

**Standard Foods Corporation and
Subsidiaries**

**Consolidated Financial Statements and Independent
Auditors' Report
Ended on June 30, 2024 and 2023**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Standard Foods Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Standard Foods Corporation and its subsidiaries (collectively, the "Group") as of June 30, 2024 and 2023 and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issues into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 14 to the consolidated financial statements, the financial statements of non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2024 and 2023, combined total assets of these non-significant subsidiaries were NT\$8,713,753 thousand and NT\$9,136,063 thousand, respectively, representing 32% and 33%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT\$1,926,965 thousand and NT\$3,006,419 thousand, respectively, representing 21% and 28%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the amounts of combined comprehensive income of these subsidiaries were NT\$103,707 thousand, NT\$62,343 thousand, NT\$132,859 thousand and NT\$47,470 thousand, respectively, representing 27%, 281%, 12% and 13%, respectively, of the consolidated total comprehensive income. As disclosed in Note 36 to the consolidated financial statements, the information on these subsidiaries were not reviewed.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the financial position of the Group as of June 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the nine months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issues into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 7, 2024

Standard Foods Corporation and Subsidiaries

CONSOLIDATED BALANCE SHEETS June 30, 2024 and December 31 and June 30, 2023 (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 2,955,857	11	\$ 2,938,886	12	\$ 2,956,336	11
Financial assets at fair value through profit or loss - current (Note 7)	1,473,819	5	1,160,504	5	1,503,183	6
Financial assets at fair value through other comprehensive income - current (Note 8)	225,151	1	198,617	1	205,361	1
Financial assets at amortized cost - current (Note 9)	2,650,287	10	1,203,147	5	1,770,920	6
Notes receivable (Notes 10 and 25)	3,648	-	14,829	-	639	-
Trade receivables (Notes 10 and 25)	3,644,248	14	4,492,265	17	3,690,759	13
Trade receivables from related parties (Notes 25 and 32)	4,413	-	43	-	55	-
Finance lease receivables - current (Note 11)	1,101	-	1,047	-	757	-
Other receivables (Note 10)	496,799	2	367,445	1	387,037	1
Current tax assets	513	-	299	-	925	-
Inventories (Note 12)	5,589,661	21	5,663,353	22	6,948,584	25
Prepayments (Note 13)	1,360,200	5	1,044,120	4	1,570,710	6
Other current assets (Notes 19 and 33)	98,295	-	107,394	-	102,333	-
Total current assets	<u>18,503,992</u>	<u>69</u>	<u>17,191,949</u>	<u>67</u>	<u>19,137,599</u>	<u>69</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	12,052	-	16,731	-	15,877	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	598,235	2	180,328	1	389,394	1
Financial assets at amortized cost - non-current (Note 9)	1,295,826	5	1,971,770	7	1,810,032	6
Property, plant and equipment (Notes 15 and 33)	4,173,483	15	4,135,856	16	4,193,172	15
Right-of-use assets (Note 16)	510,980	2	524,683	2	560,306	2
Investment properties (Notes 17 and 33)	724,190	3	712,637	3	727,975	3
Goodwill	558	-	558	-	558	-
Other intangible assets (Note 18)	171,159	1	170,289	1	113,175	-
Deferred tax assets	343,436	1	427,702	2	469,593	2
Finance lease receivables - non-current (Note 11)	3,331	-	3,883	-	4,432	-
Net defined benefit assets - non-current	-	-	632	-	619	-
Other non-current assets (Note 19)	524,744	2	388,593	1	445,208	2
Total non-current assets	<u>8,357,994</u>	<u>31</u>	<u>8,533,662</u>	<u>33</u>	<u>8,730,341</u>	<u>31</u>
TOTAL ASSETS	<u>\$ 26,861,986</u>	<u>100</u>	<u>\$ 25,725,611</u>	<u>100</u>	<u>\$ 27,867,940</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 20 and 33)	\$ 1,542,460	6	\$ 1,421,038	6	\$ 3,220,027	12
Short-term bills payable (Note 20)	-	-	49,993	-	49,913	-
Contract liabilities - current (Note 25)	183,198	1	295,312	1	222,509	1
Notes payable (Note 21)	914,102	3	519,183	2	840,481	3
Trade payables (Note 21)	1,520,653	6	1,535,268	6	1,414,102	5
Trade payables to related parties (Note 32)	5,057	-	9,889	-	11,144	-
Other payables (Note 22)	4,362,919	16	3,464,198	13	4,277,547	15
Current tax liabilities	195,386	1	107,241	-	207,753	1
Lease liabilities - current (Note 16)	55,252	-	69,502	-	94,445	-
Other current liabilities (Note 22)	121,326	-	157,687	1	138,982	1
Total current liabilities	<u>8,900,353</u>	<u>33</u>	<u>7,629,311</u>	<u>29</u>	<u>10,476,903</u>	<u>38</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	58,240	-	62,223	-	56,670	-
Lease liabilities - non-current (Note 16)	106,101	-	120,685	1	135,612	-
Net defined benefit liabilities - non-current	173,831	1	230,996	1	167,269	1
Other non-current liabilities (Note 22)	19,367	-	21,249	-	21,592	-
Total non-current liabilities	<u>357,539</u>	<u>1</u>	<u>435,153</u>	<u>2</u>	<u>381,143</u>	<u>1</u>
Total liabilities	<u>9,257,892</u>	<u>34</u>	<u>8,064,464</u>	<u>31</u>	<u>10,858,046</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)						
Ordinary Shares	9,150,897	34	9,150,897	36	9,150,897	33
Capital surplus	165,585	1	165,585	1	156,981	1
Retained earnings						
Legal reserve	4,096,216	15	3,978,059	16	3,978,059	14
Special reserve	577,494	2	577,494	2	577,494	2
Unappropriated Earnings	3,426,967	13	3,920,727	15	3,181,525	11
Total retained earnings	8,100,677	30	8,476,280	33	7,737,078	28
Other equity	(74,560)	-	(392,623)	(2)	(302,470)	(1)
Treasury shares	(21,182)	-	(21,182)	-	(21,182)	-
Total equity attributable to owners of the Company	<u>17,321,417</u>	<u>65</u>	<u>17,378,957</u>	<u>68</u>	<u>16,721,304</u>	<u>60</u>
NON-CONTROLLING INTERESTS (Note 24)	<u>282,677</u>	<u>1</u>	<u>282,190</u>	<u>1</u>	<u>288,590</u>	<u>1</u>
Total equity	<u>17,604,094</u>	<u>66</u>	<u>17,661,147</u>	<u>69</u>	<u>17,009,894</u>	<u>61</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 26,861,986</u>	<u>100</u>	<u>\$ 25,725,611</u>	<u>100</u>	<u>\$ 27,867,940</u>	<u>100</u>

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

Standard Foods Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023

Unit: NTD thousand, except EPS which is in NTD.

	For the Three Months Ended June 30, 2024		For the Three Months Ended June 30, 2023		For the Six Months Ended June 30, 2024		For the Six Months Ended June 30, 2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Notes 25 and 32)	\$ 6,357,516	100	\$ 6,323,469	100	\$ 13,153,365	100	\$ 12,203,968	100
OPERATING COSTS								
Cost of goods sold (Notes 12, 26, and 32)	4,820,079	76	4,980,765	79	9,961,861	76	9,517,829	78
GROSS PROFIT	1,537,437	24	1,342,704	21	3,191,504	24	2,686,139	22
OPERATING EXPENSES (Note 26)								
Selling and marketing expenses	935,323	15	876,700	14	1,777,903	13	1,638,675	13
General and administrative expenses	265,037	4	246,574	4	554,217	4	498,929	4
Research and development expenses	49,672	1	46,797	1	96,691	1	85,482	1
Expected credit losses (or reversal)	2,081	-	5,115	-	5,568	-	6,476	-
Total operating expenses	1,252,113	20	1,175,186	19	2,434,379	18	2,229,562	18
OPERATING INCOME	285,324	4	167,518	2	757,125	6	456,577	4
NON-OPERATING INCOME AND EXPENSES (Note 26)								
Interest income	43,479	1	40,406	1	83,795	1	79,264	1
Other income	15,990	-	14,041	-	27,687	-	20,364	-
Other gains and losses	52,817	1	18,642	-	169,825	1	34,195	-
Financial cost	(14,997)	-	(16,635)	-	(26,505)	-	(32,150)	-
Total non-operating income and expenses	97,289	2	56,454	1	254,802	2	101,673	1
PROFIT BEFORE INCOME TAX	382,613	6	223,972	3	1,011,927	8	558,250	5
INCOME TAX EXPENSE (Note 27)	77,276	1	39,048	-	206,894	2	107,083	1
NET PROFIT FOR THE PERIOD	305,337	5	184,924	3	805,033	6	451,167	4
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	10,426	-	2,942	-	4,624	-	51,211	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	125	-	(16)	-	125	-	(22)	-
Total	10,551	-	2,926	-	4,749	-	51,189	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating the financial statements of foreign operations	82,023	1	(206,834)	(3)	393,678	3	(165,091)	(1)
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	(16,332)	-	41,166	-	(78,360)	(1)	32,858	-
Total	65,691	1	(165,668)	(3)	315,318	2	(132,233)	(1)
Other comprehensive income for the period, net of income tax	76,242	1	(162,742)	(3)	320,067	2	(81,044)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 381,579	6	\$ 22,182	-	\$ 1,125,100	8	\$ 370,123	3
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 291,238	5	\$ 179,426	3	\$ 768,135	6	\$ 442,371	4
Non-controlling Interests	14,099	-	5,498	-	36,898	-	8,796	-
	\$ 305,337	5	\$ 184,924	3	\$ 805,033	6	\$ 451,167	4
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 367,114	6	\$ 27,798	-	\$ 1,086,322	8	\$ 390,429	3
Non-controlling Interests	14,465	-	(5,616)	-	38,778	-	(20,306)	-
	\$ 381,579	6	\$ 22,182	-	\$ 1,125,100	8	\$ 370,123	3
EARNINGS PER SHARE (Note 28)								
Basic	\$ 0.32		\$ 0.20		\$ 0.85		\$ 0.49	
Diluted	\$ 0.32		\$ 0.20		\$ 0.85		\$ 0.49	

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

Standard Foods Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company						Other Equity Items						
	Retained earnings						Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Treasury shares	Total	Non-controlling Interests	Total equity
	Ordinary Shares	Capital surplus	Legal reserve	Special reserve	Unappropriated Earnings	Total							
Balance as of January 1, 2023	\$ 9,150,897	\$ 156,981	\$ 3,852,023	\$ 577,494	\$ 4,045,655	\$ 8,475,172	(\$ 489,177)	\$ 238,649	(\$ 250,528)	(\$ 21,182)	\$ 17,511,340	\$ 342,400	\$ 17,853,740
Allocation and distribution of 2022 earnings													
Legal reserve	-	-	126,036	-	(126,036)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,180,465)	(1,180,465)	-	-	-	-	(1,180,465)	-	(1,180,465)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,504)	(33,504)
Net income for January 1 to June 30, 2023	-	-	-	-	442,371	442,371	-	-	-	-	442,371	8,796	451,167
Other comprehensive income for January 1 to June 30, 2023	-	-	-	-	-	-	(131,430)	79,488	(51,942)	-	(51,942)	(29,102)	(81,044)
Total comprehensive income for January 1 to June 30, 2023	-	-	-	-	442,371	442,371	(131,430)	79,488	(51,942)	-	390,429	(20,306)	370,123
Balance as of June 30, 2023	\$ 9,150,897	\$ 156,981	\$ 3,978,059	\$ 577,494	\$ 3,181,525	\$ 7,737,078	(\$ 620,607)	\$ 318,137	(\$ 302,470)	(\$ 21,182)	\$ 16,721,304	\$ 288,590	\$ 17,009,894
Balance as of January 1, 2024	\$ 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	\$ 282,190	\$ 17,661,147
Appropriation and distribution of 2023 retained earnings													
Legal reserve	-	-	118,157	-	(118,157)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(1,143,862)	(1,143,862)	-	-	-	-	(1,143,862)	-	(1,143,862)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(38,291)	(38,291)
Net profit for the six months ended June 30, 2024	-	-	-	-	768,135	768,135	-	-	-	-	768,135	36,898	805,033
Other comprehensive income for the six months ended June 30, 2024	-	-	-	-	124	124	313,438	4,625	318,063	-	318,187	1,880	320,067
Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	768,259	768,259	313,438	4,625	318,063	-	1,086,322	38,778	1,125,100
Balance as of June 30, 2024	\$ 9,150,897	\$ 165,585	\$ 4,096,216	\$ 577,494	\$ 3,426,967	\$ 8,100,677	(\$ 262,615)	\$ 188,055	(\$ 74,560)	(\$ 21,182)	\$ 17,321,417	\$ 282,677	\$ 17,604,094

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

Standard Foods Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,011,927	\$ 558,250
Adjustments for:		
Depreciation expenses	287,154	290,351
Amortization expenses	36,380	37,282
Expected credit losses (or reversal)	5,568	6,476
Net Gain from financial assets at FVTPL	(63,620)	(36,744)
Financial cost	26,505	32,150
Interest income	(83,795)	(79,264)
Dividend income	(3,937)	(3,238)
Net gain from disposal of property, plant and equipment	(2,926)	(659)
Inventory devaluation and obsolescence loss	-	3,987
Gains on reversal of inventory devaluation and obsolescence	(14,608)	-
Others	(22)	(1)
Net changes in operating assets and liabilities		
Financial assets mandatorily classified as at FVTPL	(244,943)	(189,511)
Notes receivable	11,683	8,592
Trade receivables	916,471	1,240,569
Trade receivables from related parties	(4,370)	4,682
Other receivables	(82,752)	(36,093)
Inventories	223,444	(1,375,617)
Prepayments	(274,335)	(339,506)
Other current assets	11,139	6,330
Net defined benefit assets	632	-
Contract liabilities	(124,052)	(251,577)
Notes payable	363,983	316,588
Trade payables	(28,185)	14,364
Trade payables to related parties	(4,832)	(8,489)
Other payables	(402,432)	(642,860)
Other current liabilities	(40,009)	10,018
Net defined benefit liabilities	(57,034)	(13,929)
Cash generated (decreased) from operations	1,463,034	(447,849)

