. INVENTORIES

	September 30, 2022	December 31, 2021	September 30, 2021
Merchandise	\$ 500,732	\$ 389,687	\$ 419,057
Finished goods	1,872,718	2,300,070	1,546,483
Work in progress	1,045,181	736,022	1,199,915
Raw materials	1,984,282	2,198,038	2,932,113
Packing materials	<u>87,324</u>	<u>77,312</u>	<u>70,167</u>
	<u>\$ 5,490,237</u>	<u>\$ 5,701,129</u>	<u>\$ 6,167,735</u>

Cost of goods sold for the three and Nine months ended September 30, 2022 and 2021 includes loss in inventory value (Gains on reversal) of NT\$(4,954) thousand, NT\$(15,668) thousand, NT\$39,426 thousand, and NT\$18,311 thousand, and inventory obsolescence loss of NT\$15,058 thousand, NT\$3,984 thousand, NT\$38,451 thousand, and NT\$23,174 thousand, respectively.

13. PREPAYMENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Prepayments for purchases	\$ 802,045	\$ 1,045,918	\$ 1,072,727
Prepayments for rent	4,692	5,317	7,101
Prepayments for insurance	6,062	974	5,672
Excess business tax paid	179,763	234,419	360,411
Prepayments for advertisements	9,552	25,870	11,042
Others	<u>260,054</u>	<u>215,005</u>	<u>291,901</u>
	<u>\$ 1,262,168</u>	<u>\$ 1,527,503</u>	<u>\$ 1,748,854</u>

14. SUBSIDIARIES

Subsidiaries included in consolidated financial statements.

Entities of the consolidated financial statements were as follows:

Investor Company	Name of Subsidiary	Main Business	Proportion of Ownership			Remark
			September 30, 2022	December 31, 2021	September 30, 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) Limited (Cayman Standard)	Investing	100.0%	100.0%	100.0%	The Company invested US\$100 thousand in Cayman Standard in April 2022.
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) Limited (Hong Kong Standard)	Investing	100.0%	100.0%	100.0%	Cayman Standard invested US\$48 thousand in Hong Kong Standard in April 2022.
Hong Kong Standard	Standard Investment (China) Co., Ltd. (China Standard Investment)	Investing and sale of edible oils and nutritious foods	99.0%	99.0%	99.0%	—
Hong Kong Standard	Shanghai Le Min Industrial Co., Ltd. (Shanghai Le Min) (Note)	Management of properties	100.0%	100.0%	100.0%	—
Hong Kong Standard	Shanghai Le Ho Industrial Co., Ltd. (Shanghai Le Ho) (Note)	Management of properties	100.0%	100.0%	100.0%	—
China Standard Investment	Standard Foods (China) Co., Ltd. (China Standard Foods)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—
China Standard Investment	Shanghai Dermalab Corporation (Shanghai Dermalab) (Note)	Sale of nutritional foods, cosmetics and engage in import and export business	100.0%	100.0%	100.0%	—
The Company and China Standard Investment	Le Bonta Wellness Co., Ltd. (Shanghai Le Bonta) (Note)	Sale of nutritional foods and engage in import and export business	100.0%	100.0%	100.0%	—
China Standard Investment	Standard Foods (Xiamen) Co., Ltd. (Xiamen Standard) (Note)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—

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

15. REAL ESTATE, PLANT, AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Other equipment	Property in Construction and Equipment to Be Tested	Total
<u>Cost</u>						
Balance as of January 1, 2021	\$ 705,345	\$ 3,392,715	\$ 4,168,193	\$ 574,828	\$ 127,003	\$ 8,968,084
Additions	-	-	4,240	1,015	252,139	257,394
Disposals	-	(4,386)	(116,759)	(17,938)	(5,979)	(145,062)
Reclassification	10,805	44,004	123,349	31,687	(209,845)	-
From investment properties	-	36,012	-	-	-	36,012
Net foreign currency exchange differences	-	(31,267)	(20,006)	(4,552)	(266)	(56,091)
Balance as of September 30, 2021	<u>\$ 716,150</u>	<u>\$ 3,437,078</u>	<u>\$ 4,159,017</u>	<u>\$ 585,040</u>	<u>\$ 163,052</u>	<u>\$ 9,060,337</u>
<u>Accumulated depreciation and impairment</u>						
Balance as of January 1, 2021	\$ -	\$ 1,410,765	\$ 2,914,753	\$ 440,921	\$ -	\$ 4,766,439
Disposals	-	(4,362)	(106,632)	(17,226)	-	(128,220)
Depreciation expenses	-	120,205	201,437	32,228	-	353,870
Reclassification	-	-	(109)	109	-	-
From investment properties	-	17,526	-	-	-	17,526
Net foreign currency exchange differences	-	(9,046)	(9,879)	(3,184)	-	(22,109)
Balance as of September 30, 2021	<u>\$ -</u>	<u>\$ 1,535,088</u>	<u>\$ 2,999,570</u>	<u>\$ 452,848</u>	<u>\$ -</u>	<u>\$ 4,987,506</u>
Net amount as of September 30, 2021	<u>\$ 716,150</u>	<u>\$ 1,901,990</u>	<u>\$ 1,159,447</u>	<u>\$ 132,192</u>	<u>\$ 163,052</u>	<u>\$ 4,072,831</u>
<u>Cost</u>						
Balance as of January 1, 2022	\$ 716,150	\$ 3,434,095	\$ 4,166,454	\$ 592,885	\$ 436,447	\$ 9,346,031
Additions	-	-	-	371	246,117	246,488
Disposals	-	(3,360)	(52,843)	(18,914)	-	(75,117)
Reclassification	278,470	29,551	57,875	38,709	(404,605)	-
Re-stated as investment property	-	(23,788)	-	-	-	(23,788)
Net foreign currency exchange differences	-	55,340	36,289	7,775	957	100,361
Balance as of September 30, 2022	<u>\$ 994,620</u>	<u>\$ 3,491,838</u>	<u>\$ 4,207,775</u>	<u>\$ 620,826</u>	<u>\$ 278,916</u>	<u>\$ 9,593,975</u>
<u>Accumulated depreciation and impairment</u>						
Balance as of January 1, 2022	\$ -	\$ 1,538,424	\$ 3,022,774	\$ 451,152	\$ -	\$ 5,012,350
Disposals	-	(2,297)	(47,988)	(18,431)	-	(68,716)
Depreciation expenses	-	118,788	192,008	34,733	-	345,529
Reclassification	-	1,011	(426)	(585)	-	-
Re-stated as investment property	-	(18,876)	-	-	-	(18,876)
Net foreign currency exchange differences	-	17,686	19,502	5,737	-	42,925
Balance as of September 30, 2022	<u>\$ -</u>	<u>\$ 1,654,736</u>	<u>\$ 3,185,870</u>	<u>\$ 472,606</u>	<u>\$ -</u>	<u>\$ 5,313,212</u>
Net amount as of 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>
Net amount as of September 30, 2022	<u>\$ 994,620</u>	<u>\$ 1,837,102</u>	<u>\$ 1,021,905</u>	<u>\$ 148,220</u>	<u>\$ 278,916</u>	<u>\$ 4,280,763</u>

Buildings

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

Equipment

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amounts of right-of-use assets			
Land	\$ 403,462	\$ 386,459	\$ 384,269
Buildings	209,581	259,442	302,548
Office equipment	1,759	348	372
Transportation equipment	<u>4,366</u>	<u>5,872</u>	<u>4,973</u>
	<u>\$ 619,168</u>	<u>\$ 652,121</u>	<u>\$ 692,162</u>
	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022
Additions to right-of-use assets	<u>\$ 35,491</u>	<u>\$ 138,606</u>	<u>\$ 52,074</u>
			For the Nine Months Ended September 30, 2021
Depreciation expenses for right-of-use assets			
Land	\$ 3,188	\$ 3,082	\$ 9,475
Buildings	19,512	20,525	61,446
Office equipment	94	24	281
Transportation equipment	<u>965</u>	<u>766</u>	<u>2,712</u>
	<u>\$ 23,759</u>	<u>\$ 24,397</u>	<u>\$ 73,914</u>

b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amounts of lease liabilities			
Current	<u>\$ 92,502</u>	<u>\$ 89,117</u>	<u>\$ 102,779</u>
Non-current	<u>\$ 180,044</u>	<u>\$ 230,856</u>	<u>\$ 253,125</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
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 September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Expenses relating to short-term leases	\$ 25,030	\$ 21,504	\$ 72,762	\$ 74,834
Expenses relating to low-value asset leases	\$ 182	\$ 658	\$ 670	\$ 2,020
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 20	\$ 19	\$ 60	\$ 58
Total cash outflow for leases			(\$ 144,037)	(\$ 149,418)

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

17. INVESTMENT PROPERTY

	Completed Investment Properties	Right-of-use assets	Total
<u>Cost</u>			
Balance as of January 1, 2021	\$ 1,009,740	\$ 5,635	\$ 1,015,375
Transferred to property, plant and equipment	(36,012)	-	(36,012)
Net foreign currency exchange differences	(13,769)	(90)	(13,859)
Balance as of September 30, 2021	\$ 959,959	\$ 5,545	\$ 965,504
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2021	\$ 169,797	\$ 781	\$ 170,578
Depreciation expenses	27,851	329	28,180
Transferred to property, plant and equipment	(17,526)	-	(17,526)
Net foreign currency exchange differences	(2,190)	(15)	(2,205)
Balance as of September 30, 2021	\$ 177,932	\$ 1,095	\$ 179,027
Net amount as of September 30, 2021	\$ 782,027	\$ 4,450	\$ 786,477
<u>Cost</u>			
Balance as of January 1, 2022	\$ 970,272	\$ 5,612	\$ 975,884
From property, plant and equipment	23,788	-	23,788
Net foreign currency exchange differences	24,437	162	24,599
Balance as of September 30, 2022	\$ 1,018,497	\$ 5,774	\$ 1,024,271
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2022	\$ 188,931	\$ 1,218	\$ 190,149
Depreciation expenses	28,338	339	28,677
From property, plant and equipment	18,876	-	18,876
Net foreign currency exchange differences	4,683	36	4,719
Balance as of September 30, 2022	\$ 240,828	\$ 1,593	\$ 242,421
Net amount as of December 31, 2021 and January 1, 2022	\$ 781,341	\$ 4,394	\$ 785,735
Net amount as of September 30, 2022	\$ 777,669	\$ 4,181	\$ 781,850

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.

