

Stock code: 1227

**Standard Foods Corporation and
Subsidiaries**

**Consolidated Financial Statements and Independent
Auditors' Report
For the Six Months Ended June 30, 2023 and 2022**

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 June 30, 2023 and 2022 and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and 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 the Standards on Review Engagements of the Republic of China 2410 "Review of Interim 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 June 30, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT\$9,136,063 thousand and NT\$8,785,044 thousand, respectively, representing 33% and 31%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$3,006,419 thousand and NT\$2,702,425 thousand, respectively, representing 28% and 25%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the amounts of combined comprehensive income of these subsidiaries were NT\$62,343 thousand, NT\$4,903 thousand, NT\$47,470 thousand and NT\$(72,406) thousand, respectively, representing 281%, 4,120%, 13% and (17%), 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 of June 30, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2023 and 2022 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 Han-Ni Fang and Zhao-Yu Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2023

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2023, December 31, 2022, and June 30, 2022

(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2023		December 31, 2022		June 30, 2022	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,956,336	11	\$ 4,348,255	16	\$ 3,376,890	12
Financial assets at fair value through profit or loss - current (Note 7)	1,503,183	6	1,286,801	5	1,211,307	4
Financial assets at fair value through other comprehensive income - current (Note 8)	205,361	1	184,359	1	204,401	1
Financial assets at amortized cost - current (Note 9)	1,770,920	6	1,061,060	4	2,444,732	9
Notes receivable (Notes 10 and 25)	639	-	9,223	-	4,092	-
Trade receivables (Notes 10 and 25)	3,690,759	13	4,965,650	18	4,035,647	15
Trade receivables from related parties (Notes 25 and 32)	55	-	4,737	-	11,544	-
Finance lease receivables - current (Note 11)	757	-	516	-	513	-
Other receivables (Note 10)	387,037	1	307,080	1	333,225	1
Current tax assets	925	-	588	-	666	-
Inventories (Note 12)	6,948,584	25	5,658,738	20	6,735,794	24
Prepayments (Note 13)	1,570,710	6	1,258,577	4	1,221,332	4
Other current assets (Notes 19 and 33)	102,333	-	109,597	-	79,350	-
Total current assets	<u>19,137,599</u>	<u>69</u>	<u>19,195,181</u>	<u>69</u>	<u>19,659,493</u>	<u>70</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	15,877	-	8,721	-	10,226	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	389,394	1	359,217	1	405,136	2
Financial assets at amortized cost - non-current (Note 9)	1,810,032	6	1,807,854	7	1,482,269	5
Property, plant and equipment (Notes 15 and 33)	4,193,172	15	4,282,791	15	4,296,992	15
Right-of-use assets (Note 16)	560,306	2	590,816	2	626,901	2
Investment properties (Notes 17 and 33)	727,975	3	762,361	3	779,771	3
Goodwill	558	-	558	-	558	-
Other intangible assets (Note 18)	113,175	-	110,260	-	103,341	-
Deferred tax assets	469,593	2	430,159	2	415,389	2
Finance lease receivables - non-current (Note 11)	4,432	-	4,930	-	5,189	-
Net defined benefit assets - non-current	619	-	619	-	7,433	-
Other non-current assets (Note 19)	445,208	2	375,946	1	191,299	1
Total non-current assets	<u>8,730,341</u>	<u>31</u>	<u>8,734,232</u>	<u>31</u>	<u>8,324,504</u>	<u>30</u>
TOTAL ASSETS	<u>\$ 27,867,940</u>	<u>100</u>	<u>\$ 27,929,413</u>	<u>100</u>	<u>\$ 27,983,997</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 33)	\$ 3,220,027	12	\$ 2,928,175	10	\$ 1,917,628	7
Short-term bills payable (Note 20)	49,913	-	-	-	229,829	1
Contract liabilities - current (Note 25)	222,509	1	478,697	2	233,327	1
Notes payable (Note 21)	840,481	3	543,484	2	1,404,468	5
Trade payables (Note 21)	1,414,102	5	1,405,642	5	1,355,671	5
Trade payables to related parties (Note 32)	11,144	-	19,633	-	22,389	-
Other payables (Note 22)	4,277,547	15	3,737,651	14	4,503,400	16
Current tax liabilities	207,753	1	238,594	1	314,498	1
Lease liabilities - current (Note 16)	94,445	-	93,575	-	94,465	-
Other current liabilities (Note 22)	138,982	1	130,462	-	113,497	-
Total current liabilities	<u>10,476,903</u>	<u>38</u>	<u>9,575,913</u>	<u>34</u>	<u>10,189,172</u>	<u>36</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	56,670	-	139,616	-	191,512	1
Lease liabilities - non-current (Note 16)	135,612	-	157,283	1	198,851	1
Net defined benefit liabilities - non-current	167,269	1	180,637	1	241,197	1
Other non-current liabilities (Note 22)	21,592	-	22,224	-	26,861	-
Total non-current liabilities	<u>381,143</u>	<u>1</u>	<u>499,760</u>	<u>2</u>	<u>658,421</u>	<u>3</u>
Total liabilities	<u>10,858,046</u>	<u>39</u>	<u>10,075,673</u>	<u>36</u>	<u>10,847,593</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Ordinary Shares	9,150,897	33	9,150,897	33	9,150,897	33
Capital surplus	156,981	1	156,981	1	144,066	1
Retained earnings						
Legal reserve	3,978,059	14	3,852,023	14	3,852,023	14
Special reserve	577,494	2	577,494	2	577,494	2
Unappropriated Earnings	3,181,525	11	4,045,655	14	3,273,303	12
Total retained earnings	<u>7,737,078</u>	<u>28</u>	<u>8,475,172</u>	<u>30</u>	<u>7,702,820</u>	<u>28</u>
Other equity	(302,470)	(1)	(250,528)	(1)	(216,361)	(1)
Treasury shares	(21,182)	-	(21,182)	-	(21,182)	-
Total equity attributable to owners of the Company	<u>16,721,304</u>	<u>60</u>	<u>17,511,340</u>	<u>63</u>	<u>16,760,240</u>	<u>60</u>
NON-CONTROLLING INTERESTS (Note 24)	<u>288,590</u>	<u>1</u>	<u>342,400</u>	<u>1</u>	<u>376,164</u>	<u>1</u>
Total equity	<u>17,009,894</u>	<u>61</u>	<u>17,853,740</u>	<u>64</u>	<u>17,136,404</u>	<u>61</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 27,867,940</u>	<u>100</u>	<u>\$ 27,929,413</u>	<u>100</u>	<u>\$ 27,983,997</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 SIX MONTHS ENDED 2023 AND 2022 (IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE)

	For the Three Months Ended June 30, 2023		For the Three Months Ended June 30, 2022		For the Six Months Ended June 30, 2023		For the Six Months Ended June 30, 2022	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Notes 25 and 32)	\$ 6,323,469	100	\$ 5,992,214	100	\$ 12,203,968	100	\$ 12,722,669	100
OPERATING COSTS								
Cost of goods sold (Notes 12, 26, and 32)	<u>4,980,765</u>	<u>79</u>	<u>4,593,073</u>	<u>77</u>	<u>9,517,829</u>	<u>78</u>	<u>9,852,327</u>	<u>77</u>
GROSS PROFIT	<u>1,342,704</u>	<u>21</u>	<u>1,399,141</u>	<u>23</u>	<u>2,686,139</u>	<u>22</u>	<u>2,870,342</u>	<u>23</u>
OPERATING EXPENSES (Note 26)								
Selling and marketing expenses	876,700	14	907,809	15	1,638,675	13	1,707,627	13
General and administrative expenses	246,574	4	234,556	4	498,929	4	463,170	4
Research and development expenses	46,797	1	42,380	1	85,482	1	80,067	1
Expected credit losses (or reversal)	<u>5,115</u>	<u>-</u>	<u>9,468</u>	<u>-</u>	<u>6,476</u>	<u>-</u>	<u>12,552</u>	<u>-</u>
Total operating expenses	<u>1,175,186</u>	<u>19</u>	<u>1,194,213</u>	<u>20</u>	<u>2,229,562</u>	<u>18</u>	<u>2,263,416</u>	<u>18</u>
OPERATING INCOME	<u>167,518</u>	<u>2</u>	<u>204,928</u>	<u>3</u>	<u>456,577</u>	<u>4</u>	<u>606,926</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)								
Interest income	40,406	1	31,756	1	79,264	1	56,186	-
Other income	14,041	-	15,012	-	20,364	-	21,832	-
Other gains and losses	18,642	-	2,034	-	34,195	-	9,715	-
Financial cost	<u>(16,635)</u>	<u>-</u>	<u>(15,831)</u>	<u>-</u>	<u>(32,150)</u>	<u>-</u>	<u>(24,110)</u>	<u>-</u>
Total non-operating income and expenses	<u>56,454</u>	<u>1</u>	<u>32,971</u>	<u>1</u>	<u>101,673</u>	<u>1</u>	<u>63,623</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	223,972	3	237,899	4	558,250	5	670,549	5
INCOME TAX EXPENSE (Note 27)	<u>39,048</u>	<u>-</u>	<u>67,670</u>	<u>1</u>	<u>107,083</u>	<u>1</u>	<u>167,373</u>	<u>1</u>
NET PROFIT FOR THE PERIOD	<u>184,924</u>	<u>3</u>	<u>170,229</u>	<u>3</u>	<u>451,167</u>	<u>4</u>	<u>503,176</u>	<u>4</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	2,942	-	(44,475)	(1)	51,211	-	(211,668)	(2)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	<u>(16)</u>	<u>-</u>	<u>(7)</u>	<u>-</u>	<u>(22)</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
	<u>2,926</u>	<u>-</u>	<u>(44,482)</u>	<u>(1)</u>	<u>51,189</u>	<u>-</u>	<u>(211,670)</u>	<u>(2)</u>
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	(206,834)	(3)	(156,832)	(3)	(165,091)	(1)	174,596	1
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	<u>41,166</u>	<u>-</u>	<u>31,204</u>	<u>1</u>	<u>32,858</u>	<u>-</u>	<u>(34,741)</u>	<u>-</u>
	<u>(165,668)</u>	<u>(3)</u>	<u>(125,628)</u>	<u>(2)</u>	<u>(132,233)</u>	<u>(1)</u>	<u>139,855</u>	<u>1</u>
Other comprehensive loss for the period, net of income tax	<u>(162,742)</u>	<u>(3)</u>	<u>(170,110)</u>	<u>(3)</u>	<u>(81,044)</u>	<u>(1)</u>	<u>(71,815)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 22,182</u>	<u>-</u>	<u>\$ 119</u>	<u>-</u>	<u>\$ 370,123</u>	<u>3</u>	<u>\$ 431,361</u>	<u>3</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 179,426	3	\$ 160,960	3	\$ 442,371	4	\$ 488,005	4
Non-controlling Interests	<u>5,498</u>	<u>-</u>	<u>9,269</u>	<u>-</u>	<u>8,796</u>	<u>-</u>	<u>15,171</u>	<u>-</u>
	<u>\$ 184,924</u>	<u>3</u>	<u>\$ 170,229</u>	<u>3</u>	<u>\$ 451,167</u>	<u>4</u>	<u>\$ 503,176</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 27,798	-	(\$ 29,484)	-	\$ 390,429	3	\$ 461,720	3
Non-controlling Interests	<u>(5,616)</u>	<u>-</u>	<u>29,603</u>	<u>-</u>	<u>(20,306)</u>	<u>-</u>	<u>(30,359)</u>	<u>-</u>
	<u>\$ 22,182</u>	<u>-</u>	<u>\$ 119</u>	<u>-</u>	<u>\$ 370,123</u>	<u>3</u>	<u>\$ 431,361</u>	<u>3</u>
EARNINGS PER SHARE (Note 28)								
Basic	<u>\$ 0.20</u>		<u>\$ 0.18</u>		<u>\$ 0.49</u>		<u>\$ 0.54</u>	
Diluted	<u>\$ 0.20</u>		<u>\$ 0.18</u>		<u>\$ 0.49</u>		<u>\$ 0.54</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 Six Months Ended June 30, 2023 And 2022 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity Items						
	Ordinary Shares	Capital surplus	Legal reserve	Special reserve	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
					Unappropriated Earnings	Total							
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
Allocation 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)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,504)	(33,504)
Net income for January 1 to June 30, 2022	-	-	-	-	488,005	488,005	-	-	-	-	488,005	15,171	503,176
Other comprehensive income for January 1 to June 30, 2022	-	-	-	-	-	-	138,963	(165,248)	(26,285)	-	(26,285)	(45,530)	(71,815)
Total comprehensive income for January 1 to June 30, 2022	-	-	-	-	488,005	488,005	138,963	(165,248)	(26,285)	-	461,720	(30,359)	431,361
Balance as of June 30, 2022	<u>\$ 9,150,897</u>	<u>\$ 144,066</u>	<u>\$ 3,852,023</u>	<u>\$ 577,494</u>	<u>\$ 3,273,303</u>	<u>\$ 7,702,820</u>	<u>(\$ 473,894)</u>	<u>\$ 257,533</u>	<u>(\$ 216,361)</u>	<u>(\$ 21,182)</u>	<u>\$ 16,760,240</u>	<u>\$ 376,164</u>	<u>\$ 17,136,404</u>
Balance as of January 1, 2023	\$ 9,150,897	\$ 156,981	\$ 3,852,023	\$ 577,494	\$ 4,045,655	\$ 8,475,172	(\$ 489,177)	\$ 238,649	(\$ 250,528)	(\$ 21,182)	\$ 17,511,340	\$ 342,400	\$ 17,853,740
Allocation and distribution of 2022 earnings													
Legal reserve	-	-	126,036	-	(126,036)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,180,465)	(1,180,465)	-	-	-	-	(1,180,465)	-	(1,180,465)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,504)	(33,504)
Net income for January 1 to June 30, 2023	-	-	-	-	442,371	442,371	-	-	-	-	442,371	8,796	451,167
Other comprehensive income for January 1 to June 30, 2023	-	-	-	-	-	-	(131,430)	79,488	(51,942)	-	(51,942)	(29,102)	(81,044)
Total comprehensive income for January 1 to June 30, 2023	-	-	-	-	442,371	442,371	(131,430)	79,488	(51,942)	-	390,429	(20,306)	370,123
Balance as of June 30, 2023	<u>\$ 9,150,897</u>	<u>\$ 156,981</u>	<u>\$ 3,978,059</u>	<u>\$ 577,494</u>	<u>\$ 3,181,525</u>	<u>\$ 7,737,078</u>	<u>(\$ 620,607)</u>	<u>\$ 318,137</u>	<u>(\$ 302,470)</u>	<u>(\$ 21,182)</u>	<u>\$ 16,721,304</u>	<u>\$ 288,590</u>	<u>\$ 17,009,894</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 Six Months Ended June 30, 2023 And 2022