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	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Interest received	\$ 43,587	\$ 32,991
Interest paid	(26,472)	(32,099)
Income tax paid	(114,503)	(229,051)
Net cash inflow (outflow) from operating activities	<u>1,365,646</u>	<u>(676,008)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at FVTOCI	(439,750)	-
Purchase of financial assets at amortized cost	(1,556,027)	(1,504,801)
Disposal of financial assets at amortized cost	906,341	735,677
Acquisition of property, plant and equipment	(178,951)	(176,313)
Proceeds from disposal of property, plant and equipment	14,785	1,833
Payments for intangible assets	(10,031)	(10,786)
Decrease in finance lease receivables	498	257
Increase in other financial assets	(119,284)	(93,937)
Increase in other non-current assets	(22,849)	(10,223)
Dividends received	<u>3,937</u>	<u>3,238</u>
Net cash used in investing activities	<u>(1,401,331)</u>	<u>(1,055,055)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	56,022	362,093
Increase in short-term notes and bills payable	-	49,913
Decrease in short-term bills payable	(49,993)	-
Repayment of lease principal	(50,872)	(48,242)
Decrease in other financial liabilities	<u>(2,753)</u>	<u>(203)</u>
Net cash inflow (outflow) from financing activities	<u>(47,596)</u>	<u>363,561</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>100,252</u>	<u>(24,417)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE CURRENT PERIOD		
	16,971	(1,391,919)
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD		
	<u>2,938,886</u>	<u>4,348,255</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD		
	<u>\$ 2,955,857</u>	<u>\$ 2,956,336</u>

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

Standard Foods Corporation and Subsidiaries

Notes to Consolidated Financial Statements

For the six months ended June 30, 2024 and 2023

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

1. GENERAL INFORMATION

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

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

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

2. DATE AND PROCEDURES FOR APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on August 7, 2024.

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

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

The application of the IFRSs recognized and issued into effect by the FSC should not result in major changes in the accounting policies of the consolidated company (the "Group").

b. FSC-endorsed IFRSs applicable in 2025

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IAS 21 “Lack of exchangeability”	Wednesday, January 1, 2025 (Note 1)

Note 1: The amendments shall apply to annual reporting periods beginning on or after January 1, 2025. When the amendments are applied for the first time, the period of comparison shall not be restated, but the effects shall be recognized in the retained earnings on the date of initial application or the exchange differences of foreign operations under equity (as appropriate) and related affected assets and liabilities.

c. IFRSs that have been issued by the IASB but have not yet been endorsed and issued into effect by the FSC

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
“IFRS Annual Improvements – Volume 11”	Thursday, January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	Thursday, January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures in Financial Statements”	Friday, January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	Friday, January 1, 2027

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and

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

Refer to Note 14 and Tables 7 and 8 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other Significant Accounting Policies

Except for the following, please refer to the summary of material accounting policies in the 2023 consolidated financial statements.

1) Classification of current and non-current assets and liabilities

Current assets include:

- (1) Assets held mainly for the purpose of trading;
- (2) Assets expected to be realized within 12 months after the balance sheet date;
and
- (3) Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

- (1) Liabilities held mainly for the purpose of trading;

(2) Liabilities due to be settled within 12 months after the balance sheet date (even if a long-term refinancing or payment rearrangement agreement is completed after the balance sheet date and before the financial statements are approved for publication, they are also classified as current liabilities); and

(3) Liabilities for which there is no substantive right to defer the settlement period to at least 12 months after the balance sheet date.

Assets or current liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

2) Pension Benefit in a Defined Benefit Plan

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

3) Income tax

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key sources of major accounting judgments and uncertainty of estimation and assumptions adopted in these consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	\$ 1,539	\$ 1,542	\$ 1,706
Checking accounts and demand deposits	2,561,024	2,174,213	2,259,497
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	<u>393,294</u>	<u>763,131</u>	<u>695,133</u>
	<u>\$ 2,955,857</u>	<u>\$ 2,938,886</u>	<u>\$ 2,956,336</u>

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

	June 30, 2024	December 31, 2023	June 30, 2023
Bank deposits	0.001%-5.400%	0.001%-5.580%	0.001%-5.350%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets at FVTPL - current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 48,731	\$ 37,600	\$ 36,373
- Fund beneficiary certificates	1,343,495	1,043,024	1,387,041
- Bonds	<u>81,593</u>	<u>79,880</u>	<u>79,769</u>
	<u>\$ 1,473,819</u>	<u>\$ 1,160,504</u>	<u>\$ 1,503,183</u>
<u>Financial assets at FVTPL - non-current</u>			
Mandatorily classified as at FVTPL			
Non-derivative financial assets			
- Listed shares	\$ 10,049	\$ 14,703	\$ 13,855
- Unlisted shares	<u>2,003</u>	<u>2,028</u>	<u>2,022</u>
	<u>\$ 12,052</u>	<u>\$ 16,731</u>	<u>\$ 15,877</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Investments in equity instruments	<u>\$ 225,151</u>	<u>\$ 198,617</u>	<u>\$ 205,361</u>
<u>Non-current</u>			
Investments in equity instruments	<u>\$ 598,235</u>	<u>\$ 180,328</u>	<u>\$ 389,394</u>
<u>Investments in equity instruments</u>			
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Listed shares			
Ordinary shares - Far Eastern International Bank	\$ 24,349	\$ 18,555	\$ 17,455
Ordinary shares - Chunghwa Telecom Co., Ltd	6,099	5,832	5,662
Ordinary shares - Formosa Plastics Corp.	5,258	7,242	7,836

(Continued)

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	June 30, 2024	December 31, 2023	June 30, 2023
Ordinary shares - China Steel Corp.	\$ 18,555	\$ 21,688	\$ 23,616
Ordinary shares - Polytronics Technology Corp.	83,950	91,930	98,952
Ordinary shares - Taiwan Semiconductor Manufacturing Co., Ltd.	<u>86,940</u>	<u>53,370</u>	<u>51,840</u>
	<u>\$ 225,151</u>	<u>\$ 198,617</u>	<u>\$ 205,361</u>
<u>Non-current</u>			
Listed shares			
Ordinary shares - GeneFerm Biotechnology Co., Ltd. (GeneFerm)	\$ 135,356	\$ 159,811	\$ 229,527
Unlisted shares			
Ordinary shares - Dah Chung Bills Finance Corp.	22,023	19,474	18,594
Ordinary shares - InnoComm Mobile Technology Corp.	-	-	140,184
Ordinary shares – H2U Corporation	289,750	-	-
Ordinary shares – SANCCI MANUFACTURE FOOD COMPANY	150,000	-	-
Ordinary shares - AsiaVest Liquidation Co.	<u>1,106</u>	<u>1,043</u>	<u>1,089</u>
	<u>\$ 598,235</u>	<u>\$ 180,328</u>	<u>\$ 389,394</u>

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

In September 2023, the Group adjusted the investment position to diversify the risk and sold the ordinary shares to InnoComm Mobile Technology Corp. at the price of NT\$51,912 thousand. The related other equity – unrealized gain (loss) on financial assets at FVTOCI, NT\$13,172 thousand, was restated into the retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 2,650,287</u>	<u>\$ 1,203,147</u>	<u>\$ 1,770,920</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 3 months	<u>\$ 1,295,826</u>	<u>\$ 1,971,770</u>	<u>\$ 1,810,032</u>

Until June 30, 2024 and December 31 and June 30, 2023, the ranges of annual interest rate of the time deposits with original maturities of more than 3 months have been 1.52%–5.50%, 1.45%–5.60% and 0.78%–5.26%.

10. NOTE RECEIVABLES, TRADE RECEIVABLES, AND OTHER RECEIVABLES

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Notes receivable</u>			
Operating	<u>\$ 3,648</u>	<u>\$ 14,829</u>	<u>\$ 639</u>
<u>Trade receivables</u>			
At amortized cost			
Gross carrying amount	\$ 3,752,963	\$ 4,590,853	\$ 3,755,532
Less: Allowance for impairment loss	(<u>108,715</u>)	(<u>98,588</u>)	(<u>64,773</u>)
	<u>\$ 3,644,248</u>	<u>\$ 4,492,265</u>	<u>\$ 3,690,759</u>
<u>Other receivables</u>			
Losses arising from the provision of customer management services	\$ 264,274	\$ 225,655	\$ 258,181
Accrued income	168,043	121,643	110,866
Others	<u>64,482</u>	<u>20,147</u>	<u>17,990</u>
	<u>\$ 496,799</u>	<u>\$ 367,445</u>	<u>\$ 387,037</u>

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

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

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

The amount of loss provision on notes and accounts receivable is presented below:

June 30, 2024

	<u>Not Pass Due</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>91-180 days</u>	<u>Over 180 Days</u>	<u>Total</u>
ECL rate	0.27%	3.62%	8.56%	30.04%	99.36%	
Gross carrying amount	\$ 3,524,368	\$ 78,563	\$ 35,751	\$ 34,287	\$ 83,642	\$ 3,756,611
Loss allowance (Lifetime ECL)	(9,409)	(2,842)	(3,060)	(10,301)	(83,103)	(108,715)
Amortized cost	\$ 3,514,959	\$ 75,721	\$ 32,691	\$ 23,986	\$ 539	\$ 3,647,896

December 31, 2023

	<u>Not Pass Due</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>91-180 days</u>	<u>Over 180 Days</u>	<u>Total</u>
ECL rate	0.29%	4.37%	11.91%	36.93%	99.17%	
Gross carrying amount	\$ 4,411,993	\$ 73,862	\$ 27,953	\$ 18,892	\$ 72,982	\$ 4,605,682
Loss allowance (Lifetime ECL)	(12,676)	(3,231)	(3,329)	(6,977)	(72,375)	(98,588)
Amortized cost	\$ 4,399,317	\$ 70,631	\$ 24,624	\$ 11,915	\$ 607	\$ 4,507,094

June 30, 2023

	<u>Not Pass Due</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>91-180 days</u>	<u>Over 180 Days</u>	<u>Total</u>
ECL rate	0.10%	2.27%	5.96%	37.66%	94.41%	
Gross carrying amount	\$ 3,592,575	\$ 67,290	\$ 23,339	\$ 18,785	\$ 54,182	\$ 3,756,171
Loss allowance (Lifetime ECL)	(3,623)	(1,531)	(1,391)	(7,074)	(51,154)	(64,773)
Amortized cost	\$ 3,588,952	\$ 65,759	\$ 21,948	\$ 11,711	\$ 3,028	\$ 3,691,398

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

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Balance as of January 1	\$ 98,588	\$ 59,455
Add: Impairment loss provided for the current period	5,568	6,476
Foreign exchange translation difference	<u>4,559</u>	<u>(1,158)</u>
Balance as of June 30	<u>\$ 108,715</u>	<u>\$ 64,773</u>

11. FINANCE LEASE RECEIVABLES

The composition of finance lease receivables was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Undiscounted lease payments			
Year 1	\$ 1,143	\$ 1,095	\$ 810
Year 2	1,143	1,143	1,143
Year 3	2,230	1,143	1,143
Year 4	<u>-</u>	<u>1,659</u>	<u>2,230</u>
	4,516	5,040	5,326
Less: Unearned finance income	<u>(84)</u>	<u>(110)</u>	<u>(137)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 4,432</u>	<u>\$ 4,930</u>	<u>\$ 5,189</u>

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

12. INVENTORIES

	June 30, 2024	December 31, 2023	June 30, 2023
Merchandise	\$ 461,714	\$ 423,121	\$ 465,579
Finished goods	1,936,947	2,294,966	2,090,189
Work in progress	968,602	913,832	1,507,433
Raw materials	2,142,370	1,939,428	2,801,142
Packing materials	<u>80,028</u>	<u>92,006</u>	<u>84,241</u>
	<u>\$ 5,589,661</u>	<u>\$ 5,663,353</u>	<u>\$ 6,948,584</u>

The cost of goods sold for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 includes the price decline in inventories (gain on price recovery), NT\$(1,878) thousand, NT\$2,861 thousand, NT\$(14,608) thousand and NT\$3,978 thousand, and the inventory obsolescence loss, NT\$1,687 thousand, NT\$4,307 thousand, NT\$2,399 thousand and NT\$11,383 thousand. The increase in the net realizable value of inventories was a result of the sale of slow-moving inventories.

13. PREPAYMENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Prepayments for purchases	\$ 794,088	\$ 539,205	\$ 904,853
Prepayments for rent	3,429	5,104	2,961
Prepayments for insurance	13,229	1,045	11,116
Excess business tax paid	268,406	212,621	226,056
Prepayments for advertisements	36,568	16,103	44,646
Others	<u>244,480</u>	<u>270,042</u>	<u>381,078</u>
	<u>\$ 1,360,200</u>	<u>\$ 1,044,120</u>	<u>\$ 1,570,710</u>

14. SUBSIDIARIES

Subsidiaries included in consolidated financial statements.

