

# **Standard Foods Corporation**

**Financial Statements for the  
Years Ended December 31, 2023 and 2022 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Standard Foods Corporation

### **Opinion**

We have audited the accompanying financial statements of Standard Foods Corporation (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2023 is stated as follows:

The accuracy of the calculation of contractual trade promotion fees for major retailers

The Company's sales channels mainly consist of department stores, supermarkets, and major hypermarkets. The sales contracts signed between the Company and retailers include contractual trade promotion fees that distributors are required to pay for various promotional and marketing activities in support of the Company's products. Considering these fees as a reduction in the transaction price, they are accounted for as deductions from operating revenue. The calculation of contractual trade promotion fees is based on the actual sales amount according to the terms of the contract agreed upon with the retailers. Considering the significant amount and complexity of contractual trade promotion fees, we considered the accuracy of the calculation of contractual trade promotion fees for major retailers to be a key audit matter.

The key audit procedures that we performed in respect of the accuracy of the calculation of contractual trade promotion fees for major retailers included the following:

1. We obtained an understanding of and tested the design and operating effectiveness of the key controls over the estimates of the contractual trade promotion fees.
2. We obtained subsidiary ledgers from the major retailers in the current year, and conducted audit sampling by comparing delivery orders to confirm sales quantities and amounts.
3. We obtained the sales contracts of major retailers and confirmed that the agreed-upon contractual trade promotion fee rates were consistent with those rates in the SAP.
4. We recalculated the amounts of contractual trade promotion fees for major retailers based on the sales subsidiary ledger and the agreed-upon contractual trade promotion fee rates and confirmed whether these fees should be considered as deductions from operating revenue.

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

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Han-Ni Fang and Zhao-Yu Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 20, 2024

#### Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

# STANDARD FOODS CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 527,852	3	\$ 345,640	2
Financial assets at fair value through profit or loss - current (Note 7)	949,497	5	984,847	5
Financial assets at fair value through other comprehensive income - current (Note 8)	24,387	-	21,627	-
Financial assets at amortized cost - current (Note 9)	695,766	3	758,484	4
Notes receivable (Notes 10 and 22)	957	-	1,286	-
Trade receivables from unrelated parties (Notes 10 and 22)	1,882,632	9	1,937,230	10
Trade receivables from related parties (Notes 22 and 28)	158,134	1	145,838	1
Other receivables (Note 10)	23,199	-	14,315	-
Other receivables from related parties (Note 28)	920,448	5	905,282	4
Inventories (Note 11)	2,571,965	13	2,691,589	13
Prepayments (Note 12)	214,694	1	253,140	1
Other current assets (Notes 17 and 19)	55,836	-	58,263	-
Total current assets	8,025,367	40	8,117,541	40
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	2,028	-	2,059	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	179,285	1	159,057	1
Investments accounted for using the equity method (Note 13)	9,774,115	49	10,089,429	50
Property, plant and equipment (Note 14)	1,466,269	7	1,381,826	7
Right-of-use assets (Note 15)	114,386	1	117,155	1
Other intangible assets (Note 16)	26,886	-	26,516	-
Deferred tax assets (Note 24)	315,135	2	312,327	1
Other non-current assets (Note 17)	25,967	-	23,108	-
Total non-current assets	11,904,071	60	12,111,477	60
TOTAL	\$ 19,929,438	100	\$ 20,229,018	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 22)	\$ 14,871	-	\$ 747	-
Notes payable (Note 18)	24,328	-	20,176	-
Trade payables (Note 18)	760,599	4	797,921	4
Trade payables to related parties (Note 28)	9,889	-	19,633	-
Other payables (Note 19)	1,249,842	6	1,261,674	6
Current tax liabilities (Note 24)	71,294	-	174,665	1
Lease liabilities - current (Note 15)	39,855	-	33,017	-
Other current liabilities (Notes 5 and 19)	72,523	1	65,393	-
Total current liabilities	2,243,201	11	2,373,226	11
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 24)	56,216	-	135,047	1
Lease liabilities - non-current (Note 15)	74,474	1	85,632	-
Net defined benefit liabilities (Note 20)	176,440	1	123,623	1
Other non-current liabilities (Note 19)	150	-	150	-
Total non-current liabilities	307,280	2	344,452	2
Total liabilities	2,550,481	13	2,717,678	13
EQUITY (Note 21)				
Ordinary shares	9,150,897	46	9,150,897	45
Capital surplus	165,585	1	156,981	1
Retained earnings				
Legal reserve	3,978,059	20	3,852,023	19
Special reserve	577,494	3	577,494	3
Unappropriated earnings	3,920,727	19	4,045,655	20
Total retained earnings	8,476,280	42	8,475,172	42
Other equity	(392,623)	(2)	(250,528)	(1)
Treasury shares	(21,182)	-	(21,182)	-
Total equity	17,378,957	87	17,511,340	87
TOTAL	\$ 19,929,438	100	\$ 20,229,018	100

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

# STANDARD FOODS CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 22 and 28)	\$ 12,189,963	100	\$ 12,168,430	100
OPERATING COSTS				
Cost of goods sold (Notes 11, 23 and 28)	<u>8,496,125</u>	<u>70</u>	<u>8,094,042</u>	<u>67</u>
GROSS PROFIT	<u>3,693,838</u>	<u>30</u>	<u>4,074,388</u>	<u>33</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	1,814,203	14	1,598,085	13
General and administrative expenses	494,834	4	383,776	3
Research and development expenses	81,060	1	82,111	1
Expected credit loss	<u>126</u>	<u>-</u>	<u>1,858</u>	<u>-</u>
Total operating expenses	<u>2,390,223</u>	<u>19</u>	<u>2,065,830</u>	<u>17</u>
OPERATING INCOME	<u>1,303,615</u>	<u>11</u>	<u>2,008,558</u>	<u>16</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 23 and 28)	52,634	-	27,497	-
Other income (Notes 23 and 28)	13,630	-	13,742	-
Other gains (Note 23)	75,698	1	(29,591)	-
Finance costs (Note 23)	(1,296)	-	(1,375)	-
Share of the profit (loss) of subsidiaries	<u>3,302</u>	<u>-</u>	<u>(548,827)</u>	<u>(4)</u>
Total non-operating income and expenses	<u>143,968</u>	<u>1</u>	<u>(538,554)</u>	<u>(4)</u>
PROFIT BEFORE INCOME TAX	1,447,583	12	1,470,004	12
INCOME TAX EXPENSE (Note 24)	<u>221,810</u>	<u>2</u>	<u>255,906</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>1,225,773</u>	<u>10</u>	<u>1,214,098</u>	<u>10</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(62,428)	-	48,364	-
Unrealized profit on investments in equity instruments at fair value through other comprehensive income	22,989	-	47,234	-

(Continued)

# STANDARD FOODS CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Share of the other comprehensive income of subsidiaries accounted for using the equity method	\$ (72,099)	(1)	\$ (223,633)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	12,120	-	(9,838)	-
Total items that will not be reclassified subsequently to profit or loss	(99,418)	(1)	(137,873)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(108,595)	(1)	154,600	1
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	21,719	-	(30,920)	-
Total items that may be reclassified subsequently to profit or loss	(86,876)	(1)	123,680	1
Other comprehensive income (loss) for the year, net of income (loss) tax	(186,294)	(2)	(14,193)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 1,039,479	8	\$ 1,199,905	10
EARNINGS PER SHARE (Note 25)				
Basic	\$ 1.35		\$ 1.34	
Diluted	\$ 1.35		\$ 1.34	

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

(Concluded)



# STANDARD FOODS CORPORATION

## STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity		Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total		
BALANCE AT JANUARY 1, 2022	\$ 9,150,897	\$ 144,066	\$ 3,606,189	\$ 577,494	\$ 4,769,802	\$ 8,953,485	\$ (612,857)	\$ 422,781	\$ (190,076)	\$ (21,182)	\$ 18,037,190
Appropriation of 2021 earnings											
Legal reserve	-	-	245,834	-	(245,834)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,738,670)	(1,738,670)	-	-	-	-	(1,738,670)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	12,672	-	-	-	-	-	-	-	-	12,672
Adjustment of capital surplus for the change in ownership interests in existing subsidiaries	-	243	-	-	-	-	-	-	-	-	243
Net profit for the year ended December 31, 2022	-	-	-	-	1,214,098	1,214,098	-	-	-	-	1,214,098
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	46,259	46,259	123,680	(184,132)	(60,452)	-	(14,193)
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	1,260,357	1,260,357	123,680	(184,132)	(60,452)	-	1,199,905
BALANCE AT DECEMBER 31, 2022	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
Appropriation of 2022 earnings											
Legal reserve	-	-	126,036	-	(126,036)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,180,466)	(1,180,466)	-	-	-	-	(1,180,466)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	8,604	-	-	-	-	-	-	-	-	8,604
Net profit for the year ended December 31, 2023	-	-	-	-	1,225,773	1,225,773	-	-	-	-	1,225,773
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(57,371)	(57,371)	(86,876)	(42,047)	(128,923)	-	(186,294)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,168,402	1,168,402	(86,876)	(42,047)	(128,923)	-	1,039,479
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	13,172	13,172	-	(13,172)	(13,172)	-	-
BALANCE AT DECEMBER 31, 2023	\$ 9,150,897	\$ 165,585	\$ 3,978,059	\$ 577,494	\$ 3,920,727	\$ 8,476,280	\$ (576,053)	\$ 183,430	\$ (392,623)	\$ (21,182)	\$ 17,378,957

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

# STANDARD FOODS CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,447,583	\$ 1,470,004
Adjustments for:		
Depreciation expenses	205,203	212,027
Amortization expenses	26,257	20,985
Expected credit loss recognized on trade receivables	126	1,858
Net (gain) loss on financial assets at FVTPL	(25,233)	69,486
Finance costs	1,296	1,375
Interest income	(52,634)	(27,497)
Dividend income	(4,485)	(4,434)
Share of the (profit) loss of subsidiaries	(3,302)	548,827
Net (gain) loss on disposal of property, plant and equipment	(2,007)	1,676
Write-down of inventories	14,855	4,283
Others	(1)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	60,613	(80,930)
Notes receivable	329	(1,111)
Trade receivables	54,473	(110,402)
Trade receivables from related parties	(12,296)	(18,065)
Other receivables	(4,430)	(1,024)
Other receivables from related parties	(15,166)	938
Inventories	104,769	(1,004,943)
Prepayments	38,446	100,860
Other current assets	2,427	(23,332)
Contract liabilities	14,124	(16,538)
Notes payable	4,152	(25)
Trade payables	(37,322)	65,045
Trade payables to related parties	(9,744)	161
Other payables	(11,832)	850
Other current liabilities	7,130	21,975
Net defined benefit liabilities	(9,611)	(2,880)
Cash generated from operations	1,793,720	1,229,169
Interest received	48,180	26,879
Interest paid	(1,296)	(1,375)
Income tax paid	(372,980)	(555,052)
Net cash generated from operating activities	1,467,624	699,621
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at amortized cost	(1,553,924)	(2,061,228)
Proceeds from sale of financial assets at amortized cost	1,616,642	2,611,897
Payments for property, plant and equipment	(249,611)	(220,053)
Proceeds from disposal of property, plant and equipment	2,007	532
Payments for intangible assets	(16,881)	(20,156)

(Continued)

# STANDARD FOODS CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Increase in other financial assets	\$ (1,606)	\$ -
Decrease in other financial assets	-	6,202
Increase in other non-current assets	(10,998)	(7,235)
Dividends received from subsidiaries	373,068	498,699
Other dividends received	<u>4,485</u>	<u>4,434</u>
Net cash generated from investing activities	<u>163,182</u>	<u>813,092</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(41,584)	(32,985)
Dividends paid to owners of the Company	(1,180,466)	(1,738,670)
Acquisition of interest in subsidiaries	<u>(226,544)</u>	<u>(3,242)</u>
Net cash used in financing activities	<u>(1,448,594)</u>	<u>(1,774,897)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	182,212	(262,184)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>345,640</u>	<u>607,824</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 527,852</u>	<u>\$ 345,640</u>

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

(Concluded)

# STANDARD FOODS CORPORATION

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

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#### 1. GENERAL INFORMATION

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

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

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

#### 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company’s board of directors on March 11, 2024.

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

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

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company’s accounting policies:

##### Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”

The amendments introduce a temporary exception to the requirements in IAS 12 by stipulating that the Company should neither recognize nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes. The amendments also require the Company to disclose that it has applied the exception and separately disclose its current tax expense (income) related to Pillar Two income taxes. In addition, for periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, the Company should disclose qualitative and quantitative information that helps users of financial statements understand the Company’s exposure to Pillar Two income taxes. The requirement that the Company apply the exception and the requirement to disclose that fact are applied immediately and retrospectively upon issuance of the amendments. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of 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 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

Current assets include:

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

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within twelve months after the reporting period, even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

- 3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Foreign currencies

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

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

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

e. Inventories

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

f. Investment in subsidiaries

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

A subsidiary is an entity that is controlled by the Company.