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 558,250	\$ 670,549
Adjustments for:		
Depreciation expenses	290,351	302,318
Amortization expenses	37,282	37,267
Expected credit losses (or reversal)	6,476	12,552
Net loss recognized on financial assets and liabilities measured at FVTPL	(36,744)	63,045
Financial cost	32,150	24,110
Interest income	(79,264)	(56,186)
Dividend income	(3,238)	(8,627)
Net loss (gain) on disposal of property, plant and equipment	(659)	(4,742)
Inventory devaluation and obsolescence loss	3,987	44,380
Others	(1)	5,852
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(189,511)	(100,612)
Notes receivable	8,592	14,602
Trade receivables	1,240,569	1,705,824
Trade receivables from related parties	4,682	(4,254)
Other receivables	(36,093)	(89,358)
Inventories	(1,375,617)	(1,026,596)
Prepayments	(339,506)	325,312
Other current assets	6,330	19,056
Net defined benefit assets	-	(1,290)
Contract liabilities	(251,577)	(284,777)
Notes payable	316,588	529,234
Trade payables	14,364	(547,541)
Trade payables to related parties	(8,489)	2,917
Other payables	(642,860)	(740,137)
Other current liabilities	10,018	(30,246)
Net defined benefit liabilities	(13,929)	(1,272)
Cash generated from operations	(447,849)	861,380
Interest received	32,991	30,961
Interest paid	(32,099)	(23,919)
Income tax paid	(229,051)	(389,623)
Net cash generated from/(used in) operating activities	(676,008)	478,799

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	<u>For the Six Months Ended June 30, 2023</u>	<u>For the Six Months Ended June 30, 2022</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(\$ 1,504,801)	(\$ 2,725,142)
Disposal of financial assets at amortized cost	735,677	1,463,662
Acquisition of property, plant and equipment	(176,313)	(161,231)
Proceeds from disposal of property, plant and equipment	1,833	7,377
Payments for intangible assets	(10,786)	(7,845)
Decrease in finance lease receivables	257	18,329
Increase in other financial assets	(93,937)	-
Decrease in other financial assets	-	74,185
Increase in other non-current assets	(10,223)	(20,927)
Dividends received	3,238	8,627
Net cash used in investing activities	<u>(1,055,055)</u>	<u>(1,342,965)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	362,093	528,204
Increase in short-term notes and bills payable	49,913	-
Decrease in short-term bills payable	-	(30,026)
Repayment of lease principal	(48,242)	(47,203)
Decrease in other financial liabilities	(203)	(4,714)
Decrease in other non-current liabilities	<u>-</u>	<u>(124)</u>
Net cash generated from financing activities	<u>363,561</u>	<u>446,137</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(24,417)</u>	<u>46,850</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS FOR THE CURRENT PERIOD	<u>(1,391,919)</u>	<u>(371,179)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>4,348,255</u>	<u>3,748,069</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u>\$ 2,956,336</u>	<u>\$ 3,376,890</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 Six Months Ended June 30, 2023 and 2022

(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 August 2, 2023.

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 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
Amendments to IAS 7 and IFRS 7 regarding "Supplier Finance Arrangements"	January 1, 2024
Amendments to IAS 12 regarding "International Tax Reform Pillar Two Model Rules"	Note 3

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.

Note 3: Exception rules and facts that are subject to disclosure shall apply immediately following the announcement of the amendment, with retrospective treatments applied according to IAS 8. Other disclosure rules shall apply to full-year financial reports that have reporting periods commencing on and after January 1, 2023, but do not apply to interim financial reports that have reporting periods ending on and before December 31, 2023.

As of the date of authorization of the Consolidated Financial Statements, the Group has continued to assess the effects of amendments to the other 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.

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 2022 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, 2022.

6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 1,706	\$ 1,587	\$ 1,926
Checking accounts and demand deposits	2,259,497	2,772,146	1,627,805
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	<u>695,133</u>	<u>1,574,522</u>	<u>1,747,159</u>
	<u>\$ 2,956,336</u>	<u>\$ 4,348,255</u>	<u>\$ 3,376,890</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Bank deposits	0.001%-5.350%	0.001%-5.150%	0.001%-4.130%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets at FVTPL - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 36,373	\$ 24,900	\$ 26,584
- Fund beneficiary certificates	1,387,041	1,261,901	1,154,343
- Bonds	<u>79,769</u>	<u>-</u>	<u>30,380</u>
	<u>\$ 1,503,183</u>	<u>\$ 1,286,801</u>	<u>\$ 1,211,307</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 13,855	\$ 6,662	\$ 8,005
- Unlisted shares	<u>2,022</u>	<u>2,059</u>	<u>2,221</u>
	<u>\$ 15,877</u>	<u>\$ 8,721</u>	<u>\$ 10,226</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Current</u>			
Investments in equity instruments	<u>\$ 205,361</u>	<u>\$ 184,359</u>	<u>\$ 204,401</u>
<u>Non-current</u>			
Investments in equity instruments	<u>\$ 389,394</u>	<u>\$ 359,217</u>	<u>\$ 405,136</u>
<u>Investments in equity instruments</u>			
	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Current</u>			
Listed shares			
Ordinary shares - Far Eastern International Bank	\$ 17,455	\$ 16,135	\$ 16,245
Ordinary shares - Chunghwa Telecom Co., Ltd	5,662	5,492	5,929
Ordinary shares - Formosa Plastics Corp.	7,836	7,937	9,921
Ordinary shares - China Steel Corp.	23,616	23,937	22,853
Ordinary shares - Polytronics Technology Corp.	98,952	90,493	106,613
Ordinary shares - Taiwan Semiconductor Manufacturing Co., Ltd.	<u>51,840</u>	<u>40,365</u>	<u>42,840</u>
	<u>\$ 205,361</u>	<u>\$ 184,359</u>	<u>\$ 204,401</u>
<u>Non-current</u>			
Listed shares			
Ordinary shares - GeneFerm Biotechnology Co., Ltd.	\$ 229,527	\$ 143,508	\$ 88,915
Unlisted shares			
Ordinary shares - Dah Chung Bills Finance Corp.	18,594	15,549	17,944
Ordinary shares - InnoComm Mobile Technology Corp.	140,184	199,152	297,216
Ordinary shares - AsiaVest Liquidation Co.	<u>1,089</u>	<u>1,008</u>	<u>1,061</u>
	<u>\$ 389,394</u>	<u>\$ 359,217</u>	<u>\$ 405,136</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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 1,770,920</u>	<u>\$ 1,061,060</u>	<u>\$ 2,444,732</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 1,810,032</u>	<u>\$ 1,807,854</u>	<u>\$ 1,482,269</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.78%-5.26%, 0.76%-5.25%, and 0.40%-4.13% per annum as of June 30, 2023, December 31, 2022, and June 30, 2022, respectively.

10. NOTE RECEIVABLES, TRADE RECEIVABLES, AND OTHER RECEIVABLES

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Notes receivable</u>			
Operating	<u>\$ 639</u>	<u>\$ 9,223</u>	<u>\$ 4,092</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 3,755,532	\$ 5,025,105	\$ 4,069,580
Less: Allowance for impairment loss	<u>(64,773)</u>	<u>(59,455)</u>	<u>(33,933)</u>
	<u>\$ 3,690,759</u>	<u>\$ 4,965,650</u>	<u>\$ 4,035,647</u>
<u>Other receivables</u>			
Accrued income	\$ 110,866	\$ 66,902	\$ 44,470
Promotional subsidies receivable	-	-	9,188
Others	<u>276,171</u>	<u>240,178</u>	<u>279,567</u>
	<u>\$ 387,037</u>	<u>\$ 307,080</u>	<u>\$ 333,225</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 amount of loss provision on notes and accounts receivable is presented below:

June 30, 2023

	<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	0.10%	2.27%	5.96%	37.66%	94.41%	
Gross carrying amount	\$ 3,592,575	\$ 67,290	\$ 23,339	\$ 18,785	\$ 54,182	\$ 3,756,171
Loss allowance (Lifetime ECL)	(<u>3,623</u>)	(<u>1,531</u>)	(<u>1,391</u>)	(<u>7,074</u>)	(<u>51,154</u>)	(<u>64,773</u>)
Amortized cost	<u>\$ 3,588,952</u>	<u>\$ 65,759</u>	<u>\$ 21,948</u>	<u>\$ 11,711</u>	<u>\$ 3,028</u>	<u>\$ 3,691,398</u>

December 31, 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	0.12%	2.89%	4.98%	12.66%	92.23%	
Gross carrying amount	\$ 4,492,449	\$ 214,865	\$ 146,754	\$ 157,919	\$ 22,341	\$ 5,034,328
Loss allowance (Lifetime ECL)	(<u>5,350</u>)	(<u>6,206</u>)	(<u>7,304</u>)	(<u>19,989</u>)	(<u>20,606</u>)	(<u>59,455</u>)
Amortized cost	<u>\$ 4,487,099</u>	<u>\$ 208,659</u>	<u>\$ 139,450</u>	<u>\$ 137,930</u>	<u>\$ 1,735</u>	<u>\$ 4,974,873</u>

June 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	0.03%	1.22%	2.86%	13.71%	100%	
Gross carrying amount	\$ 3,612,504	\$ 173,749	\$ 130,132	\$ 151,142	\$ 6,145	\$ 4,073,672
Loss allowance (Lifetime ECL)	(<u>1,231</u>)	(<u>2,119</u>)	(<u>3,716</u>)	(<u>20,722</u>)	(<u>6,145</u>)	(<u>33,933</u>)
Amortized cost	<u>\$ 3,611,273</u>	<u>\$ 171,630</u>	<u>\$ 126,416</u>	<u>\$ 130,420</u>	<u>\$ -</u>	<u>\$ 4,039,739</u>

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

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Balance as of January 1	\$ 59,455	\$ 23,433
Add: Impairment loss provided for the current period	6,476	12,552
Less: Actual write-off for the current period	-	(2,518)
Foreign exchange translation difference	(1,158)	466
Balance as of June 30	<u>\$ 64,773</u>	<u>\$ 33,933</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Undiscounted lease payments			
Year 1	\$ 810	\$ 571	\$ 571
Year 2	1,143	1,095	810
Year 3	1,143	1,143	1,143
Year 4	2,230	1,143	1,143
Year 5	-	1,659	2,231
	<u>5,326</u>	<u>5,611</u>	<u>5,898</u>
Less: Unearned finance income	(137)	(165)	(196)
Net investment in leases presented as finance lease receivables	<u>\$ 5,189</u>	<u>\$ 5,446</u>	<u>\$ 5,702</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

	June 30, 2023	December 31, 2022	June 30, 2022
Merchandise	\$ 465,579	\$ 470,926	\$ 403,016
Finished goods	2,090,189	2,196,524	1,578,168
Work in progress	1,507,433	909,042	978,989
Raw materials	2,801,142	1,996,324	3,689,742
Packing materials	<u>84,241</u>	<u>85,922</u>	<u>85,879</u>
	<u>\$ 6,948,584</u>	<u>\$ 5,658,738</u>	<u>\$ 6,735,794</u>

Cost of sale for the three months and six months ended June 30, 2023 and 2022 included inventory devaluation losses of NT\$2,861 thousand, NT\$16,799 thousand, NT\$3,987 thousand, and NT\$44,380 thousand, and inventory obsolescence losses of NT\$4,307 thousand, NT\$17,426 thousand, NT\$11,383 thousand, and NT\$23,393 thousand, respectively.

13. PREPAYMENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Prepayments for purchases	\$ 904,853	\$ 824,247	\$ 624,975
Prepayments for rent	2,961	3,535	3,444
Prepayments for insurance	11,116	1,089	10,098
Excess business tax paid	226,056	156,193	287,838
Prepayments for advertisements	44,646	9,628	11,507
Others	381,078	263,885	283,470
	<u>\$ 1,570,710</u>	<u>\$ 1,258,577</u>	<u>\$ 1,221,332</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
			June 30, 2023	December 31, 2022	June 30, 2022	
The Company	Standard Dairy Products Taiwan Ltd. (Standard Dairy Products) (Note)	Manufacture and sale of dairy products and beverages	100.0%	100.0%	100.0%	—
The Company	Chang Hui Ltd. (Chang Hui) (Note)	Investing	100.0%	100.0%	100.0%	—
The Company	Domex Technology Corporation (Domex Technology) (Note)	Manufacture and sale of computer peripherals and computer appliances	52.0%	52.0%	52.0%	—
The Company	Standard Beverage Company Ltd. (Standard Beverage) (Note)	Manufacture and sale of beverages	100.0%	100.0%	100.0%	—
The Company	Accession 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 into Cayman Standard in April 2022.
The Company	Standard Foods, LLC. (Note)	Sale of health food	100.0%	100.0%	100.0%	—
The Company	Standard Great Foods Singapore PTE. LTD. (Note)	Food trading	100.0%	100.0%	-	The Company invested SGD 14 thousand into the incorporation of Standard Great Foods Singapore PTE. LTD. in November 2022.
Accession Limited	Shanghai Standard Foods Co., Ltd. (Shanghai Standard)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—

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Investor Company	Name of Subsidiary	Main Business	Proportion of Ownership			Remark
			June 30, 2023	December 31, 2022	June 30, 2022	
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%	Accession Limited underwent a re-organization in December 2022 and transferred equity ownership to Shanghai New Vitality.
Accession Limited	Dermalab S.A. (Dermalab) (Note)	Development and sale of cosmetics	100.0%	100.0%	100.0%	—
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 into 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 New Vitality Health Technology (Group) Co., Ltd. (Shanghai New Vitality)(Note)	Sale of health foods and cosmetic goods, and import/export trade	99.0%	99.0%	-	Hong Kong Standard invested RMB 99,000 thousand into Shanghai New Vitality in November 2022.
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 health foods and cosmetic goods, and import/export trade	-	-	100.0%	Standard Investment (China) Ltd. underwent a re-organization in December 2022 and transferred equity ownership to Shanghai New Vitality.
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%	The Company and Standard Investment (China) underwent a re-organization in December 2022 and transferred equity ownership to Shanghai New Vitality.
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%	—
Shanghai New Vitality	Shanghai Dermalab Corporation (Shanghai Dermalab) (Note)	Sale of health foods and cosmetic goods, and import/export trade	100.0%	100.0%	-	Shanghai New Vitality underwent a re-organization in December 2022 and received equity ownership from Standard Investment (China).
Shanghai New Vitality	Le Bonta Wellness Co., Ltd. (Shanghai Le Bonta) (Note)	Sale of nutritional foods and engage in import and export business	100.0%	100.0%	-	Shanghai New Vitality underwent a re-organization in December 2022 and received equity ownership from the Company and Standard Investment (China).

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Investor Company	Name of Subsidiary	Main Business	Proportion of Ownership			Remark
			June 30, 2023	December 31, 2022	June 30, 2022	
Shanghai New Vitality	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%	-	Shanghai New Vitality underwent a re-organization in December 2022 and received equity ownership from Accession Limited.

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	Land improvements	Buildings	Equipment	Other equipment	Property in Construction and Equipment to Be Tested	Total
<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	-	-	-	-	336	160,895	161,231
Disposals	-	-	(3,259)	(15,816)	(5,016)	-	(24,091)
Reclassification	278,470	-	12,713	44,138	34,931	(370,252)	-
Net foreign currency exchange differences	-	-	35,880	23,542	4,743	716	64,881
Balance as of June 30, 2022	<u>\$ 994,620</u>	<u>\$ -</u>	<u>\$ 3,479,429</u>	<u>\$ 4,218,318</u>	<u>\$ 627,879</u>	<u>\$ 227,806</u>	<u>\$ 9,548,052</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	-	-	(2,196)	(14,302)	(4,958)	-	(21,456)
Depreciation expenses	-	-	79,768	130,703	22,683	-	233,154
Net foreign currency exchange differences	-	-	11,149	12,350	3,513	-	27,012
Balance as of June 30, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,627,145</u>	<u>\$ 3,151,525</u>	<u>\$ 472,390</u>	<u>\$ -</u>	<u>\$ 5,251,060</u>
Net amount as of June 30, 2022	<u>\$ 994,620</u>	<u>\$ -</u>	<u>\$ 1,852,284</u>	<u>\$ 1,066,793</u>	<u>\$ 155,489</u>	<u>\$ 227,806</u>	<u>\$ 4,296,992</u>
<u>Cost</u>							
Balance as of January 1, 2023	\$ 994,620	\$ -	\$ 3,538,358	\$ 4,229,390	\$ 617,918	\$ 288,527	\$ 9,668,813
Additions	-	-	1,707	-	1,214	173,392	176,313
Disposals	-	-	(1,031)	(35,054)	(9,286)	-	(45,371)
Reclassification	-	28,661	11,460	56,874	19,142	(116,627)	(490)
Net foreign currency exchange differences	-	-	(43,742)	(29,355)	(5,585)	(1,884)	(80,566)
Balance as of June 30, 2023	<u>\$ 994,620</u>	<u>\$ 28,661</u>	<u>\$ 3,506,752</u>	<u>\$ 4,221,855</u>	<u>\$ 623,403</u>	<u>\$ 343,408</u>	<u>\$ 9,718,699</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2023	\$ -	\$ -	\$ 1,684,697	\$ 3,232,756	\$ 468,569	\$ -	\$ 5,386,022
Disposals	-	-	(940)	(34,569)	(8,688)	-	(44,197)
Reclassification	-	-	-	(3,855)	3,855	-	-
Depreciation expenses	-	299	80,350	118,105	23,223	-	221,977
Net foreign currency exchange differences	-	-	(16,125)	(17,955)	(4,195)	-	(38,275)
Balance as of June 30, 2023	<u>\$ -</u>	<u>\$ 299</u>	<u>\$ 1,747,982</u>	<u>\$ 3,294,482</u>	<u>\$ 482,764</u>	<u>\$ -</u>	<u>\$ 5,525,527</u>
Net amount as of December 31, 2022 and January 1, 2023	<u>\$ 994,620</u>	<u>\$ -</u>	<u>\$ 1,853,661</u>	<u>\$ 996,634</u>	<u>\$ 149,349</u>	<u>\$ 288,527</u>	<u>\$ 4,282,791</u>
Net amount as of June 30, 2023	<u>\$ 994,620</u>	<u>\$ 28,362</u>	<u>\$ 1,758,770</u>	<u>\$ 927,373</u>	<u>\$ 140,639</u>	<u>\$ 343,408</u>	<u>\$ 4,193,172</u>

No impairment loss was recognized or reversed from January 1 to June 30, 2023 and 2022.

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

Land improvements	15 years
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

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts of right-of-use assets			
Land	\$ 382,455	\$ 396,328	\$ 386,725
Buildings	169,640	187,883	234,194
Office equipment	3,369	1,665	1,834
Transportation equipment	<u>4,842</u>	<u>4,940</u>	<u>4,148</u>
	<u>\$ 560,306</u>	<u>\$ 590,816</u>	<u>\$ 626,901</u>
	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023
Additions to right-of-use assets	<u>\$ 18,372</u>	<u>\$ 5,534</u>	<u>\$ 26,990</u>
	For the Six Months Ended June 30, 2022		
Depreciation expenses for right-of-use assets			
Land	\$ 3,210	\$ 3,236	\$ 6,450
Buildings	20,644	21,025	40,497
Office equipment	118	93	213
Transportation equipment	<u>820</u>	<u>874</u>	<u>1,718</u>
	<u>\$ 24,792</u>	<u>\$ 25,228</u>	<u>\$ 48,878</u>
			<u>\$ 50,155</u>

b. Lease liabilities

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Carrying amounts of lease liabilities			
Current	<u>\$ 94,445</u>	<u>\$ 93,575</u>	<u>\$ 94,465</u>
Non-current	<u>\$ 135,612</u>	<u>\$ 157,283</u>	<u>\$ 198,851</u>

Range of discount rate for lease liabilities was as follows:

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Land	1.07%-1.49%	1.07%-1.49%	1.07%-1.49%
Buildings	1.07%-4.35%	1.07%-4.35%	1.07%-4.35%
Office equipment	1.07%	1.07%	1.07%
Transportation equipment	1.07%-3.77%	1.07%-3.77%	1.07%-3.77%

c. Material leasing activities and terms

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

d. Other lease information

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

	<u>For the Three Months Ended June 30, 2023</u>	<u>For the Three Months Ended June 30, 2022</u>	<u>For the Six Months Ended June 30, 2023</u>	<u>For the Six Months Ended June 30, 2022</u>
Expenses relating to short-term leases	<u>\$ 25,116</u>	<u>\$ 22,182</u>	<u>\$ 48,214</u>	<u>\$ 47,732</u>
Expenses relating to low-value asset leases	<u>\$ 360</u>	<u>\$ 216</u>	<u>\$ 882</u>	<u>\$ 488</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 20</u>	<u>\$ 20</u>	<u>\$ 40</u>	<u>\$ 40</u>
Total cash outflow for leases			<u>(\$ 100,065)</u>	<u>(\$ 99,481)</u>

17. INVESTMENT PROPERTY

	Completed Investment Properties	Right-of-use assets	Total
<u>Cost</u>			
Balance as of January 1, 2022	\$ 970,272	\$ 5,612	\$ 975,884
Net foreign currency exchange differences	<u>15,858</u>	<u>105</u>	<u>15,963</u>
Balance as of June 30, 2022	<u>\$ 986,130</u>	<u>\$ 5,717</u>	<u>\$ 991,847</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2022	\$ 188,931	\$ 1,218	\$ 190,149
Depreciation expenses	18,782	227	19,009
Net foreign currency exchange differences	<u>2,897</u>	<u>21</u>	<u>2,918</u>
Balance as of June 30, 2022	<u>\$ 210,610</u>	<u>\$ 1,466</u>	<u>\$ 212,076</u>
Net amount as of June 30, 2022	<u>\$ 775,520</u>	<u>\$ 4,251</u>	<u>\$ 779,771</u>
<u>Cost</u>			
Balance as of January 1, 2023	\$ 1,005,938	\$ 5,693	\$ 1,011,631
Net foreign currency exchange differences	(<u>20,023</u>)	(<u>129</u>)	(<u>20,152</u>)
Balance as of June 30, 2023	<u>\$ 985,915</u>	<u>\$ 5,564</u>	<u>\$ 991,479</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2023	\$ 247,588	\$ 1,682	\$ 249,270
Depreciation expenses	19,273	223	19,496
Net foreign currency exchange differences	(<u>5,219</u>)	(<u>43</u>)	(<u>5,262</u>)
Balance as of June 30, 2023	<u>\$ 261,642</u>	<u>\$ 1,862</u>	<u>\$ 263,504</u>
Net amount as of December 31, 2022 and January 1, 2023	<u>\$ 758,350</u>	<u>\$ 4,011</u>	<u>\$ 762,361</u>
Net amount as of June 30, 2023	<u>\$ 724,273</u>	<u>\$ 3,702</u>	<u>\$ 727,975</u>