Entities of the consolidated financial statements were as follows:

Investor Company	Name of Subsidiary	Main Business	Proportion of Ownership			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	Standard Dairy Products Taiwan Ltd. (Standard Dairy Products) (Note)	Manufacture and sale of dairy products and beverages	100.0%	100.0%	100.0%	—
The Company	Charng Hui Ltd. (Charng Hui) (Note)	Investing	100.0%	100.0%	100.0%	—
The Company	Domex Technology Corporation (Domex Technology) (Note)	Manufacture and sale of computer peripherals and computer appliances	52.0%	52.0%	52.0%	—
The Company	Standard Beverage Company Ltd. (Standard Beverage) (Note)	Manufacture and sale of beverages	100.0%	100.0%	100.0%	—
The Company	Accession Limited	Investing	100.0%	100.0%	100.0%	—
The Company	Standard Investment (Cayman) Limited (Cayman Standard)	Investing	100.0%	100.0%	100.0%	The Company invested US\$6,923 thousand into Cayman Standard in October 2023.
The Company	Standard Foods, LLC. (Note)	Sale of health food	100.0%	100.0%	100.0%	—
The Company	Standard Great Foods Singapore PTE. LTD. (Note)	Food trading	100.0%	100.0%	100.0%	The Company invested SGD386 thousand into the incorporation of Standard Great Foods Singapore PTE. LTD. in December 2023.
Accession Limited	Shanghai Standard Foods Co., Ltd. (Shanghai Standard)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—
Accession Limited	Dermalab S.A. (Dermalab) (Note)	Development and sale of cosmetics	100.0%	100.0%	100.0%	—
Dermalab	Swissderma SL (Swissderma) (Note)	Sale of cosmetics	100.0%	100.0%	100.0%	—
Cayman Standard	Standard Corporation (Hong Kong) Limited (Hong Kong Standard)	Investing	100.0%	100.0%	100.0%	Cayman Standard invested US\$6,923 thousand into Hong Kong Standard in October 2023.
Hong Kong Standard	Standard Investment (China) Co., Ltd. (China Standard Investment)	Investment and sales of edible oil products and nutritional foods, etc.	99.0%	99.0%	99.0%	—
Hong Kong Standard	Shanghai New Vitality Health Technology (Group) Co., Ltd. (Shanghai New Vitality) (Note)	Sale of health foods and cosmetic goods, and import/export trade	99.0%	99.0%	99.0%	Hong Kong Standard invested RMB49,500 thousand into Shanghai New Vitality in October 2023.
Hong Kong Standard	Shanghai Le Min Industrial Co., Ltd. (Shanghai Le Min) (Note)	Management of properties	100.0%	100.0%	100.0%	—
Hong Kong Standard	Shanghai Le Ho Industrial Co., Ltd. (Shanghai Le Ho) (Note)	Management of properties	100.0%	100.0%	100.0%	—
China Standard Investment	Standard Foods (China) Co., Ltd. (China Standard Foods)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—

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Investor Company	Name of Subsidiary	Main Business	Proportion of Ownership			Remark
			June 30, 2024	December 31, 2023	June 30, 2023	
China Standard Investment	Standard Foods (Xiamen) Co., Ltd. (Xiamen Standard) (Note)	Manufacture and sale of edible oils and nutritious foods	100.0%	100.0%	100.0%	—
Shanghai New Vitality	Shanghai Dermalab Corporation (Shanghai Dermalab) (Note)	Sale of health foods and cosmetic goods, and import/export trade	100.0%	100.0%	100.0%	—
Shanghai New Vitality	Le Bonta Wellness Co., Ltd. (Shanghai Le Bonta) (Note)	Sale of nutritional foods and engage in import and export business	100.0%	100.0%	100.0%	Shanghai Le Bonta split the assets amounting to RMB20,300 thousand and incorporated Jiangsu Hua Sun in August 2023.
Shanghai New Vitality	Shanghai Le Ben De Health Technology Co., Ltd. (Shanghai Le Ben De) (Note)	Sales of health and beauty products and related services	100.0%	100.0%	100.0%	—
Shanghai New Vitality	Jiangsu Hua Sun Health Technology Co., Ltd. (Jiangsu Hua Sun) (Note)	Develop brands and products in the field of health foods and special nutritious foods	100.0%	100.0%	-	In November 2023, Shanghai New Vitality invested RMB50,000 thousand in Jiangsu Hua Sun. Shanghai Le Bonta split the assets amounting to RMB20,300 thousand and incorporated Jiangsu Hua Sun in August 2023.

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

15. REAL ESTATE, PLANT, AND EQUIPMENT

	Freehold Land	Land improvements	Buildings	Equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
Cost							
Balance as of January 1, 2023	\$ 994,620	\$ -	\$ 3,538,358	\$ 4,229,390	\$ 617,918	\$ 288,527	\$ 9,668,813
Additions	-	-	1,707	-	1,214	173,392	176,313
Disposals	-	-	(1,031)	(35,054)	(9,286)	-	(45,371)
Reclassification	-	28,661	11,460	56,874	19,142	(116,627)	(490)
Net foreign currency exchange differences	-	-	(43,742)	(29,355)	(5,585)	(1,884)	(80,566)
Balance as of June 30, 2023	<u>\$ 994,620</u>	<u>\$ 28,661</u>	<u>\$ 3,506,752</u>	<u>\$ 4,221,855</u>	<u>\$ 623,403</u>	<u>\$ 343,408</u>	<u>\$ 9,718,699</u>
Accumulated depreciation and impairment							
Balance as of January 1, 2023	\$ -	\$ -	\$ 1,684,697	\$ 3,232,756	\$ 468,569	\$ -	\$ 5,386,022
Disposals	-	-	(940)	(34,569)	(8,688)	-	(44,197)
Reclassification	-	-	-	(3,855)	3,855	-	-
Depreciation expenses	-	299	80,350	118,105	23,223	-	221,977
Net foreign currency exchange differences	-	-	(16,125)	(17,955)	(4,195)	-	(38,275)
Balance as of June 30, 2023	<u>\$ -</u>	<u>\$ 299</u>	<u>\$ 1,747,982</u>	<u>\$ 3,294,482</u>	<u>\$ 482,764</u>	<u>\$ -</u>	<u>\$ 5,525,527</u>
Net amount as of June 30, 2023	<u>\$ 994,620</u>	<u>\$ 28,362</u>	<u>\$ 1,758,770</u>	<u>\$ 927,373</u>	<u>\$ 140,639</u>	<u>\$ 343,408</u>	<u>\$ 4,193,172</u>
Cost							
Balance as of January 1, 2024	\$ 999,150	\$ 33,771	\$ 3,571,469	\$ 4,355,951	\$ 634,823	\$ 242,333	\$ 9,837,497
Additions	-	-	-	37,659	722	140,570	178,951
Disposals	-	-	(3,747)	(93,948)	(32,989)	-	(130,684)
Reclassification	-	-	8,391	42,719	8,762	(59,872)	-
Net foreign currency exchange differences	-	-	95,833	65,694	13,495	356	175,378
Balance as of June 30, 2024	<u>\$ 999,150</u>	<u>\$ 33,771</u>	<u>\$ 3,671,946</u>	<u>\$ 4,408,075</u>	<u>\$ 624,813</u>	<u>\$ 323,387</u>	<u>\$10,061,142</u>

	Freehold Land	Land improvements	Buildings	Equipment	Other equipment	Unfinished construction and equipment pending acceptance	Total
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2024	\$ -	\$ 1,248	\$ 1,830,092	\$ 3,377,732	\$ 492,569	\$ -	\$ 5,701,641
Disposals	-	-	(3,747)	(84,069)	(31,009)	-	(118,825)
Reclassification	-	-	-	46	(46)	-	-
Depreciation expenses	-	1,055	83,238	107,684	22,760	-	214,737
Net foreign currency exchange differences	-	-	38,205	41,770	10,131	-	90,106
Balance as of June 30, 2024	<u>\$ -</u>	<u>\$ 2,303</u>	<u>\$ 1,947,788</u>	<u>\$ 3,443,163</u>	<u>\$ 494,405</u>	<u>\$ -</u>	<u>\$ 5,887,659</u>
Net amount as of December 31, 2023 and January 1, 2024	<u>\$ 999,150</u>	<u>\$ 32,523</u>	<u>\$ 1,741,377</u>	<u>\$ 978,219</u>	<u>\$ 142,254</u>	<u>\$ 242,333</u>	<u>\$ 4,135,856</u>
Net on June 30, 2024	<u>\$ 999,150</u>	<u>\$ 31,468</u>	<u>\$ 1,724,158</u>	<u>\$ 964,912</u>	<u>\$ 130,408</u>	<u>\$ 323,387</u>	<u>\$ 4,173,483</u>

No impairment loss was recognized or reversed for the six months ended June 30, 2024 and 2023.

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

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

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

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts of right-of-use assets			
Land	\$ 392,753	\$ 382,267	\$ 382,455
Buildings	106,427	131,458	169,640
Office equipment	3,476	3,031	3,369
Transportation equipment	8,324	7,927	4,842
	<u>\$ 510,980</u>	<u>\$ 524,683</u>	<u>\$ 560,306</u>

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Additions to right-of-use assets	<u>\$ 2,175</u>	<u>\$ 18,372</u>	<u>\$ 20,586</u>	<u>\$ 26,990</u>
Depreciation expenses for right-of-use assets				
Land	\$ 3,295	\$ 3,210	\$ 6,529	\$ 6,450
Buildings	21,191	20,644	44,120	40,497
Office equipment	227	118	396	213
Transportation equipment	<u>797</u>	<u>820</u>	<u>1,595</u>	<u>1,718</u>
	<u>\$ 25,510</u>	<u>\$ 24,792</u>	<u>\$ 52,640</u>	<u>\$ 48,878</u>

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amounts of lease liabilities			
Current	<u>\$ 55,252</u>	<u>\$ 69,502</u>	<u>\$ 94,445</u>
Non-current	<u>\$ 106,101</u>	<u>\$ 120,685</u>	<u>\$ 135,612</u>

Range of discount rate for lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.07% ~ 1.49%	1.07% ~ 1.49%	1.07% ~ 1.49%
Buildings	1.07% ~ 4.35%	1.07% ~ 4.35%	1.07% ~ 4.35%
Office equipment	1.07% ~ 1.85%	1.07%	1.07%
Transportation equipment	1.07% ~ 3.77%	1.07% ~ 3.77%	1.07% ~ 3.77%

c. Material leasing activities and terms

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

d. Other lease information

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

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Expenses relating to short-term leases	<u>\$ 24,202</u>	<u>\$ 25,116</u>	<u>\$ 49,561</u>	<u>\$ 48,214</u>
Expenses relating to low-value asset leases	<u>\$ 237</u>	<u>\$ 360</u>	<u>\$ 745</u>	<u>\$ 882</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 14</u>	<u>\$ 20</u>	<u>\$ 34</u>	<u>\$ 40</u>
Total cash outflow for leases			<u>(\$ 103,336)</u>	<u>(\$ 100,065)</u>

17. INVESTMENT PROPERTY

	Completed Investment Properties	Right-of-use assets	Total
<u>Cost</u>			
Balance as of January 1, 2023	\$ 1,005,938	\$ 5,693	\$ 1,011,631
Net foreign currency exchange differences	(20,023)	(129)	(20,152)
Balance as of June 30, 2023	<u>\$ 985,915</u>	<u>\$ 5,564</u>	<u>\$ 991,479</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2023	\$ 247,588	\$ 1,682	\$ 249,270
Depreciation expenses	19,273	223	19,496
Net foreign currency exchange differences	(5,219)	(43)	(5,262)
Balance as of June 30, 2023	<u>\$ 261,642</u>	<u>\$ 1,862</u>	<u>\$ 263,504</u>
Net amount as of June 30, 2023	<u>\$ 724,273</u>	<u>\$ 3,702</u>	<u>\$ 727,975</u>
<u>Cost</u>			
Balance as of January 1, 2024	\$ 991,052	\$ 5,597	\$ 996,649
Net foreign currency exchange differences	43,736	282	44,018
Balance as of June 30, 2024	<u>\$ 1,034,788</u>	<u>\$ 5,879</u>	<u>\$ 1,040,667</u>
<u>Accumulated depreciation and impairment</u>			
Balance as of January 1, 2024	\$ 281,919	\$ 2,093	\$ 284,012
Depreciation expenses	19,549	228	19,777
Net foreign currency exchange differences	12,580	108	12,688
Balance as of June 30, 2024	<u>\$ 314,048</u>	<u>\$ 2,429</u>	<u>\$ 316,477</u>

	Completed Investment Properties	Right-of-use assets	Total
Net amount as of December 31, 2023 and January 1, 2024	<u>\$ 709,133</u>	<u>\$ 3,504</u>	<u>\$ 712,637</u>
Net on June 30, 2024	<u>\$ 720,740</u>	<u>\$ 3,450</u>	<u>\$ 724,190</u>

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

Buildings

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

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

In addition to said circumstances, the fair values of the Group's investment properties were NT\$1,160,971 thousand, NT\$1,116,414 thousand and NT\$1,117,428 thousand, respectively, on June 30, 2024 and December 31 and June 30, 2023. Said values were not evaluated by independent appraisers but determined by the Group based on the market evidence in reference to the transaction price of similar properties.

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

18. INTANGIBLE ASSETS

	<u>Trademark</u>	<u>Computer software</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2023	\$ 264,959	\$ 261,854	\$ 526,813
Additions	13	10,773	10,786
Net foreign currency exchange differences	(<u>3,776</u>)	(<u>3</u>)	(<u>3,779</u>)
Balance as of June 30, 2023	<u>\$ 261,196</u>	<u>\$ 272,624</u>	<u>\$ 533,820</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2023	\$ 181,483	\$ 235,070	\$ 416,553
Amortization expenses	2,725	8,321	11,046
Net foreign currency exchange differences	(<u>6,952</u>)	(<u>2</u>)	(<u>6,954</u>)
Balance as of June 30, 2023	<u>\$ 177,256</u>	<u>\$ 243,389</u>	<u>\$ 420,645</u>
Net amount as of June 30, 2023	<u>\$ 83,940</u>	<u>\$ 29,235</u>	<u>\$ 113,175</u>
<u>Cost</u>			
Balance as of January 1, 2024	\$ 264,494	\$ 337,787	\$ 602,281
Additions	-	10,031	10,031
Net foreign currency exchange differences	<u>10,952</u>	<u>3,122</u>	<u>14,074</u>
Balance as of June 30, 2024	<u>\$ 275,446</u>	<u>\$ 350,940</u>	<u>\$ 626,386</u>
<u>Accumulated amortization and impairment</u>			
Balance as of January 1, 2024	\$ 178,680	\$ 253,312	\$ 431,992
Amortization expenses	2,847	8,444	11,291
Net foreign currency exchange differences	<u>11,826</u>	<u>118</u>	<u>11,944</u>
Balance as of June 30, 2024	<u>\$ 193,353</u>	<u>\$ 261,874</u>	<u>\$ 455,227</u>
Net amount as of December 31, 2023 and January 1, 2024	<u>\$ 85,814</u>	<u>\$ 84,475</u>	<u>\$ 170,289</u>
Net on June 30, 2024	<u>\$ 82,093</u>	<u>\$ 89,066</u>	<u>\$ 171,159</u>

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

Trademark	10 – 20 years
Computer software	2 – 15 years

19. OTHER ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Current</u>			
Pledged bank time deposits (Note 33)	\$ 10,321	\$ 10,174	\$ 10,028
Advances to officers	13,648	20,532	17,916
Right of products to be returned	73,598	75,885	73,191
Others	<u>728</u>	<u>803</u>	<u>1,198</u>
	<u>\$ 98,295</u>	<u>\$ 107,394</u>	<u>\$ 102,333</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 7,502	\$ 2,425	\$ 4,274
Refundable deposits	418,584	284,360	358,092
Others	<u>98,658</u>	<u>101,808</u>	<u>82,842</u>
	<u>\$ 524,744</u>	<u>\$ 388,593</u>	<u>\$ 445,208</u>

20. BORROWINGS

a. Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Secured borrowings (Note 33)</u>			
Bank loans	\$ 30,000	\$ 30,000	\$ 60,000
<u>Unsecured borrowings</u>			
Bank loans	<u>1,512,460</u>	<u>1,391,038</u>	<u>3,160,027</u>
	<u>\$ 1,542,460</u>	<u>\$ 1,421,038</u>	<u>\$ 3,220,027</u>

The annual interest rates of said short-term borrowings or financing were 1.84%–2.90%, 1.88%–3.00% and 1.80%–3.00% on June 30, 2024 and December 31 and June 30, 2023.

b. Short-term bills payable

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper payable	\$ -	\$ 50,000	\$ 50,000
Less: Discount on short-term bills payable	<u>-</u>	<u>(7)</u>	<u>(87)</u>
	<u>\$ -</u>	<u>\$ 49,993</u>	<u>\$ 49,913</u>

The annual interest rates of commercial paper payable were 2.14% and 2.00% on December 31 and June 30, 2023, respectively.