In addition to the aforementioned, the fair values of the investment properties were \$1,155,644 thousand, \$1,129,067 thousand, and \$1,102,261 thousand as of September 30, 2022, December 31, 2021 and September 30, 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 real estate set by the Group as a loan guarantee, please refer to Note 33.

18. INTANGIBLE ASSETS

	Trademark	Computer software	Total
<u>Cost</u>			
Balance as of January 1, 2021	\$ 261,737	\$ 225,239	\$ 486,976
Additions	59	10,898	10,957
Disposals	(185)	-	(185)
Net foreign currency exchange differences	(6,267)	(13)	(6,280)
Balance as of September 30, 2021	<u>\$ 255,344</u>	<u>\$ 236,124</u>	<u>\$ 491,468</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2021	\$ 170,665	\$ 210,920	\$ 381,585
Disposals	(185)	-	(185)
Amortization expenses	3,823	7,084	10,907
Net foreign currency exchange differences	207	(11)	196
Balance as of September 30, 2021	<u>\$ 174,510</u>	<u>\$ 217,993</u>	<u>\$ 392,503</u>
Net amount as of September 30, 2021	<u>\$ 80,834</u>	<u>\$ 18,131</u>	<u>\$ 98,965</u>
<u>Cost</u>			
Balance as of January 1, 2022	\$ 258,477	\$ 242,424	\$ 500,901
Additions	65	11,690	11,755
Disposals	-	(742)	(742)
Net foreign currency exchange differences	8,955	17	8,972
Balance as of September 30, 2022	<u>\$ 267,497</u>	<u>\$ 253,389</u>	<u>\$ 520,886</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2022	\$ 177,636	\$ 220,842	\$ 398,478
Disposals	-	(742)	(742)
Amortization expenses	3,711	10,728	14,439
Net foreign currency exchange differences	3,245	16	3,261
Balance as of September 30, 2022	<u>\$ 184,592</u>	<u>\$ 230,844</u>	<u>\$ 415,436</u>
Net amount as of December 31, 2021 and January 1, 2022	<u>\$ 80,841</u>	<u>\$ 21,582</u>	<u>\$ 102,423</u>
Net amount as of September 30, 2022	<u>\$ 82,905</u>	<u>\$ 22,545</u>	<u>\$ 105,450</u>

For the nine months ended September 30, 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

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Pledged bank time deposits (Note 33)	\$ 4,019	\$ 4,019	\$ 4,016
Advances to officers	33,141	17,340	26,666
Temporary payments	2,719	9	895
Right of products to be returned	56,275	75,190	41,890
Others	64	792	390
	<u>\$ 96,218</u>	<u>\$ 97,350</u>	<u>\$ 73,857</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 37,034	\$ 29,583	\$ 21,117
Refundable deposits	68,361	139,038	72,435
Others	95,192	99,642	106,611
	<u>\$ 200,587</u>	<u>\$ 268,263</u>	<u>\$ 200,163</u>

20. BORROWINGS

a. Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Secured borrowings</u> (Note 33)			
Bank loans	\$ 248,392	\$ 200,000	\$ 200,000
<u>Unsecured borrowings</u>			
Bank loans	1,032,068	1,172,463	1,744,668
Other loans	-	-	14,908
	<u>\$ 1,280,460</u>	<u>\$ 1,372,463</u>	<u>\$ 1,959,576</u>

The annual interest rates of the aforementioned short-term borrowings or financing are 1.25%~2.90%, 1.10%~3.00%, and 0.95%~3.00% on September 30, 2022, December 31, and September 30, 2021, respectively.

b. Short-term bills payable

	September 30, 2022	December 31, 2021	September 30, 2021
Commercial paper payable	\$ 180,000	\$ 260,000	\$ 250,000
Less: Discount on short-term bills payable	(254)	(145)	(118)
	<u>\$ 179,746</u>	<u>\$ 259,855</u>	<u>\$ 249,882</u>

The annual interest rates payable to commercial promissory notes as of September 30, 2022, December 31, and September 30, 2021 are 1.70%~1.94%, 1.19%~1.39%, and 1.19%~1.34%, respectively.

21. NOTES PAYABLE AND TRADE PAYABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Notes payable</u>			
Operating	<u>\$ 1,450,135</u>	<u>\$ 859,254</u>	<u>\$ 662,664</u>
<u>Trade payables</u>			
Operating	<u>\$ 1,567,107</u>	<u>\$ 1,895,397</u>	<u>\$ 1,806,427</u>

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

22. OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Other payables			
Payable for salaries or bonuses	\$ 327,952	\$ 450,726	\$ 374,904
Payable for compensation of employees	15,437	38,903	30,750
Payable for remuneration to directors	6,633	16,716	13,530
Payable for commission and rebates	1,254,114	1,343,638	1,175,884
Payable for advertisement	203,136	218,665	141,391
Payable for royalties	23,659	24,817	21,723
Payable for freight	52,676	99,060	78,066
Payable for equipment	66,811	89,108	68,359
Others	1,149,469	1,158,470	1,212,351
	<u>\$ 3,099,887</u>	<u>\$ 3,440,103</u>	<u>\$ 3,116,958</u>

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	September 30, 2022	December 31, 2021	September 30, 2021
Other liabilities			
Advance receipts from customers	\$ 2,541	\$ 2,349	\$ 3,092
Refund liability	96,789	120,465	84,536
Others	8,510	19,180	29,125
	<u>\$ 107,840</u>	<u>\$ 141,994</u>	<u>\$ 116,753</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 23,263	\$ 31,055	\$ 23,852
Others	-	121	120
	<u>\$ 23,263</u>	<u>\$ 31,176</u>	<u>\$ 23,972</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 return product rights (recorded as other current assets).

23. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group's defined benefit retirement plans for the three and nine months ended September 30, 2022 and 2021 were \$2,331 thousand, \$7,777 thousand, \$6,651 thousand, and \$19,723 thousand by the actuarially determined pension cost discount rate as of December 31, 2021 and 2020, respectively.

24. EQUITY

a. Share capital

1) Ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares authorized (in thousands)	<u>920,000</u>	<u>920,000</u>	<u>920,000</u>
Shares authorized	<u>\$ 9,200,000</u>	<u>\$ 9,200,000</u>	<u>\$ 9,200,000</u>
Number of shares issued and fully paid (in thousands)	<u>915,089</u>	<u>915,089</u>	<u>915,089</u>
Shares issued	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>

2) Global depositary receipts

As of September 30, 2022, a total of 6,908.4 units of Global Depositary Receipts (GDRs) (representing 34,542 shares of the Company's ordinary shares), where each GDR representing 5 shares of the Company's ordinary shares, were traded on the Euro MTF Market of the Luxembourg Stock Exchange. Holders of the GDRs may request at any time to have their GDRs be converted into corresponding ordinary shares.

b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
<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	156,271	143,599	143,599
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	466	466	466
	<u>\$ 156,738</u>	<u>\$ 144,066</u>	<u>\$ 144,066</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 years ended December 31, 2021 and 2020 on June 16, 2022 and July 22, 2021 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

d. Special reserve

	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Balance as of beginning and end of the period	<u>\$ 577,494</u>	<u>\$ 577,494</u>

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

e. Other Equity Items

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

	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Balance as of 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>214,828</u>	<u>(130,872)</u>
Other comprehensive income for the period	<u>214,828</u>	<u>(130,872)</u>
Balance as of September 30	<u>(\$ 398,029)</u>	<u>(\$ 703,078)</u>