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

Buildings

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

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

In addition to the aforementioned, the fair values of the investment properties were \$1,117,428 thousand, \$1,142,323 thousand, and \$1,146,345 thousand as of June 30, 2023, December 31, 2022 and June 30, 2022, 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, 2022	\$ 258,477	\$ 242,424	\$ 500,901
Additions	65	7,780	7,845
Disposals	-	(740)	(740)
Net foreign currency exchange differences	5,218	15	5,233
Balance as of June 30, 2022	<u>\$ 263,760</u>	<u>\$ 249,479</u>	<u>\$ 513,239</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2022	\$ 177,636	\$ 220,842	\$ 398,478
Disposals	-	(740)	(740)
Amortization expenses	2,377	6,803	9,180
Net foreign currency exchange differences	2,967	13	2,980
Balance as of June 30, 2022	<u>\$ 182,980</u>	<u>\$ 226,918</u>	<u>\$ 409,898</u>
Net amount as of June 30, 2022	<u>\$ 80,780</u>	<u>\$ 22,561</u>	<u>\$ 103,341</u>
<u>Cost</u>			
Balance as of January 1, 2023	\$ 264,959	\$ 261,854	\$ 526,813
Additions	13	10,773	10,786
Net foreign currency exchange differences	(3,776)	(3)	(3,779)
Balance as of June 30, 2023	<u>\$ 261,196</u>	<u>\$ 272,624</u>	<u>\$ 533,820</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2023	\$ 181,483	\$ 235,070	\$ 416,553
Amortization expenses	2,725	8,321	11,046
Net foreign currency exchange differences	(6,952)	(2)	(6,954)
Balance as of June 30, 2023	<u>\$ 177,256</u>	<u>\$ 243,389</u>	<u>\$ 420,645</u>
Net amount as of December 31, 2022 and January 1, 2023	<u>\$ 83,476</u>	<u>\$ 26,784</u>	<u>\$ 110,260</u>
Net amount as of June 30, 2023	<u>\$ 83,940</u>	<u>\$ 29,235</u>	<u>\$ 113,175</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Current</u>			
Pledged bank time deposits (Note 33)	\$ 10,028	\$ 9,904	\$ 4,019
Advances to officers	17,916	29,217	20,199
Temporary payments	14	10	2,269
Right of products to be returned	73,191	70,445	52,499
Others	<u>1,184</u>	<u>21</u>	<u>364</u>
	<u>\$ 102,333</u>	<u>\$ 109,597</u>	<u>\$ 79,350</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 4,274	\$ 12,834	\$ 28,389
Refundable deposits	358,092	271,840	66,799
Others	<u>82,842</u>	<u>91,272</u>	<u>96,111</u>
	<u>\$ 445,208</u>	<u>\$ 375,946</u>	<u>\$ 191,299</u>

20. BORROWINGS

a. Short-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Secured borrowings</u> (Note 33)			
Bank loans	\$ 60,000	\$ 202,178	\$ 725,587
<u>Unsecured borrowings</u>			
Bank loans	<u>3,160,027</u>	<u>2,725,997</u>	<u>1,192,041</u>
	<u>\$ 3,220,027</u>	<u>\$ 2,928,175</u>	<u>\$ 1,917,628</u>

The annual interest rates of the aforementioned short-term borrowings or financing are 1.80%-3.00%, 1.73%-2.80%, and 1.10%-3.00% on June 30, 2023, December 31, 2022, and June 30, 2022, respectively.

b. Short-term bills payable

	June 30, 2023	December 31, 2022	June 30, 2022
Commercial paper payable	\$ 50,000	\$ -	\$ 230,000
Less: Discount on short-term bills payable	(<u>87</u>)	<u>-</u>	(<u>171</u>)
	<u>\$ 49,913</u>	<u>\$ -</u>	<u>\$ 229,829</u>

The annual interest rates payable to commercial promissory notes as of June 30, 2023 and 2022 are 2% and 1.49%-1.66%, respectively.

21. NOTES PAYABLE AND TRADE PAYABLES

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Notes payable</u>			
Operating	<u>\$ 840,481</u>	<u>\$ 543,484</u>	<u>\$ 1,404,468</u>
<u>Trade payables</u>			
Operating	<u>\$ 1,414,102</u>	<u>\$ 1,405,642</u>	<u>\$ 1,355,671</u>

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

22. OTHER LIABILITIES

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Current</u>			
Other payables			
Payable for salaries or bonuses	\$ 251,843	\$ 418,811	\$ 281,655
Payable for compensation of employees	6,771	19,470	12,095
Payable for remuneration to directors	11,102	8,237	20,075
Payable for commission and rebates	1,582,309	1,593,054	1,048,582
Dividends payable	1,213,969	-	1,772,174
Payable for advertisement	231,030	285,252	213,870
Payable for royalties	22,315	25,917	21,908
Payable for freight	21,872	64,997	56,911
Payable for equipment	81,032	74,402	54,892
Others	855,304	1,247,511	1,021,238
	<u>\$ 4,277,547</u>	<u>\$ 3,737,651</u>	<u>\$ 4,503,400</u>
Other liabilities			
Advance receipts from customers	\$ 2,099	\$ 1,771	\$ 1,327
Refund liability	117,153	113,120	90,228
Others	19,730	15,571	21,942
	<u>\$ 138,982</u>	<u>\$ 130,462</u>	<u>\$ 113,497</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	<u>\$ 21,592</u>	<u>\$ 22,224</u>	<u>\$ 26,861</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 months and six months ended June 30, 2023 and 2022 were \$2,622 thousand, \$1,329 thousand, \$5,245 thousand, and \$4,320 thousand, which were determined using actuarially determined pension cost discount rate as of December 31, 2022 and 2021, respectively.

24. EQUITY

a. Share capital

Ordinary shares

	June 30, 2023	December 31, 2022	June 30, 2022
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>

b. Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
<u>May be used to offset a</u> <u>deficit, distributed as cash</u> <u>dividends, or transferred to</u> <u>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	156,271	143,599
<u>May only be used to offset a</u> <u>deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	<u>709</u>	<u>709</u>	<u>466</u>
	<u>\$ 156,981</u>	<u>\$ 156,981</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 Company held its annual general meeting on June 16, 2023 and June 16, 2022 to propose and resolve earnings distribution plans for 2022 and 2021, respectively, as follows:

	2022	2021
Legal reserve	<u>\$ 126,036</u>	<u>\$ 245,834</u>
Cash dividends	<u>\$ 1,180,465</u>	<u>\$ 1,738,670</u>
Cash dividends per share (NT\$)	\$ 1.29	\$ 1.9

d. Special reserve

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
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 Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Balance as of January 1	(\$ 489,177)	(\$ 612,857)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(<u>131,430</u>)	<u>138,963</u>
Other comprehensive income for the period	(<u>131,430</u>)	<u>138,963</u>
Balance as of June 30	(<u>\$ 620,607</u>)	(<u>\$ 473,894</u>)

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

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Balance as of January 1	\$ 238,649	\$ 422,781
Recognized for the year		
Unrealized gain (loss) Equity instruments	<u>79,488</u>	(<u>165,248</u>)
Other comprehensive income for the period	<u>79,488</u>	(<u>165,248</u>)
Balance as of June 30	<u>\$ 318,137</u>	<u>\$ 257,533</u>

f. Non-controlling Interests

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Balance as of January 1	\$ 342,400	\$ 440,027
Net profit for the period	8,796	15,171
Other comprehensive income for the period		
Exchange differences on translating the financial statements of foreign operations	(803)	892
Unrealized gain (loss) on financial assets at FVTOCI	(28,299)	(46,422)
Payment of cash dividends by subsidiaries to non-controlling shareholders	(33,504)	(33,504)
Balance as of June 30	<u>\$ 288,590</u>	<u>\$ 376,164</u>

g. Treasury shares

Purpose of Buy-back	Number of parent company's shares held by subsidiaries (thousand shares)
Number of shares as of January 1 and June 30, 2023	<u>6,669</u>
Number of shares as of January 1 and June 30, 2022	<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>June 30, 2023</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 277,117</u>
<u>December 31, 2022</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 265,778</u>
<u>June 30, 2022</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 310,464</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 June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Revenue from contracts with customers				
Sale of goods	<u>\$ 6,323,469</u>	<u>\$ 5,992,214</u>	<u>\$ 12,203,968</u>	<u>\$ 12,722,669</u>

a. Contract balances

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Notes receivable (Note 10)	<u>\$ 639</u>	<u>\$ 9,223</u>	<u>\$ 4,092</u>	<u>\$ 18,370</u>
Trade receivables (Note 10)	<u>\$ 3,755,532</u>	<u>\$ 5,025,105</u>	<u>\$ 4,069,580</u>	<u>\$ 5,722,846</u>
Trade receivables from related parties (Note 32)	<u>\$ 55</u>	<u>\$ 4,737</u>	<u>\$ 11,544</u>	<u>\$ 7,290</u>
Contract liabilities - current				
Sale of goods	<u>\$ 222,509</u>	<u>\$ 478,697</u>	<u>\$ 233,327</u>	<u>\$ 509,315</u>

b. Disaggregation of revenue

For the Six Months Ended June 30, 2023

	Reportable Segments			Total
	Nutritious Foods	Cooking products Food	Others	
<u>Types of goods or services</u>				
Sale of goods	<u>\$ 4,999,165</u>	<u>\$ 5,880,011</u>	<u>\$ 1,324,792</u>	<u>\$ 12,203,968</u>

For the Six Months Ended June 30, 2022

	Reportable Segments			Total
	Nutritious Foods	Cooking products Food	Others	
<u>Types of goods or services</u>				
Sale of goods	<u>\$ 5,009,055</u>	<u>\$ 5,668,617</u>	<u>\$ 2,044,997</u>	<u>\$ 12,722,669</u>

26. NET PROFIT

Components of net profit includes:

a. Interest income

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Interest income				
Bank deposits	\$ 9,853	\$ 8,653	\$ 19,797	\$ 21,286
Financial assets at amortized cost	28,089	22,940	54,600	34,500
Bond repurchase agreement	18	-	18	-
Others	<u>2,446</u>	<u>163</u>	<u>4,849</u>	<u>400</u>
	<u>\$ 40,406</u>	<u>\$ 31,756</u>	<u>\$ 79,264</u>	<u>\$ 56,186</u>

b. Other income

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Operating lease rental income				
Investment properties	\$ 10,690	\$ 6,362	\$ 16,543	\$ 12,612
Others	<u>407</u>	<u>274</u>	<u>583</u>	<u>593</u>
	<u>11,097</u>	<u>6,636</u>	<u>17,126</u>	<u>13,205</u>
Dividend income				
Financial assets at FVTPL	14	13	28	16
Investments in equity instruments at FVTOCI	<u>2,930</u>	<u>8,363</u>	<u>3,210</u>	<u>8,611</u>
	<u>\$ 14,041</u>	<u>\$ 15,012</u>	<u>\$ 20,364</u>	<u>\$ 21,832</u>

c. Other gains and losses

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Gains and losses of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 22,790	(\$ 21,263)	\$ 36,744	(\$ 63,045)
Net foreign exchange gains (losses)	(4,799)	6,179	(1,826)	57,533
Net gains on disposal of property, plant and equipment	1,210	465	659	4,742
Government grants	836	18,117	1,657	18,746
Others	<u>(1,395)</u>	<u>(1,464)</u>	<u>(3,039)</u>	<u>(8,261)</u>
	<u>\$ 18,642</u>	<u>\$ 2,034</u>	<u>\$ 34,195</u>	<u>\$ 9,715</u>

d. Financial cost

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Interest on bank loans	\$ 15,147	\$ 13,263	\$ 29,186	\$ 18,654
Interest on short-term bills payable	208	625	256	1,160
Interest on lease liabilities	1,270	1,936	2,687	4,018
Other interest expenses	10	7	21	278
	<u>\$ 16,635</u>	<u>\$ 15,831</u>	<u>\$ 32,150</u>	<u>\$ 24,110</u>

e. Derogation loss (or reversal)