21. NOTES PAYABLE AND TRADE PAYABLES

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Notes payable</u>			
Operating	<u>\$ 914,102</u>	<u>\$ 519,183</u>	<u>\$ 840,481</u>
<u>Trade payables</u>			
Operating	<u>\$ 1,520,653</u>	<u>\$ 1,535,268</u>	<u>\$ 1,414,102</u>

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

22. OTHER LIABILITIES

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Current</u>			
Other payables			
Losses arising from the provision of customer management services	\$ 194,262	\$ 173,171	\$ 194,168
Payable for salaries or bonuses	276,485	379,849	251,843
Payable for compensation of employees	12,147	19,472	6,771
Payable for remuneration to directors	13,174	8,113	11,102
Payable for commission and rebates	1,584,296	1,723,074	1,582,309
Dividends payable	1,182,153	-	1,213,969
Payable for advertisement	239,411	318,624	231,030
Payable for royalties	22,261	24,998	22,315
Payable for freight	69,087	84,669	21,872
Payable for equipment	79,320	74,872	81,032
Others	<u>690,323</u>	<u>657,356</u>	<u>661,136</u>
	<u>\$ 4,362,919</u>	<u>\$ 3,464,198</u>	<u>\$ 4,277,547</u>
Other liabilities			
Advance receipts from customers	\$ 1,567	\$ 2,040	\$ 2,099
Refund liability	110,798	120,155	117,153
Others	<u>8,961</u>	<u>35,492</u>	<u>19,730</u>

	June 30, 2024	December 31, 2023	June 30, 2023
	<u>\$ 121,326</u>	<u>\$ 157,687</u>	<u>\$ 138,982</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	<u>\$ 19,367</u>	<u>\$ 21,249</u>	<u>\$ 21,592</u>

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

23. RETIREMENT BENEFIT PLANS

The defined benefit plan-related retirement costs recognized for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 are calculated based on the pension costs determined by the actuarial calculation on December 31, 2023 and 2022, namely NT\$3,634 thousand, NT\$2,622 thousand, NT\$6,635 thousand and NT\$5,245 thousand.

24. EQUITY

a. Share capital

Ordinary shares

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	<u>920,000</u>	<u>920,000</u>	<u>920,000</u>
Shares authorized	<u>\$ 9,200,000</u>	<u>\$ 9,200,000</u>	<u>\$ 9,200,000</u>
Number of shares issued and fully paid (in thousands)	<u>915,089</u>	<u>915,089</u>	<u>915,089</u>
Shares issued	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>

b. Capital surplus

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 1	\$ 1	\$ 1
Treasury share transactions	164,875	164,875	156,271
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	<u>709</u>	<u>709</u>	<u>709</u>
	<u>\$ 165,585</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 Articles of Incorporation, where the Company made any profits in a fiscal year, the profits shall be appropriated, less any paying taxes and deficit, 10% thereof as legal reserve, special reserve provided or reversed in accordance with the regulations, and 30% to 100% of the sum of the remainder and prior years' unappropriated earnings as dividends. The Company's Articles of Incorporation also prescribe that 30% to 100% of dividends shall be paid in

cash; however, if the Company has major investment plans for which external funds are not available, the percentage may be lowered to 5% to 20%. The distribution plan shall be proposed by the Company's board of directors and resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of the compensation of employees and remuneration of directors in the Articles of Incorporation, please refer to Note 26(i) "employees' compensation and remuneration of directors."

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

The Company held its annual general meeting on June 19, 2024 and June 16, 2023 to resolve earnings distribution plans for 2023 and 2022, respectively, as follows:

	<u>2023</u>	<u>2022</u>
Legal reserve	\$ 118,157	\$ 126,036
Cash dividends	<u>\$ 1,143,862</u>	<u>\$ 1,180,466</u>
Cash dividends per share (NT\$)	\$ 1.25	\$ 1.29

d. Special reserve

	<u>For the Six Months Ended June 30, 2024</u>	<u>For the Six Months Ended June 30, 2023</u>
Balance as of beginning and end of the period	<u>\$ 577,494</u>	<u>\$ 577,494</u>

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

e. Other Equity Items

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

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Balance as of January 1	<u>(\$ 576,053)</u>	<u>(\$ 489,177)</u>
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	<u>313,438</u>	<u>(131,430)</u>
Other comprehensive income for the period	<u>313,438</u>	<u>(131,430)</u>
Balance as of June 30	<u>(\$ 262,615)</u>	<u>(\$ 620,607)</u>

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

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Balance as of January 1	<u>\$ 183,430</u>	<u>\$ 238,649</u>
Recognized for the year		
Unrealized gain (loss) Equity instruments	<u>4,625</u>	<u>79,488</u>
Other comprehensive income for the period	<u>4,625</u>	<u>79,488</u>
Balance as of June 30	<u>\$ 188,055</u>	<u>\$ 318,137</u>

f. Non-controlling Interests

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Balance as of January 1	<u>\$ 282,190</u>	<u>\$ 342,400</u>
Net profit for the period	36,898	8,796
Other comprehensive income for the period		
Exchange differences on translating the financial statements of foreign operations	1,880	(803)
Unrealized gain (loss) on financial assets at FVTOCI	-	(28,299)
Payment of cash dividends by	<u>(38,291)</u>	<u>(33,504)</u>

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
subsidiaries to non-controlling shareholders		
Balance as of June 30	<u>\$ 282,677</u>	<u>\$ 288,590</u>

g. Treasury shares

<u>Purpose of Buy-back</u>	<u>Number of the Company's shares held by subsidiaries (thousand shares)</u>
Number of shares as of January 1 and June 30, 2024	<u>6,669</u>
Number of shares as of January 1 and June 30, 2023	<u>6,669</u>

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

<u>Name of Subsidiary</u>	<u>Number of Shares Held (Thousand shares)</u>	<u>Carrying Amount</u>	<u>Market Price</u>
<u>June 30, 2024</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 285,120</u>
<u>December 31, 2023</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 259,442</u>
<u>June 30, 2023</u>			
Charng Hui	6,669	<u>\$ 21,182</u>	<u>\$ 277,117</u>

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

25. REVENUE

	For the Three Months Ended <u>June 30, 2024</u>	For the Three Months Ended <u>June 30, 2023</u>	For the Six Months Ended <u>June 30, 2024</u>	For the Six Months Ended <u>June 30, 2023</u>
Revenue from contracts with customers				
Sale of goods	<u>\$ 6,357,516</u>	<u>\$ 6,323,469</u>	<u>\$ 13,153,365</u>	<u>\$ 12,203,968</u>

a. Contract balances

	<u>June 30, 2024</u>	December 31, <u>2023</u>	<u>June 30, 2023</u>	<u>January 1, 2023</u>
Notes receivable (Note 10)	<u>\$ 3,648</u>	<u>\$ 14,829</u>	<u>\$ 639</u>	<u>\$ 9,223</u>
Trade receivables (Note 10)	<u>\$ 3,752,963</u>	<u>\$ 4,590,853</u>	<u>\$ 3,755,532</u>	<u>\$ 5,025,105</u>
Trade receivables from related parties (Note 32)	<u>\$ 4,413</u>	<u>\$ 43</u>	<u>\$ 55</u>	<u>\$ 4,737</u>
Contract liabilities - current				
Sale of goods	<u>\$ 183,198</u>	<u>\$ 295,312</u>	<u>\$ 222,509</u>	<u>\$ 478,697</u>

b. Disaggregation of revenue

For the Six Months Ended June 30, 2024

	<u>Reportable Segments</u>			<u>Total</u>
	<u>Nutritious Foods</u>	<u>Cooking products Food</u>	<u>Others</u>	
<u>Types of goods or services</u>				
Sale of goods	<u>\$ 4,980,242</u>	<u>\$ 6,717,174</u>	<u>\$ 1,455,949</u>	<u>\$ 13,153,365</u>

For the Six Months Ended June 30, 2023

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

26. NET PROFIT

Components of net profit includes:

a. Interest income

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Interest income				
Bank deposits	\$ 10,467	\$ 9,853	\$ 17,772	\$ 19,797
Financial assets at amortized cost	33,206	28,089	64,394	54,600
Bond repurchase agreement	117	18	263	18
Others	(311)	2,446	1,366	4,849
	<u>\$ 43,479</u>	<u>\$ 40,406</u>	<u>\$ 83,795</u>	<u>\$ 79,264</u>

b. Other income

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Operating lease rental income				
Investment properties	\$ 12,230	\$ 10,690	\$ 23,347	\$ 16,543
Others	180	407	403	583
	<u>12,410</u>	<u>11,097</u>	<u>23,750</u>	<u>17,126</u>
Dividend income				
Financial assets at FVTPL	871	14	913	28
Investments in equity instruments at FVTOCI	2,709	2,930	3,024	3,210
	<u>3,580</u>	<u>2,944</u>	<u>3,937</u>	<u>3,238</u>
	<u>\$ 15,990</u>	<u>\$ 14,041</u>	<u>\$ 27,687</u>	<u>\$ 20,364</u>

c. Other gains and losses

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Gains and losses of financial assets and financial liabilities				
Financial assets mandatorily classified as at FVTPL	\$ 29,493	\$ 22,790	\$ 63,620	\$ 36,744
Net foreign exchange gains (losses)	21,368	(4,799)	89,790	(1,826)
Net gain from disposal of property, plant and equipment	1,477	1,210	2,926	659
Government grants	1,728	836	2,661	1,657
Others	(1,249)	(1,395)	10,828	(3,039)
	<u>\$ 52,817</u>	<u>\$ 18,642</u>	<u>\$ 169,825</u>	<u>\$ 34,195</u>

d. Financial cost

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Interest on bank loans	\$ 13,946	\$ 15,147	\$ 24,235	\$ 29,186
Interest on short-term bills payable	13	208	113	256
Interest on lease liabilities	1,027	1,270	2,124	2,687
Other interest expenses	11	10	33	21
	<u>\$ 14,997</u>	<u>\$ 16,635</u>	<u>\$ 26,505</u>	<u>\$ 32,150</u>

e. Impairment loss (gain on reversal)

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Trade receivables	<u>\$ 2,081</u>	<u>\$ 5,115</u>	<u>\$ 5,568</u>	<u>\$ 6,476</u>
Inventories (included in operating costs)	(<u>\$ 1,878</u>)	<u>\$ 2,861</u>	(<u>\$ 14,608</u>)	<u>\$ 3,987</u>

f. Depreciation and amortization

	For the Three Months Ended <u>June 30, 2024</u>	For the Three Months Ended <u>June 30, 2023</u>	For the Six Months Ended <u>June 30, 2024</u>	For the Six Months Ended <u>June 30, 2023</u>
An analysis of depreciation by function				
Operating costs	\$ 94,370	\$ 95,867	\$ 187,782	\$ 192,875
Operating expenses	38,752	39,217	79,595	77,980
Non-operating revenue and expenses	<u>10,025</u>	<u>9,664</u>	<u>19,777</u>	<u>19,496</u>
	<u>\$ 143,147</u>	<u>\$ 144,748</u>	<u>\$ 287,154</u>	<u>\$ 290,351</u>
An analysis of amortization by function				
Operating costs	\$ 6,210	\$ 7,878	\$ 12,569	\$ 14,941
Operating expenses	<u>11,802</u>	<u>10,912</u>	<u>23,811</u>	<u>22,341</u>
	<u>\$ 18,012</u>	<u>\$ 18,790</u>	<u>\$ 36,380</u>	<u>\$ 37,282</u>

g. Operating expenses directly related to investment properties

	For the Three Months Ended <u>June 30, 2024</u>	For the Three Months Ended <u>June 30, 2023</u>	For the Six Months Ended <u>June 30, 2024</u>	For the Six Months Ended <u>June 30, 2023</u>
Direct operating expenses of investment properties				
Direct operating expenses of investment properties that generated rental income	\$ 1,842	\$ 116	\$ 3,637	\$ 228
Direct operating expenses of investment properties that did not generated rental income	<u>146</u>	<u>143</u>	<u>290</u>	<u>288</u>
	<u>\$ 1,988</u>	<u>\$ 259</u>	<u>\$ 3,927</u>	<u>\$ 516</u>

h. Employee benefit expenses

	For the Three Months Ended <u>June 30, 2024</u>	For the Three Months Ended <u>June 30, 2023</u>	For the Six Months Ended <u>June 30, 2024</u>	For the Six Months Ended <u>June 30, 2023</u>
Post-employment benefits				
Defined contribution plans	\$ 35,483	\$ 33,445	\$ 71,184	\$ 67,082
Defined benefit plans (Note 23)	<u>3,634</u>	<u>2,622</u>	<u>6,635</u>	<u>5,245</u>
	39,117	36,067	77,819	72,327
Other employee benefits	<u>639,251</u>	<u>609,444</u>	<u>1,279,516</u>	<u>1,157,922</u>
Total employee benefit expenses	<u>\$ 678,368</u>	<u>\$ 645,511</u>	<u>\$ 1,357,335</u>	<u>\$ 1,230,249</u>
An analysis of employee benefit expenses by function				
Operating costs	\$ 233,428	\$ 239,759	\$ 470,587	\$ 456,564
Operating expenses	<u>444,940</u>	<u>405,752</u>	<u>886,748</u>	<u>773,685</u>
	<u>\$ 678,368</u>	<u>\$ 645,511</u>	<u>\$ 1,357,335</u>	<u>\$ 1,230,249</u>

i. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of no less than 0.5% and no higher than 0.75%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The remuneration to employees and directors estimated for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 is stated as follows:

Accrual rate

	For the Six Months Ended June 30, <u>2024</u>	For the Six Months Ended June 30, <u>2023</u>
Compensation of employees	1.32%	1.30%
Remuneration of directors	0.55%	0.55%

Amount

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Compensation of employees	<u>\$ 4,429</u>	<u>\$ 2,627</u>	<u>\$ 12,147</u>	<u>\$ 6,771</u>
Remuneration of directors	<u>\$ 1,845</u>	<u>\$ 1,112</u>	<u>\$ 5,061</u>	<u>\$ 2,865</u>

If the amount changes after the consolidated 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.

