

**Standard Foods Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

STANDARD FOODS CORPORATION

By

TER-FUNG TSAO
Chairman

March 11, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Standard Foods Corporation

Opinion

We have audited the accompanying consolidated financial statements of Standard Foods Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

The Accuracy of the Calculation of Contractual Trade Promotion Fees for Major Retailers

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

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

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

Other Matter

We have also audited the parent company only financial statements of Standard Foods Corporation as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for 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 Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 11, 2025

Notice to Readers

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

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 3,126,724	11	\$ 2,938,886	12
Financial assets at fair value through profit or loss - current (Note 7)	1,606,889	6	1,160,504	5
Financial assets at fair value through other comprehensive income - current (Note 8)	215,821	1	198,617	1
Financial assets at amortized cost - current (Note 9)	3,055,817	11	1,203,147	5
Notes receivable (Notes 10 and 25)	5,365	-	14,829	-
Trade receivables (Notes 10 and 25)	4,287,238	16	4,492,265	17
Trade receivables from related parties (Notes 25 and 32)	7,940	-	43	-
Finance lease receivables - current (Note 11)	1,106	-	1,047	-
Other receivables (Note 10)	437,249	2	367,445	1
Current tax assets (Note 27)	299	-	299	-
Inventories (Note 12)	5,379,587	20	5,663,353	22
Prepayments (Note 13)	1,216,381	4	1,044,120	4
Other current assets (Notes 19 and 33)	73,674	-	107,394	-
Total current assets	19,414,090	71	17,191,949	67
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	10,827	-	16,731	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	647,632	2	180,328	1
Financial assets at amortized cost - non-current (Note 9)	820,944	3	1,971,770	7
Property, plant and equipment (Notes 15 and 33)	4,096,900	15	4,135,856	16
Right-of-use assets (Note 16)	618,531	2	524,683	2
Investment properties (Notes 17 and 33)	710,842	3	712,637	3
Goodwill	558	-	558	-
Other intangible assets (Note 18)	150,811	1	170,289	1
Deferred tax assets (Note 27)	315,499	1	427,702	2
Finance lease receivables - non-current (Note 11)	2,776	-	3,883	-
Net defined benefit assets - non-current (Note 23)	-	-	632	-
Other non-current assets (Note 19)	640,241	2	388,593	1
Total non-current assets	8,015,561	29	8,533,662	33
TOTAL	\$ 27,429,651	100	\$ 25,725,611	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 33)	\$ 586,080	2	\$ 1,421,038	6
Short-term bills payable (Note 20)	-	-	49,993	-
Contract liabilities - current (Note 25)	253,182	1	295,312	1
Notes payable (Note 21)	1,481,420	6	519,183	2
Trade payables (Note 21)	1,655,973	6	1,535,268	6
Trade payables to related parties (Note 32)	14,701	-	9,889	-
Other payables (Note 22)	3,910,832	14	3,464,198	13
Other payables to related parties (Note 32)	602	-	-	-
Current tax liabilities (Note 27)	202,339	1	107,241	-
Lease liabilities - current (Note 16)	85,020	-	69,502	-
Other current liabilities (Note 22)	87,124	-	157,687	1
Total current liabilities	8,277,273	30	7,629,311	29
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 27)	93,562	-	62,223	-
Lease liabilities - non-current (Note 16)	190,294	1	120,685	1
Net defined benefit liabilities - non-current (Note 23)	123,079	1	230,996	1
Other non-current liabilities (Note 22)	18,943	-	21,249	-
Total non-current liabilities	425,878	2	435,153	2
Total liabilities	8,703,151	32	8,064,464	31
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Ordinary shares	9,150,897	33	9,150,897	36
Capital surplus	173,922	1	165,585	1
Retained earnings				
Legal reserve	4,096,216	15	3,978,059	16
Special reserve	577,494	2	577,494	2
Unappropriated earnings	4,432,868	16	3,920,727	15
Total retained earnings	9,106,578	33	8,476,280	33
Other equity	2,282	-	(392,623)	(2)
Treasury shares	(21,182)	-	(21,182)	-
Total equity attributable to owners of the Company	18,412,497	67	17,378,957	68
NON-CONTROLLING INTERESTS (Note 24)	314,003	1	282,190	1
Total equity	18,726,500	68	17,661,147	69
TOTAL	\$ 27,429,651	100	\$ 25,725,611	100