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

	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Balance as of January 1	<u>\$ 422,781</u>	<u>\$ 216,714</u>
Recognized for the year		
Unrealized gain (loss) Equity instruments	<u>(165,828)</u>	<u>155,458</u>
Other comprehensive income for the period	<u>(165,828)</u>	<u>155,458</u>
Balance as of September 30	<u>\$ 256,953</u>	<u>\$ 372,172</u>

f. Non-controlling Interests

	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Balance as of January 1	<u>\$ 440,027</u>	<u>\$ 331,139</u>
Net profit for the period	48,698	31,780
Other comprehensive income for the period		
Exchange differences on translating the financial statements of foreign operations	1,322	(797)
Unrealized gain (loss) on financial assets at FVTOCI	(51,536)	82,167
Cash dividends distributed by subsidiaries to non-controlling interests	<u>(33,504)</u>	<u>(33,504)</u>
Balance as of September 30	<u>\$ 405,007</u>	<u>\$ 410,785</u>

g. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)
Number of shares as of January 1 and September 30, 2022	<u>6,669</u>
Number of shares as of January 1 and September 30, 2021	<u>6,669</u>

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

Name of Subsidiary	Number of shares held (thousand shares)	Carrying Amount	Market Price
<u>September 30, 2022</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 255,107</u>
<u>December 31, 2021</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 352,815</u>
<u>September 30, 2021</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 344,145</u>

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

25. REVENUE

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Revenue from contracts with customers				
Sale of goods	<u>\$ 7,676,870</u>	<u>\$ 8,668,586</u>	<u>\$ 20,399,539</u>	<u>\$ 24,345,093</u>

a. Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Notes receivable (Note 10)	<u>\$ 5,044</u>	<u>\$ 18,370</u>	<u>\$ 43,236</u>	<u>\$ 3,154</u>
Trade receivables (Note 10)	<u>\$ 4,649,613</u>	<u>\$ 5,722,846</u>	<u>\$ 4,994,620</u>	<u>\$ 6,328,068</u>
Trade receivables from related parties (Note 32)	<u>\$ 11,716</u>	<u>\$ 7,290</u>	<u>\$ 7,654</u>	<u>\$ 9,011</u>
Contract liabilities - current				
Sale of goods	<u>\$ 172,246</u>	<u>\$ 509,315</u>	<u>\$ 216,935</u>	<u>\$ 748,044</u>

b. Disaggregation of revenue

For the Nine Months Ended September 30, 2022

<u>Types of goods or services</u>	Reportable Segments			Total
	Nutritious Foods	Cooking products Food	Others	
Sale of goods	\$ 7,783,029	\$ 9,391,460	\$ 3,225,050	\$ 20,399,539

For the Nine Months Ended September 30, 2021

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

26. NET PROFIT

Components of net profit includes:

a. Interest income

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Interest income				
Bank deposits	\$ 9,839	\$ 6,997	\$ 31,125	\$ 43,211
Financial assets at amortized cost	25,136	14,862	59,636	39,691
Repurchase agreements collateralized by bonds	-	-	-	30
Others	387	288	787	904
	<u>\$ 35,362</u>	<u>\$ 22,147</u>	<u>\$ 91,548</u>	<u>\$ 83,836</u>

b. Other income

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Operating lease rental income				
Investment properties (Note 17)	\$ 6,392	\$ 6,309	\$ 19,004	\$ 22,996

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	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Others	<u>318</u>	<u>284</u>	<u>911</u>	<u>919</u>
	<u>6,710</u>	<u>6,593</u>	<u>19,915</u>	<u>23,915</u>
Dividend income				
Investments in equity instruments at FVTOCI	<u>15,524</u>	<u>15,957</u>	<u>24,151</u>	<u>23,812</u>
	<u>\$ 22,234</u>	<u>\$ 22,550</u>	<u>\$ 44,066</u>	<u>\$ 47,727</u>

c. Other gains and losses

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Gains and losses of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	(\$ 9,810)	(\$ 40,498)	(\$ 72,855)	(\$ 34,333)
Net foreign exchange gains (losses)	54,213	(1,792)	111,746	(20,938)
Net gains (losses) on disposal of property, plant and equipment	(3,216)	(4,978)	1,526	(8,670)
Government grants	8,261	7,706	27,007	18,657
Others	<u>13,120</u>	<u>8,896</u>	<u>4,859</u>	<u>18,991</u>
	<u>\$ 62,568</u>	<u>(\$ 30,666)</u>	<u>\$ 72,283</u>	<u>(\$ 26,293)</u>

d. Financial cost

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Interest on bank loans	\$ 16,882	\$ 9,857	\$ 35,536	\$ 30,636
Interest on short-term bills payable	572	392	1,732	866
Interest on lease liabilities	1,691	2,051	5,709	6,314
Other interest expenses	<u>8</u>	<u>23</u>	<u>286</u>	<u>486</u>
	<u>\$ 19,153</u>	<u>\$ 12,323</u>	<u>\$ 43,263</u>	<u>\$ 38,302</u>

e. Derogation loss (or reversal)

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Trade receivables	<u>\$ 22,861</u>	<u>\$ 1</u>	<u>\$ 35,413</u>	<u>(\$ 2,934)</u>
Inventories (included in operating costs)	<u>(\$ 4,954)</u>	<u>(\$ 15,668)</u>	<u>\$ 39,426</u>	<u>\$ 18,311</u>

f. Depreciation and amortization

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
An analysis of depreciation by function				
Operating costs	\$ 97,591	\$ 100,038	\$ 298,691	\$ 301,717
Operating expenses	38,543	41,094	120,752	121,217
Non-operating revenue and expenses	<u>9,668</u>	<u>9,237</u>	<u>28,677</u>	<u>28,180</u>
	<u>\$ 145,802</u>	<u>\$ 150,369</u>	<u>\$ 448,120</u>	<u>\$ 451,114</u>
An analysis of amortization by function				
Operating costs	\$ 7,122	\$ 5,798	\$ 21,013	\$ 18,349
Operating expenses	<u>11,053</u>	<u>12,838</u>	<u>34,429</u>	<u>39,039</u>
	<u>\$ 18,175</u>	<u>\$ 18,636</u>	<u>\$ 55,442</u>	<u>\$ 57,388</u>

g. Operating expenses directly related to investment properties

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Direct operating expenses of investment properties				
Direct operating expenses of investment properties that generated rental income	\$ 112	\$ 460	\$ 332	\$ 1,310
Direct operating expenses of investment properties that did not generated rental income	<u>143</u>	<u>150</u>	<u>428</u>	<u>446</u>
	<u>\$ 255</u>	<u>\$ 610</u>	<u>\$ 760</u>	<u>\$ 1,756</u>

h. Employee benefit expenses

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Post-employment benefits				
Defined contribution plans	\$ 33,147	\$ 41,108	\$ 112,539	\$ 116,365
Defined benefit plans (Note 23)	<u>2,331</u>	<u>7,777</u>	<u>6,651</u>	<u>19,723</u>
	35,478	48,885	119,190	136,088
Other employee benefits	<u>595,924</u>	<u>643,816</u>	<u>1,878,954</u>	<u>1,966,180</u>
Total employee benefit expenses	<u>\$ 631,402</u>	<u>\$ 692,701</u>	<u>\$ 1,998,144</u>	<u>\$ 2,102,268</u>
An analysis of employee benefit expenses by function				
Operating costs	\$ 228,851	\$ 241,781	\$ 672,108	\$ 712,251
Operating expenses	<u>402,551</u>	<u>450,920</u>	<u>1,326,036</u>	<u>1,390,017</u>
	<u>\$ 631,402</u>	<u>\$ 692,701</u>	<u>\$ 1,998,144</u>	<u>\$ 2,102,268</u>

i. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 0.5% and no higher than 0.75%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. Compensation to employees and remuneration to directors for the three and nine months ended September 30, 2022 and 2021 are as follows:

Accrual rate

	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Compensation of employees	1.28%	1.25%
Remuneration of directors	0.55%	0.55%

Amount

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Compensation of employees	<u>\$ 7,619</u>	<u>\$ 9,581</u>	<u>\$ 15,437</u>	<u>\$ 30,750</u>
Remuneration of directors	<u>\$ 3,274</u>	<u>\$ 4,215</u>	<u>\$ 6,633</u>	<u>\$ 13,530</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.

	2021	2020
	Cash	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 and those recognized in the consolidated financial statements are consistent.