Remunerations for employees and directors for 2023 and 2022 were resolved by the Board of Directors on March 11, 2024 and March 15, 2023, respectively.

	2023	2022
	Cash	Cash
Compensation of employees	\$ 19,472	\$ 19,470
Remuneration of directors	8,113	8,237

The amounts of employee and directors' compensation distributed for the years ended December 31, 2023 and 2022 and those recognized in the 2023 and 2022 consolidated financial statements are consistent.

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

j. Profit or loss on foreign currency exchange

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Foreign exchange gains	\$ 27,078	\$ 34,810	\$ 101,925	\$ 53,088
Foreign exchange losses	(5,710)	(39,609)	(12,135)	(54,914)
Net profit (loss)	<u>\$ 21,368</u>	<u>(\$ 4,799)</u>	<u>\$ 89,790</u>	<u>(\$ 1,826)</u>

27. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Current tax				
In respect of the current year	\$ 89,684	\$ 88,770	\$ 205,107	\$ 195,145
Additional tax on unappropriated earnings	-	147	-	147
Adjustments from previous years	(12,656)	2,609	(2,970)	2,615
	<u>77,028</u>	<u>91,526</u>	<u>202,137</u>	<u>197,907</u>
Deferred tax				
In respect of the current year	248	(52,478)	4,757	(90,824)
Income tax expenses recognized in profit or loss	<u>\$ 77,276</u>	<u>\$ 39,048</u>	<u>\$ 206,894</u>	<u>\$ 107,083</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
<u>Deferred tax</u>				
Recognized for the year				
- Exchange differences of foreign operations	\$ 16,332	(\$ 41,166)	\$ 78,360	(\$ 32,858)
- Unrealized gain (loss) on financial assets at FVTOCI	(1)	16	(1)	22
- Remeasurement of defined benefit plan	(124)	-	(124)	-
Income tax recognized in other comprehensive income	<u>\$ 16,207</u>	<u>(\$ 41,150)</u>	<u>\$ 78,235</u>	<u>(\$ 32,836)</u>

c. Income tax assessments

The Company's income tax returns have been authorized by the tax collection authority up until 2021.

The income tax returns of Standard Dairy Products, Charng Hui, Standard Beverage and Domex Technology have been authorized by the tax collection authority up until 2022.

28. EARNINGS PER SHARE

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

NET PROFIT FOR THE PERIOD

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 291,238</u>	<u>\$ 179,426</u>	<u>\$ 768,135</u>	<u>\$ 442,371</u>

Shares

Unit: Thousand shares

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Weighted average number of ordinary shares used in computation of basic earnings per share	908,420	908,420	908,420	908,420
Effect of potentially dilutive ordinary shares:				
Compensation of employees	<u>293</u>	<u>168</u>	<u>501</u>	<u>366</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>908,713</u>	<u>908,588</u>	<u>908,921</u>	<u>908,786</u>

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

29. INFORMATION ON CASH FLOWS

Changes in liabilities arising from financing activities:

For the Six Months Ended June 30, 2024

	<u>January 1, 2024</u>	<u>Cash flows</u>	<u>Non-cash flow</u>		<u>June 30, 2024</u>
			<u>New lease/lease modification</u>	<u>Adjustment of changes in exchange rates</u>	
Other non-current liabilities	\$ 1,421,038	\$ 56,022	\$ -	\$ 65,400	\$ 1,542,460
Short-term bills payable	49,993	(49,993)	-	-	-
Lease liabilities	190,187	(50,872)	19,438	2,600	161,353
Guarantee deposits	21,249	(2,753)	-	871	19,367
	<u>\$ 1,682,467</u>	<u>(\$ 47,596)</u>	<u>\$ 19,438</u>	<u>\$ 68,871</u>	<u>\$ 1,723,180</u>

January 1 to June 30, 2023

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

30. CAPITAL RISK MANAGEMENT

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

31. FINANCIAL INSTRUMENTS

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

1) Fair value hierarchy

June 30, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 58,780	\$ -	\$ -	\$ 58,780
Unlisted shares	-	-	2,003	2,003
Mutual fund beneficiary certification	1,343,495	-	-	1,343,495
Debt securities	-	81,593	-	81,593
Total	<u>\$ 1,402,275</u>	<u>\$ 81,593</u>	<u>\$ 2,003</u>	<u>\$ 1,485,871</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Listed shares	\$ 360,507	\$ -	\$ -	\$ 360,507
- Unlisted shares	-	-	462,879	462,879
Total	<u>\$ 360,507</u>	<u>\$ -</u>	<u>\$ 462,879</u>	<u>\$ 823,386</u>

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 52,303	\$ -	\$ -	\$ 52,303
Unlisted shares	-	-	2,028	2,028
Mutual fund beneficiary certification	1,043,024	-	-	1,043,024
Debt securities	-	79,880	-	79,880
Total	<u>\$ 1,095,327</u>	<u>\$ 79,880</u>	<u>\$ 2,028</u>	<u>\$ 1,177,235</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Listed shares	\$ 358,428	\$ -	\$ -	\$ 358,428
- Unlisted shares	-	-	20,517	20,517
Total	<u>\$ 358,428</u>	<u>\$ -</u>	<u>\$ 20,517</u>	<u>\$ 378,945</u>

June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Listed shares	\$ 50,228	\$ -	\$ -	\$ 50,228
Unlisted shares	-	-	2,022	2,022
Mutual fund beneficiary certification	1,387,041	-	-	1,387,041
Debt securities	-	79,769	-	79,769
Total	<u>\$ 1,437,269</u>	<u>\$ 79,769</u>	<u>\$ 2,022</u>	<u>\$ 1,519,060</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Listed shares	\$ 434,888	\$ -	\$ -	\$ 434,888
- Unlisted shares	-	-	159,867	159,867
Total	<u>\$ 434,888</u>	<u>\$ -</u>	<u>\$ 159,867</u>	<u>\$ 594,755</u>

For the six months ended June 30, 2024 and 2023, there was no change of fair value measurement between level 1 and level 2.

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

For the Six Months Ended June 30, 2024

Financial assets	Financial assets at FVTPL Equity instruments	Financial assets at FVTOCI Equity instruments	Total
Balance as of January 1	\$ 2,028	\$ 20,517	\$ 22,545
Recognized in profit or loss (included in other gains and losses)	(25)	-	(25)
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	-	2,559	2,559
Obtained	-	439,750	439,750
Impact of exchange rates	-	53	53
Balance as of June 30	<u>\$ 2,003</u>	<u>\$ 462,879</u>	<u>\$ 464,882</u>
Recognized in other gains and losses - unrealized	(\$ 25)	\$ -	(\$ 25)

For the Six Months Ended June 30, 2023

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

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

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

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

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

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

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

b. Categories of financial instruments

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial assets</u>			
At FVTPL			
Mandatorily classified as at FVTPL	\$ 1,485,871	\$ 1,177,235	\$ 1,519,060
Financial assets at amortized cost (Note 1)	11,479,983	11,282,919	10,983,898
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Financial assets at FVTOCI			
Investments in equity instruments	\$ 823,386	\$ 378,945	\$ 594,755
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (Note 2)	5,265,043	3,633,405	6,855,538

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

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

c. Financial risk management objectives and policies

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

1) Market risk

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

a) Foreign currency risk

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

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

Sensitivity analysis

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

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

	RMB Impact		USD Impact	
	For the Six Months Ended			
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit or loss	\$ 30,813 (i)	\$ 29,066 (i)	\$ 14,121 (ii)	\$ 21,378 (ii)

	EUR Impact		AUD Impact	
	For the Six Months Ended			
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit or loss	\$ 2,748 (iii)	\$ 9,953 (iii)	\$ 1,378 (iv)	\$ 5,130 (iv)

	CHF Impact		SGD Impact	
	For the Six Months Ended			
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Profit or loss	\$ - (v)	(\$ 333)(v)	(\$ 422)(vi)	\$ 208 (vi)

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

b) Interest rate risk

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
- Financial assets	\$ 4,182,960	\$ 3,781,952	\$ 4,120,102
- Financial liabilities	1,703,813	1,661,218	3,499,997
Cash flow interest rate risk			
- Financial assets	171,200	171,200	171,200

Sensitivity analysis

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

If the interest rate increases by 1% and the other variables remain unchanged, the Group's pre-tax profit for the six months ended June 30, 2024 and 2023 would each rise by NT\$856 thousand. Conversely, if the interest rate decreases by 1%, the pre-tax profit would decline by the same amount.

c) Other price risk

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

Sensitivity analysis

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

If the price increases/decreases by 1%, the pre-tax income for the six months ended June 30, 2024 would increase/decrease by NT\$14,859 thousand, due to the increase/decrease in the fair value of the financial assets at fair value through profit or loss, and the pre-tax other comprehensive income for the six months ended June 30, 2024 would increase/decrease by NT\$8,234 thousand, due to the increase/decrease in the fair value of the financial assets at fair value through other comprehensive income.

If the price increases/decreases by 1%, the pre-tax income for the six months ended June 30, 2023 would increase/decrease by NT\$15,191 thousand, due to the increase/decrease in the fair value of the financial assets at fair value through profit or loss, and the pre-tax other comprehensive income for the six months ended June 30, 2023 would increase/decrease by NT\$5,948 thousand, due to the increase/decrease in the fair value of the financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the balance sheet date, the Group's maximum exposure to the risk of financial loss due to counterparties' default on contractual obligations (specifically, the maximum amount of irrevocable

exposure without taking into consideration the effect of collaterals and other credit enhancements) is represented by the book value of financial assets shown on the consolidated balance sheet.

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

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. Until June 30, 2024 and December 31 and June 30, 2023, the facilities remaining unused by the Group have been NT\$8,747,235 thousand, NT\$7,864,874 thousand and NT\$4,843,265 thousand.

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

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

June 30, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1 – 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 819,269	\$ 2,822,526	\$ 61,734	\$ 18,932	\$ -
Lease liabilities	4,801	12,947	39,336	110,562	-
Fixed interest rate liabilities	136,607	40,015	-	1,365,960	-
Contract liabilities	61,066	122,132	-	-	-
	<u>\$ 1,021,743</u>	<u>\$ 2,997,620</u>	<u>\$ 101,070</u>	<u>\$ 1,495,454</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1 – 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 691,909	\$ 1,391,149	\$ 58,140	\$ 21,088	\$ -
Lease liabilities	6,483	19,510	45,327	125,447	114
Fixed interest rate liabilities	78,525	92,034	-	1,300,560	-
Contract liabilities	98,437	196,874	-	-	-
	<u>\$ 875,354</u>	<u>\$ 1,699,567</u>	<u>\$ 103,467</u>	<u>\$ 1,447,095</u>	<u>\$ 114</u>

June 30, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1 – 5 years	Over 5 years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 760,838	\$ 2,739,345	\$ 62,282	\$ 21,592	\$ -
Lease liabilities	8,450	21,227	67,900	142,347	227
Fixed interest rate liabilities	538,572	839,906	366,840	1,529,908	-
Contract liabilities	72,977	145,952	3,580	-	-
	<u>\$ 1,380,837</u>	<u>\$ 3,746,430</u>	<u>\$ 500,602</u>	<u>\$ 1,693,847</u>	<u>\$ 227</u>

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

32. RELATED PARTY TRANSACTIONS

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

a. Related parties and relationships

Name of Related Party	Relationship with the Group
GeneFerm Biotechnology Co., Ltd. (GeneFerm)	The Company is one of the directors
H2U Corporation (H2U)	The Company is one of the directors
Sancci Manufacture Food Company (SANCCI)	The Company is one of the directors

b. Sales

Name of Related Party	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
GeneFerm	\$ 27	\$ 52	\$ 81	\$ 52
H2U	647	-	647	-
	<u>\$ 674</u>	<u>\$ 52</u>	<u>\$ 728</u>	<u>\$ 52</u>

Sales from related parties were conducted on normal commercial terms.

c. Purchases

Name of Related Party	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
GeneFerm	<u>\$ 4,816</u>	<u>\$ 10,610</u>	<u>\$ 15,308</u>	<u>\$ 24,112</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

Line Item	Name of Related Party	June 30, 2024	December 31, 2023	June 30, 2023
Trade receivables from related parties	GeneFerm	\$ 29	\$ 43	\$ 55
Trade receivables from related parties	H2U	4,384	-	-
		<u>\$ 4,413</u>	<u>\$ 43</u>	<u>\$ 55</u>

The outstanding receivables from related parties were unsecured. No loss allowance was provided for the trade receivables from related parties for the six months ended June 30, 2024 and 2023.

e. Payables to related parties

Line Item	Name of Related Party	June 30, 2024	December 31, 2023	June 30, 2023
Trade payables to related parties	GeneFerm	<u>\$ 5,057</u>	<u>\$ 9,889</u>	<u>\$ 11,144</u>

The outstanding payables to related parties were unsecured.

f. Compensation of key management personnel

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Short-term employee benefits	\$ 4,530	\$ 3,737	\$ 13,276	\$ 10,474
Post-employment benefits	<u>153</u>	<u>150</u>	<u>303</u>	<u>300</u>
	<u>\$ 4,683</u>	<u>\$ 3,887</u>	<u>\$ 13,579</u>	<u>\$ 10,774</u>

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

33. PLEDGED ASSETS

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

	June 30, 2024	December 31, 2023	June 30, 2023
Pledge time deposits (included in other current assets)	\$ 10,321	\$ 10,174	\$ 10,028
Property, plant and equipment - net	106,953	109,673	112,155
Investment properties - net	<u>32,303</u>	<u>32,893</u>	<u>33,485</u>
	<u>\$ 149,577</u>	<u>\$ 152,740</u>	<u>\$ 155,668</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to the other notes, the Group's significant commitments or contingencies on June 30, 2024 are stated as following:

- 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. Unrecognized property, plant and equipment contract commitments amount to NT\$390,137 thousand.
- c. Unrecognized commitments for acquiring colostrum from dairymen were approximately 27,263 tons.