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 25 and 32)	\$ 28,973,692	100	\$ 27,804,118	100
OPERATING COSTS				
Cost of goods sold (Notes 12, 26 and 32)	<u>21,815,207</u>	<u>75</u>	<u>21,514,418</u>	<u>77</u>
GROSS PROFIT	<u>7,158,485</u>	<u>25</u>	<u>6,289,700</u>	<u>23</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	3,918,994	13	3,632,400	13
General and administrative expenses	1,127,291	4	1,072,041	4
Research and development expenses	193,516	1	184,427	1
Expected credit loss recognized on trade receivables	<u>8,095</u>	<u>-</u>	<u>40,431</u>	<u>-</u>
Total operating expenses	<u>5,247,896</u>	<u>18</u>	<u>4,929,299</u>	<u>18</u>
OPERATING INCOME	<u>1,910,589</u>	<u>7</u>	<u>1,360,401</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Interest income	176,560	-	177,764	1
Other income	59,102	-	56,075	-
Other gains	210,433	1	85,711	-
Finance costs	<u>(65,076)</u>	<u>-</u>	<u>(76,637)</u>	<u>-</u>
Total non-operating income and expenses	<u>381,019</u>	<u>1</u>	<u>242,913</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	2,291,608	8	1,603,314	6
INCOME TAX EXPENSE (Note 27)	<u>489,512</u>	<u>2</u>	<u>335,162</u>	<u>1</u>
NET PROFIT FOR THE YEAR	<u>1,802,096</u>	<u>6</u>	<u>1,268,152</u>	<u>5</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	46,603	-	(71,272)	-

(Continued)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	\$ 68,565	-	\$ (112,696)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	(8,688)	-	13,889	-
Total items that will not be reclassified subsequently to profit or loss	106,480	-	(170,079)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	412,748	2	(107,019)	-
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	(82,155)	-	21,719	-
Total items that may be reclassified subsequently to profit or loss	330,593	2	(85,300)	-
Other comprehensive income (loss) for the year, net of income tax	437,073	2	(255,379)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 2,239,169	8	\$ 1,012,773	4
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,733,964	6	\$ 1,225,773	5
Non-controlling interests	68,132	-	42,379	-
	\$ 1,802,096	6	\$ 1,268,152	5
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,169,065	8	\$ 1,039,479	4
Non-controlling interests	70,104	-	(26,706)	-
	\$ 2,239,169	8	\$ 1,012,773	4
EARNINGS PER SHARE (Note 28)				
Basic	\$ 1.91		\$ 1.35	
Diluted	\$ 1.91		\$ 1.35	

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

(Concluded)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translation of the Financial Statements of Foreign Operations	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total	Non-controlling Interests	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total							
BALANCE AT 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
Appropriation of 2022 earnings													
Legal reserve	-	-	126,036	-	(126,036)	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,180,466)	(1,180,466)	-	-	-	-	(1,180,466)	-	(1,180,466)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	8,604	-	-	-	-	-	-	-	-	8,604	-	8,604
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33,504)	(33,504)
Net profit for the year ended December 31, 2023	-	-	-	-	1,225,773	1,225,773	-	-	-	-	1,225,773	42,379	1,268,152
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(57,371)	(57,371)	(86,876)	(42,047)	(128,923)	-	(186,294)	(69,085)	(255,379)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	1,168,402	1,168,402	(86,876)	(42,047)	(128,923)	-	1,039,479	(26,706)	1,012,773
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	13,172	13,172	-	(13,172)	(13,172)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	9,150,897	165,585	3,978,059	577,494	3,920,727	8,476,280	(576,053)	183,430	(392,623)	(21,182)	17,378,957	282,190	17,661,147
Appropriation of 2023 earnings													
Legal reserve	-	-	118,157	-	(118,157)	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(1,143,862)	(1,143,862)	-	-	-	-	(1,143,862)	-	(1,143,862)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	8,337	-	-	-	-	-	-	-	-	8,337	-	8,337
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(38,291)	(38,291)
Net profit for the year ended December 31, 2024	-	-	-	-	1,733,964	1,733,964	-	-	-	-	1,733,964	68,132	1,802,096
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	37,917	37,917	328,621	68,563	397,184	-	435,101	1,972	437,073
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	1,771,881	1,771,881	328,621	68,563	397,184	-	2,169,065	70,104	2,239,169
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	2,279	2,279	-	(2,279)	(2,279)	-	-	-	-
BALANCE AT DECEMBER 31, 2024	\$ 9,150,897	\$ 173,922	\$ 4,096,216	\$ 577,494	\$ 4,432,868	\$ 9,106,578	\$ (247,432)	\$ 249,714	\$ 2,282	\$ (21,182)	\$ 18,412,497	\$ 314,003	\$ 18,726,500