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

j. Profit or loss on foreign currency exchange

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Foreign exchange gains	\$ 82,242	\$ 16,000	\$ 188,943	\$ 65,095
Foreign exchange losses	(28,029)	(17,792)	(77,197)	(86,033)
Net gains (losses)	<u>\$ 54,213</u>	<u>(\$ 1,792)</u>	<u>\$ 111,746</u>	<u>(\$ 20,938)</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 September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Current tax				
In respect of the current year	\$ 156,339	\$ 170,167	\$ 469,202	\$ 551,193
Additional tax on undistributed earnings	-	29,239	23,692	29,359
Adjustments from previous years	<u>1</u>	<u>210</u>	<u>(25,449)</u>	<u>(39,675)</u>
	<u>156,340</u>	<u>199,616</u>	<u>467,445</u>	<u>540,877</u>

(Continued)

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	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Deferred tax				
In respect of the current year	(<u>20,265</u>)	<u>3,736</u>	(<u>163,997</u>)	(<u>25,275</u>)
Income tax expenses recognized in profit or loss	<u>\$ 136,075</u>	<u>\$ 203,352</u>	<u>\$ 303,448</u>	<u>\$ 515,602</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
<u>Deferred tax</u>				
Recognized for the year				
- Exchange differences of foreign operations	\$ 18,966	(\$ 8,304)	\$ 53,707	(\$ 32,718)
- Unrealized gain (loss) on financial assets at FVTOCI	<u>4</u>	<u>1</u>	<u>6</u>	<u>-</u>
Income tax recognized in other comprehensive income	<u>\$ 18,970</u>	(<u>\$ 8,303</u>)	<u>\$ 53,713</u>	(<u>\$ 32,718</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

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Basic earnings per share	<u>\$ 0.54</u>	<u>\$ 0.65</u>	<u>\$ 1.07</u>	<u>\$ 2.17</u>
Diluted earnings per share	<u>\$ 0.54</u>	<u>\$ 0.65</u>	<u>\$ 1.07</u>	<u>\$ 2.17</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 September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 488,077</u>	<u>\$ 590,619</u>	<u>\$ 976,082</u>	<u>\$ 1,971,178</u>

Shares

	Unit: Thousand shares			
	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Weighted average number of ordinary shares used in computation of basic earnings per share	908,420	908,420	908,420	908,420
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>425</u>	<u>626</u>	<u>661</u>	<u>889</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>908,845</u>	<u>909,046</u>	<u>909,081</u>	<u>909,309</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 Nine Months Ended September 30, 2022

			Non-cash flow		
	January 1, 2022	Cash flows	New lease/lease modification	Adjustment of changes in exchange rates	September 30, 2022
Short-term borrowings	\$ 1,372,463	(\$ 115,667)	\$ -	\$ 23,664	\$ 1,280,460
Short-term bills payable	259,855	(80,109)	-	-	179,746
Lease liabilities	319,973	(64,836)	11,230	6,179	272,546
Guarantee deposits	31,055	(8,533)	-	741	23,263
Other non-current liabilities	121	(125)	-	4	-
	<u>\$ 1,983,467</u>	<u>(\$ 269,270)</u>	<u>\$ 11,230</u>	<u>\$ 30,588</u>	<u>\$ 1,756,015</u>

For the Nine Months Ended September 30, 2021

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

30. CAPITAL RISK MANAGEMENT

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

31. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 33,810	\$ -	\$ -	\$ 33,810
Unlisted shares	-	-	2,077	2,077
Mutual fund beneficiary certification	421,764	-	-	421,764
Total	<u>\$ 455,574</u>	<u>\$ -</u>	<u>\$ 2,077</u>	<u>\$ 457,651</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Listed shares	\$ 301,140	\$ -	\$ -	\$ 301,140
- Unlisted shares	-	-	302,721	302,721
	<u>\$ 301,140</u>	<u>\$ -</u>	<u>\$ 302,721</u>	<u>\$ 603,861</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
Debt securities	-	28,239	-	28,239
Total	<u>\$ 1,151,712</u>	<u>\$ 28,239</u>	<u>\$ 2,244</u>	<u>\$ 1,182,195</u>

Financial assets at FVTOCI

Investments in equity instruments				
- Listed shares	\$ 409,076	\$ -	\$ -	\$ 409,076
- Unlisted shares	-	-	412,104	412,104
	<u>\$ 409,076</u>	<u>\$ -</u>	<u>\$ 412,104</u>	<u>\$ 821,180</u>

September 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 4,099	\$ -	\$ -	\$ 4,099
Unlisted shares	-	-	6,483	6,483
Mutual fund beneficiary certification	934,956	-	-	934,956
Debt securities	-	28,407	-	28,407
Total	<u>\$ 939,055</u>	<u>\$ 28,407</u>	<u>\$ 6,483</u>	<u>\$ 973,945</u>

Financial assets at FVTOCI

Investments in equity instruments				
- Listed shares	\$ 376,054	\$ -	\$ -	\$ 376,054
- Unlisted shares	-	-	378,212	378,212
	<u>\$ 376,054</u>	<u>\$ -</u>	<u>\$ 378,212</u>	<u>\$ 754,266</u>

For the Nine months ended September 30, 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 Nine Months Ended September 30, 2022

	Financial assets at FVTPL	Financial assets at FVTOCI	Total
	Equity instruments	Equity instruments	
Balance as of January 1	\$ 2,244	\$ 412,104	\$ 414,348
Recognized in profit or loss (included in other gains and losses)	(167)	-	(167)

	Financial assets at FVTPL	Financial assets at FVTOCI	
	Equity instruments	Equity instruments	Total
Financial assets			
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(109,412)	(109,412)
Impact of exchange rates	-	29	29
Balance as of September 30	<u>\$ 2,077</u>	<u>\$ 302,721</u>	<u>\$ 304,798</u>
Recognized in other gains and losses - unrealized	(\$ 167)	\$ -	(\$ 167)

For the Nine Months Ended September 30, 2021

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

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

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

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

The valuation techniques of unlisted shares with no active market are mostly the market and asset valuation methods.

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

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

b. Categories of financial instruments

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 457,651	\$ 1,182,195	\$ 973,945
Financial assets at amortized cost (Note 1)	12,215,570	12,487,635	11,187,867
Financial assets at FVTOCI			
Investments in equity instruments	603,861	821,180	754,266
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	4,595,589	4,529,069	4,784,462

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 a) below) and interest rates (see b) below).

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	RMB Impact		USD Impact	
	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Profit or loss	\$ 29,885 (i)	\$ 28,753 (i)	\$ 13,503 (ii)	(\$ 2,235)(ii)

	EUR Impact		AUD Impact	
	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Profit or loss	(\$ 249)(iii)	(\$ 136)(iii)	\$ 2,281(iv)	\$ 630(iv)

	CHF Impact	
	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Profit or loss	(\$ 468)(v)	\$ 810(v)

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

b) Interest rate risk

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

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

	September 30, 2022	December 31, 2021	September 30, 2021
Fair value interest rate risk			
- Financial assets	\$ 4,676,047	\$ 3,168,157	\$ 3,245,645
- Financial liabilities	1,604,844	1,784,660	2,372,984
Cash flow interest rate risk			
- Financial assets	680,300	979,900	979,900
- Financial liabilities	127,908	167,631	192,378

Sensitivity analysis

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

If the interest rate increases by 1% and all other variables remain unchanged, the Group's pre-tax profit for the nine months period ended September 30, 2022 and 2021 would increase (decrease) by NT\$4,143 thousand and NT\$5,906 thousand, respectively; if the interest rate decreases by 1%, its impact on the pre-tax profit will be the negative of the same amount.

c) Other price risk

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

Sensitivity analysis

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

For the nine months ended September 30, 2022, if prices rise/fall by 1%, the pre-tax income would increase/decrease by NT\$4,577 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss, while the pre-tax other comprehensive income for the nine months ended September 30, 2022 would increase/decrease by NT\$6,039 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

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

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk (the maximum irrevocable amount exposed at risk), which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation (without considering collaterals or other

credit enhancement tools) was the carrying amount of financial assets recognized in the consolidated balance sheets.

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of September 30, 2022, December 31, 2021, and September 30, 2021, the Group has available bank loan facilities in the amounts of NT\$6,804,384 thousand, NT\$5,397,639 thousand, and NT\$5,488,814 thousand, respectively.

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group may be required to pay. The table included both interest and principal cash flows. As a result, bank loans of the Group that are repayable on demand are included in the earliest period presented regardless of the probability of the banks exercising their right immediately. The maturity analysis for other non-derivative financial liabilities is prepared based on the agreed repayment dates.

September 30, 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	\$ 1,021,022	\$ 2,039,047	\$ 51,742	\$ 23,263
Lease liabilities	7,932	18,745	70,263	186,742
Variable interest rate liabilities	17,406	98,146	12,403	-
Fixed interest rate liabilities	693,147	399,936	248,420	-
Contract liabilities	57,415	114,831	-	-
	<u>\$ 1,796,922</u>	<u>\$ 2,670,705</u>	<u>\$ 382,828</u>	<u>\$ 210,005</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>

September 30, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 831,711	\$ 1,665,436	\$ 52,760	\$ 23,852
Lease liabilities	7,712	17,675	83,940	263,370
Variable interest rate liabilities	40,013	8,000	144,407	-
Fixed interest rate liabilities	1,254,278	201,241	264,510	300,601
Contract liabilities	72,312	144,623	-	-
	<u>\$ 2,206,026</u>	<u>\$ 2,036,975</u>	<u>\$ 545,617</u>	<u>\$ 587,823</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 September 30, 2022</u>	<u>For the Three Months Ended September 30, 2021</u>	<u>For the Nine Months Ended September 30, 2022</u>	<u>For the Nine Months Ended September 30, 2021</u>
The Company is one of the directors	<u>\$ 15,317</u>	<u>\$ 9,472</u>	<u>\$ 34,815</u>	<u>\$ 20,528</u>

Sales from related parties were conducted on normal commercial terms.