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

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

June 30, 2024

	Foreign Currencies	Exchange Rate		Carrying Amount
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 10,339	32.45	(USD:NTD)	\$ 335,494
USD	5,835	7.13	(USD:RMB)	189,356
EUR	3,268	34.71	(EUR:NTD)	113,447
RMB	225,578	4.55	(RMB:NTD)	1,027,102
AUD	2,134	21.52	(AUD:NTD)	45,917
SGD	303	23.92	(SGD:NTD)	7,260
				<u>\$ 1,718,576</u>
Foreign currency liabilities				
<u>Monetary items</u>				
USD	1,669	32.45	(USD:NTD)	\$ 54,163
EUR	629	34.71	(EUR:NTD)	21,837
SGD	894	23.92	(SGD:NTD)	21,337
				<u>\$ 97,337</u>

December 31, 2023

	Foreign Currencies	Exchange Rate		Carrying Amount
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 14,041	30.71	(USD:NTD)	\$ 431,135
USD	5,932	7.08	(USD:RMB)	182,142
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	23.92	(SGD:NTD)	7,134
				<u>\$ 1,850,849</u>
Foreign currency liabilities				
<u>Monetary items</u>				
USD	3,340	30.71	(USD:NTD)	\$ 102,540
CHF	230	8.42	(CHF:RMB)	8,388
SGD	560	23.92	(SGD:NTD)	13,041
				<u>\$ 123,969</u>

June 30, 2023

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

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

Functional Currencies	For the Three Months Ended June 30, 2024			For the Three Months Ended June 30, 2023		
	Functional Currencies exchanged to presentation currency	Net foreign currency exchange gains (losses)		Functional Currencies exchanged to presentation currency	Net foreign currency exchange gains (losses)	
NTD	1 (NTD:NTD)	\$ 20,795		1 (NTD:NTD)	(\$ 6,404)	
RMB	4.55 (RMB:NTD)	695		4.38 (RMB:NTD)	1,516	
CHF	35.78 (CHF:NTD)	(122)		34.18 (CHF:NTD)	89	
		<u>\$ 21,368</u>			<u>(\$ 4,799)</u>	
Functional Currencies	For the Six Months Ended June 30, 2024			For the Six Months Ended June 30, 2023		
	Functional Currencies exchanged to presentation currency	Net foreign currency exchange gains (losses)		Functional Currencies exchanged to presentation currency	Net foreign currency exchange gains (losses)	
NTD	1 (NTD:NTD)	\$ 87,932		1 (NTD:NTD)	(\$ 2,680)	
RMB	4.49 (RMB:NTD)	1,249		4.41 (RMB:NTD)	940	
CHF	35.88 (CHF:NTD)	609		33.53 (CHF:NTD)	(86)	
		<u>\$ 89,790</u>			<u>(\$ 1,826)</u>	

36. SUPPLEMENTARY DISCLOSURES

a. Information on Significant Transactions:

- 1) Financing provided to others: Table 1.
- 2) Endorsements/guarantees provided to others: Table 2.
- 3) Marketable securities held (excluding investments in subsidiaries): Table 3.
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 5.
- 9) Trading in derivative instruments: None.
- 10) Others: Intercompany relationships and significant intercompany transactions: Table 6.

b. Information on reinvestments (excluding investees in Mainland China): Table 7.

c. Information on investments in mainland China:

- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, the method of investment, information on inflow or outflow of capital, percentage of ownership, investment income (losses), ending balance of investment, amount repatriated as dividends from the investee, and the limit of investment on investee: Table 8.
 - 2) Significant direct or indirect (through a third region) transactions with the investee, its prices and terms of payment, unrealized gain or loss: None.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater, showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 9)

37. SEGMENT INFORMATION

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

Standard Foods segment - the Company.

Standard Dairy Products segment - Standard Dairy Products.

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

Other segments - other than the above subsidiaries.

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

	Standard Foods Segment	Standard Dairy Products Segment	China Standard Segment	Other Segments	Adjustments and Eliminations	Total
<u>For the Six Months Ended June 30,</u>						
<u>2024</u>						
Sales from external customers	\$ 5,239,382	\$ 1,199,809	\$ 5,710,385	\$ 1,003,789	\$ -	\$13,153,365
Sales among intersegments	<u>766,586</u>	<u>509,894</u>	<u>-</u>	<u>1,214</u>	<u>(1,277,694)</u>	<u>-</u>
Total sales	<u>\$ 6,005,968</u>	<u>\$ 1,709,703</u>	<u>\$ 5,710,385</u>	<u>\$ 1,005,003</u>	<u>(\$ 1,277,694)</u>	<u>\$13,153,365</u>
Interest income	<u>\$ 29,216</u>	<u>\$ 3,180</u>	<u>\$ 53,806</u>	<u>\$ 12,979</u>	<u>(\$ 15,386)</u>	<u>\$ 83,795</u>
Financial cost	<u>\$ 574</u>	<u>\$ 1</u>	<u>\$ 34,661</u>	<u>\$ 6,655</u>	<u>(\$ 15,386)</u>	<u>\$ 26,505</u>
Depreciation expenses	<u>\$ 107,453</u>	<u>\$ 23,250</u>	<u>\$ 111,434</u>	<u>\$ 45,017</u>	<u>\$ -</u>	<u>\$ 287,154</u>
Amortization expenses	<u>\$ 10,723</u>	<u>\$ 2,343</u>	<u>\$ 16,928</u>	<u>\$ 6,386</u>	<u>\$ -</u>	<u>\$ 36,380</u>
Operating segment income (loss)	<u>\$ 774,930</u>	<u>\$ 155,848</u>	<u>\$ 82,384</u>	<u>(\$ 10,979)</u>	<u>\$ 9,744</u>	<u>\$ 1,011,927</u>
Profit before income tax						<u>\$ 1,011,927</u>
<u>For the Six Months Ended June 30,</u>						
<u>2023</u>						
Sales from external customers	\$ 5,121,715	\$ 1,171,759	\$ 5,006,366	\$ 904,128	\$ -	\$12,203,968
Sales among intersegments	<u>727,806</u>	<u>610,374</u>	<u>6,797</u>	<u>15</u>	<u>(1,344,992)</u>	<u>-</u>
Total sales	<u>\$ 5,849,521</u>	<u>\$ 1,782,133</u>	<u>\$ 5,013,163</u>	<u>\$ 904,143</u>	<u>(\$ 1,344,992)</u>	<u>\$12,203,968</u>
Interest income	<u>\$ 21,750</u>	<u>\$ 2,531</u>	<u>\$ 54,824</u>	<u>\$ 8,499</u>	<u>(\$ 8,340)</u>	<u>\$ 79,264</u>
Financial cost	<u>\$ 633</u>	<u>\$ 2</u>	<u>\$ 33,022</u>	<u>\$ 6,833</u>	<u>(\$ 8,340)</u>	<u>\$ 32,150</u>
Depreciation expenses	<u>\$ 101,097</u>	<u>\$ 23,878</u>	<u>\$ 120,283</u>	<u>\$ 46,915</u>	<u>(\$ 1,822)</u>	<u>\$ 290,351</u>
Amortization expenses	<u>\$ 12,710</u>	<u>\$ 1,350</u>	<u>\$ 15,537</u>	<u>\$ 7,685</u>	<u>\$ -</u>	<u>\$ 37,282</u>
Operating segment income (loss)	<u>\$ 798,935</u>	<u>\$ 158,600</u>	<u>(\$ 325,379)</u>	<u>(\$ 16,011)</u>	<u>(\$ 57,895)</u>	<u>\$ 558,250</u>
Profit before income tax						<u>\$ 558,250</u>

Table 1

Standard Foods Corporation and Subsidiaries

FINANCING PROVIDED TO OTHERS
For the six months ended June 30, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Balance as of June 30	Amount Actually Drawn	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debts	Collateral		Single borrower lending limit	Financing Amount Limit	Note
													Name	Value			
0	Standard Foods Corporation	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	\$ 457,970	\$ 455,320	\$ 455,320	2.500%	2	\$ -	Need for operation	\$ -	-	\$ -	\$ 3,619,633 (Note 3)	\$ 7,239,266 (Note 4)	Note 10
0	Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	911,540	910,640	455,320	2.300%~2.500%	2	-	Need for operation	-	-	-	3,619,633 (Note 3)	7,239,266 (Note 4)	Note 10
0	Standard Foods Corporation	Charng Hui Ltd.	Financing receivables - related parties	Yes	100,000	50,000	50,000	2.300%~2.867%	2	-	Need for operation	-	-	-	3,619,633 (Note 3)	7,239,266 (Note 4)	Note 10
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Yes	183,188	182,128	144,896	2.000%	2	-	Need for operation	-	-	-	1,397,316 (Note 5)	1,397,316 (Note 5)	Note 10
1	Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Financing receivables - related parties	Yes	412,173	409,788	362,248	2.000%	2	-	Need for operation	-	-	-	1,397,316 (Note 5)	1,397,316 (Note 5)	Note 10
1	Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	549,564	546,384	460,406	2.000%	2	-	Need for operation	-	-	-	1,397,316 (Note 5)	1,397,316 (Note 5)	Note 10
1	Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	91,594	91,064	34,518	2.000%	2	-	Need for operation	-	-	-	1,397,316 (Note 5)	1,397,316 (Note 5)	Note 10
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	664,057	660,214	563,363	2.000%	2	-	Need for operation	-	-	-	1,366,889 (Note 6)	1,366,889 (Note 6)	Note 10
2	Shanghai Standard Foods Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Yes	228,985	227,660	-	2.000%	2	-	Need for operation	-	-	-	1,366,889 (Note 6)	1,366,889 (Note 6)	Note 10
2	Shanghai Standard Foods Co., Ltd.	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Yes	228,985	227,660	-	2.000%	2	-	Need for operation	-	-	-	1,366,889 (Note 6)	1,366,889 (Note 6)	Note 10
3	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	54,956	54,638	41,726	2.000%	2	-	Need for operation	-	-	-	181,282 (Note 7)	181,282 (Note 7)	Note 10
4	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Yes	54,956	54,638	28,070	2.000%	2	-	Need for operation	-	-	-	113,483 (Note 8)	113,483 (Note 8)	Note 10
5	Shanghai New Vitality Health Technology (Group) Co., Ltd.	Jiangsu Hua Sun Health Technology Co., Ltd.	Financing receivables - related parties	Yes	54,956	54,638	-	2.000%	2	-	Need for operation	-	-	-	174,554 (Note 9)	174,554 (Note 9)	Note 10

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

Note 2: Reasons for financing are as follows:

- a. Please fill in 1 for having business transactions.
- b. Please fill in 2 for short-term financing.

Note 3: The single limit is calculated based on 20% of the net worth of the latest financial statements of Standard Foods Corporation, which is NT\$3,619,633 thousand (the net worth, NT\$18,098,165 thousand, of the financial statements dated March 31, 2024x20%).

Note 4: The maximum limit is calculated based on 40% of the net worth of the latest financial statements of Standard Foods Corporation, which is NT\$7,239,266 thousand (the net worth, NT\$18,098,165 thousand, of the financial statements dated March 31, 2024x40%).

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 is NT\$1,397,316 thousand (the net worth, NT\$3,493,291 thousand, of the financial statements dated March 31, 2024x40%).

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 is NT\$1,366,889 thousand (the net worth, NT\$3,417,222 thousand, of the financial statements dated March 31, 2024x40%).

Note 7: 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 is NT\$181,282 thousand (the net worth, NT\$453,205 thousand, of the financial statements dated March 31, 2024x40%).

Note 8: 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 is NT\$113,483 thousand (the net worth, NT\$283,707 thousand, of the financial statements dated March 31, 2024x40%).

Note 9: 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 is NT\$174,554 thousand (the net worth, NT\$436,384 thousand, of the financial statements dated March 31, 2024x40%).

Note 10: The amounts presented above were eliminated upon consolidation.

Standard Foods Corporation and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED

For the six months ended June 30, 2024

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Single party endorsement/guaran tee limit	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	Endorsement/ Guarantee Provided by Parent Company to Subsidiaries (Note 5)	Guarantee Provided by Subsidiary (Note 5)	Guarantee Provided to Subsidiaries in Mainland China (Note 5)	Note
		Nature of Relationships (Note 2)	Relationship (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company Ltd.	(2)	\$ 14,478,532 (Note 3)	\$ 94,740	\$ -	\$ -	\$ -	0.00%	\$ 18,098,165 (Note 4)	Y	-	-	
0	Standard Foods Corporation	Charng Hui Ltd.	(2)	14,478,532 (Note 3)	97,635	97,350	16,500	-	0.54%	18,098,165 (Note 4)	Y	-	-	

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

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

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

Note 3: The single enterprise's limit is calculated based on 80% of the net worth of the latest financial statements of Standard Foods Corporation, which is NT\$14,478,532 thousand (the net worth, NT\$18,098,165 thousand, of the financial statements dated March 31, 2024x80%).

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 NT\$18,098,165 thousand (the net worth, NT\$18,098,165 thousand, of the financial statements dated March 31, 2024x100%).