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

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

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

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

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

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

g. Property, plant and equipment

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

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

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

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

h. Investment properties

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

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



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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

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

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

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

k. Financial instruments

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

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

## 1) Financial assets

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

### a) Measurement categories

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

#### i. Financial assets at FVTPL

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

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

#### ii. Financial assets at amortized cost

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

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

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

#### iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

### 3) Financial liabilities

#### a) Subsequent measurement

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

#### b) Derecognition of financial liabilities

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

### l. Revenue recognition

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

#### Revenue from the sale of goods

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

### m. Leases

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

#### The Company as lessee

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

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

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

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

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

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Termination benefits

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

o. Taxation

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

1) Current tax

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

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

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

## 2) Deferred tax

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

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

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

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

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

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

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

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

When developing material accounting estimates, the Company considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 785	\$ 785
Checking accounts and demand deposits	109,167	227,079
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	<u>417,900</u>	<u>117,776</u>
	<u>\$ 527,852</u>	<u>\$ 345,640</u>

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Bank balance	0.050%-5.580%	0.001%-4.800%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Listed shares	\$ 35,429	\$ 22,496
Mutual funds	834,188	962,351
Note cash	<u>79,880</u>	<u>-</u>
	<u>\$ 949,497</u>	<u>\$ 984,847</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Domestic unlisted shares	<u>\$ 2,028</u>	<u>\$ 2,059</u>

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	<u>\$ 24,387</u>	<u>\$ 21,627</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI	<u>\$ 179,285</u>	<u>\$ 159,057</u>

## Investments in Equity Instruments at FVTOCI

	December 31	
	2023	2022
<u>Current</u>		
Listed shares and emerging market shares		
Ordinary shares - Far Eastern International Bank	\$ 18,555	\$ 16,135
Ordinary shares - Chunghwa Telecom Co., Ltd.	<u>5,832</u>	<u>5,492</u>
	<u>\$ 24,387</u>	<u>\$ 21,627</u>
<u>Non-current</u>		
Listed shares and emerging market shares		
Ordinary shares - GeneFerm Biotechnology Co., Ltd.	\$ 159,811	\$ 143,508
Unlisted shares		
Ordinary shares - Dah Chung Bills Finance Corp.	<u>19,474</u>	<u>15,549</u>
	<u>\$ 179,285</u>	<u>\$ 159,057</u>

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

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 695,766</u>	<u>\$ 758,484</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.45%-5.59% and 0.76%-5.25% per annum as of December 31, 2023 and 2022, respectively.



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

	December 31	
	2023	2022
<u>Notes receivable</u>		
Operating	\$ 957	\$ 1,286
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 1,885,032	\$ 1,939,504
Less: Allowance for impairment loss	(2,400)	(2,274)
	<u>\$ 1,882,632</u>	<u>\$ 1,937,230</u>
<u>Other receivables</u>		
Accrued interest	\$ 8,010	\$ 3,557
Others	15,189	10,758
	<u>\$ 23,199</u>	<u>\$ 14,315</u>

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

The Company 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 Company 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 Company would continue to engage in enforcement activity in compliance with laws and regulations. The trade receivable will be written off when the amount due is collected.

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

### December 31, 2023

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.01%	4.97%	17.80%	44.58%	100.00%	
Gross carrying amount	\$ 1,875,456	\$ 4,204	\$ 4,046	\$ 1,790	\$ 493	\$ 1,885,989
Loss allowance (Lifetime ECL)	(180)	(209)	(720)	(798)	(493)	(2,400)
Amortized cost	<u>\$ 1,875,276</u>	<u>\$ 3,995</u>	<u>\$ 3,326</u>	<u>\$ 992</u>	<u>\$ -</u>	<u>\$ 1,883,589</u>

## December 31, 2022

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.01%	4.46%	14.80%	44.16%	100.00%	
Gross carrying amount	\$ 1,929,194	\$ 4,074	\$ 6,122	\$ 811	\$ 589	\$ 1,940,790
Loss allowance (Lifetime ECL)	<u>(239)</u>	<u>(182)</u>	<u>(906)</u>	<u>(358)</u>	<u>(589)</u>	<u>(2,274)</u>
Amortized cost	<u>\$ 1,928,955</u>	<u>\$ 3,892</u>	<u>\$ 5,216</u>	<u>\$ 453</u>	<u>\$ -</u>	<u>\$ 1,938,516</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 2,274	\$ 908
Add: Net remeasurement of loss allowance	126	1,858
Less: Amounts written off	<u>-</u>	<u>(492)</u>
Balance at December 31	<u>\$ 2,400</u>	<u>\$ 2,274</u>

## 11. INVENTORIES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Merchandise	\$ 250,246	\$ 332,409
Finished goods	1,290,985	1,305,660
Work in progress	246,821	213,341
Raw materials	721,737	782,833
Packing materials	<u>62,176</u>	<u>57,346</u>
	<u>\$ 2,571,965</u>	<u>\$ 2,691,589</u>

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2023 included loss on write-downs of inventories \$14,855 thousand and loss on abandoned inventories of \$14,055 thousand. The cost of inventories recognized as cost of goods sold for the year ended December 31, 2022 included loss on write-downs of inventories \$4,283 thousand and loss on abandoned inventories of \$7,719 thousand.

## 12. PREPAYMENTS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Prepayments for purchases	\$ 118,674	\$ 182,520
Prepayments for rent	24,102	19,909
Prepayments for equipment parts	21,978	19,493
Prepayments for fuel oil	4,456	5,138
Prepayments for insurance	524	481
Prepayments for advertisements	1,197	1,573
Others	<u>43,763</u>	<u>24,026</u>
	<u>\$ 214,694</u>	<u>\$ 253,140</u>

### 13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
<u>Unlisted companies</u>		
Accession Limited	\$ 3,649,499	\$ 3,645,244
Standard Investment (Cayman) Limited (“Cayman Standard”)	4,432,585	4,685,090
Standard Dairy Products Taiwan Limited (“Standard Dairy Products”)	1,014,365	1,042,081
Charng Hui Ltd. (“Charng Hui”)	312,637	297,285
Domex Technology Corporation (“Domex Technology”)	265,626	328,587
Standard Beverage Company Limited (“Standard Beverage”)	80,875	81,609
Standard Foods, LLC.	9,212	9,213
Standard Great Foods Singapore PTE. LTD.	<u>9,316</u>	<u>320</u>
	<u>\$ 9,774,115</u>	<u>\$ 10,089,429</u>
<b>Proportion of Ownership and Voting Rights</b>		
Name of Subsidiary	December 31	
	2023	2022
Accession Limited	100.0%	100.0%
Cayman Standard	100.0%	100.0%
Standard Dairy Products	100.0%	100.0%
Charng Hui	100.0%	100.0%
Domex Technology	52.0%	52.0%
Standard Beverage	100.0%	100.0%
Standard Foods, LLC.	100.0%	100.0%
Standard Great Foods Singapore PTE. LTD.	100.0%	100.0%

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

## 14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land improvement	Buildings	Equipment	Other Equipment	Property in Construction and Equipment to Be Tested	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 410,101	\$ -	\$ 1,067,151	\$ 2,230,119	\$ 202,758	\$ 100,334	\$ 4,010,463
Additions	-	-	-	-	-	220,053	220,053
Disposals	-	-	(3,648)	(25,247)	(11,628)	-	(40,523)
Reclassified	<u>810</u>	<u>-</u>	<u>46,929</u>	<u>39,505</u>	<u>19,313</u>	<u>(106,557)</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 410,911</u>	<u>\$ -</u>	<u>\$ 1,110,432</u>	<u>\$ 2,244,377</u>	<u>\$ 210,443</u>	<u>\$ 213,830</u>	<u>\$ 4,189,993</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	\$ -	\$ -	\$ 693,687	\$ 1,825,318	\$ 149,808	\$ -	\$ 2,668,813
Disposals	-	-	(2,585)	(24,173)	(11,557)	-	(38,315)
Depreciation expenses	<u>-</u>	<u>-</u>	<u>54,718</u>	<u>106,007</u>	<u>16,944</u>	<u>-</u>	<u>177,669</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 745,820</u>	<u>\$ 1,907,152</u>	<u>\$ 155,195</u>	<u>\$ -</u>	<u>\$ 2,808,167</u>
Carrying amount at December 31, 2022	<u>\$ 410,911</u>	<u>\$ -</u>	<u>\$ 364,612</u>	<u>\$ 337,225</u>	<u>\$ 55,248</u>	<u>\$ 213,830</u>	<u>\$ 1,381,826</u>
<u>Cost</u>							
Balance at January 1, 2023	\$ 410,911	\$ -	\$ 1,110,432	\$ 2,244,377	\$ 210,443	\$ 213,830	\$ 4,189,993
Additions	-	-	-	-	-	249,611	249,611
Disposals	-	-	(4,111)	(46,490)	(6,280)	-	(56,881)
Reclassified	<u>-</u>	<u>33,771</u>	<u>61,963</u>	<u>157,817</u>	<u>17,665</u>	<u>(271,216)</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 410,911</u>	<u>\$ 33,771</u>	<u>\$ 1,168,284</u>	<u>\$ 2,355,704</u>	<u>\$ 221,828</u>	<u>\$ 192,225</u>	<u>\$ 4,382,723</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ -	\$ 745,820	\$ 1,907,152	\$ 155,195	\$ -	\$ 2,808,167
Disposals	-	-	(4,111)	(46,490)	(6,280)	-	(56,881)
Depreciation expenses	<u>-</u>	<u>1,248</u>	<u>55,454</u>	<u>90,547</u>	<u>17,919</u>	<u>-</u>	<u>165,168</u>
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 1,248</u>	<u>\$ 797,163</u>	<u>\$ 1,951,209</u>	<u>\$ 166,834</u>	<u>\$ -</u>	<u>\$ 2,916,454</u>
Carrying amount at December 31, 2023	<u>\$ 410,911</u>	<u>\$ 32,523</u>	<u>\$ 371,121</u>	<u>\$ 404,495</u>	<u>\$ 54,994</u>	<u>\$ 192,225</u>	<u>\$ 1,466,269</u>

No impairment assessment was performed for the years ended December 31, 2023 and 2022 as there was no indication of impairment.

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

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

## 15. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amounts</u>		
Land	\$ 3,758	\$ 1,459
Buildings	100,767	112,218
Office equipment	3,032	1,664
Transportation equipment	<u>6,829</u>	<u>1,814</u>
	<u>\$ 114,386</u>	<u>\$ 117,155</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	<u>\$ 37,605</u>	<u>\$ 11,098</u>
Depreciation charge for right-of-use assets		
Land	\$ 1,933	\$ 1,854
Buildings	36,066	31,360
Office equipment	552	377
Transportation equipment	<u>1,484</u>	<u>767</u>
	<u>\$ 40,035</u>	<u>\$ 34,358</u>

### b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Carrying amounts</u>		
Current	<u>\$ 39,855</u>	<u>\$ 33,017</u>
Non-current	<u>\$ 74,474</u>	<u>\$ 85,632</u>

Range of discount rates for lease liabilities was as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Land	1.07%	1.07%
Buildings	1.07%	1.07%
Office equipment	1.07%	1.07%
Transportation equipment	1.07%-1.25%	1.07%-1.25%

c. Material lease-in activities and terms

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

d. Other lease information

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 50,200</u>	<u>\$ 31,063</u>
Total cash outflow for leases	<u>\$ (93,053)</u>	<u>\$ (65,423)</u>

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

## 16. INTANGIBLE ASSETS

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2022	\$ 240,903
Additions	<u>20,156</u>
Balance at December 31, 2022	<u>\$ 261,059</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2022	\$ 219,802
Amortization expenses	<u>14,741</u>
Balance at December 31, 2022	<u>\$ 234,543</u>
Carrying amount at December 31, 2022	<u>\$ 26,516</u>

(Continued)

	<b>Computer Software</b>
<u>Cost</u>	
Balance at January 1, 2023	\$ 261,059
Additions	<u>16,881</u>
Balance at December 31, 2023	<u>\$ 277,940</u>
<u>Accumulated amortization and impairment</u>	
Balance at January 1, 2023	\$ 234,543
Amortization expenses	<u>16,511</u>
Balance at December 31, 2023	<u>\$ 251,054</u>
Carrying amount at December 31, 2023	<u>\$ 26,886</u>
	(Concluded)

No impairment assessment was performed for the years ended December 31, 2023 and 2022 as there was no indication of impairment.