c. Purchases

<u>Related Party Category</u>	<u>For the Three Months Ended September 30, 2022</u>	<u>For the Three Months Ended September 30, 2021</u>	<u>For the Nine Months Ended September 30, 2022</u>	<u>For the Nine Months Ended September 30, 2021</u>
The Company is one of the directors	<u>\$ 34,540</u>	<u>\$ 16,594</u>	<u>\$ 79,660</u>	<u>\$ 52,980</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

<u>Line Item</u>	<u>Name of Related Party</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Trade receivables from related parties	GeneFerm	<u>\$ 11,716</u>	<u>\$ 7,290</u>	<u>\$ 7,654</u>

The outstanding receivables from related parties were unsecured. No loss allowances were set aside for receivables from related parties for the nine months ended September 30, 2022 and 2021.

e. Payables to related parties

Line Item	Name of Related Party	September 30, 2022	December 31, 2021	September 30, 2021
Trade payables to related parties	GeneFerm	<u>\$ 26,125</u>	<u>\$ 19,472</u>	<u>\$ 10,966</u>

The outstanding payables to related parties were unsecured.

f. Compensation of key management personnel

	For the Three Months Ended September 30, 2022	For the Three Months Ended September 30, 2021	For the Nine Months Ended September 30, 2022	For the Nine Months Ended September 30, 2021
Short-term employee benefits	\$ 5,899	\$ 5,721	\$ 16,872	\$ 23,345
Post-employment benefits	<u>79</u>	<u>61</u>	<u>236</u>	<u>181</u>
	<u>\$ 5,978</u>	<u>\$ 5,782</u>	<u>\$ 17,108</u>	<u>\$ 23,526</u>

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

33. PLEDGED ASSETS

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

	September 30, 2022	December 31, 2021	September 30, 2021
Pledge time deposits (included in other current assets)	\$ 4,019	\$ 4,019	\$ 4,016
Property, plant and equipment - net	103,332	105,997	106,886
Investment properties - net	<u>34,371</u>	<u>35,257</u>	<u>35,552</u>
	<u>\$ 141,722</u>	<u>\$ 145,273</u>	<u>\$ 146,454</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Except for those disclosed in other notes, significant commitments and contingencies of the Group on September 30, 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\$551 thousand.
- c. Unrecognized commitments for acquisition of property, plant and equipment of approximately \$185,690 thousand.
- d. Unrecognized commitments for acquiring colostrum from dairymen were approximately 2,521 tons.

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

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

September 30, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 15,896	31.75 (USD:NTD)	\$ 504,701
USD	1,240	7.10 (USD:RMB)	39,371
EUR	263	31.26 (EUR:NTD)	8,233
RMB	222,706	4.47 (RMB:NTD)	996,166
AUD	3,681	20.66 (AUD:NTD)	76,044
			<u>\$ 1,624,515</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	2,960	31.75 (USD:NTD)	\$ 93,965
EUR	528	31.26 (EUR:NTD)	16,518
CHF	480	7.27 (CHF:RMB)	15,609
			<u>\$ 126,092</u>

December 31, 2021

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<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>
<u>Foreign currency liabilities</u>			
<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>

September 30, 2021

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

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 September 30, 2022		For the Three Months Ended September 30, 2021	
Functional Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 52,226	1 (NTD:NTD)	(\$ 1,679)
RMB	4.45 (RMB:NTD)	1,574	4.31 (RMB:NTD)	(114)
CHF	31.44 (CHF:NTD)	413	30.34 (CHF:NTD)	1
		<u>\$ 54,213</u>		<u>(\$ 1,792)</u>

	For the Nine Months Ended September 30, 2022		For the Nine Months Ended September 30, 2021	
Functional Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 107,145	1 (NTD:NTD)	(\$ 21,148)
RMB	4.44 (RMB:NTD)	3,891	4.34 (RMB:NTD)	374
CHF	30.76(CHF:NTD)	710	30.79 (CHF:NTD)	(164)
		<u>\$ 111,746</u>		<u>(\$ 20,938)</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 of major shareholders: List all shareholders with ownership of 5% or greater, showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 9)

37. SEGMENT INFORMATION

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

Standard Foods segment - the Company.

Standard Dairy Products segment - Standard Dairy Products.

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

Other segments - other than the above subsidiaries.

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

	Standard Foods Segment	Standard Dairy Products Segment	China Standard Segment	Other Segments	Adjustments and Eliminations	Total
<u>For the Nine Months Ended September</u> <u>30, 2022</u>						
Sales from external customers	\$ 7,800,847	\$ 1,915,649	\$ 8,285,247	\$ 2,397,796	\$ -	\$20,399,539
Sales among intersegments	1,138,636	839,815	33	841	(1,979,325)	-
Total sales	<u>\$ 8,939,483</u>	<u>\$ 2,755,464</u>	<u>\$ 8,285,280</u>	<u>\$ 2,398,637</u>	<u>(\$ 1,979,325)</u>	<u>\$20,399,539</u>
Interest income	\$ 18,824	\$ 1,472	\$ 79,533	\$ 2,459	(\$ 10,740)	\$ 91,548
Financial cost	\$ 1,055	\$ 1	\$ 39,176	\$ 13,771	(\$ 10,740)	\$ 43,263
Depreciation expenses	\$ 161,654	\$ 32,880	\$ 182,540	\$ 73,793	(\$ 2,747)	\$ 448,120
Amortization expenses	\$ 15,162	\$ 2,548	\$ 26,317	\$ 11,415	\$ -	\$ 55,442
Operating segment income (loss)	<u>\$ 1,648,506</u>	<u>\$ 328,840</u>	<u>(\$ 696,416)</u>	<u>\$ 49,857</u>	<u>(\$ 2,559)</u>	<u>\$ 1,328,228</u>
Unallocated amount						-
Profit before income tax						<u>\$ 1,328,228</u>
<u>For the Nine Months Ended September</u> <u>30, 2021</u>						
Sales from external customers	\$ 8,379,760	\$ 1,921,578	\$ 11,043,136	\$ 3,000,619	\$ -	\$24,345,093
Sales among intersegments	1,064,123	637,312	3,689	4,302	(1,709,426)	-
Total sales	<u>\$ 9,443,883</u>	<u>\$ 2,558,890</u>	<u>\$ 11,046,825</u>	<u>\$ 3,004,921</u>	<u>(\$ 1,709,426)</u>	<u>\$24,345,093</u>
Interest income	\$ 14,464	\$ 2,148	\$ 72,581	\$ 2,225	(\$ 7,582)	\$ 83,836
Financial cost	\$ 465	\$ 18	\$ 36,276	\$ 9,125	(\$ 7,582)	\$ 38,302
Depreciation expenses	\$ 169,324	\$ 37,266	\$ 176,458	\$ 70,753	(\$ 2,687)	\$ 451,114
Amortization expenses	\$ 10,056	\$ 3,710	\$ 33,100	\$ 10,522	\$ -	\$ 57,388
Operating segment income (loss)	<u>\$ 2,132,410</u>	<u>\$ 425,764</u>	<u>(\$ 47,153)</u>	<u>\$ 9,916</u>	<u>(\$ 2,377)</u>	<u>\$ 2,518,560</u>
Unallocated amount						-
Profit before income tax						<u>\$ 2,518,560</u>

Table 1

STANDARD FOODS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
For the Nine Months Ended September 30, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Balance as of September 30	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short- term Financing	Allowance for Bad Debts	Collateral		Financing Limit for Each Borrowing Company	Financing Amount Limit	Note
													Name	Value			
0	Standard Foods Corporation	Dermalab S.A.	Financing receivables - related parties	Yes	\$ 18,561	\$ -	\$ -	1.000%	2	\$ -	Need for operation	\$ -	—	\$ -	\$ 6,704,096 (Note 3)	\$ 6,704,096 (Note 3)	Note 11
0	Standard Foods Corporation	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	447,200	447,200	447,200	1.200%	2	-	Need for operation	-	—	-	3,352,048 (Note 4)	6,704,096 (Note 5)	Note 11
0	Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	676,380	447,200	447,200	1.200%	2	-	Need for operation	-	—	-	3,352,048 (Note 4)	6,704,096 (Note 5)	Note 11
0	Standard Foods Corporation	Standard Beverage Company Ltd.	Financing receivables - related parties	Yes	50,000	50,000	50,000	0.950%	2	-	Need for operation	-	—	-	6,704,096 (Note 3)	6,704,096 (Note 3)	Note 11
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Yes	223,600	223,600	121,969	1.000%	2	-	Need for operation	-	—	-	1,710,357 (Note 6)	1,710,357 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Financing receivables - related parties	Yes	268,320	268,320	189,336	1.000%	2	-	Need for operation	-	—	-	1,710,357 (Note 6)	1,710,357 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	670,800	670,800	577,049	1.000%	2	-	Need for operation	-	—	-	1,710,357 (Note 6)	1,710,357 (Note 6)	Note 11
1	Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	536,640	536,640	268,968	1.000%	2	-	Need for operation	-	—	-	1,710,357 (Note 6)	1,710,357 (Note 6)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	648,440	648,440	77,549	1.000%	2	-	Need for operation	-	—	-	1,313,741 (Note 7)	1,313,741 (Note 7)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	473,466	223,600	-	1.000%	2	-	Need for operation	-	—	-	1,313,741 (Note 7)	1,313,741 (Note 7)	-
2	Shanghai Standard Foods Co., Ltd.	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	223,600	223,600	-	1.000%	2	-	Need for operation	-	—	-	1,313,741 (Note 7)	1,313,741 (Note 7)	-
3	Shanghai Le Ben De Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	11,273	5,814	5,814	1.000%	2	-	Need for operation	-	—	-	12,398 (Note 8)	12,398 (Note 8)	Note 11
4	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	35,776	35,776	32,614	1.000%	2	-	Need for operation	-	—	-	191,342 (Note 9)	191,342 (Note 9)	Note 11
5	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	35,776	35,776	22,745	1.000%	2	-	Need for operation	-	—	-	119,605 (Note 10)	119,605 (Note 10)	Note 11