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 2,291,608	\$ 1,603,314
Adjustments for:		
Depreciation expenses	572,016	588,260
Amortization expenses	106,235	76,571
Expected credit loss recognized on trade receivables	8,095	40,431
Net gain recognized on financial assets at fair value through profit or loss	(88,540)	(42,783)
Finance costs	65,076	76,637
Interest income	(176,560)	(177,764)
Dividend income	(10,752)	(21,702)
Net gain on disposal of property, plant and equipment	(1,359)	(749)
Reversal of write-down of inventories	(33,448)	(13,375)
Others	(22)	(926)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as fair value through profit or loss	(348,909)	161,402
Notes receivable	10,071	(5,869)
Trade receivables	283,689	408,895
Trade receivables from related parties	(7,897)	4,694
Other receivables	(6,916)	(5,570)
Inventories	454,054	(28,514)
Prepayments	(132,185)	201,840
Other current assets	35,487	1,509
Net defined benefit assets	632	(13)
Contract liabilities	(55,840)	(179,466)
Notes payable	925,624	(15,967)
Trade payables	105,567	133,589
Trade payables to related parties	4,812	(9,744)
Other payables	359,341	(246,527)
Other payables to related parties	602	-
Other current liabilities	(74,110)	28,717
Net defined benefit liabilities	(61,246)	(22,097)
Cash generated from operations	4,225,125	2,554,793
Interest received	120,351	120,901
Interest paid	(65,101)	(78,076)
Income tax paid	(339,242)	(506,594)
Net cash generated from operating activities	<u>3,941,133</u>	<u>2,091,024</u>
		(Continued)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	\$ (439,750)	\$ -
Proceeds from sale of financial assets at fair value through other comprehensive income	23,878	51,912
Purchase of financial assets at amortized cost	(3,801,463)	(2,118,674)
Proceeds from sale of financial assets at amortized cost	3,220,677	1,771,100
Payments for property, plant and equipment	(317,078)	(331,462)
Proceeds from disposal of property, plant and equipment	15,171	5,859
Payments for intangible assets	(34,902)	(77,527)
Decrease in finance lease receivables	1,048	516
Increase in other financial assets	(233,276)	(16,902)
Increase in other non-current assets	(46,876)	(53,416)
Other dividends received	<u>10,753</u>	<u>21,702</u>
Net cash used in investing activities	<u>(1,601,818)</u>	<u>(746,892)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	(891,860)	(1,489,713)
Increase in short-term bills payable	-	49,993
Decrease in short-term bills payable	(49,993)	-
Repayment of the principal portion of lease liabilities	(99,241)	(106,573)
Decrease in other financial liabilities	(3,215)	(666)
Dividends paid to owners of the Company	(1,135,525)	(1,171,862)
Cash dividends paid to non-controlling interests	<u>(38,291)</u>	<u>(33,504)</u>
Net cash used in financing activities	<u>(2,218,125)</u>	<u>(2,752,325)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>66,648</u>	<u>(1,176)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	187,838	(1,409,369)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>2,938,886</u>	<u>4,348,255</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 3,126,724</u>	<u>\$ 2,938,886</u>

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

(Concluded)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 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. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 11, 2025.

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

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

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note 2)

Note 1: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025. An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	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 by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

- 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 based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

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

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
 - 3) Level 3 inputs are unobservable inputs for the asset or liability.
- c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

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

d. 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 statement 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 of the Company.

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.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

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

e. Foreign currencies

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

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

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

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

For the purpose of presenting consolidated financial statements, the financial statements of the Company and its foreign operations (including subsidiaries that are prepared using functional currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

f. Inventories

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

g. Property, plant and equipment

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

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

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

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

h. Investment properties

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

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

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

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as cash-generating units) that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal, and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

j. Intangible assets

1) Intangible assets acquired separately

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

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

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

k. Impairment of property, plant and equipment, right-of-use asset, investment properties and intangible assets other than goodwill

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

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

m. Revenue recognition

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

Revenue from the sale of goods

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

n. Leases

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

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under finance leases, the lease payments comprise fixed payments and residual value guarantees. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

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

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

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

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

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

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

3) Termination benefits

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

r. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current tax and deferred taxes for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 1,441	\$ 1,542
Checking accounts and demand deposits	2,080,863	2,174,213
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	979,420	763,131
Repurchase agreements collateralized by bonds	<u>65,000</u>	<u>-</u>
	<u>\$ 3,126,724</u>	<u>\$ 2,938,886</u>

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

	December 31	
	2024	2023
Bank balance	0.001%-4.950%	0.001%-5.580%
Repurchase agreements collateralized by bonds	1.440%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Listed shares	\$ 58,118	\$ 37,600
Mutual funds	1,416,470	1,043,024
Note cash	<u>132,301</u>	<u>79,880</u>
	<u>\$ 1,606,889</u>	<u>\$ 1,160,504</u>
<u>Financial assets at FVTPL - non-current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Listed shares	\$ 9,424	\$ 14,703
Domestic unlisted shares	<u>1,403</u>	<u>2,028</u>
	<u>\$ 10,827</u>	<u>\$ 16,731</u>