Intangible assets are amortized on straight-line basis over their estimated useful lives as follows:

Computer software	2-3 years
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## 17. OTHER ASSETS

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Advances to officers	\$ 20,522	\$ 29,084
Right to recover a product	<u>35,314</u>	<u>29,179</u>
	<u>\$ 55,836</u>	<u>\$ 58,263</u>
<u>Non-current</u>		
Refundable deposits	\$ 19,036	\$ 17,430
Others	<u>6,931</u>	<u>5,678</u>
	<u>\$ 25,967</u>	<u>\$ 23,108</u>

## 18. NOTES PAYABLE AND TRADE PAYABLES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Notes payable</u>		
Operating	\$ <u>24,328</u>	\$ <u>20,176</u>
<u>Trade payables</u>		
Operating	\$ <u>760,599</u>	\$ <u>797,921</u>

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

## 19. OTHER LIABILITIES

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Current</u>		
Other payables		
Payable for salaries and bonuses	\$ 174,058	\$ 160,588
Payable for compensation of employees	19,472	19,470
Payable for remuneration of directors	8,113	8,237
Payable for commission and rebates	485,533	542,304
Advertisement payable	308,028	260,804
Payable for royalties	24,998	25,916
Payable for freight	7,539	7,220
Payable for purchases of equipment	66,055	62,953
Payable for labor and health insurance	20,397	19,278
Payable for environmental recycling fee	8,594	9,520
Others	<u>127,055</u>	<u>145,384</u>
	<u>\$ 1,249,842</u>	<u>\$ 1,261,674</u>
Other liabilities		
Return liability and others	<u>\$ 75,523</u>	<u>\$ 65,393</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits	<u>\$ 150</u>	<u>\$ 150</u>

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



## 20. RETIREMENT BENEFIT PLANS

### a. Defined contribution plan

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

### b. Defined benefit plan

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

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

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Present value of defined benefit obligation	\$ 470,069	\$ 419,983
Fair value of plan assets	<u>(293,629)</u>	<u>(296,360)</u>
Net defined benefit liability	<u>\$ 176,440</u>	<u>\$ 123,623</u>

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

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability</b>
Balance at January 1, 2022	<u>\$ 493,434</u>	<u>\$ (318,567)</u>	<u>\$ 174,867</u>
Service cost			
Current service cost	1,625	-	1,625
Net effects in employee transfer	72	-	72
Net interest expense (income)	<u>2,467</u>	<u>(1,663)</u>	<u>804</u>
Recognized in profit or loss	<u>4,164</u>	<u>(1,663)</u>	<u>2,501</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(25,521)	(25,521)
Actuarial loss - changes in demographic assumptions	1,344	-	1,344

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liability</b>
Actuarial loss - changes in financial assumptions	\$ (30,304)	\$ -	\$ (30,304)
Actuarial loss - experience adjustments	<u>6,117</u>	<u>-</u>	<u>6,117</u>
Recognized in other comprehensive income	<u>(22,843)</u>	<u>(25,521)</u>	<u>(48,364)</u>
Contributions from the employer	<u>-</u>	<u>(5,381)</u>	<u>(5,381)</u>
Benefits paid	<u>(54,772)</u>	<u>54,772</u>	<u>-</u>
Balance at December 31, 2022	<u>\$ 419,983</u>	<u>\$ (296,360)</u>	<u>\$ 123,623</u>
Balance at January 1, 2023	<u>\$ 419,983</u>	<u>\$ (296,360)</u>	<u>\$ 123,623</u>
Service cost			
Current service cost	1,023	-	1,023
Past service cost	33,622	-	33,622
Net interest expense (income)	<u>6,300</u>	<u>(4,487)</u>	<u>1,813</u>
Recognized in profit or loss	<u>40,945</u>	<u>(4,487)</u>	<u>36,458</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,957)	(1,957)
Actuarial loss - changes in financial assumptions	9,827	-	9,827
Actuarial loss - experience adjustments	<u>54,558</u>	<u>-</u>	<u>54,558</u>
Recognized in other comprehensive income	<u>64,385</u>	<u>(1,957)</u>	<u>62,428</u>
Contributions from the employer	<u>-</u>	<u>(10,492)</u>	<u>(10,492)</u>
Benefits paid	<u>(19,667)</u>	<u>19,667</u>	<u>-</u>
Direct payment to employees	<u>(35,577)</u>	<u>-</u>	<u>(35,577)</u>
Balance at December 31, 2023	<u>\$ 470,069</u>	<u>\$ (293,629)</u>	<u>\$ 176,440</u>

(Concluded)

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

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

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate	1.250%	1.500%
Expected rate of salary increase	3.250%	3.250%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate		
0.250% increase	\$ (9,826)	\$ (9,350)
0.250% decrease	\$ 10,139	\$ 9,660
Expected rate of salary increase		
0.250% increase	\$ 9,777	\$ 9,337
0.250% decrease	\$ (9,527)	\$ (9,086)

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
The expected contributions to the plan for the next year	\$ 10,833	\$ 5,556
The average duration of the defined benefit obligation	8.8 years	9.1 years

## 21. EQUITY

### a. Share capital

#### Ordinary shares

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Shares authorized (in thousands of shares)	920,000	920,000
Shares authorized, par value of \$10 (in thousands of NT\$)	\$ 9,200,000	\$ 9,200,000
Shares issued and fully paid (in thousands of shares)	915,089	915,089
Shares issued (in thousands of NT\$)	\$ 9,150,897	\$ 9,150,897

b. Capital surplus

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Recognized from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 1	\$ 1
Recognized from treasury share transactions	164,875	156,271
<u>May be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries (2)	<u>709</u>	<u>709</u>
	<u>\$ 165,585</u>	<u>\$ 156,981</u>

- 1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
- 2) Such capital surplus arises from the effect of changes in ownership interests in subsidiaries that result from equity transactions other than actual disposals or acquisitions, or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

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

- 1) 10% thereof as legal reserve;
- 2) Special reserve provided or reversed in accordance with the regulations;
- 3) 30% to 100% of this the sum of the remainder and prior years' unappropriated earnings as dividends.

The Company's Articles of Incorporation also prescribe that 30% to 100% of dividends shall be paid in cash; however, if the Company has major investment plans for which external funds are not available, the percentage may be lowered to 5% to 20%. The distribution plan shall be proposed by the Company's board of directors and resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of the compensation of employees and remuneration of directors after amendment, refer to Note 23(h) 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 appropriations of earnings 2022 and 2021 approved in the shareholders' meetings on June 16, 2023 and June 16, 2022, respectively, were as follows:

	<b>Appropriation of Earnings</b>	
	<b>For the Year Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Legal reserve	\$ 126,036	\$ 245,834
Cash dividends	\$ 1,180,466	\$ 1,738,670
Cash dividends per share (NT\$)	\$ 1.29	\$ 1.9

The appropriations of earnings for 2023 were proposed by the Company's board of directors on March 11, 2024. The appropriations and dividends per share were as follows:

	<b>Appropriation of Earnings</b>
Legal reserve	\$ 118,157
Special reserve	\$ 1,143,862
Cash dividends	\$ 1.25

The appropriations of earnings for 2023 are subject to the resolution of the shareholders in their meeting to be held on June 19, 2024.

d. Special reserve

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1 and December 31	\$ 577,494	\$ 577,494

Appropriation for special reserve should be made in the amount equal to the net debit balance of other equity 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 translation of the financial statements of foreign operations

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (489,177)	\$ (612,857)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	(86,876)	123,680
Other comprehensive income recognized for the year	(86,876)	123,680
Balance at December 31	\$ (576,053)	\$ (489,177)

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 238,649	\$ 422,781
Recognized for the year		
Unrealized (loss) gain - equity instruments	<u>(42,047)</u>	<u>(184,132)</u>
Other comprehensive income recognized for the year	<u>(42,047)</u>	<u>(184,132)</u>
Disposal of equity instruments transferred to the retained earnings	<u>(13,172)</u>	<u>-</u>
Balance at December 31	<u>\$ 183,430</u>	<u>\$ 238,649</u>

f. Treasury shares

<b>Purpose of Buy-back</b>	<b>Shares Held by Subsidiaries (In Thousands of Shares)</b>
Number of shares at January 1, 2023 and December 31, 2023	<u>6,669</u>
Number of shares at January 1, 2022 and December 31, 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:

<b>Name of Subsidiary</b>	<b>Number of Shares Held (In Thousands of Shares)</b>	<b>Carrying Amount</b>	<b>Market Price</b>
<u>December 31, 2023</u>			
Chang Hui	6,669	<u>\$ 21,182</u>	<u>\$ 259,442</u>
<u>December 31, 2022</u>			
Chang Hui	6,669	<u>\$ 21,182</u>	<u>\$ 265,778</u>

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

## 22. REVENUE

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Revenue from contracts with customers		
Revenue from sale of goods	<u>\$ 12,189,963</u>	<u>\$ 12,168,430</u>

a. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable (Note 10)	\$ 957	\$ 1,286	\$ 175
Trade receivables (Note 10)	\$ 1,885,032	\$ 1,939,504	\$ 1,829,594
Trade receivables from related parties (Note 28)	\$ 158,134	\$ 145,838	\$ 127,773
Contract liabilities - current			
Sale of goods	\$ 14,871	\$ 747	\$ 17,285

b. Disaggregation of revenue

	Reportable Segments			Total
	Nutritious Foods	Cooking Products	Others	
For the year ended <u>December 31, 2023</u>				
Type of goods or services				
Sale of goods	\$ 9,453,254	\$ 2,355,847	\$ 380,862	\$ 12,189,963
For the year ended <u>December 31, 2022</u>				
Type of goods or services				
Sale of goods	\$ 9,521,296	\$ 2,277,017	\$ 370,117	\$ 12,168,430

## 23. NET PROFIT

### Net Profit

a. Interest income

	For the Year Ended December 31	
	2023	2022
Interest income		
Bank deposits	\$ 11,926	\$ 6,682
Financial assets at amortized cost	22,140	10,832
Repurchase agreements collateralized by bonds	270	-
Loans to related parties	16,505	9,927
Others	<u>1,793</u>	<u>56</u>
	<u>\$ 52,634</u>	<u>\$ 27,497</u>

b. Other income

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Royalties	\$ 9,145	\$ 9,308
Dividends	<u>4,485</u>	<u>4,434</u>
	<u>\$ 13,630</u>	<u>\$ 13,742</u>

c. Other gains and losses

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value changes of financial assets and financial liabilities		
Net (gain) loss on financial assets mandatorily classified as at FVTPL	\$ 25,233	\$ (69,486)
Net foreign exchange (loss) gain	(7,862)	31,355
Net gain (loss) on disposal of property, plant and equipment	2,007	(1,676)
Others	<u>56,320</u>	<u>10,216</u>
	<u>\$ 75,698</u>	<u>\$ (29,591)</u>

d. Finance costs

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest on bank loans	\$ 27	\$ -
Interest on lease liabilities	<u>1,269</u>	<u>1,375</u>
	<u>\$ 1,296</u>	<u>\$ 1,375</u>

e. Impairment losses recognized

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Trade receivables	\$ 126	\$ 1,858
Inventories (included in operating costs)	<u>14,855</u>	<u>4,283</u>
	<u>\$ 14,981</u>	<u>\$ 6,141</u>

f. Depreciation and amortization

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of depreciation by function		
Operating costs	\$ 144,560	\$ 155,471
Operating expenses	<u>60,643</u>	<u>56,556</u>
	<u>\$ 205,203</u>	<u>\$ 212,027</u>

(Continued)



	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
An analysis of amortization by function		
Operating costs	\$ 10,489	\$ 10,305
Operating expenses	<u>15,768</u>	<u>10,680</u>
	<u>\$ 26,257</u>	<u>\$ 20,985</u>
		(Concluded)

g. Employee benefits expense

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Post-employment benefits		
Defined contribution plans	\$ 42,073	\$ 39,067
Defined benefit plans (see Note 20)	<u>36,458</u>	<u>2,501</u>
	78,531	41,568
Other employee benefits	<u>1,232,790</u>	<u>1,107,866</u>
Total employee benefits expense	<u>\$ 1,311,321</u>	<u>\$ 1,149,434</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 539,873	\$ 516,604
Operating expenses	<u>771,448</u>	<u>632,830</u>
	<u>\$ 1,311,321</u>	<u>\$ 1,149,434</u>

h. Compensation of employees and remuneration of directors

The Company accrued compensation of employees and remuneration of directors at the rates of no less than 0.5% and no higher than 0.75%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 11, 2024 and March 15, 2023, respectively, were as follows:

Accrual rate

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Compensation of employees	1.32%	1.30%
Remuneration of directors	0.55%	0.55%

Amount

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 19,472	\$ 19,470
Remuneration of directors	8,113	8,237

If the amount changes after the financial statements are approved and announced to the public, the difference will be treated as a change in accounting estimate and recognized as a gain or loss in the following year.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

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

i. Gain or loss on foreign currency exchange

	<b><u>For the Year Ended December 31</u></b>	
	<b>2023</b>	<b>2022</b>
Foreign exchange gains	\$ 65,032	\$ 95,017
Foreign exchange losses	<u>(72,894)</u>	<u>(63,662)</u>
Net (loss) gain	<u>\$ (7,862)</u>	<u>\$ 31,355</u>

## 24. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2023</b>	<b>2022</b>
Current tax		
In respect of the current year	\$ 294,338	\$ 430,693
Income tax on unappropriated earnings	-	23,692
Adjustments for prior years	<u>(24,728)</u>	<u>(7,307)</u>
	<u>269,610</u>	<u>447,078</u>
Deferred tax		
In respect of the current year	<u>(47,800)</u>	<u>(191,172)</u>
Income tax expense recognized in profit or loss	<u>\$ 221,810</u>	<u>\$ 255,906</u>

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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Profit before tax from continuing operations	<u>\$ 1,447,583</u>	<u>\$ 1,470,004</u>
Income tax expense calculated at the statutory rate (20%)	\$ 289,516	\$ 294,001
Nondeductible expenses in determining taxable income	8,777	25,851
Tax-exempt income	(75,215)	(80,331)
Income tax on unappropriated earnings	-	23,692
Adjustments for prior years' tax	<u>(1,268)</u>	<u>(7,307)</u>
Income tax expense recognized in profit or loss	<u>\$ 221,810</u>	<u>\$ 255,906</u>
b. Income tax recognized in other comprehensive income		
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ (21,719)	\$ 30,920
Remeasurement of defined benefit plans	(12,132)	9,846
Fair value changes of financial assets at FVTOCI	<u>12</u>	<u>(8)</u>
Total (income) expense tax recognized in other comprehensive income	<u>\$ (33,839)</u>	<u>\$ 40,758</u>
c. Current tax liabilities		
	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Current tax liabilities		
Income tax payable	<u>\$ 71,294</u>	<u>\$ 174,665</u>