- Note 1. "0" for the Company. Subsidiaries are numbered in order from "1."
- Note 2. Reasons for financing are as follows:
- a. Please fill in 1 for having business transactions.
 - b. Please fill in 2 for short-term financing.
- Note 3. The individual and total amount shall not exceed 40% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$6,704,096 thousand (the net value per financial statements of \$16,760,240 thousand x 40% as of June 30, 2022).
- Note 4. 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 \$3,352,048 thousand (the net value per financial statements of \$16,760,240 thousand x 20% as of June 30, 2022).
- 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 \$6,704,096 thousand (the net value per financial statements of \$16,760,240 thousand x 40% as of June 30, 2022).
- Note 6. The individual and total amount shall not exceed 40% of net value of Standard Investment (China) Co., Ltd. per the latest financial statements, which was calculated to be \$1,710,357 thousand (the net value per financial statements of \$4,275,893 thousand x 40% as of June 30, 2022).
- Note 7. The individual and total amount shall not exceed 40% of the net value of Shanghai Standard Foods Co., Ltd. per the latest financial statements, which was calculated to be NT\$1,313,741 thousand (the net value per financial statements of \$3,284,352 thousand x 40% as of June 30, 2022).
- Note 8. The individual and total amount shall not exceed 40% of net value of Shanghai Le Ben De Health Technology Co., Ltd. per the latest financial statements, which was calculated to be \$12,398 thousand (the net value per financial statements of \$30,996 thousand x 40% as of June 30, 2022).
- Note 9. The individual and total amount shall not exceed 40% of net value of Shanghai Le Ho Industrial Co., Ltd. per the latest financial statements, which was calculated to be \$191,342 thousand (the net value per financial statements of \$478,354 thousand x 40% as of June 30, 2022).
- Note 10. The individual and total amount shall not exceed 40% of net value of Shanghai Le Min Industrial Co., Ltd. per the latest financial statements, which was calculated to be \$119,605 thousand (the net value per financial statements of \$299,012 thousand x 40% as of June 30, 2022).
- Note 11. The amounts presented above were eliminated upon consolidation.

Table 2

STANDARD FOODS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
For the Nine Months Ended September 30, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Endorse to single entity Balance on guarantee	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/Guara ntee Amount	Guarantee Provided by Parent Company (Note 5)	Guarantee Provided by Subsidiar y (Note 5)	Guarantee Provided to Subsidiari es in Mainland China (Note 5)	Note
		Name	Nature of Relations hips (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company Ltd.	(2)	\$ 13,408,192 (Note 3)	\$ 145,875	\$ 95,250	\$ 51,000	\$ -	0.57%	\$ 16,760,240 (Note 4)	Y	-	-	

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

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

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

Note 3. The individual and total amount shall not exceed 80% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$13,408,192 thousand (the net value per financial statements of \$16,760,240 thousand x 80% as of June 30, 2022).

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 \$16,760,240 thousand (the net value per financial statements of \$16,760,240 thousand x 100% as of June 30, 2022).

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

Table 3

STANDARD FOODS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)

September 30, 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				Note
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Foods Corporation	Shares	Far Eastern International Commercial Bank Co., Ltd.	The Company is one of the directors	Financial assets at FVTOCI - current	1,466,828	\$ 16,282	-	\$ 16,282	
	Shares	Chunghwa Telecom Co., Ltd.		Financial assets at FVTOCI - current	48,600	5,540	-	5,540	
	Shares	GeneFerm Biotechnology Co., Ltd.		Financial assets at FVTOCI - non-current	2,145,110	122,915	5.2%	122,915	
	Shares	Dah Chung Bills Finance Corp.		Financial assets at FVTOCI - non-current	1,274,480	15,064	0.3%	15,064	
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	3,585,869	71,717	-	71,717	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	4,720,915	52,611	-	52,611	
	Mutual funds	Cathay Glb Aggressive FOFs		Financial assets at FVTPL - current	2,284,844	50,198	-	50,198	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTPL - current	12,000	5,064	-	5,064	
	Shares	Apple Inc.		Financial assets at FVTPL - current	1,675	7,350	-	7,350	
	Shares	Amazon.com, Inc.		Financial assets at FVTPL - current	740	2,655	-	2,655	
	Shares	Alphabet Inc.		Financial assets at FVTPL - current	820	2,490	-	2,490	
	Shares	Microsoft Corporation		Financial assets at FVTPL - current	372	2,751	-	2,751	
	Shares	NVIDIA Corporation		Financial assets at FVTPL - current	467	1,800	-	1,800	
	Shares	Tesla, Inc.		Financial assets at FVTPL - current	387	3,259	-	3,259	
	Shares	Paradigm Venture Capital Corporation		Financial assets at FVTPL - non-current	153,320	2,077	7.0%	2,077	
	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%	-	

(Continued)

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Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Note
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Dairy Products Taiwan Ltd.	Shares	Octamer, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	107,815	\$ -	1.0%	\$ -	
	Shares	Fortemedia, Inc. - Series D Preferred Stock		Financial assets at FVTPL - non-current	3,455	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	71,397	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	29,173	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series G Preferred Stock		Financial assets at FVTPL - non-current	31,135	-	1.3%	-	
	Shares	Fortemedia, Inc. - Series I Preferred Stock		Financial assets at FVTPL - non-current	29,102	-	1.3%	-	
	Shares	Fortemedia, Inc. - Common Stock		Financial assets at FVTPL - non-current	12,938	-	1.2%	-	
	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%	-	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	2,750,476	37,755	-	37,755	
Charng Hui Ltd.	Mutual funds	Cathay China Domestic Demand Growth Fund	Parent of Charng Hui Ltd.	Financial assets at FVTPL - current	1,195,290	24,420	-	24,420	Note
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	786,819	8,768	-	8,768	
	Mutual funds	Cathay Glb Aggressive FOFs		Financial assets at FVTPL - current	761,615	16,839	-	16,839	
	Shares	Standard Foods Corporation		Financial assets at FVTOCI - current	6,669,471	255,107	0.7%	255,107	
	Shares	Formosa Plastics Corporation	Charng Hui Ltd. is one of the directors	Financial assets at FVTOCI - current	91,440	7,919	-	7,919	
	Shares	China Steel Corporation		Financial assets at FVTOCI - current	803,258	21,447	-	21,447	
	Shares	Polytronics Technology Corporation		Financial assets at FVTOCI - current	1,596,000	89,057	2.0%	89,057	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTOCI - current	90,000	37,980	-	37,980	
	Mutual funds	Fuh Hwa Global Strategic Allocation FoF		Financial assets at FVTPL - current	1,000,000	11,280	-	11,280	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	885,872	12,160	-	12,160	

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Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Note
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Beverage Company Ltd.	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds	Charng Hui Ltd. is one of the directors	Financial assets at FVTPL - current	1,453,360	\$ 17,070	-	\$ 17,070	
	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	6,907	-	6,907	
	Mutual funds	Fuh Hwa Greater China Mid & Small Cap Fund		Financial assets at FVTPL - current	225,000	2,228	-	2,228	
	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds - Accu.		Financial assets at FVTPL - current	282,988	3,324	-	3,324	
Domex Technology Corporation	Shares	InnoComm Mobile Technology Corp.		Financial assets at FVTOCI - non-current	3,600,000	286,560	13.4%	286,560	
Accession Limited	Shares	AsiaVest Liquidation Co.		Financial assets at FVTOCI - non-current	200	1,097	0.7%	1,097	
Standard Investment (China) Co., Ltd.	Mutual funds	Term Liquidity Fund		Financial assets at FVTPL - current	33,453	113,394	-	113,394	
	Shares	CCOOP Group Co., Ltd.		Financial assets at FVTPL - current	342,939	1,534	-	1,534	

Note: The amounts presented above were eliminated upon consolidation.