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
<u>Current</u>		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	<u>\$ 215,821</u>	<u>\$ 198,617</u>
<u>Non-current</u>		
Investments in equity instruments at FVTOCI	<u>\$ 647,632</u>	<u>\$ 180,328</u>
<u>Investments in equity instruments at FVTOCI</u>		
	December 31	
	2024	2023
<u>Current</u>		
Listed shares and emerging market shares		
Ordinary shares - Far Eastern International Bank	\$ 20,342	\$ 18,555
Ordinary shares - Chunghwa Telecom Co., Ltd	6,002	5,832
Ordinary shares - Formosa Plastics Corporation	-	7,242
Ordinary shares - China Steel Corporation	-	21,688
Ordinary shares - Polytronics Technology Corp.	92,727	91,930
Ordinary shares - Taiwan Semiconductor Manufacturing Co., Ltd.	<u>96,750</u>	<u>53,370</u>
	<u>\$ 215,821</u>	<u>\$ 198,617</u>

(Continued)

	December 31	
	2024	2023
<u>Non-current</u>		
Listed shares and emerging market shares		
Ordinary shares - GeneFerm Biotechnology Co., Ltd.	\$ 100,820	\$ 159,811
Unlisted shares		
Ordinary shares - Dah Chung Bills Finance Corp.	20,662	19,474
Ordinary shares - H2U Corporation	408,170	-
Ordinary shares - Sancci Manufacture Food Company	116,853	-
Ordinary shares - AsiaVest Liquidation Co.	<u>1,127</u>	<u>1,043</u>
	<u>\$ 647,632</u>	<u>\$ 180,328</u>
		(Concluded)

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 FVTOCI 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 August 2024, the Group adjusted the investment position to diversify the risk and sold the ordinary shares of Formosa Plastics Corporation and China Steel Corporation. at \$23,878 thousand. The related other equity - unrealized gain (loss) on financial assets at FVTOCI, \$2,279 thousand, was restated into the retained earnings.

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
<u>Current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 3,055,817</u>	<u>\$ 1,203,147</u>
<u>Non-current</u>		
Time deposits with original maturities of more than 3 months	<u>\$ 820,944</u>	<u>\$ 1,971,770</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.59%-4.62% and 1.45%-5.60% per annum as of December 31, 2024 and 2023, respectively.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2024	2023
<u>Notes receivable</u>		
Operating	\$ 5,365	\$ 14,829
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 4,363,778	\$ 4,590,853
Less: Allowance for impairment loss	(76,540)	(98,588)
	<u>\$ 4,287,238</u>	<u>\$ 4,492,265</u>
<u>Other receivables</u>		
Generated from providing customer management services	\$ 242,061	\$ 225,655
Accrued interest	184,354	121,643
Others	10,834	20,147
	<u>\$ 437,249</u>	<u>\$ 367,445</u>

The Group's credit period for commodity sales averages 30-90 days. In order 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 information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, the credit risk management department of the Group would continue to engage in enforcement activity in compliance with laws and regulations. The trade receivable will be written off when the amount due is collected.

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

December 31, 2024

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.27%	5.84%	8.49%	43.57%	99.14%	
Gross carrying amount	\$ 4,239,667	\$ 32,810	\$ 27,772	\$ 13,175	\$ 55,719	\$ 4,369,143
Loss allowance (Lifetime ECL)	(11,286)	(1,916)	(2,359)	(5,740)	(55,239)	(76,540)
Amortized cost	<u>\$ 4,228,381</u>	<u>\$ 30,894</u>	<u>\$ 25,413</u>	<u>\$ 7,435</u>	<u>\$ 480</u>	<u>\$ 4,292,603</u>

December 31, 2023

	Not Past Due	Less than 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0.29%	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)	<u>(12,676)</u>	<u>(3,231)</u>	<u>(3,329)</u>	<u>(6,977)</u>	<u>(72,375)</u>	<u>(98,588)</u>
Amortized cost	<u>\$ 4,399,317</u>	<u>\$ 70,631</u>	<u>\$ 24,624</u>	<u>\$ 11,915</u>	<u>\$ 607</u>	<u>\$ 4,507,094</u>

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

	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
Balance at January 1	\$ 98,588	\$ 59,455
Add: Impairment loss provided for the current period	8,095	40,431
Less: Actual write-off for the current period	(34,928)	-
Foreign exchange translation gains and losses	<u>4,785</u>	<u>(1,298)</u>
Balance at December 31	<u>\$ 76,540</u>	<u>\$ 98,588</u>

11. FINANCE LEASE RECEIVABLES

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Undiscounted lease payments</u>		
Year 1	\$ 1,143	\$ 1,095
Year 2	1,143	1,143
Year 3	1,659	1,143
Year 4	<u>-</u>	<u>1,659</u>
	3,945	5,040
Less: Unearned finance income	<u>(63)</u>	<u>(110)</u>
Net investment in leases presented as finance lease receivables	<u>\$ 3,882</u>	<u>\$ 4,930</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