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 78,889	\$ (7,494)	\$ -	\$ 71,395
Exchange differences on translation of the financial statements of foreign operations	122,293	-	21,719	144,012
Defined benefit plans	59,200	(1,922)	12,486	69,764
Deferred sales returns and allowances	1,502	701	-	2,203
Allowance for inventory loss	4,382	2,971	-	7,353
FVTOCI financial assets	43,880	(23,460)	(12)	20,408
Others	2,181	(2,181)	-	-
	<u>\$ 312,327</u>	<u>\$ (31,385)</u>	<u>\$ 34,193</u>	<u>\$ 315,135</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 99,954	\$ (79,301)	\$ -	\$ 20,653
Reserve for land value increment tax	33,685	-	-	33,685
Defined benefit plans	1,408	-	354	1,762
Others	-	116	-	116
	<u>\$ 135,047</u>	<u>\$ (79,185)</u>	<u>\$ 354</u>	<u>\$ 56,216</u>

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
<u>Deferred tax assets</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 72,841	\$ 6,048	\$ -	\$ 78,889
Exchange differences on translation of the financial statements of foreign operations	153,213	-	(30,920)	122,293
Defined benefit plans	69,251	(377)	(9,674)	59,200
Deferred sales returns and allowances	3,775	(2,273)	-	1,502
Allowance for inventory loss	3,526	856	-	4,382
FVTOCI financial assets	43,872	-	8	43,880
Others	209	1,972	-	2,181
	<u>\$ 346,687</u>	<u>\$ 6,226</u>	<u>\$ (40,586)</u>	<u>\$ 312,327</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Investments accounted for using the equity method	\$ 282,867	\$ (182,913)	\$ -	\$ 99,954
Reserve for land value increment tax	33,685	-	-	33,685
Defined benefit plans	1,236	-	172	1,408
Others	2,033	(2,033)	-	-
	<u>\$ 319,821</u>	<u>\$ (184,946)</u>	<u>\$ 172</u>	<u>\$ 135,047</u>

e. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities.

## 25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Basic earnings per share	<u>\$ 1.35</u>	<u>\$ 1.34</u>
Diluted earnings per share	<u>\$ 1.35</u>	<u>\$ 1.34</u>

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

### Net Profit for the Year

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Earnings used in the computation of basic earnings per share	<u>\$ 1,225,773</u>	<u>\$ 1,214,098</u>

### Shares

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares used in computation of basic earnings per share	908,420	908,420
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>616</u>	<u>690</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>909,036</u>	<u>909,110</u>

The Company may settle compensation paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

## 26. CAPITAL MANAGEMENT

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

## 27. FINANCIAL INSTRUMENTS

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

#### 1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 35,429	\$ -	\$ -	\$ 35,429
Unlisted shares	-	-	2,028	2,028
Mutual funds	834,188	-	-	834,188
Note cash	<u>-</u>	<u>79,880</u>	<u>-</u>	<u>79,880</u>
	<u>\$ 869,617</u>	<u>\$ 79,880</u>	<u>\$ 2,028</u>	<u>\$ 951,525</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares	\$ 184,198	\$ -	\$ -	\$ 184,198
Unlisted shares	<u>-</u>	<u>-</u>	<u>19,474</u>	<u>19,474</u>
	<u>\$ 184,198</u>	<u>\$ -</u>	<u>\$ 19,474</u>	<u>\$ 203,672</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 22,496	\$ -	\$ -	\$ 22,496
Unlisted shares	-	-	2,059	2,059
Mutual funds	<u>962,351</u>	<u>-</u>	<u>-</u>	<u>962,351</u>
	<u>\$ 984,847</u>	<u>\$ -</u>	<u>\$ 2,059</u>	<u>\$ 986,906</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares	\$ 165,135	\$ -	\$ -	\$ 165,135
Unlisted shares	<u>-</u>	<u>-</u>	<u>15,549</u>	<u>15,549</u>
	<u>\$ 165,135</u>	<u>\$ -</u>	<u>\$ 15,549</u>	<u>\$ 180,684</u>

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

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

For the year ended December 31, 2023

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2023	\$ 2,059	\$ 15,549	\$ 17,608
Recognized in profit or loss (included in other gains and losses)	(31)	-	(31)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	3,925	3,925
Balance at December 31, 2023	<u>\$ 2,028</u>	<u>\$ 19,474</u>	<u>\$ 21,502</u>
Recognized in other gains and losses - unrealized	<u>\$ (31)</u>		<u>\$ (31)</u>

For the year ended December 31, 2022

<b>Financial Assets</b>	<b>Financial Assets at FVTPL Equity Instruments</b>	<b>Financial Assets at FVTOCI Equity Instruments</b>	<b>Total</b>
Balance at January 1, 2022	\$ 2,244	\$ 17,129	\$ 19,373
Recognized in profit or loss (included in other gains and losses)	(185)	-	(185)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(1,580)	(1,580)
Balance at December 31, 2022	<u>\$ 2,059</u>	<u>\$ 15,549</u>	<u>\$ 17,608</u>
Recognized in other gains and losses - unrealized	<u>\$ (185)</u>		<u>\$ (185)</u>

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

<b>Financial Instrument</b>	<b>Valuation Technique and Inputs</b>
Note cash	Discounted cash flow.
	Future cash flows are discounted at a rate that reflects current borrowing interest rates of the bond issuers at the end of the year.

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

The valuation techniques of unlisted shares with no active market are mainly applicable for market and asset valuation methods.

The market method is mainly used to value the fair value of investment objects' market prices and environments.

The asset method is mainly utilized to value the fair value of investment objects' net asset values

b. Categories of financial instruments

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 951,525	\$ 986,906
Financial assets at amortized cost (1)	4,228,024	4,125,505
Financial assets at FVTOCI		
Equity instruments	203,672	180,684
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	861,021	900,833

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

c. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

The Company's foreign currency risk arises from its monetary assets and monetary liabilities denominated in currencies other than the functional currency. The Company watches out for the fluctuation of market exchange rates, 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, refer to Note 30.



### Sensitivity analysis

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

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

	<b>RMB Impact</b>		<b>USD Impact</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit or loss	\$ 29,423 (i)	\$ 29,547 (i)	\$ 8,642 (ii)	\$ 7,557 (ii)
	<b>EUR Impact</b>		<b>AUD Impact</b>	
	<b>For the Year Ended December 31</b>		<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Profit or loss	\$ 4,655 (iii)	\$ 1,962 (iii)	\$ 2,836 (iv)	\$ 2,572 (iv)
			<b>SGD Impact</b>	
			<b>For the Year Ended December 31</b>	
			<b>2023</b>	<b>2022</b>
Profit or loss			\$ (177) (vi)	\$ 266 (vi)

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

b) Interest rate risk

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Fair value interest rate risk		
Financial assets	\$ 943,266	\$ 556,160
Financial liabilities	114,329	118,649
Cash flow interest rate risk		
Financial assets	170,400	320,100

Sensitivity analysis

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

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$1,704 thousand and \$3,201 thousand, respectively.

c) Other price risk

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

Sensitivity analysis

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

If equity prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$9,515 thousand and \$9,869 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by \$2,037 thousand and \$1,807 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. As of the balance sheet date, the Company's maximum exposure to credit risk which will cause a financial loss to the Company (specifically, the maximum amount of irrevocable exposure without taking into consideration the effect of collaterals and other credit enhancements) due to failure of counterparties to discharge an obligation and due to financial guarantees provided by the Company could arise from:

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

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

In order to minimize credit risk, management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade receivable at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts.

The Company's concentration of credit risk of 67% and 69% in total trade receivables as of December 31, 2023 and 2022, was related to the Company's four largest customers.

### 3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized bank loan facilities in the amounts of \$2,344,873 thousand and \$2,028,405 thousand, respectively.

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

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

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

#### December 31, 2023

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing	\$ 268,000	\$ 543,330	\$ 49,541	\$ 150
Lease liabilities	1,752	7,063	32,056	75,159
Contract liabilities	<u>4,957</u>	<u>9,914</u>	<u>-</u>	<u>-</u>
	<u>\$ 274,709</u>	<u>\$ 560,307</u>	<u>\$ 81,597</u>	<u>\$ 75,309</u>

December 31, 2022

	<b>On Demand or Less than 1 Month</b>	<b>1-3 Months</b>	<b>3 Months to 1 Year</b>	<b>1-5 Years</b>
Non-interest bearing	\$ 283,496	\$ 569,972	\$ 47,215	\$ 150
Lease liabilities	2,985	5,797	25,315	86,872
Contract liabilities	<u>249</u>	<u>498</u>	<u>-</u>	<u>-</u>
	<u>\$ 286,730</u>	<u>\$ 576,267</u>	<u>\$ 72,530</u>	<u>\$ 87,022</u>

The amount 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.

## 28. TRANSACTIONS WITH RELATED PARTIES

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

### a. Related parties and relationships

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Standard Dairy Products	Subsidiary
Charng Hui Company Limited	Subsidiary
Standard Beverage	Subsidiary
Standard Foods (China) Co., Ltd. ("Chain Standard Foods")	Subsidiary
Standard Foods (Xiamen) Co., Ltd. ("Xiamen Standard Foods")	Subsidiary
GeneFerm Biotechnology Co., Ltd. ("GeneFerm")	The Company is one of the directors

### b. Sales of goods

<b>Line Items</b>	<b>Related Party Category/Name</b>	<b><u>For the Year Ended December 31</u></b>	
		<b>2023</b>	<b>2022</b>
Sales	Subsidiaries		
	Standard Dairy Products	\$ 1,617,377	\$ 1,510,650
	The Company is one of the directors		
	GeneFerm	<u>180</u>	<u>36,465</u>
		<u>\$ 1,617,557</u>	<u>\$ 1,547,115</u>

Sales to related parties were conducted on normal commercial terms.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Subsidiaries		
Standard Dairy Products	\$ 1,253,574	\$ 1,159,395
The Company is one of the directors		
GeneFerm	<u>47,870</u>	<u>102,636</u>
	<u>\$ 1,301,444</u>	<u>\$ 1,262,031</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

Line Items	Related Party Category/Name	December 31	
		2023	2022
Trade receivables	Subsidiaries		
	Standard Dairy Products	\$ 158,091	\$ 141,101
	The Company is one of the directors		
	GeneFerm	<u>43</u>	<u>4,737</u>
		<u>\$ 158,134</u>	<u>\$ 145,838</u>
Other receivables	Subsidiaries		
	Standard Dairy Products	\$ 3,281	\$ 3,269
	Charng Hui	50,127	-
	Standard Beverage	-	15,117
	China Standard Foods	433,520	443,448
	Xiamen Standard Foods	<u>433,520</u>	<u>443,448</u>
		<u>\$ 920,448</u>	<u>\$ 905,282</u>

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized on receivables from related parties.

e. Payables to related parties

Line Items	Related Party Category/Name	December 31	
		2023	2022
Trade payables	The Company is one of the directors		
	GeneFerm	<u>\$ 9,889</u>	<u>\$ 19,633</u>

The outstanding payables from related parties are unsecured.

- f. Loans to related parties (included in other receivables from related parties)

Related Party Category/Name	December 31	
	2023	2022
Subsidiary		
Charng Hui	\$ 50,000	\$ -
Standard Beverage	-	15,000
China Standard Foods	433,520	440,940
Xiamen Standard Foods	<u>433,520</u>	<u>440,940</u>
	<u>\$ 917,040</u>	<u>\$ 896,880</u>

Interest expenses

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Subsidiary		
Charng Hui	\$ 277	\$ -
Standard Beverage	360	189
Dermalab	-	186
China Standard Foods	7,934	3,650
Xiamen Standard Foods	<u>7,934</u>	<u>5,902</u>
	<u>\$ 16,505</u>	<u>\$ 9,927</u>

- g. Endorsements and guarantees

Endorsements and guarantees provided by the Company

Related Party Category/Name	December 31	
	2023	2022
Subsidiaries		
Charng Hui		
Amount endorsed	<u>\$ 92,115</u>	<u>\$ -</u>
Amount utilized	<u>\$ 1,800</u>	<u>\$ -</u>
Standard Beverage		
Amount endorsed	<u>\$ 92,115</u>	<u>\$ 92,130</u>

- h. Other transactions with related parties

Line Items	Related Party Category/Name	For the Year Ended December 31	
		2023	2022
Royalty revenue	Subsidiaries		
	Standard Dairy Products	<u>\$ 9,145</u>	<u>\$ 9,308</u>
Service revenue	Subsidiaries		
	Standard Beverage	\$ 770	\$ 1,320
	Charng Hui	<u>550</u>	<u>-</u>
		<u>\$ 1,320</u>	<u>\$ 1,320</u>

i. Remuneration of key management personnel

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ 20,973	\$ 21,101
Post-employment benefits	<u>601</u>	<u>315</u>
	<u>\$ 21,574</u>	<u>\$ 21,416</u>

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

## 29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of December 31, 2023 were 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\$81 thousand.
- c. Unrecognized commitments for acquisition of property, plant and equipment of approximately \$377,272 thousand.
- d. Unrecognized commitments for acquiring approximately 36,996 tons of colostrum from dairymen.