Table 4**STANDARD FOODS CORPORATION AND SUBSIDIARIES****TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

For the Nine Months Ended September 30, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Trade Receivable (Payable)		Note
			Purchases (Sales)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (payable)	
Standard Foods Corporation	Standard Dairy Products Taiwan Ltd.	The Company's subsidiary	Sales	(\$ 1,138,636)	12.74%	55 days after month-end closing (net of receivables and payables)	—	—	\$ 177,651	9.14%	Note
			Purchases	839,815	14.42%	55 days after month-end closing (net of receivables and payables)	—	—	-	-	Note
Standard Dairy Products Taiwan Ltd.	Standard Foods Corporation	Parent company of Standard Dairy Products Taiwan Ltd.	Purchases	1,138,636	52.92%	55 days after month-end closing (net of receivables and payables)	—	—	(177,651)	36.90%	Note
			Sales	(839,815)	30.48%	55 days after month-end closing (net of receivables and payables)	—	—	-	-	Note
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Sales	(1,102,084)	67.29%	60 days after month-end closing	—	—	361,738	99.81%	Note
			Purchases	421,940	24.68%	60 days after month-end closing	—	—	(163,277)	78.90%	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	1,102,084	16.54%	60 days after month-end closing	—	—	(361,738)	9.26%	Note
			Sales	(421,940)	5.33%	60 days after month-end closing	—	—	163,277	8.90%	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(3,160,670)	92.30%	60 days after month-end closing	—	—	1,320,959	99.84%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	3,160,670	47.72%	60 days after month-end closing	—	—	(1,320,959)	33.83%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(2,329,656)	96.28%	60 days after month-end closing	—	—	869,819	99.96%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	2,329,656	35.17%	60 days after month-end closing	—	—	(869,819)	22.28%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Purchases	101,656	4.51%	60 days after month-end closing	—	—	(45)	0.06%	Note
Standard Foods (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Standard Foods (China) Co., Ltd.	Sales	(101,656)	2.97%	60 days after month-end closing	—	—	45	-	Note

Note: The amounts presented above were eliminated upon consolidation.

Table 5

STANDARD FOODS CORPORATION AND SUBSIDIARIES

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

September 30, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Nature of Relationships	Ending Balance for Trade Receivable - Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for loss amount	Note
					Amount	Actions Taken			
Standard Foods Corporation	Standard Dairy Products Taiwan Ltd.	The Company's subsidiary	Trade receivables	10.18	\$ -		\$ 25,847 (Note 1)	\$ -	(Note 2)
			Other receivables		-		4,626 (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 30,473</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (China) Co., Ltd.	The Company's subsidiary	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	The Company's subsidiary	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivables	3.13	\$ -		\$ 213,381 (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		1,115 (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 214,496</u> (Note 1)	<u>\$ -</u>	
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Trade receivables	3.05	\$ -		\$ 800,935 (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 800,935</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Trade receivables	5.17	\$ -		\$ 70 (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 70</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Trade receivables	6.59	\$ -		\$ 28 (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 28</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Trade receivables	3.07	\$ -		\$ 91,727 (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ 91,727</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Standard Investment (China) Co., Ltd.'s subsidiary	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					<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	2.63	<u>\$ -</u>		<u>\$ 541,856</u> (Note 1)	<u>\$ -</u>	(Note 2)

Note 1. The amount received as of November 8, 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 Nine Months Ended September 30, 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	\$ 177,651	According to the general conditions	0.7%
0	Standard Foods Corporation	Standard Dairy Products	1	Other receivables	4,626	According to the general conditions	-
0	Standard Foods Corporation	Standard Dairy Products	1	Sales	1,138,636	According to the general conditions	5.6%
0	Standard Foods Corporation	Standard Dairy Products	1	Purchases	839,815	According to the general conditions	4.1%
0	Standard Foods Corporation	Standard Dairy Products	1	Royalty revenue	6,816	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	50,000	Interest rate 0.950% per annum	0.2%
0	Standard Foods Corporation	Standard Beverage	1	Interest income	100	Interest rate 0.950% per annum	-
0	Standard Foods Corporation	Standard Beverage	1	Service revenue (recognized under sundry revenue)	990	According to the general conditions	-
0	Standard Foods Corporation	Dermalab	1	Interest income	186	Interest rate 1.000% per annum	-
0	Standard Foods Corporation	China Standard Foods	1	Other receivables	1,191	According to the general conditions	-
0	Standard Foods Corporation	China Standard Foods	1	Financing receivables	447,200	Interest rate 1.200% per annum	1.7%
0	Standard Foods Corporation	China Standard Foods	1	Interest income	2,294	Interest rate 1.200% per annum	-
0	Standard Foods Corporation	Xiamen Standard	1	Other receivables	1,191	According to the general conditions	-
0	Standard Foods Corporation	Xiamen Standard	1	Financing receivables	447,200	Interest rate 1.200% per annum	1.7%
0	Standard Foods Corporation	Xiamen Standard	1	Interest income	4,510	Interest rate 1.200% per annum	-
1	Standard Dairy Products Taiwan Ltd.	Chang Hui	3	Other payables	2,333	According to the general conditions	-
2	Shanghai Standard	China Standard Investment	3	Trade receivables	361,738	According to the general conditions	1.4%
2	Shanghai Standard	China Standard Investment	3	Financing receivables	77,549	Interest rate 1.000% per annum	0.3%
2	Shanghai Standard	China Standard Investment	3	Other receivables	4,482	According to the general conditions	-
2	Shanghai Standard	China Standard Investment	3	Trade payables	163,277	According to the general conditions	0.6%
2	Shanghai Standard	China Standard Investment	3	Other payables	2,718	According to the general conditions	-
2	Shanghai Standard	China Standard Investment	3	Sales	1,102,084	According to the general conditions	5.4%
2	Shanghai Standard	China Standard Investment	3	Purchases	421,940	According to the general conditions	2.1%
2	Shanghai Standard	China Standard Investment	3	Interest income	2,465	Interest rate 1.000% per annum	-
2	Shanghai Standard	China Standard Investment	3	Other expenses	205	According to the general conditions	-
2	Shanghai Standard	China Standard Investment	3	Research and development expenses	2,696	According to the general conditions	-
2	Shanghai Standard	China Standard Foods	3	Trade receivables	58	According to the general conditions	-
2	Shanghai Standard	China Standard Foods	3	Trade payables	213	According to the general conditions	-
2	Shanghai Standard	China Standard Foods	3	Sales	2,169	According to the general conditions	-
2	Shanghai Standard	China Standard Foods	3	Purchases	295	According to the general conditions	-

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No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Assets (Note 3)
2	Shanghai Standard	Shanghai Le Bonta	3	Sales	\$ 1	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Trade receivables	146	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Other receivables	21	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Trade payables	57	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Sales	129	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Purchases	50	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Interest income	559	Interest rate 1.000% per annum	-
3	China Standard Investment	China Standard Foods	1	Trade receivables	156	According to the general conditions	-
3	China Standard Investment	China Standard Foods	1	Other receivables	14,949	According to the general conditions	0.1%
3	China Standard Investment	China Standard Foods	1	Financing receivables	268,968	Interest rate 1.000% per annum	1.0%
3	China Standard Investment	China Standard Foods	1	Trade payables	1,320,959	According to the general conditions	5.0%
3	China Standard Investment	China Standard Foods	1	Other payables	21,760	According to the general conditions	0.1%
3	China Standard Investment	China Standard Foods	1	Sales	314	According to the general conditions	-
3	China Standard Investment	China Standard Foods	1	Purchases	3,160,670	According to the general conditions	15.5%
3	China Standard Investment	China Standard Foods	1	Interest income	2,456	Interest rate 1.000% per annum	-
3	China Standard Investment	China Standard Foods	1	Other income	14,827	According to the general conditions	0.1%
3	China Standard Investment	China Standard Foods	1	Rental expenses	73	According to the general conditions	-
3	China Standard Investment	Shanghai Dermalab	1	Other receivables	1,523	According to the general conditions	-
3	China Standard Investment	Shanghai Dermalab	1	Financing receivables	121,969	Interest rate 1.000% per annum	0.5%
3	China Standard Investment	Shanghai Dermalab	1	Interest income	1,509	Interest rate 1.000% per annum	-
3	China Standard Investment	Xiamen Standard	1	Trade receivables	82	According to the general conditions	-
3	China Standard Investment	Xiamen Standard	1	Other receivables	17,785	According to the general conditions	0.1%
3	China Standard Investment	Xiamen Standard	1	Financing receivables	577,049	Interest rate 1.000% per annum	2.2%
3	China Standard Investment	Xiamen Standard	1	Trade payables	869,819	According to the general conditions	3.3%
3	China Standard Investment	Xiamen Standard	1	Sales	230	According to the general conditions	-
3	China Standard Investment	Xiamen Standard	1	Purchases	2,329,656	According to the general conditions	11.4%
3	China Standard Investment	Xiamen Standard	1	Interest income	14,121	Interest rate 1.000% per annum	0.1%
3	China Standard Investment	Xiamen Standard	1	Other income	9,435	According to the general conditions	-
3	China Standard Investment	Shanghai Le Bonta	1	Other receivables	1,578	According to the general conditions	-
3	China Standard Investment	Shanghai Le Bonta	1	Financing receivables	189,336	Interest rate 1.000% per annum	0.7%
3	China Standard Investment	Shanghai Le Bonta	1	Trade payables	48	According to the general conditions	-
3	China Standard Investment	Shanghai Le Bonta	1	Sales	32	According to the general conditions	-
3	China Standard Investment	Shanghai Le Bonta	1	Purchases	778	According to the general conditions	-
3	China Standard Investment	Shanghai Le Bonta	1	Interest income	1,627	Interest rate 1.000% per annum	-
3	China Standard Investment	Shanghai Le Bonta	1	Other expenses	63	According to the general conditions	-