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Merchandise	\$ 443,731	\$ 423,121
Finished goods	2,231,907	2,294,966
Work in progress	788,823	913,832
Raw materials	1,818,193	1,939,428
Packing materials	<u>96,933</u>	<u>92,006</u>
	<u>\$ 5,379,587</u>	<u>\$ 5,663,353</u>

The cost of goods sold for the year ended December 31, 2024 included gains from the recovery of the inventories of \$33,448 thousand and loss on abandoned inventories of \$11,380 thousand. The cost of goods sold for the year ended December 31, 2023 included gains from the recovery of the inventories of \$13,375 thousand and loss on abandoned inventories of \$19,200 thousand. The increase in the net realizable value of inventories was a result of de-stocking of inventories initially stated as the loss on the price decline of inventories.

13. PREPAYMENTS

	December 31	
	2024	2023
Prepayments for purchases	\$ 747,004	\$ 539,205
Prepayments for rent	6,879	5,104
Prepayments for insurance	875	1,045
Excess business tax paid	207,406	212,621
Prepayments for advertisements	17,403	16,103
Others	<u>236,814</u>	<u>270,042</u>
	<u>\$ 1,216,381</u>	<u>\$ 1,044,120</u>

14. SUBSIDIARIES

Subsidiaries included in consolidated financial statements.

Investor	Investee	Main Business	Proportion of Ownership		Remark
			December 31		
			2024	2023	
The Company	Standard Dairy Products Taiwan Limited (“Standard Dairy Products”)	Manufacture and sale of dairy products and beverages	100.0	100.0	-
The Company	Charng Hui Ltd. (“Charng Hui”)	Investing	100.0	100.0	-
The Company	Domex Technology Corporation (“Domex Technology”)	Manufacture and sale of computer peripherals and computer appliances	52.0	52.0	-
The Company	Standard Beverage Company Limited (“Standard Beverage”)	Manufacture and sale of beverages	100.0	100.0	-
The Company	Accession Limited	Investing	100.0	100.0	-
The Company	Standard Investment (“Cayman”) Limited (“Cayman Standard”)	Investing	100.0	100.0	The Company invested US\$6,923 thousand into Cayman Standard in October 2023.
The Company	Standard Foods, LLC.	Sale of health food	100.0	100.0	-
The Company	Standard Great Foods Singapore PTE. LTD.	Food business	100.0	100.0	The Company invested SGD386 thousand into Standard Great Foods Singapore PTE. LTD. in December 2023.
The Company	Newtrin Holding PTE. LTD.	Investing	100.0	-	The Company invested US\$500 thousand into Newtrin Holding PTE. LTD. in December 2024.
Accession Limited	Shanghai Standard Foods Co., Ltd. (“Shanghai Standard”)	Manufacture and sale of edible oils and nutritious foods	100.0	100.0	-
Accession Limited	Dermalab S.A. (“Dermalab”)	Development and sale of cosmetics	100.0	100.0	-
Dermalab	Swissdema SL (“Swissdema”)	Sale of cosmetics	100.0	100.0	-
Cayman Standard	Standard Corporation (Hong Kong) Limited (“Hong Kong Standard”)	Investing	100.0	100.0	Cayman Standard invested US\$6,923 thousand into Hong Kong Standard in October 2023.

(Continued)

Investor	Investee	Main Business	Proportion of Ownership		Remark
			December 31		
			2024	2023	
Hong Kong Standard	Standard Investment (China) Co., Ltd. ("China Standard Investment")	Investing and sale of edible oils and nutritious foods	99.0	99.0	-
Hong Kong Standard	Shanghai New Vitality Health Technology (Group) Co., Ltd. ("Shanghai New Vitality")	Sale of nutritional foods, cosmetic and engage in import and export business	99.0	99.0	Hong Kong Standard invested RMB49,500 thousand into Shanghai New Vitality in October 2023.
Hong Kong Standard	Shanghai Le Ming Industrial Co., Ltd. ("Shanghai Le Ming")	Management of properties	100.0	100.0	
Hong Kong Standard	Shanghai Le Ho Industrial Co., Ltd. ("Shanghai Le Ho")	Management of properties	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	-
China Standard Investment	Standard Foods (Xiamen) Co., Ltd. ("Xiamen Standard")	Manufacture and sale of edible oils and nutritious foods	100.0	100.0	-
Shanghai New Vitality	Shanghai Dermalab Corporation ("Shanghai Dermalab")	Sale of nutritional foods, cosmetic and engage in import and export business	100.0	100.0	-
Shanghai New Vitality	Le Bonta Wellness Co., Ltd. ("Shanghai Le Bonta")	Sale of nutritional foods and engage in import and export business	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")	Technical consultant on health technology, technical transfer and technical service	100.0	100.0	-
Shanghai New Vitality	Jiangsu Hua Sun Health Technology Co., Ltd. (Jiangsu Hua Sun)	Develop brands and products in the field of health foods and special nutritious foods	100.0	100.0	Shanghai New Vitality invested RMB50,000 thousand into Jiangsu Hua Sun Co., Ltd. in November 2023. Shanghai Le Bonta split the assets amounting to RMB20,300 thousand and incorporated Jiangsu Hua Sun in August 2023.
Shanghai Dermalab	Rotiva International Limited (Rotiva)	Sale of cosmetics	100.0%	-	Shanghai Dermalab invested RMB8 thousand into Rotiva in October 2024.
(Concluded)					