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

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

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 9,839	30.71 (USD:NTD)	\$ 302,107
EUR	4,566	33.98 (EUR:NTD)	155,151
RMB	226,233	4.34 (RMB:NTD)	980,767
AUD	4,505	20.98 (AUD:NTD)	94,520
SGD	306	23.29 (SGD:NTD)	<u>7,134</u>
			<u>\$ 1,539,679</u>
			(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
Non-monetary items			
Investments accounted for using the equity method			
USD	\$ 300	30.71 (USD:NTD)	\$ 9,212
RMB	1,864,499	4.34 (RMB:NTD)	8,082,084
SGD	400	23.29 (SGD:NTD)	<u>9,316</u>
			<u>\$ 8,100,612</u>
<u>Financial liabilities</u>			
Monetary items			
USD	457	30.71 (USD:NTD)	\$ 14,028
SGD	560	23.29 (SGD:NTD)	<u>13,041</u>
			<u>\$ 27,069</u>
			(Concluded)

December 31, 2022

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 10,584	30.71 (USD:NTD)	\$ 325,034
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)	<u>8,851</u>
			<u>\$ 1,471,334</u>
Non-monetary items			
Investments accounted for using the equity method			
USD	300	30.71 (USD:NTD)	\$ 9,213
RMB	1,889,307	4.41 (RMB:NTD)	8,330,334
SGD	14	22.88 (SGD:NTD)	<u>320</u>
			<u>\$ 8,339,867</u>
<u>Financial liabilities</u>			
Monetary items			
USD	2,381	30.71 (USD:NTD)	\$ 73,123
EUR	43	32.72 (EUR:NTD)	<u>1,406</u>
			<u>\$ 74,529</u>



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

For the Year Ended December 31				
Foreign Currency	2023		2022	
	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.16 (USD:NTD)	\$ (580)	29.81 (USD:NTD)	\$ 21,227
RMB	4.42 (RMB:NTD)	(16,531)	4.43 (RMB:NTD)	13,735
EUR	33.70 (EUR:NTD)	7,465	31.36 (EUR:NTD)	(3,564)
AUD	20.69 (AUD:NTD)	1,391	20.67 (AUD:NTD)	(516)
CHF	34.70 (CHF:NTD)	40	31.20 (CHF:NTD)	449
SGD	23.20 (SGD:NTD)	327	21.62 (SGD:NTD)	(3)
Others		<u>26</u>		<u>27</u>
		<u>\$ (7,862)</u>		<u>\$ 31,355</u>

### 31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

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

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

c. Information on investment in mainland China

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

- 2) Significant direct or indirect transactions (through a third region) 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 8)

TABLE 1

## STANDARD FOODS CORPORATION

FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Standard Foods Corporation	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	\$ 868,380	\$ 433,520	\$ 433,520	2.500%	b.	\$ -	Need for operation	\$ -	-	\$ -	\$ 3,478,082 (Note 3)	\$ 6,956,164 (Note 4)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	868,380	433,520	433,520	2.500%	b	-	Need for operation	-	-	-	3,478,082 (Note 3)	6,956,164 (Note 4)	Note 11
		Standard Beverage Company Limited	Financing receivables - related parties	Y	50,000	-	-	-	b	-	Need for operation	-	-	-	3,478,082 (Note 3)	6,956,164 (Note 4)	Note 11
		Chang Hui	Financing receivables - related parties	Y	50,000	50,000	50,000	2.867%	b	-	Need for operation	-	-	-	3,478,082 (Note 3)	6,956,164 (Note 4)	Note 11
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Y	180,692	173,408	121,875	2.000%	b	-	Need for operation	-	-	-	1,287,655 (Note 5)	1,287,655 (Note 5)	Note 11
		Shanghai Le Ben Tuo Health Technology Co., Ltd.	Financing receivables - related parties	Y	406,557	390,168	297,529	2.000%	b	-	Need for operation	-	-	-	1,287,655 (Note 5)	1,287,655 (Note 5)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	542,076	520,224	494,226	2.000%	b	-	Need for operation	-	-	-	1,287,655 (Note 5)	1,287,655 (Note 5)	Note 11
		Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	444,280	86,704	55,751	2.000%	b	-	Need for operation	-	-	-	1,287,655 (Note 5)	1,287,655 (Note 5)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	655,009	628,604	494,508	2.000%	b	-	Need for operation	-	-	-	1,293,910 (Note 6)	1,293,910 (Note 6)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	225,865	216,760	216,760	2.000%	b	-	Need for operation	-	-	-	1,293,910 (Note 6)	1,293,910 (Note 6)	Note 11
		Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	225,865	216,760	-	2.000%	b	-	Need for operation	-	-	-	1,293,910 (Note 6)	1,293,910 (Note 6)	Note 11
3	Shanghai Le Ben De Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	5,776	-	-	-	b	-	Need for operation	-	-	-	12,684 (Note 6)	12,684 (Note 6)	Note 11
4	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	54,208	52,022	35,237	2.000%	b	-	Need for operation	-	-	-	175,674 (Note 7)	175,674 (Note 7)	Note 11
5	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	54,208	52,022	24,286	2.000%	b	-	Need for operation	-	-	-	109,963 (Note 9)	109,963 (Note 9)	Note 11
6	Shanghai New Vitality Health Technology (Group) Co., Ltd.	Jiangsu Hua Sun Health Technology Co., Ltd.	Financing receivables - related parties	Y	54,208	52,022	-	2.000%	b	-	Need for operation	-	-	-	111,721 (Note 10)	111,721 (Note 10)	Note 11

Note 1: “0” for the Company, subsidiaries are numbered 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 single limit is calculated based on 20% of the net worth of the latest financial statements of Standard Foods Corporation, which was calculated to be \$3,478,082 thousand (the net value per financial statements of \$17,390,410 thousand x 20% as of September 30, 2023).

Note 4: The maximum limit is calculated based on 40% of the net worth of the latest financial statements of Standard Foods Corporation, which was calculated to be \$6,956,164 thousand (the net value per financial statements of \$17,390,410 thousand x 40% as of September 30, 2023).

Note 5: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Standard Investment (China) Co., Ltd., which was calculated to be \$1,287,655 thousand (the net value per financial statements of \$3,219,138 thousand x 40% as of September 30, 2023).

Note 6: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai Standard Foods Co., Ltd., which was calculated to be \$1,293,910 thousand (the net value per financial statements of \$3,234,774 thousand x 40% as of September 30, 2023).

Note 7: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai Le Ben De Health Technology Co., Ltd., which was calculated to be \$12,684 thousand (the net value per financial statements of \$31,711 thousand x 40% as of September 30, 2023).

(Continued)

Note 8: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai Le Ho Industrial Co., Ltd., which was calculated to be \$175,674 thousand (the net value per financial statements of \$439,185 thousand x 40% as of September 30, 2023).

Note 9: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai Le Min Industrial Co., Ltd., which was calculated to be \$109,963 thousand (the net value per financial statements of \$274,907 thousand x 40% as of September 30, 2023).

Note 10: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai New Vitality Health Technology (Group) Co., Ltd., which was calculated to be \$111,721 thousand (the net value per financial statements of \$279,302 thousand x 40% as of September 30, 2023).

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

(Concluded)

TABLE 2

STANDARD FOODS CORPORATION

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount	Guarantee Provided by Parent Company (Note 5)	Guarantee Provided by Subsidiary (Note 5)	Guarantee Provided to Subsidiaries in Mainland China (Note 5)	Note
		Name	Nature of Relationship (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company	b.	\$ 13,912,328 (Note 3)	\$ 97,275	\$ 92,115	\$ -	\$ -	0.53%	\$ 17,390,410 (Note 4)	Y	-	-	
		Limited Charng Hui	b.	13,912,328 (Note 3)	97,275	92,115	1,800	-	0.53%	17,390,410 (Note 4)	Y	-	-	

Note 1: “0” for the Company, subsidiaries are numbered 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 based on the Company’s proportionate share in a jointly invested company.
- g. Companies in the same industry provide 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 single enterprise’s limit is calculated based on 80% of the net worth of the latest financial statements of Standard Foods Corporation, which is \$13,912,328 thousand (the net value per financial statements of \$17,390,410 thousand x 80% as of September 30, 2023).

Note 4: The maximum limit is calculated based on 100% of the net worth of the latest financial statements of Standard Foods Corporation, which is \$17,390,410 thousand (the net value per financial statements of \$17,390,410 thousand x 100% as of September 30, 2023).

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

TABLE 3

## STANDARD FOODS CORPORATION

## MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Foods Corporation	<u>Shares</u>	The Company is one of the directors						
	Far Eastern International Commercial Bank Co., Ltd.		Financial assets at fair value through other comprehensive income - current	1,466,828	\$ 18,555	-	\$ 18,555	
	Chunghwa Telecom Co., Ltd.		Financial assets at fair value through other comprehensive income - current	48,600	5,832	-	5,832	
	GeneFerm Biotechnology Co., Ltd.		Financial assets at fair value through other comprehensive income - non-current	2,145,110	159,811	5.2	159,811	
	Dah Chung Bills Finance Corp.		Financial assets at fair value through other comprehensive income - non-current	1,274,480	19,474	0.3	19,474	
	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at fair value through profit or loss - current	7,110	4,216	-	4,216	
	Apple Inc.		Financial assets at fair value through profit or loss - current	1,675	9,902	-	9,902	
	Amazon.com, Inc.		Financial assets at fair value through profit or loss - current	740	3,452	-	3,452	
	Alphabet Inc.		Financial assets at fair value through profit or loss - current	820	3,510	-	3,510	
	Microsoft Corporation		Financial assets at fair value through profit or loss - current	372	4,295	-	4,295	
	NVIDIA Corporation		Financial assets at fair value through profit or loss - current	467	7,101	-	7,101	
	Tesla, Inc.		Financial assets at fair value through profit or loss - current	387	2,953	-	2,953	
	<u>Mutual funds</u>							
	Yuanta FTSE4Good TIP Taiwan ESG ETF		Financial assets at fair value through profit or loss - current	300,000	10,548	-	10,548	
	Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	8,376,077	116,783	-	116,783	
	Cathay China Domestic Demand Growth Fund		Financial assets at fair value through profit or loss - current	3,585,869	55,904	-	55,904	
	Cathay Target Date 2029 Fund		Financial assets at fair value through profit or loss - current	4,720,915	61,146	-	61,146	
	Franklin Templeton Sinoam Money Market Fund		Financial assets at fair value through profit or loss - current	15,850,421	168,427	-	168,427	
	Cathay Global Aggressive Fund		Financial assets at fair value through profit or loss - current	2,284,844	60,731	-	60,731	
	CTBC Hwa-Win Money Market Fund		Financial assets at fair value through profit or loss - current	4,422,079	50,037	-	50,037	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
	FSITC Taiwan Money Market (Frist Financial Holding Co Ltd)		Financial assets at fair value through profit or loss - current	13,347,862	\$ 210,075	-	\$ 210,075	
	Capital Money Market Fund		Financial assets at fair value through profit or loss - current	6,061,204	100,537	-	100,537	
	<u>Note cash</u>							
	HSBC Holdings USD Bond (HSBC_4.3_030826)		Financial assets at fair value through profit or loss - current	10,000	29,882	-	29,882	
	TSMC Unsecured Corporate Bond 2023 2nd Offering		Financial assets at fair value through profit or loss - current	500,000	49,998	-	49,998	
	<u>Shares</u>							
	Paradigm Venture Capital Corporation		Financial assets at fair value through profit or loss - non-current	153,320	2,028	7.0	2,028	
	U-Teck Environment Corporation, Ltd.		Financial assets at fair value through profit or loss - non-current	11,200	-	0.2	-	
	Techgains Pan-Pacific Corporation		Financial assets at fair value through profit or loss - non-current	500,000	-	0.9	-	
	Authenex, Inc.		Financial assets at fair value through profit or loss - non-current	2,424,242	-	5.5	-	
	Octamer, Inc. - Series E Preference Shares		Financial assets at fair value through profit or loss - non-current	800,000	-	7.8	-	
	Octamer, Inc. - Series F Preference Shares		Financial assets at fair value through profit or loss - non-current	107,815	-	1.0	-	
	Fortemedia, Inc. - Series D Preference Shares		Financial assets at fair value through profit or loss - non-current	3,455	-	1.2	-	
	Fortemedia, Inc. - Series E Preference Shares		Financial assets at fair value through profit or loss - non-current	71,397	-	1.2	-	
	Fortemedia, Inc. - Series F Preference Shares		Financial assets at fair value through profit or loss - non-current	29,173	-	1.2	-	
	Fortemedia, Inc. - Series G Preference Shares		Financial assets at fair value through profit or loss - non-current	31,135	-	1.3	-	
	Fortemedia, Inc. - Series I Preference Shares		Financial assets at fair value through profit or loss - non-current	29,102	-	1.3	-	
	Fortemedia, Inc. - Common Stock		Financial assets at fair value through profit or loss - non-current	12,938	-	1.2	-	
Standard Dairy Products Taiwan Limited	<u>Mutual funds</u>							
	Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	3,778,844	52,687	-	52,687	
	Cathay China Domestic Demand Growth Fund		Financial assets at fair value through profit or loss - current	1,195,290	18,634	-	18,634	
	Cathay Target Date 2029 Fund		Financial assets at fair value through profit or loss - current	786,819	10,191	-	10,191	
	Cathay Global Aggressive Fund		Financial assets at fair value through profit or loss - current	761,615	20,244	-	20,244	
	FSITC Taiwan Money Market (Frist Financial Holding Co Ltd)		Financial assets at fair value through profit or loss - current	2,990,175	47,061	-	47,061	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Charng Hui Company Ltd.	<u>Shares</u> Standard Foods Corporation	Parent of Charng Hui Ltd.	Financial assets at fair value through other comprehensive income - current	6,669,471	\$ 259,442	0.7	\$ 259,442	Note
	Formosa Plastics Corporation		Financial assets at fair value through other comprehensive income - current	91,440	7,242	-	7,242	
	China Steel Corporation		Financial assets at fair value through other comprehensive income - current	803,258	21,688	-	21,688	
	Polytronics Technology Corp.	Charng Hui Ltd. is one of the directors	Financial assets at fair value through other comprehensive income - current	1,596,000	91,930	1.9	91,930	
	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at fair value through other comprehensive income - current	90,000	53,370	-	53,370	
	<u>Mutual funds</u> Fuh Hwa Global Strategic Allocation FoF		Financial assets at fair value through profit or loss - current	1,000,000	12,810	-	12,810	
	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds-Accu.		Financial assets at fair value through profit or loss - current	1,453,360	17,550	-	17,550	
	<u>Shares</u> Amphastar Pharmaceuticals Inc. (AMPH)		Financial assets at fair value through profit or loss - non-current	7,742	14,703	-	14,703	
	<u>Mutual funds</u> Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	2,127,261	29,659	-	29,659	
	<u>Shares</u> AsiaVest Liquidation Co.		Financial assets at fair value through other comprehensive income - non current	200	1,043	0.7	1,043	
China Standard Investment	<u>Shares</u> Ccoop Group Co., Ltd.		Financial assets at fair value through profit or loss - current	342,939	2,171	-	2,171	

Note: The amounts presented above were eliminated upon consolidation.