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Trade receivables	<u>\$ 5,115</u>	<u>\$ 9,468</u>	<u>\$ 6,476</u>	<u>\$ 12,552</u>
Inventories (included in operating costs)	<u>\$ 2,861</u>	<u>\$ 16,799</u>	<u>\$ 3,987</u>	<u>\$ 44,380</u>

f. Depreciation and amortization

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
An analysis of depreciation by function				
Operating Costs	\$ 95,867	\$ 100,701	\$ 192,875	\$ 201,100
Operating expenses	39,217	40,176	77,980	82,209
Non-operating revenue and expenses	9,664	9,565	19,496	19,009
	<u>\$ 144,748</u>	<u>\$ 150,442</u>	<u>\$ 290,351</u>	<u>\$ 302,318</u>
An analysis of amortization by function				
Operating Costs	\$ 7,878	\$ 6,865	\$ 14,941	\$ 13,891
Operating expenses	10,912	11,868	22,341	23,376
	<u>\$ 18,790</u>	<u>\$ 18,733</u>	<u>\$ 37,282</u>	<u>\$ 37,267</u>

g. Operating expenses directly related to investment properties

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Direct operating expenses of investment properties				
Direct operating expenses of investment properties that generated rental income	\$ 116	\$ 94	\$ 228	\$ 220
Direct operating expenses of investment properties that did not generated rental income	143	142	288	285
	<u>\$ 259</u>	<u>\$ 236</u>	<u>\$ 516</u>	<u>\$ 505</u>

h. Employee benefit expenses

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Post-employment benefits				
Defined contribution plans	\$ 33,445	\$ 39,824	\$ 67,082	\$ 79,392
Defined benefit plans (Note 23)	<u>2,622</u>	<u>1,329</u>	<u>5,245</u>	<u>4,320</u>
	36,067	41,153	72,327	83,712
Other employee benefits	<u>609,444</u>	<u>715,941</u>	<u>1,157,922</u>	<u>1,283,030</u>
Total employee benefit expenses	<u>\$ 645,511</u>	<u>\$ 757,094</u>	<u>\$ 1,230,249</u>	<u>\$ 1,366,742</u>
An analysis of employee benefit expenses by function				
Operating costs	\$ 239,759	\$ 232,577	\$ 456,564	\$ 443,257
Operating expenses	<u>405,752</u>	<u>524,517</u>	<u>773,685</u>	<u>923,485</u>
	<u>\$ 645,511</u>	<u>\$ 757,094</u>	<u>\$ 1,230,249</u>	<u>\$ 1,366,742</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 months and six months ended June 30, 2023 and 2022 are as follows:

Accrual rate

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Compensation of employees	1.30%	1.28%
Remuneration of directors	0.55%	0.55%

Amount

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Compensation of employees	<u>\$ 2,627</u>	<u>\$ 2,594</u>	<u>\$ 6,771</u>	<u>\$ 7,818</u>
Remuneration of directors	<u>\$ 1,112</u>	<u>\$ 1,114</u>	<u>\$ 2,865</u>	<u>\$ 3,359</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 2022 and 2021 were resolved by the Board of Directors on March 15, 2023 and March 21, 2022, respectively.

	2022	2021
	<u>Cash</u>	<u>Cash</u>
Compensation of employees	\$ 19,470	\$ 38,903
Remuneration of directors	8,237	16,716

The amounts of employee and directors' compensation distributed for the years ended December 31, 2022 and 2021 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 June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Foreign exchange gains	\$ 34,810	\$ 40,709	\$ 53,088	\$ 106,701
Foreign exchange losses	(39,609)	(34,530)	(54,914)	(49,168)
Net gains (losses)	(\$ 4,799)	\$ 6,179	(\$ 1,826)	\$ 57,533

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 June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Current tax				
In respect of the current year	\$ 88,770	\$ 158,790	\$ 195,145	\$ 312,863
Additional tax on unappropriated earnings	147	23,692	147	23,692
Adjustments from previous years	<u>2,609</u>	<u>(27,711)</u>	<u>2,615</u>	<u>(25,450)</u>
	<u>91,526</u>	<u>154,771</u>	<u>197,907</u>	<u>311,105</u>
Deferred tax				
In respect of the current year	<u>(52,478)</u>	<u>(87,101)</u>	<u>(90,824)</u>	<u>(143,732)</u>
Income tax expenses recognized in profit or loss	<u>\$ 39,048</u>	<u>\$ 67,670</u>	<u>\$ 107,083</u>	<u>\$ 167,373</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
<u>Deferred tax</u>				
Recognized for the year				
- Exchange differences of foreign operations	(\$ 41,166)	(\$ 31,204)	(\$ 32,858)	\$ 34,741
- Unrealized gain (loss) on financial assets at FVTOCI	<u>16</u>	<u>7</u>	<u>22</u>	<u>2</u>
Income tax recognized in other comprehensive income	<u>(\$ 41,150)</u>	<u>(\$ 31,197)</u>	<u>(\$ 32,836)</u>	<u>\$ 34,743</u>

c. Income tax assessments

The income tax returns of the Company and Domex Technology for the year ended December 31, 2020 had been assessed by the tax authorities.

The income tax returns of Standard Dairy Products, Charng Hui and Standard Beverage for the year ended December 31, 2021 had been assessed by the tax authorities.

28. EARNINGS PER SHARE

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 June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 179,426</u>	<u>\$ 160,960</u>	<u>\$ 442,371</u>	<u>\$ 488,005</u>

Shares

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
	Unit: Thousand shares			
Weighted average number of ordinary shares used in computation of basic earnings per share	908,420	908,420	908,420	908,420
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>168</u>	<u>175</u>	<u>366</u>	<u>531</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>908,588</u>	<u>908,595</u>	<u>908,786</u>	<u>908,951</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 Six Months Ended June 30, 2023

			Non-cash flow		
	January 1, 2023	Cash flows	New lease/lease modification	Adjustment of changes in exchange rates	June 30, 2023
Short-term borrowings	\$ 2,928,175	\$ 362,093	\$ -	(\$ 70,241)	\$ 3,220,027
Short-term bills payable	-	49,913	-	-	49,913
Lease liabilities	250,858	(48,242)	26,648	793	230,057
Guarantee deposits	<u>22,224</u>	(<u>203</u>)	<u>-</u>	(<u>429</u>)	<u>21,592</u>
	<u>\$ 3,201,257</u>	<u>\$ 363,561</u>	<u>\$ 26,648</u>	(<u>\$ 69,877</u>)	<u>\$ 3,521,589</u>

For the Six Months Ended June 30, 2022

			Non-cash flow		
	January 1, 2022	Cash flows	New lease/lease modification	Adjustment of changes in exchange rates	June 30, 2022
Short-term borrowings	\$ 1,372,463	\$ 528,204	\$ -	\$ 16,961	\$ 1,917,628
Short-term bills payable	259,855	(30,026)	-	-	229,829
Lease liabilities	319,973	(47,203)	16,583	3,963	293,316
Guarantee deposits	31,055	(4,714)	-	520	26,861
Other non-current liabilities	<u>121</u>	(<u>124</u>)	<u>-</u>	<u>3</u>	<u>-</u>
	<u>\$ 1,983,467</u>	<u>\$ 446,137</u>	<u>\$ 16,583</u>	<u>\$ 21,447</u>	<u>\$ 2,467,634</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

June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 50,228	\$ -	\$ -	\$ 50,228
Unlisted shares	-	-	2,022	2,022
Mutual fund beneficiary certification	1,387,041	-	-	1,387,041
Debt securities	-	79,769	-	79,769
Total	<u>\$ 1,437,269</u>	<u>\$ 79,769</u>	<u>\$ 2,022</u>	<u>\$ 1,519,060</u>

Financial assets at FVTOCI

Investments in equity instruments				
- Listed shares	\$ 434,888	\$ -	\$ -	\$ 434,888
- Unlisted shares	-	-	159,867	159,867
Total	<u>\$ 434,888</u>	<u>\$ -</u>	<u>\$ 159,867</u>	<u>\$ 594,755</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 31,562	\$ -	\$ -	\$ 31,562
Unlisted shares	-	-	2,059	2,059
Mutual fund beneficiary certification	1,261,901	-	-	1,261,901
Total	<u>\$ 1,293,463</u>	<u>\$ -</u>	<u>\$ 2,059</u>	<u>\$ 1,295,522</u>

Financial assets at FVTOCI

Investments in equity instruments				
- Listed shares	\$ 327,867	\$ -	\$ -	\$ 327,867
- Unlisted shares	-	-	215,709	215,709
Total	<u>\$ 327,867</u>	<u>\$ -</u>	<u>\$ 215,709</u>	<u>\$ 543,576</u>

June 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 34,589	\$ -	\$ -	\$ 34,589
Unlisted shares	-	-	2,221	2,221
Mutual fund beneficiary certification	1,154,343	-	-	1,154,343
Debt securities	-	30,380	-	30,380
Total	<u>\$ 1,188,932</u>	<u>\$ 30,380</u>	<u>\$ 2,221</u>	<u>\$ 1,221,533</u>

Financial assets at FVTOCI

Investments in equity instruments				
- Listed shares	\$ 293,316	\$ -	\$ -	\$ 293,316
- Unlisted shares	-	-	316,221	316,221
Total	<u>\$ 293,316</u>	<u>\$ -</u>	<u>\$ 316,221</u>	<u>\$ 609,537</u>

For the six months ended June 30, 2023 and 2022, 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 Six Months Ended June 30, 2023

	Financial assets at FVTPL	Financial assets at FVTOCI	
	Equity instruments	Equity instruments	Total
Financial assets			
Balance as of January 1	\$ 2,059	\$ 215,709	\$ 217,768
Recognized in profit or loss (included in other gains and losses)	(37)	-	(37)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(55,816)	(55,816)
Impact of exchange rates	-	(26)	(26)
Balance as of June 30	<u>\$ 2,022</u>	<u>\$ 159,867</u>	<u>\$ 161,889</u>
Recognized in other gains and losses - unrealized	(<u>\$ 37</u>)	<u>\$ -</u>	(<u>\$ 37</u>)

For the Six Months Ended June 30, 2022

	Financial assets at FVTPL	Financial assets at FVTOCI	
	Equity instruments	Equity instruments	Total
Financial assets			
Balance as of January 1	\$ 2,244	\$ 412,104	\$ 414,348
Recognized in profit or loss (included in other gains and losses)	(23)	-	(23)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(95,902)	(95,902)
Impact of exchange rates	-	19	19
Balance as of June 30	<u>\$ 2,221</u>	<u>\$ 316,221</u>	<u>\$ 318,442</u>
Recognized in other gains and losses - unrealized	(<u>\$ 23</u>)	<u>\$ -</u>	(<u>\$ 23</u>)

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

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified as at FVTPL	\$ 1,519,060	\$ 1,295,522	\$ 1,221,533
Financial assets at amortized cost (Note 1)	10,983,898	12,785,603	11,759,217
Financial assets at FVTOCI			
Investments in equity instruments	594,755	543,576	609,537
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	6,855,538	4,996,745	6,786,622

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, CHF, and SGD.

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 Six Months Ended	For the Six Months Ended	For the Six Months Ended	For the Six Months Ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Profit or loss	\$ 29,066 (i)	\$ 29,601 (i)	\$ 21,378 (ii)	\$ 15,136 (ii)

	EUR Impact		AUD Impact	
	For the Six Months Ended	For the Six Months Ended	For the Six Months Ended	For the Six Months Ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Profit or loss	\$ 9,953 (iii)	\$ - (iii)	\$ 5,130 (iv)	\$ 2,079 (iv)

	CHF Impact		SGD Impact	
	For the Six Months Ended	For the Six Months Ended	For the Six Months Ended	For the Six Months Ended
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Profit or loss	(\$ 333)(v)	\$ 566 (v)	\$ 208 (vi)	(\$ 345)(vi)

- 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 bank deposits and payables which were not hedged at the end of the reporting period.
- vi. This was mainly derived from the outstanding SGD-denominated bank deposits which were not hedged at the end of the reporting period.

b) Interest rate risk

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

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

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value interest rate risk			
- Financial assets	\$ 4,120,102	\$ 4,137,886	\$ 4,753,981
- Financial liabilities	3,499,997	3,059,033	2,263,273
Cash flow interest rate risk			
- Financial assets	171,200	320,900	929,900
- Financial liabilities	-	120,000	177,500

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 six months period ended June 30, 2023 and 2022, would increase (decrease) by NT\$856 thousand and NT\$3,762 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 six months ended June 30, 2023, if prices rise/fall by 1%, the pre-tax income would increase/decrease by NT\$15,191 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 six months ended June 30, 2023 would increase/decrease by NT\$5,948 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive income.