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

Standard Foods Corporation and Subsidiaries

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES)

June 30, 2024

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Note
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Foods Corporation	Shares	Far Eastern International Commercial Bank Co., Ltd.	The Company is one of the directors	Financial assets at FVTOCI - current	1,466,828	\$ 24,349	-	\$ 24,349	
	Shares	Chunghwa Telecom Co., Ltd.		Financial assets at FVTOCI - current	48,600	6,099	-	6,099	
	Shares	GeneFerm Biotechnology Co., Ltd.		Financial assets at FVTOCI - non-current	2,145,110	135,356	5.2%	135,356	
	Shares	Dah Chung Bills Finance Corp.		Financial assets at FVTOCI - non-current	1,274,480	22,023	0.3%	22,023	
	Shares	H2U Corporation	The Company is one of the directors	Financial assets at FVTOCI - non-current	4,165,000	289,750	14.9%	289,750	
	Shares	SANCCI MANUFACTURE FOOD COMPANY	The Company is one of the directors	Financial assets at FVTOCI - non-current	1,286,786	150,000	10.0%	150,000	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTPL - current	6,178	5,968	-	5,968	
	Shares	Apple Inc.		Financial assets at FVTPL - current	1,479	10,108	-	10,108	
	Shares	Amazon.com, Inc.		Financial assets at FVTPL - current	740	4,641	-	4,641	
	Shares	Alphabet Inc.		Financial assets at FVTPL - current	732	4,327	-	4,327	
	Shares	Microsoft Corporation		Financial assets at FVTPL - current	337	4,888	-	4,888	
	Shares	NVIDIA Corporation		Financial assets at FVTPL - current	4,140	16,597	-	16,597	
	Shares	Tesla, Inc.		Financial assets at FVTPL - current	343	2,202	-	2,202	
	Mutual funds	Yuanta FTSE4Good TIP Taiwan ESG ETF		Financial assets at FVTPL - current	300,000	13,803	-	13,803	
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	3,585,869	67,020	-	67,020	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	4,720,915	69,614	-	69,614	
	Mutual funds	Cathay Glb Aggressive FOFs		Financial assets at FVTPL - current	2,284,844	70,739	-	70,739	
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	28,387,246	398,503	-	398,503	

(Continued)

(Continued from the previous page)

Holding Company Name	Type of Marketable Securities	Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	End of the Period				Note
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
	Mutual funds	Franklin Templeton Sinoam Money Market Fund		Financial assets at FVTPL - current	10,372,384	\$ 111,002	-	\$ 111,002	
	Mutual funds	SinoPac TWD Money Market Fund		Financial assets at FVTPL - current	21,874,619	314,942	-	314,942	
	Mutual funds	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	6,321,752	100,167	-	314,942	
	Debt securities	HSBC Holdings USD Bond (HSBC_4.3_030826.3_030826)		Financial assets at FVTPL - current	10,000	31,594	-	31,594	
	Debt securities	TSMC Unsecured Corporate Bond 2023 2nd Offering		Financial assets at FVTPL - current	500,000	49,999	-	49,999	
	Shares	Paradigm Venture Capital Corporation		Financial assets at FVTPL - non-current	153,320	2,003	7.0%	2,003	
	Shares	U-Teck Environment Corporation, Ltd.		Financial assets at FVTPL - non-current	11,200	-	0.2%	-	
	Shares	Techgains Pan-Pacific Corporation		Financial assets at FVTPL - non-current	500,000	-	0.9%	-	
	Shares	Authenex, Inc.		Financial assets at FVTPL - non-current	2,424,242	-	5.5%	-	
	Shares	Octamer, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	800,000	-	7.8%	-	
	Shares	Octamer, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	107,815	-	1.0%	-	
	Shares	Fortemedia, Inc. - Series D Preferred Stock		Financial assets at FVTPL - non-current	3,455	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series E Preferred Stock		Financial assets at FVTPL - non-current	71,397	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series F Preferred Stock		Financial assets at FVTPL - non-current	29,173	-	1.2%	-	
	Shares	Fortemedia, Inc. - Series G Preferred Stock		Financial assets at FVTPL - non-current	31,135	-	1.3%	-	
	Shares	Fortemedia, Inc. - Series I Preferred Stock		Financial assets at FVTPL - non-current	29,102	-	1.3%	-	
	Shares	Fortemedia, Inc. - Common Stock		Financial assets at FVTPL - non-current	12,938	-	1.2%	-	
Standard Dairy Products Taiwan Ltd.	Mutual funds	FSITC Taiwan Money Market Fund		Financial assets at FVTPL - current	1,798,672	28,500	-	28,500	
	Mutual funds	Cathay China Domestic Demand Growth Fund		Financial assets at FVTPL - current	1,195,290	22,340	-	22,340	
	Mutual funds	Cathay Target Date 2029 Fund of Funds		Financial assets at FVTPL - current	786,819	11,602	-	11,602	

(Continued)

(Continued from the previous page)

Holding Company Name	Name of Marketable Securities Type	Name of Marketable Securities	Name of Marketable Securities Relationship with the issuer	Financial Statement Account	End of the Period				Note
					Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Charng Hui Ltd.	Mutual funds	Cathay Glb Aggressive FOFs	Parent company of Charng Hui Ltd.	Financial assets at FVTPL - current	761,615	\$ 23,579	-	\$ 23,579	Note
	Mutual funds	Taishin 1699 Money Market Fund		Financial assets at FVTPL - current	3,567,975	50,087	-	50,087	
	Shares	Standard Foods Corporation		Financial assets at FVTOCI - current	6,669,471	285,120	0.7%	285,120	
	Shares	Formosa Plastics Corporation		Financial assets at FVTOCI - current	91,440	5,258	-	5,258	
	Shares	China Steel Corporation		Financial assets at FVTOCI - current	803,258	18,555	-	18,555	
	Shares	Polytronics Technology Corporation	Charng Hui Ltd. is one of the directors	Financial assets at FVTOCI - current	1,596,000	83,950	1.9%	83,950	
	Shares	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at FVTOCI - current	90,000	86,940	-	86,940	
	Mutual funds	Fuh Hwa Global Strategic Allocation FoF		Financial assets at FVTPL - current	1,000,000	13,850	-	13,850	
	Mutual funds	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds		Financial assets at FVTPL - current	1,453,360	18,186	-	18,186	
	Shares	Amphastar Pharmaceuticals Inc. (AMPH)		Financial assets at FVTPL - non-current	7,742	10,049	-	10,049	
Standard Beverage Company Ltd. Accession Limited	Mutual funds	Taishin 1699 Money Market Fund	Financial assets at FVTPL - current	2,105,777	29,561	-	29,561		
	Shares	AsiaVest Liquidation Co.	Financial assets at FVTOCI - non-current	200	1,106	0.7%	1,106		

Note: The amounts presented above were eliminated upon consolidation.

Table 4

Standard Foods Corporation and Subsidiaries

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

For the six months ended June 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Trade Receivable (Payable)		Note
			Purchases (Sales)	Amount	As percentage of the total purchase (sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Ratio to Total Notes or Accounts Receivable (payable)	
Standard Foods Corporation	Standard Dairy Products Taiwan Ltd.	The Company's subsidiary	Sales	(\$ 766,563)	12.76%	55 days after month-end closing (net of receivables and payables)	—	—	\$ 208,221	10.74%	Note
			Purchases	509,894	16.59%	55 days after month-end closing (net of receivables and payables)	—	—	-	-	Note
Standard Dairy Products Taiwan Ltd.	Standard Foods Corporation	Parent company of Standard Dairy Products Taiwan Ltd.	Purchases	766,563	57.48%	55 days after month-end closing (net of receivables and payables)	—	—	(208,221)	41.86%	Note
			Sales	(509,894)	29.82%	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	(546,020)	59.23%	60 days after month-end closing	—	—	208,156	99.30%	Note
			Purchases	291,806	31.27%	60 days after month-end closing	—	—	(101,297)	55.31%	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	546,020	11.72%	60 days after month-end closing	—	—	(208,156)	8.20%	Note
			Sales	(291,806)	5.39%	60 days after month-end closing	—	—	101,297	9.11%	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(2,113,651)	89.83%	60 days after month-end closing	—	—	1,270,988	95.40%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	2,113,651	45.51%	60 days after month-end closing	—	—	(1,270,988)	50.09%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(1,930,584)	91.90%	60 days after month-end closing	—	—	208,052	83.06%	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	1,930,584	41.57%	60 days after month-end closing	—	—	(208,052)	8.20%	Note
Standard Foods (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Standard Foods (China) Co., Ltd.	Sales	(134,496)	5.72%	60 days after month-end closing	—	—	57,730	4.33%	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Purchases	134,496	7.03%	60 days after month-end closing	—	—	(57,730)	22.12%	Note

Note: The amounts presented above were eliminated upon consolidation.

Standard Foods Corporation and Subsidiaries

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

June 30, 2024

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Nature of Relationships	Ending Balance for Trade Receivable - Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for loss amount	Note	
					Amount	Actions Taken				
Standard Foods Corporation	Standard Dairy Products Taiwan Ltd.	The Company's subsidiary	Accounts receivable	\$ 208,221	8.37	\$ -		\$ 43,520 (Note 1)	\$ -	(Note 2)
			Other receivables	4,607		-		4,607 (Note 1)	-	(Note 2)
				<u>\$ 212,828</u>		<u>\$ -</u>		<u>\$ 48,127</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (China) Co., Ltd.	The Company's subsidiary	Financing receivables	\$ 455,320		\$ -		\$ 455,320 (Note 1)	\$ -	(Note 2)
			Other receivables	5,676		-		5,676 (Note 1)	-	(Note 2)
				<u>\$ 460,996</u>		<u>\$ -</u>		<u>\$ 460,996</u> (Note 1)	<u>\$ -</u>	
Standard Foods Corporation	Standard Foods (Xiamen) Co., Ltd.	The Company's subsidiary	Financing receivables	\$ 455,320		\$ -		\$ 455,320 (Note 1)	\$ -	(Note 2)
			Other receivables	5,676		-		5,676 (Note 1)	-	(Note 2)
				<u>\$ 460,996</u>		<u>\$ -</u>		<u>\$ 460,996</u> (Note 1)	<u>\$ -</u>	
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Accounts receivable	\$ 208,156	4.25	\$ -		\$ 90,637 (Note 1)	\$ -	(Note 2)
			Financing receivables	563,363		-		- (Note 1)	-	(Note 2)
			Other receivables	4,860		-		359 (Note 1)	-	(Note 2)
	<u>\$ 776,379</u>	<u>\$ -</u>	<u>\$ 90,996</u> (Note 1)	<u>\$ -</u>						
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Accounts receivable	<u>\$ 1,270,988</u>	3.16	<u>\$ -</u>		<u>\$ 932,951</u> (Note 1)	<u>\$ -</u>	(Note 2)
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Subsidiary of Standard Investment (China) Co., Ltd.	Accounts receivable	\$ 41	12.59	\$ -		\$ 41 (Note 1)	\$ -	(Note 2)
			Financing receivables	460,406		-		- (Note 1)	-	(Note 2)
			Other receivables	22,744		-		- (Note 1)	-	(Note 2)
	<u>\$ 483,191</u>	<u>\$ -</u>	<u>\$ 41</u> (Note 1)	<u>\$ -</u>						
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Accounts receivable	<u>\$ 101,297</u>	4.08	<u>\$ -</u>		<u>\$ 54,809</u> (Note 1)	<u>\$ -</u>	(Note 2)
Standard Investment (China) Co., Ltd.	Le Bonta Wellness Co., Ltd.	Subsidiary of Standard Investment (China) Co., Ltd.	Accounts receivable	\$ 9	0.00	\$ -		\$ 9 (Note 1)	\$ -	(Note 2)
			Financing receivables	362,248		-		- (Note 1)	-	(Note 2)
			Other receivables	2,268		-		1 (Note 1)	-	(Note 2)
	<u>\$ 364,525</u>	<u>\$ -</u>	<u>\$ 10</u> (Note 1)	<u>\$ -</u>						
Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation Ltd.	Subsidiary of Standard Investment (China) Co., Ltd.	Financing receivables	\$ 144,896		\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables	1,247		-		- (Note 1)	-	(Note 2)
				<u>\$ 146,143</u>		<u>\$ -</u>		<u>\$ -</u> (Note 1)	<u>\$ -</u>	
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Accounts receivable	<u>\$ 208,052</u>	9.90	<u>\$ -</u>		<u>\$ 208,052</u> (Note 1)	<u>\$ -</u>	(Note 2)

Note 1: The amount collected until August 7, 2024.