(Concluded)



TABLE 4

## STANDARD FOODS CORPORATION

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable (Receivable)		Note
			Purchases (Sales)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Standard Foods Corporation	Standard Dairy Products Taiwan Limited	The Company's subsidiary	Sales	\$ (1,617,377)	13.27	55 days after month end closing (net of receivables and payables)	-	-	\$ 158,091	7.73	Note
			Purchases	1,253,574	17.40	55 days after month end closing (net of receivables and payables)	-	-	-	-	Note
Standard Dairy Products Taiwan Limited	Standard Foods Corporation	Parent company of Standard Dairy Products Taiwan Limited	Purchases	1,617,377	53.43	55 days after month end closing (net of receivables and payables)	-	-	(158,091)	35.83	Note
			Sales	(1,253,574)	32.84	55 days after month end closing (net of receivables and payables)	-	-	-	-	Note
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Sales	(1,784,335)	68.73	60 days after month-end closing	-	-	305,152	99.03	Note
			Purchases	794,888	31.34	60 days after month-end closing	-	-	(184,759)	68.43	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	1,784,335	16.06	60 days after month-end closing	-	-	(305,152)	11.13	Note
			Sales	(794,888)	6.47	60 days after month-end closing	-	-	184,759	9.84	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(4,988,885)	98.53	60 days after month-end closing	-	-	1,406,525	99.74	Note
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	4,988,885	44.86	60 days after month-end closing	-	-	(1,406,525)	51.31	Note
Standard Foods (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Standard Foods (China) Co., Ltd.	Purchases	146,904	3.23	60 days after month-end closing	-	-	(145,504)	48.31	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Sales	(146,904)	3.13	60 days after month-end closing	-	-	145,504	20.27	Note
	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(4,260,119)	90.65	60 days after month-end closing	-	-	572,167	79.73	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	4,260,119	38.31	60 days after month-end closing	-	-	(572,167)	20.87	Note

Note: The amounts presented above were eliminated upon consolidation.

TABLE 5

STANDARD FOODS CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationships	Ending Balance for Account Receivable - Related Parties		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	Note
						Amount	Actions Taken			
Standard Foods Corporation	Standard Dairy Products Taiwan Limited	The Company’s subsidiary	Trade receivables	\$ 158,091	10.81	\$ -		\$ 158,091 (Note 1)	\$ -	(Note 2)
			Other receivables	<u>3,280</u>		-		<u>3,280</u> (Note 1)	-	(Note 2)
				<u>\$ 161,371</u>		<u>\$ -</u>		<u>\$ 161,371</u> (Note 1)	<u>\$ -</u>	
	Standard Foods (China) Co., Ltd.	The Company’s subsidiary	Financing receivables	<u>\$ 433,520</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	(Note 2)
			Financing receivables	<u>\$ 433,520</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	(Note 2)
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivables	\$ 305,152	3.95	\$ -		\$ 305,152 (Note 1)	\$ -	(Note 2)
			Financing receivables	494,508		-		- (Note 1)	-	(Note 2)
			Other receivables	<u>7,018</u>		-		<u>7,018</u> (Note 1)	-	(Note 2)
	Standard Foods (Xiamen) Co., Ltd.(China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.		<u>\$ 806,678</u>		<u>\$ -</u>		<u>\$ 312,170</u> (Note 1)	<u>\$ -</u>	
			Financing receivables	\$ 216,760		\$ -		\$ - (Note 1)		
			Other receivables	<u>2,246</u>		-		- (Note 1)		
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.		<u>\$ 219,006</u>	3.61	<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	(Note 2)
			Trade receivables	<u>\$ 1,406,525</u>		<u>\$ -</u>		<u>\$ 802,142</u> (Note 1)	<u>\$ -</u>	(Note 2)
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.’s subsidiary	Financing receivables	\$ 494,226		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables	<u>35,897</u>		-		- (Note 1)	-	
				<u>\$ 530,123</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Trade receivables	<u>\$ 184,759</u>	3.55	<u>\$ -</u>		<u>\$ 184,759</u> (Note 1)	<u>\$ -</u>	(Note 2)
	Shanghai Le Ben Tuo Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.’s subsidiary	Trade receivables	\$ 4	183.00	\$ -		\$ 4 (Note 1)	\$ -	(Note 2)
			Financing receivables	297,529		-		- (Note 1)	-	(Note 2)
			Other receivables	<u>3,047</u>		-		<u>16</u> (Note 1)	-	
	Shanghai Dermalab Corporation	Standard Investment (China) Co., Ltd.’s subsidiary		<u>\$ 300,580</u>		<u>\$ -</u>		<u>\$ 20</u> (Note 1)	<u>\$ -</u>	
			Financing receivables	\$ 121,875		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables	<u>2,195</u>		-		- (Note 1)	-	(Note 2)
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.		<u>\$ 124,070</u>	5.11	<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
			Trade receivables	<u>\$ 572,167</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	(Note 2)
	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables	<u>\$ 145,504</u>	1.95	<u>\$ -</u>		<u>\$ -</u> (Note 1)		

Note 1: Amounts received before March 20, 2024.

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

TABLE 6

STANDARD FOODS CORPORATION

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Limited	Tortola, British Virgin Islands	Investment business	\$ 3,936,267	\$ 3,936,267	123,600,000	100	\$ 3,649,499	\$ 36,581	\$ 37,472 (Note 1)	Subsidiary (Note 5)
	Standard Investment (Cayman) Limited	Grand Cayman, Cayman Islands	Investment business	4,931,225	4,713,791	157,147,892	100	4,432,585	(396,504)	(396,504)	Subsidiary (Note 5)
	Standard Dairy Products Taiwan Limited	Taipei, Taiwan	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100	1,014,365	309,975	294,834 (Note 2)	Subsidiary (Note 5)
	Charng Hui Company Ltd.	Taipei, Taiwan	Investment business	230,000	230,000	24,100,000	100	312,637	26,073	17,469 (Note 3)	Subsidiary (Note 5)
	Domex Technology Corporation	Hsinchu, Taiwan	Manufacture and sale of computer peripherals and computer and information products	114,116	114,116	10,374,399	52	265,626	95,998	49,928	Subsidiary (Note 5)
	Standard Beverage Company Limited	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100	80,875	103	103	Subsidiary (Note 5)
	Standard Foods, LLC.	U.S.A.	Sale of health foods	9,056	9,056	Note 4	100	9,212	-	-	Subsidiary (Note 5)
	Standard Great Foods Singapore PTE. LTD.	Singapore	Food trade	9,427	317	Note 4	100	9,316	-	-	Subsidiary (Note 5)
Accession Limited	Dermalab S.A.	Switzerland	Development and sale of cosmetics	379,489	379,489	4,050	100	267,569	7,565	-	Indirect subsidiary (Note 5)
Dermalab S.A.	Swissderma SL	Spain	Sale of cosmetics	96	96	3,000	100	-	-	-	Third-tier subsidiary (Note 5)
Standard Investment (Cayman) Limited	Standard Corporation (Hong Kong) Limited	Hong Kong	Investment business	4,927,405	4,709,971	157,021,892	100	4,431,297	(396,226)	-	Indirect subsidiary (Note 5)

Note 1: The amount after the net profit in investees recognized based on the shareholding ratio, \$36,581 thousand, plus the adjustment on unrealized gain or loss from side-stream transactions of \$891 thousand.

Note 2: The amount after the net profit in investees recognized based on the shareholding ratio, \$309,975 thousand, minus the adjustment on unrealized gain or loss from up-stream transactions of \$15,141 thousand.

Note 3: The amount after the net profit in investees recognized based on the shareholding ratio, \$26,073 thousand, minus the Standard Foods Corporation cash dividends paid of \$8,604 thousand.

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

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

**TABLE 7**

**STANDARD FOODS CORPORATION**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Shanghai Standard Foods Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	\$ 3,949,575	b. (Note 3)	\$ 3,949,575 (Note 4)	\$ -	\$ -	\$ 3,949,575 (Note 4)	\$ 24,700	100.0	\$ 25,700 (Note 9)	\$ 3,235,371	\$ -	Note 12
Standard Investment (China) Co., Ltd.	Investment and sales of edible oil products and nutritional foods	3,755,530	b. (Note 5)	3,718,677 (Note 5)	-	-	3,718,677 (Note 5)	(253,772)	99.0	(251,234) (Note 9)	3,262,059	-	Note 12
Shanghai New Vitality Health Technology (Group) Co., Ltd.	Sale of nutritional foods, cosmetics and international trading	664,630	b. (Note 5)	- (Note 5)	217,434	-	217,434 (Note 5)	(115,250)	99.0	(114,098) (Note 10)	461,131	-	Note 12
Standard Foods (China) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,935,453	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	134,321	99.0	128,883 (Note 9)	2,526,534	-	Note 12
Shanghai Dermalab Corporation	Sale of nutritional foods, cosmetics and international trading	93,989	c. (Note 7)	- (Note 7)	-	-	- (Note 7)	(4,967)	99.0	(4,917) (Note 10)	(21,747)	-	Note 12
Shanghai Le Ben Tuo Health Technology Co., Ltd.	Sale of nutritional foods and international trading	284,127	c. (Note 7)	181,048 (Note 7)	-	-	181,048 (Note 7)	(94,225)	99.0	(93,283) (Note 10)	(232,740)	-	Note 12
Shanghai Le Ben De Health Technology Co., Ltd.	Sale of health, to beautify produce and about serverive trading	31,220	c. (Notes 4 and 7)	31,220 (Note 4)	-	-	31,220 (Note 4)	1,691	99.0	1,674 (Note 10)	32,015	-	Note 12
Standard Foods (Xiamen) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,307,582	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	102,543	99.0	99,261 (Note 10)	1,671,588	-	Note 12
Shanghai Le Ho Industrial Co., Ltd.	Property management	607,717	b. (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(19,018)	100.0	(19,018) (Note 10)	434,509	-	Note 12
Shanghai Le Min Industrial Co., Ltd.	Property management	378,009	b. (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(11,723)	100.0	(11,723) (Note 10)	271,995	-	Note 12
Jiangsu Hua Sun Health Technology Co., Ltd	Develop brands and products in the field of health foods and special nutritious foods	315,921	c. (Note 8)	- (Note 8)	-	-	- (Note 8)	(15,178)	99.0	(15,026) (Note 10)	284,986	-	Note 12

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$9,136,959	\$9,874,201	Unlimited amount of investment (Note 11)

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

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

(Continued)

- Note 2: For the investment income (loss) recognized in the current period:
- a. There was no investment income (loss) recognized due to the investment still being in the development stage.
  - b. The investment income (loss) was determined based on the following basis:
    - 1) The financial report was audited and certified by an international accounting firm in cooperation with an accounting firm in ROC.
    - 2) The financial statements audited by the CPA of the parent company in Taiwan.
    - 3) Others.
- Note 3: Accession Limited is the investor company in third region.
- Note 4: There was no difference between the beginning balance and the ending balance of the accumulated amount invested from Taiwan for the 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) Limited is the investor company in third region.
- Note 6: The company in mainland China was reinvested through a company registered in mainland China, namely Standard Investment (China) Co., Ltd.
- Note 7: The company in mainland China was reinvested through a company registered in mainland China, namely Shanghai New Vitality Health Technology (Group) Co., Ltd.
- Note 8: A new company was incorporated upon the split of Le Bonta Wellness Co., Ltd., as invested by Shanghai New Vitality Health Technology (Group) Co., Ltd., a company in mainland China.
- Note 9: The basis for recognition of investment profit and loss is Note 2.b. Item 3) is based on the financial statements of the investee reviewed by CPAs of the parent company in Taiwan during the same period.
- Note 10: The basis for recognition of investment profit and loss is Note 2.b. Item 3) is based on the financial statements of the investee that have not been reviewed by any CPA during the same period.
- Note 11: The Industrial Development Bureau of the MOEA issued the proofing document of operational headquarters to the Company; the document is still valid within the audit period. Hence, according to the Investment Commission of the MOEA, there is no upper limit on the amount of investment.
- Note 12: The amounts presented above were eliminated upon consolidation.