For the six months ended June 30, 2022, if prices rise/fall by 1%, the pre-tax income would increase/decrease by NT\$12,215 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 six months ended June 30, 2022 would increase/decrease by NT\$6,095 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 the Group due to failure of counterparties to discharge an obligation 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 June 30, 2023, December 31, 2022, and June 30, 2022, the Group has available bank loan facilities in the amounts of NT\$4,843,265 thousand, NT\$5,107,372 thousand, NT\$6,661,195 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.

June 30, 2023

	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	\$ 760,838	\$ 2,739,345	\$ 62,282	\$ 21,592
Lease liabilities	8,450	21,227	67,900	142,574
Fixed interest rate liabilities	538,572	839,906	366,840	1,529,908
Contract liabilities	72,977	145,952	3,580	-
	<u>\$ 1,380,837</u>	<u>\$ 3,746,430</u>	<u>\$ 500,602</u>	<u>\$ 1,694,074</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing	\$ 661,460	\$ 1,325,899	\$ 57,465	\$ 22,224
Lease liabilities	8,070	18,954	70,308	163,512
Variable interest rate liabilities	-	120,086	-	-
Fixed interest rate liabilities	860,858	382,951	-	1,565,337
Contract liabilities	159,566	319,131	-	-
	<u>\$ 1,689,954</u>	<u>\$ 2,167,021</u>	<u>\$ 127,773</u>	<u>\$ 1,751,073</u>

June 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	\$ 924,621	\$ 3,643,805	\$ 42,726	\$ 26,861
Lease liabilities	8,361	19,240	72,368	206,616
Variable interest rate liabilities	66,020	83,021	28,512	-
Fixed interest rate liabilities	401,052	1,109,363	18,401	442,830
Contract liabilities	77,776	155,551	-	-
	<u>\$ 1,477,830</u>	<u>\$ 5,010,980</u>	<u>\$ 162,007</u>	<u>\$ 676,307</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 June 30, 2023</u>	<u>For the Three Months Ended June 30, 2022</u>	<u>For the Six Months Ended June 30, 2023</u>	<u>For the Six Months Ended June 30, 2022</u>
The Company is one of the directors	<u>\$ 52</u>	<u>\$ 10,883</u>	<u>\$ 52</u>	<u>\$ 19,498</u>

Sales from related parties were conducted on normal commercial terms.

c. Purchases

<u>Related Party Category</u>	<u>For the Three Months Ended June 30, 2023</u>	<u>For the Three Months Ended June 30, 2022</u>	<u>For the Six Months Ended June 30, 2023</u>	<u>For the Six Months Ended June 30, 2022</u>
The Company is one of the directors	<u>\$ 10,610</u>	<u>\$ 25,763</u>	<u>\$ 24,112</u>	<u>\$ 45,120</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

Line Item	Name of Related Party	June 30, 2023	December 31, 2022	June 30, 2022
Trade receivables from related parties	GeneFerm	<u>\$ 55</u>	<u>\$ 4,737</u>	<u>\$ 11,544</u>

The outstanding receivables from related parties were unsecured. No loss allowances were set aside for receivables from related parties for the six months ended June 30, 2023 and 2022.

e. Payables to related parties

Line Item	Name of Related Party	June 30, 2023	December 31, 2022	June 30, 2022
Trade payables to related parties	GeneFerm	<u>\$ 11,144</u>	<u>\$ 19,633</u>	<u>\$ 22,389</u>

The outstanding payables to related parties were unsecured.

f. Compensation of key management personnel

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Short-term employee benefits	\$ 3,737	\$ 3,727	\$ 10,474	\$ 10,973
Post-employment benefits	<u>150</u>	<u>78</u>	<u>300</u>	<u>157</u>
	<u>\$ 3,887</u>	<u>\$ 3,805</u>	<u>\$ 10,774</u>	<u>\$ 11,130</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:

	June 30, 2023	December 31, 2022	June 30, 2022
Pledge time deposits (included in other current assets)	\$ 10,028	\$ 9,904	\$ 4,019
Property, plant and equipment - net	112,155	113,879	104,221
Investment properties - net	<u>33,485</u>	<u>34,075</u>	<u>34,666</u>
	<u>\$ 155,668</u>	<u>\$ 157,858</u>	<u>\$ 142,906</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

Except for those disclosed in other notes, significant commitments and contingencies of the Group on June 30, 2023 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\$2,108 thousand.
- c. Unrecognized commitments for acquisition of property, plant and equipment of approximately \$388,617 thousand.
- d. Unrecognized commitments for acquiring colostrum from dairymen were approximately 46,218 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:

June 30, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 22,749	31.14 (USD:NTD)	\$ 708,392
USD	2,214	7.23 (USD:RMB)	68,952
EUR	10,027	33.81 (EUR:NTD)	338,999
RMB	224,816	4.31 (RMB:NTD)	968,867
AUD	8,293	20.62 (AUD:NTD)	170,996
SGD	302	22.96 (SGD:NTD)	6,938
			<u>\$ 2,263,144</u>
 <u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	2,079	31.14 (USD:NTD)	\$ 64,752
EUR	214	33.81 (EUR:NTD)	7,238
CHF	321	8.03 (CHF:RMB)	11,100
			<u>\$ 83,090</u>

December 31, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 13,240	30.71 (USD:NTD)	\$ 406,590
USD	1,240	6.96 (USD:RMB)	38,087
EUR	2,042	32.72 (EUR:NTD)	66,803
RMB	223,367	4.41 (RMB:NTD)	984,913
AUD	4,116	20.83 (AUD:NTD)	85,733
SGD	387	22.88 (SGD:NTD)	8,851
			<u>\$ 1,590,977</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	2,822	30.71 (USD:NTD)	\$ 86,650
CHF	139	7.53 (CHF:RMB)	4,616
			<u>\$ 91,266</u>

June 30, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
<u>Foreign currency assets</u>			
<u>Monetary items</u>			
USD	\$ 19,312	29.72 (USD:NTD)	\$ 573,954
USD	1,375	6.71 (USD:RMB)	40,956
RMB	222,280	4.44 (RMB:NTD)	986,699
AUD	3,388	20.45 (AUD:NTD)	69,290
CHF	606	31.12 (CHF:NTD)	18,856
			<u>\$ 1,689,755</u>
<u>Foreign currency liabilities</u>			
<u>Monetary items</u>			
USD	3,714	29.72 (USD:NTD)	\$ 110,389
SGD	538	21.37 (SGD:NTD)	11,494
			<u>\$ 121,883</u>

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

Functional Currencies	For the Three Months Ended June 30, 2023			For the Three Months Ended June 30, 2022		
	Exchange Rate		Net Foreign Exchange Gains (Losses)	Exchange Rate		Net Foreign Exchange Gains (Losses)
NTD	1	(NTD:NTD)	(\$ 6,404)	1	(NTD:NTD)	\$ 3,128
RMB	4.38	(RMB:NTD)	1,516	4.45	(RMB:NTD)	2,751
CHF	34.18	(CHF:NTD)	89	30.52	(CHF:NTD)	300
			<u>(\$ 4,799)</u>			<u>\$ 6,179</u>

Functional Currencies	For the Six Months Ended June 30, 2023			For the Six Months Ended June 30, 2022		
			Net Foreign Exchange Gains			Net Foreign Exchange Gains
	Exchange Rate		(Losses)	Exchange Rate		(Losses)
NTD	1	(NTD:NTD)	(\$ 2,680)	1	(NTD:NTD)	\$ 54,919
RMB	4.41	(RMB:NTD)	940	4.43	(RMB:NTD)	2,317
CHF	33.53	(CHF:NTD)	(86)	30.42	(CHF:NTD)	297
			(\$ 1,826)			\$ 57,533

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 Six Months Ended June 30,</u>						
<u>2023</u>						
Sales from external customers	\$ 5,121,715	\$ 1,171,759	\$ 5,006,366	\$ 904,128	\$ -	\$12,203,968
Sales among intersegments	<u>727,806</u>	<u>610,374</u>	<u>6,797</u>	<u>15</u>	<u>(1,344,992)</u>	<u>-</u>
Total sales	<u>\$ 5,849,521</u>	<u>\$ 1,782,133</u>	<u>\$ 5,013,163</u>	<u>\$ 904,143</u>	<u>(\$ 1,344,992)</u>	<u>\$12,203,968</u>
Interest income	<u>\$ 21,750</u>	<u>\$ 2,531</u>	<u>\$ 54,824</u>	<u>\$ 8,499</u>	<u>(\$ 8,340)</u>	<u>\$ 79,264</u>
Financial cost	<u>\$ 633</u>	<u>\$ 2</u>	<u>\$ 33,022</u>	<u>\$ 6,833</u>	<u>(\$ 8,340)</u>	<u>\$ 32,150</u>
Depreciation expenses	<u>\$ 101,097</u>	<u>\$ 23,878</u>	<u>\$ 120,283</u>	<u>\$ 46,915</u>	<u>(\$ 1,822)</u>	<u>\$ 290,351</u>
Amortization expenses	<u>\$ 12,710</u>	<u>\$ 1,350</u>	<u>\$ 15,537</u>	<u>\$ 7,685</u>	<u>\$ -</u>	<u>\$ 37,282</u>
Operating segment income (loss)	<u>\$ 798,935</u>	<u>\$ 158,600</u>	<u>(\$ 325,379)</u>	<u>(\$ 16,011)</u>	<u>(\$ 57,895)</u>	<u>\$ 558,250</u>
Unallocated amount						<u>-</u>
Profit before income tax						<u>\$ 558,250</u>
<u>For the Six Months Ended June 30,</u>						
<u>2022</u>						
Sales from external customers	\$ 5,130,873	\$ 1,149,585	\$ 5,008,901	\$ 1,433,310	\$ -	\$12,722,669
Sales among intersegments	<u>691,542</u>	<u>507,031</u>	<u>33</u>	<u>797</u>	<u>(1,199,403)</u>	<u>-</u>
Total sales	<u>\$ 5,822,415</u>	<u>\$ 1,656,616</u>	<u>\$ 5,008,934</u>	<u>\$ 1,434,107</u>	<u>(\$ 1,199,403)</u>	<u>\$12,722,669</u>
Interest income	<u>\$ 11,286</u>	<u>\$ 1,099</u>	<u>\$ 49,483</u>	<u>\$ 1,355</u>	<u>(\$ 7,037)</u>	<u>\$ 56,186</u>
Financial cost	<u>\$ 718</u>	<u>\$ 1</u>	<u>\$ 21,332</u>	<u>\$ 9,096</u>	<u>(\$ 7,037)</u>	<u>\$ 24,110</u>
Depreciation expenses	<u>\$ 110,488</u>	<u>\$ 21,973</u>	<u>\$ 121,915</u>	<u>\$ 49,768</u>	<u>(\$ 1,826)</u>	<u>\$ 302,318</u>
Amortization expenses	<u>\$ 9,557</u>	<u>\$ 1,676</u>	<u>\$ 18,338</u>	<u>\$ 7,696</u>	<u>\$ -</u>	<u>\$ 37,267</u>
Operating segment income (loss)	<u>\$ 1,106,696</u>	<u>\$ 221,074</u>	<u>(\$ 699,654)</u>	<u>(\$ 10,508)</u>	<u>\$ 52,941</u>	<u>\$ 670,549</u>
Unallocated amount						<u>-</u>
Profit before income tax						<u>\$ 670,549</u>