(Concluded)

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Land Improvement	Buildings	Equipment	Other Equipment	Property in Construction and Equipment to Be Tested	Total
<u>Cost</u>							
Balance at January 1, 2023	\$ 994,620	\$ -	\$ 3,538,358	\$ 4,229,390	\$ 617,918	\$ 288,527	\$ 9,668,813
Additions	-	-	1,975	441	2,396	326,650	331,462
Disposals	-	-	(4,316)	(75,085)	(24,546)	-	(103,947)
Reclassified	4,530	33,771	67,804	223,752	42,551	(372,899)	(491)
Effects of foreign currency exchange differences	-	-	(32,352)	(22,547)	(3,496)	55	(58,340)
Balance at December 31, 2023	<u>\$ 999,150</u>	<u>\$ 33,771</u>	<u>\$ 3,571,469</u>	<u>\$ 4,355,951</u>	<u>\$ 634,823</u>	<u>\$ 242,333</u>	<u>\$ 9,837,497</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	\$ -	\$ -	\$ 1,684,697	\$ 3,232,756	\$ 468,569	\$ -	\$ 5,386,022
Disposals	-	-	(4,224)	(71,044)	(23,569)	-	(98,837)
Reclassified	-	-	-	(3,866)	3,866	-	-
Depreciation expenses	-	1,248	162,483	234,317	46,303	-	444,351
Effects of foreign currency exchange differences	-	-	(12,864)	(14,431)	(2,600)	-	(29,895)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 1,248</u>	<u>\$ 1,830,092</u>	<u>\$ 3,377,732</u>	<u>\$ 492,569</u>	<u>\$ -</u>	<u>\$ 5,701,641</u>
Carrying amount at December 31, 2023	<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>

(Continued)

	Freehold Land	Land Improvement	Buildings	Equipment	Other Equipment	Property in Construction and Equipment to Be Tested	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 999,150	\$ 33,771	\$ 3,571,469	\$ 4,355,951	\$ 634,823	\$ 242,333	\$ 9,837,497
Additions	-	-	-	38,336	821	277,921	317,078
Disposals	-	-	(3,866)	(112,005)	(45,955)	-	(161,826)
Reclassified	-	-	(9,254)	104,835	34,496	(152,549)	(22,472)
Effects of foreign currency exchange differences	-	-	98,949	68,110	14,256	297	181,612
Balance at December 31, 2024	<u>\$ 999,150</u>	<u>\$ 33,771</u>	<u>\$ 3,657,298</u>	<u>\$ 4,455,227</u>	<u>\$ 638,441</u>	<u>\$ 368,002</u>	<u>\$ 10,151,889</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2024	\$ -	\$ 1,248	\$ 1,830,092	\$ 3,377,732	\$ 492,569	\$ -	\$ 5,701,641
Disposals	-	-	(3,866)	(100,571)	(43,577)	-	(148,014)
Reclassified	-	-	(16,658)	47	(59)	-	(16,670)
Depreciation expenses	-	2,110	165,286	211,854	44,885	-	424,135
Effects of foreign currency exchange differences	-	-	39,684	43,569	10,644	-	93,897
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 3,358</u>	<u>\$ 2,014,538</u>	<u>\$ 3,532,631</u>	<u>\$ 504,462</u>	<u>\$ -</u>	<u>\$ 6,054,989</u>
Carrying amount at December 31, 2024	<u>\$ 999,150</u>	<u>\$ 30,413</u>	<u>\$ 1,642,760</u>	<u>\$ 922,596</u>	<u>\$ 133,979</u>	<u>\$ 368,002</u>	<u>\$ 4,096,900</u>

(Concluded)

No impairment assessment was performed for the years ended December 31, 2024 and 2023 since there was no indication of impairment.

The depreciation expenses on a straight-line basis over the following estimated useful lives of the assets:

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

Refer to Note 33 for the carrying amount of property, plant and equipment pledged by the Group to secure borrowings granted to the Group.