(Concluded)

**TABLE 8****STANDARD FOODS CORPORATION****INFORMATION OF MAJOR SHAREHOLDERS  
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Mu Te Investment Co., Ltd. Trust Property Account	178,727,315	19.53
Chia Yun Investment Co., Ltd. Trust Property Account	147,633,489	16.13
Chia Chieh Investment Co., Ltd. Trust Property Account	117,539,583	12.84

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

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

# STANDARD FOODS CORPORATION

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**SCHEDULE 1****STANDARD FOODS CORPORATION****SCHEDULE OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

<b>Item</b>	<b>Description</b>	<b>Interest Rate</b>	<b>Amount</b>
Cash on hand			\$ <u>785</u>
Cash in banks			
Checking account deposits			68,101
Demand deposits		0.050%-1.150%	3,165
Foreign currency demand deposits	Including US\$947 thousand @30.71, AUD1 thousand @20.98, RMB2,032 thousand @4.34	0.050%-1.150%	<u>37,901</u>
			<u>109,167</u>
Cash equivalents			
New Taiwan dollars time deposits		1.500%	200,000
Foreign time deposits	Including US\$5,711 thousand @30.71 EUR815 thousand @33.98 and RMB3,430 thousand @4.34	2.750%-5.580%	<u>217,900</u>
			<u>417,900</u>
			<u>\$ 527,852</u>



**STANDARD FOODS CORPORATION**

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

**DECEMBER 31, 2023**

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

Name of Financial Assets	Shares/Units	Par Value (NT\$)	Total Amount	Acquisition Cost	Fair Value		Changes in Fair Value Attributed to Credit Risk	Note
					Unit Price	Total Amount		
Mutual fund								
Taishin 1699 Money Market Fund	8,376,076.73	13.94	\$ 116,783	\$ 116,502	13.94	\$ 116,783	\$ -	
Cathay China Domestic Demand Growth Fund	3,585,869.30	15.59	55,904	120,000	15.59	55,904	-	
Cathay Target Date 2029 Fund	4,720,915.20	12.95	61,146	60,000	12.95	61,146	-	
Cathay Global Aggressive Fund	2,284,843.90	26.58	60,731	60,000	26.58	60,731	-	
Franklin Templeton Sinoam Money Market Fund	15,850,421.07	10.63	168,427	168,203	10.63	168,427	-	
CTBC Hwa-Win Money Market Fund	4,422,078.60	11.32	50,037	50,000	11.32	50,037	-	
FSITC Taiwan Money Market (Frist Financial Holding Co Ltd)	13,347,862.30	15.74	210,075	210,000	15.74	210,075	-	
Capital Money Market Fund	6,061,203.70	16.59	100,537	100,229	16.59	100,537	-	
Yuanta FTSE4Good TIP Taiwan ESG ETF	300,000.00	35.16	10,548	10,200	35.16	10,548	-	
	<u>58,949,270.80</u>		<u>834,188</u>	<u>895,134</u>		<u>834,188</u>	<u>-</u>	
Shares								
Taiwan Semiconductor Manufacturing Co., Ltd.	7,110.00	593.00	4,216	4,328	593.00	4,216	-	
Apple Inc.	1,675.00	192.53	9,902	8,304	192.53	9,902	-	
Amazon.com, Inc.	740.00	151.94	3,452	3,348	151.94	3,452	-	
Alphabet Inc.	820.00	139.39	3,510	3,293	139.39	3,510	-	
Microsoft Corporation	372.00	376.04	4,295	3,313	376.04	4,295	-	
NVIDIA Corporation	467.00	495.22	7,101	3,317	495.22	7,101	-	
Tesla, Inc.	387.00	248.48	2,953	3,315	248.48	2,953	-	
	<u>11,571.00</u>		<u>35,429</u>	<u>29,218</u>		<u>35,429</u>	<u>-</u>	
Note cash								
HSBC Holdings USD Bond (HSBC_4.3_030826)	10,000.00	97.32	29,882	29,952	97.32	29,882	-	
TSMC Unsecured Corporate Bond 2023 2nd Offering	500,000.00	99.99	49,998	50,125	99.99	49,998	-	
	<u>510,000.00</u>		<u>79,880</u>	<u>80,077</u>		<u>79,880</u>	<u>-</u>	
	<u>59,470,841.80</u>		<u>\$ 949,497</u>	<u>\$ 1,004,429</u>		<u>\$ 949,497</u>	<u>\$ -</u>	

## STANDARD FOODS CORPORATION

## SCHEDULE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH COMPREHENSIVE INCOME - CURRENT

DECEMBER 31, 2023

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

Name of Financial Assets	Shares	Par Value (NT\$)	Total Amount	Acquisition Cost	Accumulated Impairment	Fair Value	
						Unit Price	Total Amount
Listed shares							
Chunghwa Telecom Co., Ltd.	48,600	10	\$ 486	\$ 4,063	\$ -	120.00	\$ 5,832
Far Eastern International Commercial Bank Co., Ltd.	1,466,828	10	<u>14,668</u>	<u>17,114</u>	<u>-</u>	12.65	<u>18,555</u>
			<u>\$ 15,154</u>	<u>\$ 21,177</u>	<u>\$ -</u>		<u>\$ 24,387</u>

**STANDARD FOODS CORPORATION**

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

**DECEMBER 31, 2023**

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

Name	Description	Number	Par Value	Currency	Total Amount	Annual Interest Rate	Carrying Amount	Remark
Far Eastern International Bank time deposit	Expiry in January 2024, maturity interest	2	4,900	NTD	\$ 9,800	1.55%	\$ 9,800	Floating
Far Eastern International Bank time deposit	Expiry in February 2024, maturity interest	7	4,900	NTD	34,300	1.55%	34,300	Floating
Far Eastern International Bank time deposit	Expiry in March 2024, maturity interest	8	4,900	NTD	39,200	1.45%	39,200	Fixed
Far Eastern International Bank time deposit	Expiry in August 2024, maturity interest	9	4,900	NTD	44,100	1.55%	44,100	Floating
Far Eastern International Bank time deposit	Expiry in October 2024, maturity interest	3	2,900	NTD	8,700	1.55%	8,700	Floating
Far Eastern International Bank time deposit	Expiry in November 2024, maturity interest	9	4,900	NTD	44,100	1.55%	44,100	Floating
Far Eastern International Bank time deposit	Expiry in December 2024, maturity interest	6	4,900	NTD	29,400	1.55%	29,400	Floating
The Shanghai Commercial & Saving Bank time deposit	Expiry in November 2024, maturity interest	1	40,000	NTD	40,000	1.52%	40,000	Fixed
President Securities time deposits	Expiry in January 2024, maturity interest	1	100,000	NTD	100,000	1.50%	100,000	Fixed
Bank of China foreign time deposit	Expiry in December 2024, maturity interest	1	4,228	RMB	18,330	2.66%	18,330	Fixed (@4.34)
ANZ Bank foreign time deposit	Expiry in November 2024, maturity interest	1	1,976	RMB	8,569	2.58%	8,569	Fixed (@4.34)
Taishin Bank foreign time deposit	Expiry in March 2024, maturity interest	1	14,247	RMB	61,764	2.75%	61,764	Fixed (@4.34)
CTBC Bank Co., Ltd foreign time deposit	Expiry in April 2024, maturity interest	1	1,003	USD	30,786	5.59%	30,786	Fixed (@30.71)
ANZ Bank foreign time deposit	Expiry in January 2024, maturity interest	1	1,500	AUD	31,470	4.15%	31,470	Fixed (@20.98)
ANZ Bank foreign time deposit	Expiry in February 2024, maturity interest	1	660	AUD	13,847	4.06%	13,847	Fixed (@20.98)
ANZ Bank foreign time deposit	Expiry in March 2024, maturity interest	1	500	AUD	10,490	4.13%	10,490	Fixed (@20.98)
ANZ Bank foreign time deposit	Expiry in April 2024, maturity interest	1	1,000	AUD	20,979	4.35%	20,979	Fixed (@20.98)
Cathay United Bank foreign time deposits	Expiry in April 2024, maturity interest	1	294	AUD	6,174	4.30%	6,174	Fixed (@20.98)
Cathay United Bank foreign time deposits	Expiry in April 2024, maturity interest	1	500	AUD	10,490	4.35%	10,490	Fixed (@20.98)
ANZ Bank foreign time deposit	Expiry in January 2024, maturity interest	1	350	EUR	11,893	3.35%	11,893	Fixed (@33.98)
ANZ Bank foreign time deposit	Expiry in January 2024, maturity interest	1	1,000	EUR	33,980	3.43%	33,980	Fixed (@33.98)
ANZ Bank foreign time deposit	Expiry in March 2024, maturity interest	1	511	EUR	17,354	3.54%	17,354	Fixed (@33.98)
ANZ Bank foreign time deposit	Expiry in March 2024, maturity interest	1	777	EUR	26,403	3.68%	26,403	Fixed (@33.98)
HSBC foreign time deposit	Expiry in January 2024, maturity interest	1	405	EUR	13,767	3.63%	13,767	Fixed (@33.98)
Cathay United Bank foreign time deposits	Expiry in February 2024, maturity interest	1	331	EUR	11,247	3.85%	11,247	Fixed (@33.98)
Cathay United Bank foreign time deposits	Expiry in March 2024, maturity interest	1	339	EUR	11,519	3.95%	11,519	Fixed (@33.98)
Cathay United Bank foreign time deposits	Expiry in April 2024, maturity interest	1	305	SGD	7,104	4.00%	7,104	Fixed (@23.29)
					<u>\$ 695,766</u>		<u>\$ 695,766</u>	

**STANDARD FOODS CORPORATION****SCHEDULE OF TRADE RECEIVABLES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Client Name</b>	<b>Amount</b>
Unrelated parties	
Company A	\$ 601,089
Company B	328,045
Company C	280,051
Company D	112,804
Others (Note)	<u>563,043</u>
	1,885,032
Less: Allowance for impairment loss	<u>(2,400)</u>
	<u><u>\$ 1,882,632</u></u>
Related party	
Standard Dairy Products Taiwan Limited	
GeneFerm Biotechnology Co., Ltd.	\$ 158,091
	<u>43</u>
	<u><u>\$ 158,134</u></u>

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

**STANDARD FOODS CORPORATION****SCHEDULE OF INVENTORIES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	
	<b>Cost</b>	<b>Net Realizable Value</b>
Merchandise	\$ 250,246	\$ 299,374
Finished goods	1,290,985	2,002,465
Work in progress	246,821	411,251
Raw materials	721,737	1,108,613
Packaging materials	<u>62,176</u>	<u>81,748</u>
	<u>\$ 2,571,965</u>	<u>\$ 3,903,451</u>

**STANDARD FOODS CORPORATION**

**SCHEDULE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Investees	Balance at January 1, 2023		Addition		Deduction		Accumulated Reversal of Impairment Loss	Balance at December 31, 2023		Collateral	Accumulated Impairment	Remark
	Shares/Units	Fair Value	Shares/Units	Amount	Shares/Units	Amount		Shares/Units	Fair Value			
Paradigm Venture Capital Corporation	153,320	\$ 2,059	-	\$ -	-	\$ 31	\$ -	153,320	\$ 2,028	Nil	\$ -	Note 1
Authenex, Inc.	2,424,242	-	-	-	-	-	-	2,424,242	-	Nil	-	-
Techgains Pan-Pacific Corporation	500,000	-	-	-	-	-	-	500,000	-	Nil	-	-
U-Teck Environment Corporation, Ltd.	11,200	-	-	-	-	-	-	11,200	-	Nil	-	-
Octamer, Inc. - Series E preference shares	800,000	-	-	-	-	-	-	800,000	-	Nil	-	-
Octamer, Inc. - Series F preference shares	107,815	-	-	-	-	-	-	107,815	-	Nil	-	-
ForteMedia, Inc. - Series D preference shares	3,455	-	-	-	-	-	-	3,455	-	Nil	-	-
ForteMedia, Inc. - Series E preference shares	71,397	-	-	-	-	-	-	71,397	-	Nil	-	-
ForteMedia, Inc. - Series F preference shares	29,173	-	-	-	-	-	-	29,173	-	Nil	-	-
ForteMedia, Inc. - Series G preference shares	31,135	-	-	-	-	-	-	31,135	-	Nil	-	-
ForteMedia, Inc. - Series I preference shares	29,102	-	-	-	-	-	-	29,102	-	Nil	-	-
ForteMedia - ordinary shares	12,938	-	-	-	-	-	-	12,938	-	Nil	-	-
		<u>\$ 2,059</u>		<u>\$ -</u>		<u>\$ 31</u>	<u>\$ -</u>		<u>\$ 2,028</u>			

Note: The decreased due to the changes in the fair value.