Table 1

STANDARD FOODS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
For the Six Months Ended June 30, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Balance as of June 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	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	\$ 868,380	\$ 861,920	\$ 430,960	1.200%~2.500%	2	\$ -	Need for operation	\$ -	—	\$ -	\$ 3,574,794 (Note 3)	\$ 7,149,588 (Note 4)	Note 10
0	Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	868,380	861,920	430,960	1.200%~2.500%	2	-	Need for operation	-	—	-	3,574,794 (Note 3)	7,149,588 (Note 4)	Note 10
0	Standard Foods Corporation	Standard Beverage Company Ltd.	Financing receivables - related parties	Yes	50,000	50,000	38,500	1.750%	2	-	Need for operation	-	—	-	3,574,794 (Note 3)	7,149,588 (Note 4)	Note 10
0	Standard Foods Corporation	Chang Hui Ltd.	Financing receivables - related parties	Yes	50,000	50,000	-	2.867%	2	-	Need for operation	-	—	-	3,574,794 (Note 3)	7,149,588 (Note 4)	Note 10
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Yes	177,712	172,384	132,981	1.000%	2	-	Need for operation	-	—	-	1,353,400 (Note 5)	1,353,400 (Note 5)	Note 10
1	Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Financing receivables - related parties	Yes	303,933	301,672	252,676	1.000%	2	-	Need for operation	-	—	-	1,353,400 (Note 5)	1,353,400 (Note 5)	Note 10
1	Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	521,028	517,152	398,207	1.000%	2	-	Need for operation	-	—	-	1,353,400 (Note 5)	1,353,400 (Note 5)	Note 10
1	Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	444,280	301,672	191,932	1.000%	2	-	Need for operation	-	—	-	1,353,400 (Note 5)	1,353,400 (Note 5)	Note 10
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	644,206	624,892	186,093	1.000%	2	-	Need for operation	-	—	-	1,271,611 (Note 6)	1,271,611 (Note 6)	Note 10
2	Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	222,140	215,480	215,480	1.000%	2	-	Need for operation	-	—	-	1,271,611 (Note 6)	1,271,611 (Note 6)	Note 10
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	222,140	215,480	-	1.000%	2	-	Need for operation	-	—	-	1,271,611 (Note 6)	1,271,611 (Note 6)	Note 10
3	Shanghai Le Ben De Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	5,776	-	-	1.000%	2	-	Need for operation	-	—	-	12,369 (Note 7)	12,369 (Note 7)	Note 10
4	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	52,103	51,715	35,205	1.000%	2	-	Need for operation	-	—	-	178,096 (Note 8)	178,096 (Note 8)	Note 10
5	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	52,103	51,715	24,254	1.000%	2	-	Need for operation	-	—	-	111,388 (Note 9)	111,388 (Note 9)	Note 10

- 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 amount shall not exceed 20% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$3,574,794 thousand (the net value per financial statements of \$17,873,971 thousand x 20% as of March 31, 2023).
- Note 4. The total amount shall not exceed 40% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$7,149,588 thousand (the net value per financial statements of \$17,873,971 thousand x 40% as of March 31, 2023).
- Note 5. 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 \$1,353,400 thousand (the net value per financial statements of \$3,383,500 thousand x 40% as of March 31, 2023).
- Note 6. 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\$1,271,611 thousand (the net value per financial statements of \$3,179,027 thousand x 40% as of March 31, 2023).
- Note 7. 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 \$12,369 thousand (the net value per financial statements of \$30,923 thousand x 40% as of March 31, 2023).
- Note 8. 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 \$178,096 thousand (the net value per financial statements of \$445,239 thousand x 40% as of March 31, 2023).
- Note 9. 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 \$111,388 thousand (the net value per financial statements of \$278,469 thousand x 40% as of March 31, 2023).
- Note 10. The amounts presented above were eliminated upon consolidation.

Table 2

STANDARD FOODS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

For the Six Months Ended June 30, 2023

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Endorse to single entity Balance on guarantee	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount	Guarantee Provided by Parent Company (Note 5)	Guarantee Provided by Subsidiary (Note 5)	Guarantee Provided to Subsidiaries in Mainland China (Note 5)	Note
		Name	Nature of Relationships (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company Ltd.	(2)	\$ 14,299,177 (Note 3)	\$ 93,420	\$ 93,420	\$ -	\$ -	0.52%	\$ 17,873,971 (Note 4)	Y	-	-	
0	Standard Foods Corporation	Charng Hui Ltd.	(2)	14,299,177 (Note 3)	93,420	93,420	-	-	0.52%	17,873,971 (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 amount shall not exceed 80% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$14,299,177 thousand (the net value per financial statements of \$17,873,971 thousand x 80% as of March 31, 2023).

Note 4. The total amount shall not exceed 100% of net value of Standard Foods Corporation per the latest financial statements, which was calculated to be \$17,873,971 thousand (the net value per financial statements of \$17,873,971 thousand x 100% as of March 31, 2023).

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)

June 30, 2023

(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	\$ 17,455	-	\$ 17,455	
	Shares	Chunghwa Telecom Co., Ltd.		Financial assets at FVTOCI - current	48,600	5,662	-	5,662	
	Shares	GeneFerm Biotechnology Co., Ltd.		Financial assets at FVTOCI - non-current	2,145,110	229,527	5.2%	229,527	
	Shares	Dah Chung Bills Finance Corp.		Financial assets at FVTOCI - non-current	1,274,480	18,594	0.3%	18,594	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTPL - current	9,028	5,200	-	5,200	
	Shares	Apple Inc.		Financial assets at FVTPL - current	1,675	10,117	-	10,117	
	Shares	Amazon.com, Inc.		Financial assets at FVTPL - current	740	3,004	-	3,004	
	Shares	Alphabet Inc.		Financial assets at FVTPL - current	820	3,056	-	3,056	
	Shares	Microsoft Corporation		Financial assets at FVTPL - current	372	3,945	-	3,945	
	Shares	NVIDIA Corporation		Financial assets at FVTPL - current	467	6,152	-	6,152	
	Shares	Tesla, Inc.		Financial assets at FVTPL - current	387	3,155	-	3,155	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	8,368,422	115,928	-	115,928	
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	3,585,869	60,637	-	60,637	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	4,720,915	58,643	-	58,643	
	Mutual funds	Hua Nan Phoenix Money Market Fund		Financial assets at FVTPL - current	45,408,499	754,680	-	754,680	
	Mutual funds	Cathay Glb Aggressive FOFs		Financial assets at FVTPL - current	2,284,844	58,378	-	58,378	
	Debt securities	HSBC Holdings USD Bond (HSBC 4.3 030826)		Financial assets at FVTPL - current	10,000	29,770	-	29,770	

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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.	Debt securities	TSMC Unsecured Corporate Bond 2023 2 nd Offering		Financial assets at FVTPL - current	500,000	\$ 49,999	-	\$ 49,999	
	Shares	Paradigm Venture Capital Corporation		Financial assets at FVTPL - non-current	153,320	2,022	7.0%	2,022	
	Shares	U-Teck Environment Corporation, Ltd.		Financial assets at FVTPL - non-current	11,200	-	0.2%	-	
	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%	-	
	Shares	Octamer, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	800,000	-	7.8%	-	
	Shares	Octamer, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	107,815	-	1.0%	-	
	Shares	Fortemedia, Inc. - Series D Preferred Stock		Financial assets at FVTPL - non-current	3,455	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	71,397	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	29,173	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series G Preferred Stock		Financial assets at FVTPL - non-current	31,135	-	1.3%	-	
	Shares	Fortemedia, Inc. - Series I Preferred Stock		Financial assets at FVTPL - non-current	29,102	-	1.3%	-	
	Shares	Fortemedia, Inc. - Common Stock		Financial assets at FVTPL - non-current	12,938	-	1.2%	-	
	Mutual funds	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	959,153	15,000	-	15,000	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	8,174,765	113,245	-	113,245	
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	1,195,290	20,212	-	20,212	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	786,819	9,774	-	9,774	
	Mutual funds	Cathay Glb Aggressive FOFs		Financial assets at FVTPL - current	761,615	19,459	-	19,459	
Charng Hui Ltd.	Shares	Standard Foods Corporation	Charng Hui Ltd.	Financial assets at FVTOCI - current	6,669,471	277,117	0.7%	277,117	Note
	Shares	Formosa Plastics Corporation		Financial assets at FVTOCI - current	91,440	7,836	-	7,836	

(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	
Domex Technology Corporation Accession Limited	Shares	China Steel Corporation	Charng Hui Ltd. is one of the directors	Financial assets at FVTOCI - current	803,258	\$ 23,616	-	\$ 23,616	
	Shares	Polytronics Technology Corporation		Financial assets at FVTOCI - current	1,596,000	98,952	1.9%	98,952	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTOCI - current	90,000	51,840	-	51,840	
	Mutual funds	Fuh Hwa Global Strategic Allocation FoF		Financial assets at FVTPL - current	1,000,000	12,200	-	12,200	
	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds		Financial assets at FVTPL - current	1,453,360	17,093	-	17,093	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	966,084	16,389	-	16,389	
	Shares	Amphastar Pharmaceuticals Inc. (AMPH)		Financial assets at FVTPL - non-current	7,742	13,855	-	13,855	
	Shares	InnoComm Mobile Technology Corp.		Financial assets at FVTOCI - non-current	3,600,000	140,184	13.4%	140,184	
	Shares	AsiaVest Liquidation Co.		Financial assets at FVTOCI - non-current	200	1,089	0.7%	1,089	
	Mutual funds	Term Liquidity Fund		Financial assets at FVTPL - current	33,453	115,403	-	115,403	
Standard Investment (China) Co., Ltd.	Shares	CCOOP Group Co., Ltd.		Financial assets at FVTPL - current	342,939	1,744	-	1,744	

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 Six Months Ended June 30, 2023

(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	(\$ 727,806)	12.44%	55 days after month-end closing (net of receivables and payables)	—	—	\$ 165,245	9.35%	Note
			Purchases	610,374	17.62%	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	727,806	52.40%	55 days after month-end closing (net of receivables and payables)	—	—	(165,245)	34.37%	Note
			Sales	(610,374)	34.25%	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	(660,553)	66.73%	60 days after month-end closing	—	—	316,255	98.63%	Note
			Purchases	328,992	27.55%	60 days after month-end closing	—	—	(96,124)	72.96%	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	660,553	14.88%	60 days after month-end closing	—	—	(316,255)	13.76%	Note
			Sales	(328,992)	6.81%	60 days after month-end closing	—	—	96,124	7.18%	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(2,125,952)	99.23%	60 days after month-end closing	—	—	771,474	99.53%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	2,125,952	47.88%	60 days after month-end closing	—	—	(771,474)	33.57%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(1,627,640)	90.15%	60 days after month-end closing	—	—	398,637	99.52%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	1,627,640	36.66%	60 days after month-end closing	—	—	(398,637)	17.35%	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

June 30, 2023

(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 receivable	9.50	\$ -		\$ 7,874 (Note 1)	\$ -	(Note 2)
			Other receivables		-		5,325 (Note 1)	-	(Note 2)
					\$ -		\$ 13,199 (Note 1)	\$ -	
Standard Foods Corporation	Standard Foods (China) Co., Ltd.	The Company's subsidiary	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					\$ -		\$ - (Note 1)	\$ -	
Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	The Company's subsidiary	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					\$ -		\$ - (Note 1)	\$ -	
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivable	2.89	\$ -		\$ 118,736 (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		457 (Note 1)	-	(Note 2)
					\$ -		\$ 119,193 (Note 1)	\$ -	
Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Financing receivables		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					\$ -		\$ - (Note 1)	\$ -	
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Trade receivable	3.99	\$ -		\$ 8,619 (Note 1)	\$ -	(Note 2)
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Trade receivable	10.26	\$ -		\$ 62 (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					\$ -		\$ 62 (Note 1)	\$ -	
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Trade receivable	16.95	\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Financing receivables		-		- (Note 1)	-	(Note 2)
			Other receivables		-		- (Note 1)	-	(Note 2)
					\$ -		\$ - (Note 1)	\$ -	
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)
					\$ -		\$ - (Note 1)	\$ -	
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)
					\$ -		\$ - (Note 1)	\$ -	
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Trade receivable	4.36	\$ -		\$ 345,630 (Note 1)	\$ -	(Note 2)

Note 1. The amount received as of August 7, 2023.