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Land	\$ 387,868	\$ 382,267
Buildings	220,433	131,458
Office equipment	3,060	3,031
Transportation equipment	<u>7,170</u>	<u>7,927</u>
	<u>\$ 618,531</u>	<u>\$ 524,683</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 191,536</u>	<u>\$ 80,826</u>
Depreciation charge for right-of-use assets		
Land	\$ 13,111	\$ 13,001
Buildings	90,359	87,292
Office equipment	812	552
Transportation equipment	<u>3,652</u>	<u>3,959</u>
	<u>\$ 107,934</u>	<u>\$ 104,804</u>

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amounts</u>		
Current	<u>\$ 85,020</u>	<u>\$ 69,502</u>
Non-current	<u>\$ 190,294</u>	<u>\$ 120,685</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2024	2023
Land	1.07%-1.49%	1.07%-1.49%
Buildings	1.07%-4.35%	1.07%-4.35%
Office equipment	1.07%-1.85%	1.07%
Transportation equipment	1.07%-3.77%	1.07%-3.77%

c. Material lease-in 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 Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	\$ 96,062	\$ 99,173
Expenses relating to low-value asset leases	\$ 1,473	\$ 1,571
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 74	\$ 80
Total cash outflow for leases	\$ (204,510)	\$ (212,731)

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

17. INVESTMENT PROPERTIES

	Completed Investment Properties	Right-of-use Assets	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 1,005,938	\$ 5,693	\$ 1,011,631
Effects of foreign currency exchange differences	(14,886)	(96)	(14,982)
Balance at December 31, 2023	\$ 991,052	\$ 5,597	\$ 996,649
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2023	\$ 247,588	\$ 1,682	\$ 249,270
Depreciation expenses	38,657	448	39,105
Effects of foreign currency exchange differences	(4,326)	(37)	(4,363)
Balance at December 31, 2023	\$ 281,919	\$ 2,093	\$ 284,012
Carrying amount at December 31, 2023	\$ 709,133	\$ 3,504	\$ 712,637

(Continued)

	Completed Investment Properties	Right-of-use Assets	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 991,052	\$ 5,597	\$ 996,649
Reclassified	22,460	-	22,460
Effects of foreign currency exchange differences	<u>45,509</u>	<u>292</u>	<u>45,801</u>
Balance at December 31, 2024	<u>\$ 1,059,021</u>	<u>\$ 5,889</u>	<u>\$ 1,064,910</u>
<u>Accumulated depreciation and impairment</u>			
Balance at January 1, 2024	\$ 281,919	\$ 2,093	\$ 284,012
Depreciation expenses	39,490	457	39,947
Reclassified	16,658	-	16,658
Effects of foreign currency exchange differences	<u>13,336</u>	<u>115</u>	<u>13,451</u>
Balance at December 31, 2024	<u>\$ 351,403</u>	<u>\$ 2,665</u>	<u>\$ 354,068</u>
Carrying amount at December 31, 2024	<u>\$ 707,618</u>	<u>\$ 3,224</u>	<u>\$ 710,842</u>
			(Concluded)

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

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

The Group's investment properties are located in Suzhou City, Jiangsu Province, China. Because the location is an industrial zone, the market for comparable properties is inactive and alternative reliable measurements of fair value are not available. Therefore, the fair value is not reliably measurable.

In addition to the above, the fair values of the investment properties were \$1,176,532 thousand and \$1,116,414 thousand as of December 31, 2024 and 2023, respectively. The management of the Group determined the fair value with reference to market transaction prices of similar properties.

All of the Group's investment properties are held under freehold interests. The carrying amounts of investment properties pledged by the Group to secure borrowings granted to the Group are disclosed in Note 33.

18. INTANGIBLE ASSETS

	Trademark	Computer Software	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 264,959	\$ 261,854	\$ 526,813
Additions	338	77,189	77,527
Disposals	(325)	-	(325)
Effects of foreign currency exchange differences	<u>(478)</u>	<u>(1,256)</u>	<u>(1,734)</u>
Balance at December 31, 2023	<u>\$ 264,494</u>	<u>\$ 337,787</u>	<u>\$ 602,281</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2023	\$ 181,483	\$ 235,070	\$ 416,553
Disposals	(325)	-	(325)
Amortization expenses	5,637	18,277	23,914
Effects of foreign currency exchange differences	<u>(8,115)</u>	<u>(35)</u>	<u>(8,150)</u>
Balance at December 31, 2023	<u>\$ 178,680</u>	<u>\$ 253,312</u>	<u>\$ 431,992</u>
Carrying amount at December 31, 2023	<u>\$ 85,814</u>	<u>\$ 84,475</u>	<u>\$ 170,289</u>
<u>Cost</u>			
Balance at January 1, 2024	\$ 264,494	\$ 337,787	\$ 602,281
Additions	18	34,884	34,902
Effects of foreign currency exchange differences	<u>11,567</u>	<u>3,268</u>	<u>14,835</u>
Balance at December 31, 2024	<u>\$ 276,079</u>	<u>\$ 375,939</u>	<u>\$ 652,018</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2024	\$ 178,680	\$ 253,312	\$ 431,992
Amortization expenses	40,043	17,100	57,143
Effects of foreign currency exchange differences	<u>11,926</u>	<u>146</u>	<u>12,072</u>
Balance at December 31, 2024	<u>\$ 230,649</u>	<u>\$ 270,558</u>	<u>\$ 501,207</u>
Carrying amount at December 31, 2024	<u>\$ 45,430</u>	<u>\$ 105,381</u>	<u>\$ 150,811</u>

No impairment assessment was performed for the years ended December 31, 2024 and 2023 as there was no indication of impairment.