STANDARD FOODS CORPORATION

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)

Item	Balance at January 1, 2023		Addition		Deduction		Unrealized Gain (Loss)	Balance at December 31, 2023		Accumulated Impairment	Collateral	Remark
	Shares	Fair Value	Shares	Amount	Shares	Amount		Shares	Fair Value			
Emerging market shares												
GeneFerm Biotechnology Co., Ltd.	2,145,110	\$ 143,508	-	\$ -	-	\$ -	\$ 16,303	2,145,110	\$ 159,811	\$ -	Nil	-
Dah Chung Bills Finance Corp	1,274,480	<u>15,549</u>	-	<u>-</u>	-	<u>-</u>	<u>3,925</u>	1,274,480	<u>19,474</u>	<u>-</u>	Nil	-
		<u>\$ 159,057</u>		<u>\$ -</u>		<u>\$ -</u>	<u>\$ 20,228</u>		<u>\$ 179,285</u>	<u>\$ -</u>		

**STANDARD FOODS CORPORATION**

**SCHEDULE OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Investees	Balance at January 1, 2023		Addition		Decrease		Balance at December 31, 2023			Net Assets Value		Collateral	Remark
	Shares/Unit	Amount	Shares/Unit	Amount	Shares/Unit	Amount	Shares/Unit	%	Amount	Unit Price (NT\$)	Total Price		
Accession Limited	123,600,000	\$ 3,645,244	-	\$ 39,300	-	\$ 35,045	123,600,000	100.00	\$ 3,649,499	29.89	\$ 3,693,863	Nil	Note 1
Standard Dairy Products Taiwan Limited	30,000,000	1,042,081	-	294,834	-	322,550	30,000,000	100.00	1,014,365	34.79	1,043,714	Nil	Note 2
Charng Hui Company Ltd.	24,100,000	297,285	-	37,570	-	22,218	24,100,000	100.00	312,637	23.74	572,079	Nil	Note 3
DOMEX Technology Corporation	10,374,399	328,587	-	49,928	-	112,889	10,374,399	52.00	265,626	25.55	265,067	Nil	Note 4
Standard Beverage Company Limited	7,907,000	81,609	-	108	-	842	7,907,000	100.00	80,875	10.23	80,875	Nil	Note 5
Standard Investment (Cayman) Limited	150,224,815	4,685,090	6,923,077	217,434	-	469,939	157,147,892	100.00	4,432,585	28.21	4,432,585	Nil	Note 6
Standard Foods, LLC.	-	9,213	-	-	-	1	-	100.00	9,212	-	9,212	Nil	Notes 7 and 9
Standard Great Foods Singapore PTE. LTD.	-	<u>320</u>	-	<u>9,110</u>	-	<u>114</u>	-	100.00	<u>9,316</u>	-	9,316	Nil	Notes 8 and 9
		<u>\$ 10,089,429</u>		<u>\$ 648,284</u>		<u>\$ 963,598</u>			<u>\$ 9,774,115</u>				

Note 1: For the year ended December 31, 2023, the increase amount of investment income accounted for using the equity method was \$37,472 thousand and other comprehensive income was \$1,828 thousand; the decrease amount of translation adjustment accounted for using the equity method was \$35,045 thousand.

Note 2: For the year ended December 31, 2023, the increase amount of investment income accounted for using the equity method was \$294,834; the decrease amount of other comprehensive income accounted for using the equity method was \$8,850 thousand and the cash dividend which was issued by the investee was \$313,700 thousand.

Note 3: This is a subsidiary of the Company, and because it held the shares of the Company, it received cash dividend from the Company. Therefore, there was an increase in cash dividend which adjustment to the capital surplus was \$8,604 thousand, investment income accounted for using the equity method was \$17,469 thousand and other comprehensive income was \$11,497 thousand. For the year ended December 31, 2023, the decrease the cash dividend which was issued by the investee was \$22,218 thousand.

Note 4: For the year ended December 31, 2023, the increase amount of investment income accounted for using the equity method was \$49,928 thousand; and the decrease amount of other comprehensive income accounted for using the equity method was \$76,579 thousand and the cash dividend which was issued by the investee was \$36,310 thousand.

Note 5: For the year ended December 31, 2023, the increase amount of investments amounted to \$103 thousand and other comprehensive income was \$5 thousand; the decrease amount of cash dividend which was issued by the investee was \$842 thousand.

Note 6: For the year ended December 31, 2023, the increase amount of additional investment was \$217,434 thousand; the decrease amount of investment loss accounted for using the equity method was \$396,504 thousand and reorganization adjustment was \$73,435 thousand.

Note 7: For the year ended December 31, 2023, the decrease amount of translation adjustment accounted for using the equity method was \$1 thousand.

Note 8: For the year ended December 31, 2023, the increase amount of additional investment was \$9,110 thousand; the decrease amount of translation adjustment accounted for using the equity method was \$114 thousand.

Note 9: This is a limited company with no issued shares.



**STANDARD FOODS CORPORATION****SCHEDULE OF CHANGES IN RIGHT-OF-USE ASSETS****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Land</b>	<b>Buildings</b>	<b>Office Equipment</b>	<b>Transpor- tation Equipment</b>	<b>Amount</b>
<u>Cost</u>					
As originally stated on January 1, 2023	\$ 4,011	\$ 154,963	\$ 2,242	\$ 3,284	\$ 164,500
Additions	4,232	24,742	2,132	6,499	37,605
Lease expiration/termination	<u>(4,011)</u>	<u>(5,536)</u>	<u>(550)</u>	<u>(2,107)</u>	<u>(12,204)</u>
Balance at December 31, 2023	<u>\$ 4,232</u>	<u>\$ 174,169</u>	<u>\$ 3,824</u>	<u>\$ 7,676</u>	<u>\$ 189,901</u>
<u>Accumulated depreciation</u>					
As originally stated on January 1, 2023	\$ 2,552	\$ 42,745	\$ 578	\$ 1,470	\$ 47,345
Depreciation expenses	1,933	36,066	552	1,484	40,035
Lease expiration/termination	<u>(4,011)</u>	<u>(5,409)</u>	<u>(338)</u>	<u>(2,107)</u>	<u>(11,865)</u>
Balance at December 31, 2023	<u>\$ 474</u>	<u>\$ 73,402</u>	<u>\$ 792</u>	<u>\$ 847</u>	<u>\$ 75,515</u>

**STANDARD FOODS CORPORATION****SCHEDULE OF TRADE PAYABLES****DECEMBER 31, 2023****(In Thousands of New Taiwan Dollars)**

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<b>Vendor Name</b>	<b>Amount</b>
Unrelated parties	
Company C	\$ 53,904
Company B	51,955
Company E	46,085
Company F	24,869
Others (Note)	<u>583,786</u>
	<u>\$ 760,599</u>
Related party	
GeneFerm Biotechnology Co., Ltd.	<u>\$ 9,889</u>

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

**STANDARD FOODS CORPORATION****SCHEDULE OF LEASE LIABILITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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	<b>Lease Term</b>	<b>Discount Rate</b>	<b>Balance at December 31, 2023</b>	<b>Remark</b>
Land	2023/12/1-2024/11/30	1.07%	\$ 1,040	
Buildings	2021/1/1-2028/5/31	1.07%	103,291	
Office equipment	2022/1/1-2029/6/30	1.07%	3,067	
Transportation equipment	2021/1/1-2028/12/31	1.07%-1.25%	<u>6,931</u>	
			114,329	
Less: Within 1 year			<u>(39,855)</u>	
Lease liabilities - non-current			<u>\$ 74,474</u>	

**STANDARD FOODS CORPORATION****SCHEDULE OF OPERATING REVENUES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Quantity (Tons)</b>	<b>Amount</b>
Nutritious foods	92,772	\$ 10,960,998
Cooking products	21,865	2,711,854
Others	9,540	<u>528,303</u>
Total sales		14,201,155
Less: Sales returns		(112,135)
Sales allowances		<u>(1,899,057)</u>
Net sales		<u>\$ 12,189,963</u>

**STANDARD FOODS CORPORATION**
**SCHEDULE OF OPERATING COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(In Thousands of New Taiwan Dollars)**


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<b>Item</b>	<b>Amount</b>
Cost of goods sold - finished goods	
Raw materials, beginning of year	\$ 840,179
Add: Raw materials purchased	6,016,692
Gain on physical inventory of raw materials	532
Transfer from raw materials	1,619
Less: Sales of raw materials	(113,658)
Raw materials scrapped	(6,685)
Raw materials, end of year	<u>(783,913)</u>
Raw materials consumed	5,954,766
Direct labor	251,285
Manufacturing expenses	<u>1,090,864</u>
Manufacturing costs	7,296,915
Work in progress, beginning of year	213,341
Less: Work in progress scrapped	(3,530)
Work in progress deficits	(9)
Other use	(5,286)
Cost of finished goods	<u>(246,821)</u>
Work in progress, end of year	7,254,610
Finished goods, beginning of year	1,305,660
Less: Transferred to other accounts	(116,382)
Profit on physical inventory of finished goods	73
Finished goods scrapped	(3,416)
Cost of goods sold adjustment	(5,686)
Finished goods, end of year	<u>(1,290,985)</u>
Cost of goods sold - finished goods	<u>7,143,874</u>
Cost of goods sold - merchandise	
Merchandise, beginning of year	332,409
Add: Merchandise purchased	1,151,265
Less: Other use	(7,421)
Merchandise scrapped	(423)
Merchandise deficits	(39)
Cost of goods sold adjustment	(449)
Merchandise, end of year	<u>(250,246)</u>
Cost of goods sold - merchandise	<u>1,225,096</u>
Cost of sales of raw materials	<u>113,658</u>
Gain on physical inventory	<u>(558)</u>
Inventory scrap losses	<u>14,055</u>
	<u>\$ 8,496,125</u>

**STANDARD FOODS CORPORATION****SCHEDULE OF OPERATING EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Selling and Marketing Expenses</b>	<b>General and Administrati ve Expenses</b>	<b>Research and Development Expenses</b>	<b>Amount</b>
Advertising expenses	\$ 1,050,494	\$ -	\$ -	\$ 1,050,494
Salaries and pensions	388,441	268,246	42,243	698,930
Freight expenses	130,169	-	-	130,169
Taxes	22,577	77	17	22,671
Professional service fees	639	22,631	34	23,304
Rental	45,442	895	11	46,348
Insurance premiums	39,855	18,264	4,345	62,464
Amortization	2,000	13,768	-	15,768
Depreciation	27,547	26,376	6,720	60,643
Traveling expenses	20,388	1,272	850	22,510
Repair and maintenance expenses	3,838	1,235	628	5,701
Computer expenses	41,218	68,534	627	110,379
Meal expenses	11,902	4,090	1,322	17,314
Postage and telephone charges	322	1,927	81	2,330
Entertainment expenses	1,135	8,554	18	9,707
Employee welfare	8,600	2,863	931	12,394
Utilities	6,061	2,171	1,720	9,952
Donations	-	23,282	-	23,282
Others	13,575	57,223	21,513	92,311
Cost-sharing sectors	-	(26,448)	-	(26,448) (Note)
	<u>\$ 1,814,203</u>	<u>\$ 494,960</u>	<u>\$ 81,060</u>	<u>\$ 2,390,223</u>

Note: Transferred to manufacturing expenses.

**STANDARD FOODS CORPORATION**

**SCHEDULE OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

Item	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor cost						
Salary and bonus	\$ 445,266	\$ 610,708	\$ 1,055,974	\$ 425,735	\$ 514,995	\$ 940,730
Labor and health insurance	46,571	53,952	100,523	43,709	48,711	92,420
Pension	16,492	62,039	78,531	15,967	25,601	41,568
Remuneration of directors	-	8,113	8,113	-	8,237	8,237
Others	<u>31,544</u>	<u>36,636</u>	<u>68,180</u>	<u>31,193</u>	<u>35,286</u>	<u>66,479</u>
	<u>\$ 539,873</u>	<u>\$ 771,448</u>	<u>\$ 1,311,321</u>	<u>\$ 516,604</u>	<u>\$ 632,830</u>	<u>\$ 1,149,434</u>
Depreciation	<u>\$ 144,560</u>	<u>\$ 60,643</u>	<u>\$ 205,203</u>	<u>\$ 155,471</u>	<u>\$ 56,556</u>	<u>\$ 212,027</u>
Amortization	<u>\$ 10,489</u>	<u>\$ 15,768</u>	<u>\$ 26,257</u>	<u>\$ 10,305</u>	<u>\$ 10,680</u>	<u>\$ 20,985</u>

Note 1: As of December 31, 2023 and 2022, the Company had 1,114 and 1,065 employees, respectively, of which 6 and 6 directors were not concurrently appointed as employees, respectively.

Note 2: The average employee benefit expense for 2023 is \$1,176 thousand. (“Total amounts of current year employee benefit expenses - Total amounts of remuneration of directors”/”The number of current year employee - The number of directors who are not concurrent employees”).

Note 3: The average employee benefit expense for 2022 is \$1,078 thousand. (“Total amounts of period year employee benefit expenses - Total amounts of remuneration of directors”/”The number of period year employee - The number of directors who are not concurrent employees”).

Note 4: The average employee salary expense for 2023 is \$953 thousand. (Total amounts of current year employee salary expenses - “The number of current year employee - The number of directors who are not concurrent employees”).

Note 5: The average employee salary expense for 2022 is \$888 thousand. (Total amounts of period year employee salary expenses/”The number of period year employee - The number of directors who are not concurrent employees”).

Note 6: The change in average employee salary expenses is 7.32%. (“Total amounts of current year average employee salary expenses - Total amounts of period year average employee salary expenses”/Total amounts of period year average employee salary expenses).

Note 7: The supervisors salary expense for 2023 is \$0.

Note 8: The supervisors salary expense for 2022 is \$0.

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