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 Six Months Ended June 30, 2023

(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	\$ 165,245	According to the general conditions	0.6%
0	Standard Foods Corporation	Standard Dairy Products	1	Other receivables	5,325	According to the general conditions	-
0	Standard Foods Corporation	Standard Dairy Products	1	Sales	727,806	According to the general conditions	6.0%
0	Standard Foods Corporation	Standard Dairy Products	1	Purchases	610,374	According to the general conditions	5.0%
0	Standard Foods Corporation	Standard Dairy Products	1	Royalty revenue	4,063	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	38,500	Interest rate 1.750% per annum	0.1%
0	Standard Foods Corporation	Standard Beverage	1	Interest income	207	Interest rate 1.750% per annum	-
0	Standard Foods Corporation	Standard Beverage	1	Service revenue (recognized under sundry revenue)	660	According to the general conditions	-
0	Standard Foods Corporation	Charng Hui	1	Other payables	52	According to the general conditions	-
0	Standard Foods Corporation	China Standard Foods	1	Other receivables	5,016	According to the general conditions	-
0	Standard Foods Corporation	China Standard Foods	1	Financing receivables	430,960	Interest rate 1.200% per annum	1.5%
0	Standard Foods Corporation	China Standard Foods	1	Interest income	2,635	Interest rate 1.200% per annum	-
0	Standard Foods Corporation	Xiamen Standard	1	Other receivables	5,016	According to the general conditions	-
0	Standard Foods Corporation	Xiamen Standard	1	Financing receivables	430,960	Interest rate 1.200% per annum	1.5%
0	Standard Foods Corporation	Xiamen Standard	1	Interest income	2,635	Interest rate 1.200% per annum	-
1	Standard Dairy Products	Charng Hui	3	Other payables	236	According to the general conditions	-
2	Shanghai Standard	China Standard Investment	3	Trade receivables	316,255	According to the general conditions	1.1%
2	Shanghai Standard	China Standard Investment	3	Financing receivables	186,093	Interest rate 1.000% per annum	0.7%
2	Shanghai Standard	China Standard Investment	3	Other receivables	2,191	According to the general conditions	-
2	Shanghai Standard	China Standard Investment	3	Trade payables	96,124	According to the general conditions	0.3%
2	Shanghai Standard	China Standard Investment	3	Sales	660,553	According to the general conditions	5.4%
2	Shanghai Standard	China Standard Investment	3	Purchases	328,992	According to the general conditions	2.7%
2	Shanghai Standard	China Standard Investment	3	Interest income	1,309	Interest rate 1.000% per annum	-
2	Shanghai Standard	China Standard Investment	3	Other income	2,392	According to the general conditions	-
2	Shanghai Standard	China Standard Foods	3	Trade receivables	20	According to the general conditions	-
2	Shanghai Standard	China Standard Foods	3	Trade payables	46	According to the general conditions	-
2	Shanghai Standard	China Standard Foods	3	Sales	253	According to the general conditions	-
2	Shanghai Standard	China Standard Foods	3	Purchases	92	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	Trade receivables	\$ 4,339	According to the general conditions	-
2	Shanghai Standard	Shanghai Le Bonta	3	Sales	6,797	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Other receivables	401	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Financing receivables	215,480	Interest rate 1.000% per annum	0.8%
2	Shanghai Standard	Xiamen Standard	3	Sales	2	According to the general conditions	-
2	Shanghai Standard	Xiamen Standard	3	Interest income	411	Interest rate 1.000% per annum	-
3	China Standard Investment	China Standard Foods	1	Trade receivables	62	According to the general conditions	-
3	China Standard Investment	China Standard Foods	1	Other receivables	16,045	According to the general conditions	0.1%
3	China Standard Investment	China Standard Foods	1	Financing receivables	191,932	Interest rate 1.000% per annum	0.7%
3	China Standard Investment	China Standard Foods	1	Trade payables	771,474	According to the general conditions	2.8%
3	China Standard Investment	China Standard Foods	1	Sales	218	According to the general conditions	-
3	China Standard Investment	China Standard Foods	1	Purchases	2,125,952	According to the general conditions	17.4%
3	China Standard Investment	China Standard Foods	1	Interest income	2,160	Interest rate 1.000% per annum	-
3	China Standard Investment	China Standard Foods	1	Other income	14,292	According to the general conditions	0.1%
3	China Standard Investment	China Standard Foods	1	Rental expenses	49	According to the general conditions	-
3	China Standard Investment	Shanghai Dermalab	1	Other receivables	1,075	According to the general conditions	-
3	China Standard Investment	Shanghai Dermalab	1	Financing receivables	132,981	Interest rate 1.000% per annum	0.5%
3	China Standard Investment	Shanghai Dermalab	1	Interest income	1,100	Interest rate 1.000% per annum	-
3	China Standard Investment	Xiamen Standard	1	Other receivables	16,680	According to the general conditions	0.1%
3	China Standard Investment	Xiamen Standard	1	Financing receivables	398,207	Interest rate 1.000% per annum	1.4%
3	China Standard Investment	Xiamen Standard	1	Trade receivables	42	According to the general conditions	-
3	China Standard Investment	Xiamen Standard	1	Trade payables	398,637	According to the general conditions	1.4%
3	China Standard Investment	Xiamen Standard	1	Sales	178	According to the general conditions	-
3	China Standard Investment	Xiamen Standard	1	Purchases	1,627,640	According to the general conditions	13.3%
3	China Standard Investment	Xiamen Standard	1	Interest income	9,389	Interest rate 1.000% per annum	0.1%
3	China Standard Investment	Xiamen Standard	1	Other income	7,696	According to the general conditions	0.1%
3	China Standard Investment	Shanghai Le Bonta	1	Other receivables	1,599	According to the general conditions	-
3	China Standard Investment	Shanghai Le Bonta	1	Financing receivables	252,676	Interest rate 1.000% per annum	0.9%
3	China Standard Investment	Shanghai Le Bonta	1	Trade payables	3	According to the general conditions	-
3	China Standard Investment	Shanghai Le Bonta	1	Interest income	1,362	Interest rate 1.000% per annum	-
3	China Standard Investment	Shanghai Le Bonta	1	Other expenses	15	According to the general conditions	-
3	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Other payables	212	According to the general conditions	-
3	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Financing payables	35,205	Interest rate 1.000% per annum	0.1%
3	China Standard Investment	Shanghai Le Ho Industrial Co., Ltd.	3	Interest expenses	216	Interest rate 1.000% per annum	-
3	China Standard Investment	Shanghai Le Min Industrial Co., Ltd	3	Other payables	158	According to the general conditions	-

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(Continued from the previous page)

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 Min Industrial Co., Ltd	3	Financing payables	\$ 24,254	Interest rate 1.000% per annum	0.1%
3	China Standard Investment	Shanghai Le Min Industrial Co., Ltd	3	Interest expenses	162	Interest rate 1.000% per annum	-
3	China Standard Investment	Shanghai Le Ben De	3	Interest expenses	23	Interest rate 1.000% per annum	-
4	Shanghai Dermalab	Dermalab	3	Trade payables	11,100	According to the general conditions	-
4	Shanghai Dermalab	Dermalab	3	Purchases	36,020	According to the general conditions	0.3%
4	Shanghai Dermalab	Shanghai Le Ben De	3	Trade payables	7,838	According to the general conditions	-
4	Shanghai Dermalab	Shanghai Le Ben De	3	Purchases	8,341	According to the general conditions	0.1%
5	China Standard Foods	Shanghai Le Bonta	3	Other receivables	1,430	According to the general conditions	-
5	China Standard Foods	Shanghai Le Bonta	3	Rental income	1,822	According to the general conditions	-
5	China Standard Foods	Shanghai Le Bonta	3	Other expenses	2,403	According to the general conditions	-
5	China Standard Foods	Xiamen Standard	3	Trade payables	1,925	According to the general conditions	-
5	China Standard Foods	Xiamen Standard	3	Sales	4	According to the general conditions	-
5	China Standard Foods	Xiamen Standard	3	Purchases	8,709	According to the general conditions	0.1%
6	Shanghai Le Bonta	Shanghai Le Ben De	3	Sales	11,289	According to the general conditions	0.1%
6	Shanghai Le Bonta	Shanghai Le Ben De	3	Purchases	13,909	According to the general conditions	0.1%
7	Shanghai Le Ben De	Dermalab	3	Trade payables	3,789	According to the general conditions	-
7	Shanghai Le Ben De	Dermalab	3	Purchases	7,562	According to the general conditions	0.1%
7	Shanghai Le Ben De	Shanghai New Vitality	2	Other receivables	294	According to the general conditions	-

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

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

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

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

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

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

Table 7**STANDARD FOODS CORPORATION AND SUBSIDIARIES**

INFORMATION ON INVESTEE COMPANIES (EXCLUDING MAINLAND INVESTED COMPANIES)

For the Six Months Ended June 30, 2023

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2023	December 31, 2022	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Limited	Tortola, British Virgin Islands	Investing	\$ 3,936,267	\$ 3,936,267	123,600,000	100%	\$ 3,556,440	(\$ 5,288)	(\$ 20,710)	Subsidiary (Note 4)
	Standard Investment (Cayman) Limited	Grand Cayman, Cayman Islands	Investing	4,713,791	4,713,791	150,224,815	100%	4,173,208	(415,670)	(415,670)	Subsidiary (Note 4)
	Standard Dairy Products Taiwan Ltd.	Taipei, Taiwan	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100%	1,163,718	127,814	121,638	Subsidiary (Note 4)
	Charng Hui Ltd.	Taipei, Taiwan	Investing	230,000	230,000	24,100,000	100%	328,671	11,874	11,874	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%	275,524	26,757	13,916	Subsidiary (Note 4)
	Standard Beverage Company Ltd.	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100%	82,833	1,224	1,224	Subsidiary (Note 4)
	Standard Foods, LLC.	U.S.A.	Sale of health food	9,056	9,056	Note 3	100%	9,342	-	-	Subsidiary (Note 4)
	Standard Great Foods Singapore PTE. LTD.	Singapore	Food trading	317	317	Note 3	100%	321	-	-	Subsidiary (Note 4)
Accession Limited	Dermalab S.A.	Switzerland	Development and sale of cosmetics	379,489	379,489	4,050	100%	245,110	(1,456)	-	Sub-subsubsidiary (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	4,709,971	150,098,815	100%	4,171,708	(415,617)	-	Sub-subsubsidiary (Note 4)

Note 1. This amount was the share of loss from the investee of NT\$5,288 thousand less the unrealized gain on sidestream transactions of NT\$15,422 thousand.

Note 2. This amount was the share of profit from the investee of NT\$127,814 thousand minus the unrealized gain on upstream transactions of NT\$6,176 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 Six Months Ended June 30, 2023

(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 June 30, 2023	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)	(\$ 9,693)	100.0%	(\$ 17,350) (Note 10)	\$ 3,174,050	\$ -	Note 13
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)	(351,989)	99.0%	(348,469) (Note 10)	3,147,123	-	Note 13
Shanghai New Vitality Health Technology (Group) Co., Ltd.	Sale of health foods and cosmetic goods, and import/export trade	445,000	(2) (Note 5)	- (Note 5)	-	-	- (Note 5)	(52,452)	99.0%	(51,927) (Note 11)	305,449	-	Note 13
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)	12,168	99.0%	(3,934) (Note 10)	2,382,433	-	Note 13
Shanghai Dermalab Corporation	Sale of health foods and cosmetic goods, and import/export trade	93,989	(3) (Note 9)	- (Note 6)	-	-	- (Note 9)	(8,802)	99.0%	(8,714) (Note 11)	(25,341)	-	Note 13
Le Bonta Wellness Co., Ltd.	Sale of nutritional foods and engage in import and export business	380,418	(3) (Note 9)	181,048 (Note 7)	-	-	181,048 (Note 9)	(46,923)	99.0%	(46,454) (Note 11)	(101,314)	-	Note 13
Shanghai Le Ben De Health Technology Co., Ltd.	Sale of nutritional foods and engagement in export business	31,220	(3) (Notes 4 and 9)	31,220 (Note 4)	-	-	31,220 (Note 9)	745	99.0%	738 (Note 11)	30,917	-	Note 13
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)	29,888	99.0%	9,273 (Note 11)	1,574,325	-	Note 13
Shanghai Le Ho Industrial Co., Ltd.	Management of properties	607,717	(2) (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(9,435)	100.0%	(9,435) (Note 11)	441,245	-	Note 13
Shanghai Le Min Industrial Co., Ltd	Management of properties	378,009	(2) (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(5,775)	100.0%	(5,775) (Note 11)	276,161	-	Note 13

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 12)

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

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

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

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

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

Note 4. 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 entity is a Mainland company that the Company has invested in through another Mainland entity – Shanghai New Vitality Health Technology (Group) Co., Ltd.

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 reviewed by CPAs of the parent company in Taiwan during the same period.

Note 11. 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 12. 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 13. The amounts presented above were eliminated upon consolidation.

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

June 30, 2023

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership
Mu Te Investment Co., Ltd. Trust Property Account	176,554,315	19.29%
Chia Yun Investment Co., Ltd. Trust Property Account	146,928,408	16.05%
Chia Chieh Investment Co., Ltd. Trust Property Account	117,539,583	12.84%

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.