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No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Assets (Note 3)
3	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Other payables	\$ 220	According to the general conditions	-
3	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Financing payables	32,614	Interest rate 1.000% per annum	0.1%
3	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Interest expenses	219	Interest rate 1.000% per annum	-
3	China Standard Investment	Shanghai Le Min Industrial Co., Ltd	3	Other payables	231	According to the general conditions	-
3	China Standard Investment	Shanghai Le Min Industrial Co., Ltd	3	Financing payables	22,745	Interest rate 1.000% per annum	0.1%
3	China Standard Investment	Shanghai Le Min Industrial Co., Ltd	3	Interest expenses	229	Interest rate 1.000% per annum	-
3	China Standard Investment	Shanghai Le Ben De	3	Other payables	19	According to the general conditions	-
3	China Standard Investment	Shanghai Le Ben De	3	Financing payables	5,814	Interest rate 1.000% per annum	-
3	China Standard Investment	Shanghai Le Ben De	3	Interest expenses	66	Interest rate 1.000% per annum	-
4	Shanghai Dermalab	Dermalab	3	Trade payables	13,984	According to the general conditions	0.1%
4	Shanghai Dermalab	Dermalab	3	Purchases	44,492	According to the general conditions	0.2%
4	Shanghai Dermalab	Shanghai Le Bonta	3	Purchases	21	According to the general conditions	-
4	Shanghai Dermalab	Shanghai Le Ben De	3	Purchases	5,941	According to the general conditions	-
4	Shanghai Dermalab	Shanghai Le Ben De	3	Trade payables	5,331	According to the general conditions	-
5	China Standard Foods	Shanghai Le Bonta	3	Other receivables	1,064	According to the general conditions	-
5	China Standard Foods	Shanghai Le Bonta	3	Rental income	2,747	According to the general conditions	-
5	China Standard Foods	Shanghai Le Bonta	3	Other expenses	3,863	According to the general conditions	-
5	China Standard Foods	Xiamen Standard	3	Trade receivables	45	According to the general conditions	-
5	China Standard Foods	Xiamen Standard	3	Other receivables	37	According to the general conditions	-
5	China Standard Foods	Xiamen Standard	3	Trade payables	167	According to the general conditions	-
5	China Standard Foods	Xiamen Standard	3	Sales	101,656	According to the general conditions	0.5%
5	China Standard Foods	Xiamen Standard	3	Purchases	261	According to the general conditions	-
6	Shanghai Le Bonta	Shanghai Le Ben De	3	Trade receivables	1,118	According to the general conditions	-
6	Shanghai Le Bonta	Shanghai Le Ben De	3	Trade payables	1,129	According to the general conditions	-
6	Shanghai Le Bonta	Shanghai Le Ben De	3	Sales	2,549	According to the general conditions	-
6	Shanghai Le Bonta	Shanghai Le Ben De	3	Purchases	3,586	According to the general conditions	-
7	Shanghai Le Ben De	Dermalab	3	Trade payables	4,471	According to the general conditions	-
7	Shanghai Le Ben De	Dermalab	3	Purchases	5,393	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:

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

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

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

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

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

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

For the Nine Months Ended September 30, 2022

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				September 30, 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%	\$ 3,678,973	\$ 20,683	\$ 18,346 (Note 1)	Subsidiary (Note 4)
	Standard Investment (Cayman) Limited	Grand Cayman , Cayman Islands	Investing	4,713,791	4,710,865	150,224,815	100%	4,923,342	(771,046)	(771,046)	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%	953,230	263,338	260,120 (Note 2)	Subsidiary (Note 4)
	Charng Hui Ltd.	Taipei, Taiwan	Investing	230,000	230,000	24,100,000	100%	292,041	25,771	13,099	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%	394,046	117,159	60,934	Subsidiary (Note 4)
	Standard Beverage Company Ltd.	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100%	81,200	526	526	Subsidiary (Note 4)
Accession Limited	Standard Foods, LLC.	U.S.A.	Sale of health food	9,056	9,056	Note 3	100%	9,525	-	-	Subsidiary (Note 4)
	Dermalab S.A.	Switzerland	Development and sale of cosmetics	379,489	379,489	4,050	100%	234,515	(9,367)	-	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) Limited	Standard Corporation (Hong Kong) Limited	Hong Kong	Investing	4,709,971	4,708,566	150,098,815	100%	4,921,594	(771,027)	-	Sub-subsidiary (Note 4)

Note 1. This amount was the share of profit from the investee of NT\$20,683 thousand less the unrealized gain on sidestream transactions of NT\$2,337 thousand.

Note 2. This amount was the share of profit from the investee of NT\$263,338 thousand minus the unrealized gain on upstream transactions of NT\$3,218 thousand.

Note 3. This is a limited company with no issued shares.

Note 4. The amount was eliminated upon consolidation.

Table 8

STANDARD FOODS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For the Nine Months Ended September 30, 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 at the Beginning of the Period	Remittance or Recovery of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Profit (Loss) Recognized (Note 2)	Carrying Amount as of September 30, 2022	Accumulated Repatriation of Investment Income at the End of the Period	Note
					Outward	Inward							
Shanghai Standard Foods Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	\$ 3,949,575	(2) (Note 3)	\$ 3,949,575 (Note 4)	\$ -	\$ -	\$ 3,949,575 (Note 4)	\$ 21,043	100.0%	\$ 22,861 (Note 9)	\$ 3,304,575	\$ -	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)	(752,668)	99.0%	(745,141) (Note 9)	4,150,917	-	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)	46,856	99.0%	48,737 (Note 9)	2,446,665	-	Note 12
Shanghai Dermalab Corporation	Sale of nutritional foods, cosmetics and engage in import and export business	93,989	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	(6,155)	99.0%	(6,093) (Note 10)	(8,784)	-	Note 12
Le Bonta Wellness Co., Ltd.	Sale of nutritional foods and engage in import and export business	380,418	(1) and (3) (Note 7)	181,048 (Note 7)	-	-	181,048 (Note 7)	(91,212)	99.5%	(90,766) (Note 10)	(27,011)	-	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)	(255)	100.0%	(255) (Note 10)	30,466	-	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)	28,838	99.0%	41,869 (Note 10)	1,597,141	-	Note 12
Shanghai Le Ho Industrial Co., Ltd.	Management of properties	607,717	(2) (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(16,295)	100.0%	(16,295) (Note 10)	472,934	-	Note 12
Shanghai Le Min Industrial Co., Ltd.	Management of properties	378,009	(2) (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(9,647)	100.0%	(9,647) (Note 10)	295,860	-	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:
- Direct investment in mainland China.
 - Indirect investment in mainland China through companies registered in a third region. (Please specify the investor company in a third region.)
 - Other methods.
- Note 2. For the investment income (loss) recognized in the current period:
- There was no investment income (loss) recognized due to the investment still being in the development stage.
 - The investment income (loss) was determined based on the following basis:
 - The financial statements were audited and certified by an international accounting firm in cooperation with an accounting firm in ROC.
 - The financial statements were audited by the CPA of the parent company in Taiwan.
 - Others.
- Note 3. Accession Ltd. is the investor company in a third region.
- Note 4. There was no difference between the beginning balance and the ending balance of the accumulated amount invested from Taiwan for the current period. The investment remained at \$4,034,074 thousand. Of the \$4,034,074 thousand, \$53,279 thousand has been retained in Accession Ltd. The remaining balance thereof, amounting to \$3,980,795 thousand, was originally the outward remittance of the investment of Shanghai Standard Foods Co., Ltd. However, as of July 2015, of the \$3,980,795 thousand, \$31,220 thousand was invested in Shanghai Le Ben De Health Technology Co., Ltd. by Shanghai Standard Foods Co., Ltd. In aggregate, the outward remittance of the investments in Shanghai Standard Foods Co., Ltd. and Shanghai Le Ben De Health Technology Co., Ltd. was \$3,949,575 thousand and \$31,220 thousand, respectively.
- Note 5. Standard Corporation (Hong Kong) Ltd. is the investor company in a third region.
- Note 6. The company in mainland China was reinvested through a company registered in mainland China, namely Standard Investment (China) Ltd.
- Note 7. The company in mainland China was invested directly by Standard Foods Corporation and was reinvested through a company registered in mainland China, namely Standard Investment (China) Ltd. The amount invested directly was \$181,048 thousand.
- Note 8. This company was spun off from Shanghai Standard Foods Co., Ltd. Accession Ltd. is the investor company in a third region.
- Note 9. The basis for recognition of investment profit and loss is Note 2.b. Item 3) is based on the financial statements of the investee reviewed by CPAs of the parent company in Taiwan during the same period.
- Note 10. The basis for recognition of investment profit and loss is Note 2.b. Item 3) is based on the financial statements of the investee that have not been reviewed by any CPA during the same period.
- Note 11. The Industrial Development Bureau of the MOEA issued the proofing document of operational headquarters to the Company; the document is still valid within the 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**

September 30, 2022

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership
Mu Te Investment Co., Ltd. Trust Property Account	161,918,315	17.69%
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.