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

Standard Foods Corporation and Subsidiaries

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the six months ended June 30, 2024

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			% to Consolidated Total Sales or Total Assets (Note 3)
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	
0	Standard Foods Corporation	Standard Dairy Products	1	Trade receivables	\$ 208,221	According to the general conditions	0.8%
0	Standard Foods Corporation	Standard Dairy Products	1	Other receivables	4,607	According to the general conditions	-
0	Standard Foods Corporation	Standard Dairy Products	1	Sales	766,563	According to the general conditions	5.8%
0	Standard Foods Corporation	Standard Dairy Products	1	Purchases	509,894	According to the general conditions	3.9%
0	Standard Foods Corporation	Standard Dairy Products	1	Royalty revenue	4,052	According to the general conditions	-
0	Standard Foods Corporation	Charng Hui	1	Other receivables	125	According to the general conditions	-
0	Standard Foods Corporation	Charng Hui	1	Financing receivables	50,000	Interest rate 2.300% per annum	0.2%
0	Standard Foods Corporation	Charng Hui	1	Interest income	476	Interest rate 2.300%–2.867% per annum	-
0	Standard Foods Corporation	Charng Hui	1	Service revenue (recognized under sundry revenue)	660	According to the general conditions	-
0	Standard Foods Corporation	Shanghai Le Bonta	1	Trade receivables	23	According to the general conditions	-
0	Standard Foods Corporation	Shanghai Le Bonta	1	Sales	23	According to the general conditions	-
0	Standard Foods Corporation	China Standard Foods	1	Other receivables	5,676	According to the general conditions	-
0	Standard Foods Corporation	China Standard Foods	1	Financing receivables	455,320	Interest rate 2.500% per annum	1.7%
0	Standard Foods Corporation	China Standard Foods	1	Interest income	5,532	Interest rate 2.500% per annum	-
0	Standard Foods Corporation	Xiamen Standard	1	Other receivables	5,676	According to the general conditions	-
0	Standard Foods Corporation	Xiamen Standard	1	Financing receivables	455,320	Interest rate 2.500% per annum	1.7%
0	Standard Foods Corporation	Xiamen Standard	1	Interest income	5,532	Interest rate 2.500% per annum	-
1	Shanghai Standard	China Standard Investment	3	Trade receivables	208,156	According to the general conditions	0.8%
1	Shanghai Standard	China Standard Investment	3	Financing receivables	563,363	Interest rate 2.000% per annum	2.1%
1	Shanghai Standard	China Standard Investment	3	Other receivables	4,860	According to the general conditions	-
1	Shanghai Standard	China Standard Investment	3	Trade payables	101,297	According to the general conditions	0.4%
1	Shanghai Standard	China Standard Investment	3	Sales	546,020	According to the general conditions	4.2%
1	Shanghai Standard	China Standard Investment	3	Purchases	291,806	According to the general conditions	2.2%
1	Shanghai Standard	China Standard Investment	3	Interest income	4,087	Interest rate 2.000% per annum	-
1	Shanghai Standard	China Standard Investment	3	Other income	2,065	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Trade receivables	100	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Trade payables	2,476	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Sales	87	According to the general conditions	-
1	Shanghai Standard	China Standard Foods	3	Purchases	2,413	According to the general conditions	-
1	Shanghai Standard	Xiamen Standard	3	Trade receivables	35	According to the general conditions	-
1	Shanghai Standard	Xiamen Standard	3	Sales	30	According to the general conditions	-

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No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Total Assets (Note 3)
1	Shanghai Standard	Xiamen Standard	3	Purchases	\$ 579	According to the general conditions	-
1	Shanghai Standard	Xiamen Standard	3	Interest income	1,429	Interest rate 2.000% per annum	-
2	China Standard Investment	China Standard Foods	1	Trade receivables	70	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Other receivables	8,023	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Financing receivables	34,518	Interest rate 2.000% per annum	0.1%
2	China Standard Investment	China Standard Foods	1	Trade payables	1,270,988	According to the general conditions	4.7%
2	China Standard Investment	China Standard Foods	1	Sales	177	According to the general conditions	-
2	China Standard Investment	China Standard Foods	1	Purchases	2,113,651	According to the general conditions	16.1%
2	China Standard Investment	China Standard Foods	1	Interest income	793	Interest rate 2.000% per annum	-
2	China Standard Investment	China Standard Foods	1	Other income	7,116	According to the general conditions	0.1%
2	China Standard Investment	China Standard Foods	1	Rental expenses	54	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	3	Other receivables	1,247	According to the general conditions	-
2	China Standard Investment	Shanghai Dermalab	3	Financing receivables	144,896	Interest rate 2.000% per annum	0.5%
2	China Standard Investment	Shanghai Dermalab	3	Interest income	1,228	Interest rate 2.000% per annum	-
2	China Standard Investment	Shanghai Dermalab	3	Other expenses	13	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Trade receivables	41	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Other receivables	22,744	According to the general conditions	0.1%
2	China Standard Investment	Xiamen Standard	1	Financing receivables	460,406	Interest rate 2.000% per annum	1.7%
2	China Standard Investment	Xiamen Standard	1	Trade payables	208,052	According to the general conditions	0.8%
2	China Standard Investment	Xiamen Standard	1	Sales	129	According to the general conditions	-
2	China Standard Investment	Xiamen Standard	1	Purchases	1,930,584	According to the general conditions	14.7%
2	China Standard Investment	Xiamen Standard	1	Interest income	9,161	Interest rate 2.000% per annum	0.1%
2	China Standard Investment	Xiamen Standard	1	Other income	13,216	According to the general conditions	0.1%
2	China Standard Investment	Shanghai Le Bonta	3	Trade receivables	9	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	3	Other receivables	2,268	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	3	Financing receivables	362,248	Interest rate 2.000% per annum	1.3%
2	China Standard Investment	Shanghai Le Bonta	3	Trade payables	853	According to the general conditions	-
2	China Standard Investment	Shanghai Le Bonta	3	Interest income	2,181	Interest rate 2.000% per annum	-
2	China Standard Investment	Shanghai Le Bonta	3	Other expenses	1,193	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ho	3	Other payables	258	According to the general conditions	-
2	China Standard Investment	Shanghai Le Ho	3	Financing payables	41,726	Interest rate 2.000% per annum	0.2%
2	China Standard Investment	Shanghai Le Ho	3	Interest expenses	254	Interest rate 2.000% per annum	-
2	China Standard Investment	Shanghai Le Min	3	Other payables	185	According to the general conditions	-
2	China Standard Investment	Shanghai Le Min	3	Financing payables	28,070	Interest rate 2.000% per annum	0.1%
2	China Standard Investment	Shanghai Le Min	3	Interest expenses	183	Interest rate 2.000% per annum	-
2	China Standard Investment	Jiangsu Hua Sun	3	Other receivables	127	According to the general conditions	-

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(Continued from the previous page)

No. (Note 1)	Name of Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Consolidated Total Sales or Total Assets (Note 3)
2	China Standard Investment	Jiangsu Hua Sun	3	Other payables	\$ 182	According to the general conditions	-
2	China Standard Investment	Jiangsu Hua Sun	3	Other expenses	254	According to the general conditions	-
3	Shanghai Dermalab	Dermalab	3	Trade payables	1,676	According to the general conditions	-
3	Shanghai Dermalab	Dermalab	3	Purchases	15,812	According to the general conditions	0.1%
3	Shanghai Dermalab	Shanghai Le Ben De	3	Purchases	1,648	According to the general conditions	-
4	China Standard Foods	Shanghai Le Bonta	3	Purchases	1	According to the general conditions	-
4	China Standard Foods	Xiamen Standard	3	Trade receivables	57,730	According to the general conditions	0.2%
4	China Standard Foods	Xiamen Standard	3	Trade payables	42,420	According to the general conditions	0.5%
4	China Standard Foods	Xiamen Standard	3	Sales	134,496	According to the general conditions	1.0%
4	China Standard Foods	Xiamen Standard	3	Purchases	63,052	According to the general conditions	0.5%
4	China Standard Foods	Jiangsu Hua Sun	3	Other receivables	254	According to the general conditions	-
4	China Standard Foods	Jiangsu Hua Sun	3	Rental income	2,466	According to the general conditions	-
4	China Standard Foods	Jiangsu Hua Sun	3	Other expenses	672	According to the general conditions	-
5	Shanghai Le Bonta	Xiamen Standard	3	Sales	7	According to the general conditions	-
5	Shanghai Le Bonta	Jiangsu Hua Sun	3	Trade payables	1,286	According to the general conditions	-
5	Shanghai Le Bonta	Jiangsu Hua Sun	3	Other payables	32	According to the general conditions	-
5	Shanghai Le Bonta	Jiangsu Hua Sun	3	Purchases	2,241	According to the general conditions	-
6	Shanghai Le Ben De	Dermalab	3	Purchases	1,470	According to the general conditions	-

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

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

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

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

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

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

Standard Foods Corporation and Subsidiaries

INFORMATION ON INVESTEE COMPANIES (EXCLUDING MAINLAND INVESTED COMPANIES)

For the six months ended June 30, 2024

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				June 30, 2024	December 31, 2023	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Limited	Tortola, British Virgin Islands	Investing	\$ 3,936,267	\$ 3,936,267	123,600,000	100%	\$ 3,843,524	\$ 18,836	\$ 24,620 (Note 1)	Subsidiary (Note 4)
	Standard Investment (Cayman) Limited	Grand Cayman, Cayman Islands	Investing	4,931,225	4,931,225	157,147,892	100%	4,576,134	(78,062)	(78,062)	Subsidiary (Note 4)
	Standard Dairy Products Taiwan Ltd.	Taipei, Taiwan	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100%	1,152,568	126,546	138,203 (Note 2)	Subsidiary (Note 4)
	Chang Hui Ltd.	Taipei, Taiwan	Investing	230,000	230,000	24,100,000	100%	336,195	3,085	3,085	Subsidiary (Note 4)
	Domex Technology Corporation	Hsinchu, Taiwan	Manufacture and sale of computer peripherals and computer appliances	114,116	114,116	10,374,399	52%	264,860	78,314	40,731	Subsidiary (Note 4)
	Standard Beverage Company Ltd.	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100%	80,356	(643)	(643)	Subsidiary (Note 4)
	Standard Foods, LLC.	U.S.A.	Sale of health food	9,056	9,056	Note 3	100%	9,735	-	-	Subsidiary (Note 4)
Standard Great Foods Singapore PTE. LTD.	Singapore	Food trading	9,427	9,427	Note 3	100%	9,690	121	121	Subsidiary (Note 4)	
Accession Limited	Dermalab S.A.	Switzerland	Development and sale of cosmetics	379,489	379,489	4,050	100%	254,760	(7,424)	-	Second-tier subsidiary (Note 4)
Dermalab S.A.	Swissderma SL	Spain	Sale of cosmetics	96	96	3,000	100%	-	-	-	Third-tier subsidiary (Note 4)
Standard Investment (Cayman) Limited	Standard Corporation (Hong Kong) Limited	Hong Kong	Investing	4,927,405	4,927,405	157,021,892	100%	4,574,928	(77,917)	-	Second-tier subsidiary (Note 4)

Note 1: The amount after the net profit in investees recognized based on the shareholding ratio, NT\$18,836 thousand, less the adjustment on unrealized gain or loss from transactions between subsidiaries, NT\$5,784 thousand.

Note 2: The amount after the net profit in investees recognized based on the shareholding ratio, NT\$126,546 thousand, less the adjustment on unrealized gain or loss from up-stream transactions, NT\$11,657 thousand.

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

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

Table 8

Standard Foods Corporation and Subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

For the six months ended June 30, 2024

(In Thousands of New Taiwan Dollars)

Investee Company in Mainland China	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Period	Remittance or Recovery of Funds		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Profit (Loss) Recognized in the Current Period (Note 2)	Carrying Amount as of June 30, 2024	Accumulated Repatriation of Investment Income at the End of the Period	Note
					Outward	Inward							
Shanghai Standard Foods Co., Ltd.	Manufacture and sale of edible oils and nutritious foods	\$ 3,949,575	(2) (Note 3)	\$ 3,949,575 (Note 4)	\$ -	\$ -	\$ 3,949,575 (Note 4)	\$ 27,989	100.0%	\$ 24,832 (Note 9)	\$ 3,423,526	\$ -	Note 12
Standard Investment (China) Co., Ltd.	Investment and sales of edible oil products and nutritional foods, etc.	3,755,530	(2) (Note 5)	3,718,677 (Note 5)	-	-	3,718,677 (Note 5)	24,670	99.0%	24,423 (Note 9)	3,450,920	-	Note 12
Shanghai New Vitality Health Technology (Group) Co., Ltd.	Sale of health foods and cosmetic goods, and import/export trade	664,630	(2) (Note 5)	217,434 (Note 5)	-	-	217,434 (Note 5)	(93,192)	99.0%	(92,260) (Note 10)	390,540	-	Note 12
Standard Foods (China) Co., Ltd.	Manufacture and sale of edible oils and nutritious foods	1,935,453	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	54,686	99.0%	49,064 (Note 9)	2,703,508	-	Note 12
Shanghai Dermalab Corporation	Sale of health foods and cosmetic goods, and import/export trade	93,989	(3) (Note 7)	- (Note 7)	-	-	- (Note 7)	(8,539)	99.0%	(8,454) (Note 10)	(31,433)	-	Note 12
Le Bonta Wellness Co., Ltd.	Sale of nutritional foods and engage in import and export business	284,127	(3) (Note 7)	181,048 (Note 7)	-	-	181,048 (Note 7)	(58,372)	99.0%	(57,788) (Note 10)	(303,184)	-	Note 12
Shanghai Le Ben De Health Technology Co., Ltd.	Sales of health and beauty products and related services	31,220	(3) (Note 4, 7)	31,220 (Note 4)	-	-	31,220 (Note 4)	189	99.0%	187 (Note 10)	33,814	-	Note 12
Standard Foods (Xiamen) Co., Ltd.	Manufacture and sale of edible oils and nutritious foods	1,307,582	(3) (Note 6)	- (Note 6)	-	-	- (Note 6)	122,018	99.0%	118,176 (Note 10)	1,875,795	-	Note 12
Shanghai Le Ho Industrial Co., Ltd.	Management of properties	607,717	(2) (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(6,175)	100.0%	(6,175) (Note 10)	450,082	-	Note 12
Shanghai Le Min Industrial Co., Ltd	Management of properties	378,009	(2) (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(3,821)	100.0%	(3,821) (Note 10)	281,789	-	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	(3) (Note 8)	- (Note 8)	-	-	- (Note 8)	(29,056)	99.0%	(28,765) (Note 10)	270,078	-	Note 12

Accumulated Outward Remittance for Investment in Mainland China at the End of the Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$9,136,959	\$9,874,201	Unlimited amount of investment (Note 12)

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

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

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

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

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

Note 4: There was no difference between the beginning balance and the ending balance of the accumulated amount invested from Taiwan for the current period. The investment remained at \$4,034,074 thousand. Of the \$4,034,074 thousand, \$53,279 thousand has been retained in Accession Ltd. The remaining balance thereof, amounting to \$3,980,795 thousand, was originally the outward remittance of the investment of Shanghai Standard Foods Co., Ltd. However, as of July 2015, of the \$3,980,795 thousand, \$31,220 thousand was invested in Shanghai Le Ben De Health Technology Co., Ltd. by Shanghai Standard Foods Co., Ltd. In aggregate, the outward remittance of the investments in Shanghai Standard Foods Co., Ltd. and Shanghai Le Ben De Health Technology Co., Ltd. was \$3,949,575 thousand and \$31,220 thousand, respectively.

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

Note 6: The company in mainland China was reinvested through a company registered in mainland China, namely Standard Investment (China) 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 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 review period. Hence, according to the Investment Commission of the MOEA, there is no upper limit on the amount of investment.

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

Table 9**Standard Foods Corporation**INFORMATION ON MAJOR SHAREHOLDERS
June 30, 2024

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

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