The amortization expenses on a straight-line basis over the following estimated lives:

Trademark	10-20 years
Computer software	2-3 years

19. OTHER ASSETS

	December 31	
	2024	2023
<u>Current</u>		
Pledge time deposits (Note 33)	\$ 10,478	\$ 10,174
Advances to officers	20,767	20,532
Temporary payments	-	780
Right to recover a product	42,429	75,885
Others	<u>-</u>	<u>23</u>
	<u>\$ 73,674</u>	<u>\$ 107,394</u>
<u>Non-current</u>		
Prepayments for equipment	\$ 8,413	\$ 2,425
Refundable deposits	533,873	284,360
Others	<u>97,955</u>	<u>101,808</u>
	<u>\$ 640,241</u>	<u>\$ 388,593</u>

20. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
<u>Secured borrowings (Note 33)</u>		
Bank loans	\$ 70,000	\$ 30,000
<u>Unsecured borrowings</u>		
Bank loans	<u>516,080</u>	<u>1,391,038</u>
	<u>\$ 586,080</u>	<u>\$ 1,421,038</u>

The range of interest rates on bank loans was 1.89%-3.00% and 1.88%-3.00% per annum as of December 31, 2024 and 2023, respectively.

b. Short-term bills payable

	December 31, 2023
Commercial paper	\$ 50,000
Less: Unamortized discount on bills payable	<u>(7)</u>
	<u>\$ 49,993</u>

Outstanding short-term bills payable were as follows:

December 31, 2023

Financial Institutions	Nominal Amount	Discount Amount	Carrying Amount	Interest Rate	Collateral	Carrying Amount of Collateral
<u>Commercial paper</u>						
Taiwan Cooperative Financial Holding Co., Ltd.	<u>\$ 50,000</u>	<u>\$ (7)</u>	<u>\$ 49,993</u>	2.14%	-	<u>\$ -</u>

21. NOTES PAYABLE AND TRADE PAYABLES

	<u>December 31</u>	
	2024	2023
<u>Notes payable</u>		
Operating	<u>\$ 1,481,420</u>	<u>\$ 519,183</u>
<u>Trade payables</u>		
Operating	<u>\$ 1,655,973</u>	<u>\$ 1,535,268</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>December 31</u>	
	2024	2023
<u>Current</u>		
Other payables		
Generated from providing customer management services	\$ 198,509	\$ 173,171
Payable for salaries and bonuses	398,332	379,849
Payable for compensation of employees	28,146	19,472
Payable for remuneration of directors	11,553	8,113
Payable for commission and rebates	1,929,862	1,723,074
Advertisement payable	317,855	318,624
Payable for royalties	25,594	24,998
Payable for freight	80,788	84,669
Payable for equipment	78,718	74,872
Others	<u>841,475</u>	<u>657,356</u>
	<u>\$ 3,910,832</u>	<u>\$ 3,464,198</u>

(Continued)

	December 31	
	2024	2023
Other liabilities		
Advance receipts from customers	\$ 1,854	\$ 2,040
Return liability	75,104	120,155
Others	<u>10,166</u>	<u>35,492</u>
	<u>\$ 87,124</u>	<u>\$ 157,687</u>
<u>Non-current</u>		
Other liabilities		
Guarantee deposits	<u>\$ 18,943</u>	<u>\$ 21,249</u>
		(Concluded)

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

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and domestic subsidiaries of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The foreign subsidiaries also make contributions to defined contribution plan in accordance with the local regulations.

b. Defined benefit plans

The defined benefit plan of the Company and domestic subsidiaries of the Group are operated by the government of the Republic of China (ROC) in accordance with the Labor Standards Act. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Company and domestic subsidiaries of the Group make monthly contributions to their respective pension funds administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

Dermalab of the Group also adopted a defined benefit plan.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2024	2023
Present value of funded defined benefit obligation	\$ 654,908	\$ 670,013
Fair value of plan assets	<u>(531,829)</u>	<u>(439,649)</u>
Net defined benefit liabilities	<u>\$ 123,079</u>	<u>\$ 230,364</u>

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	<u>\$ 592,117</u>	<u>\$ (412,099)</u>	<u>\$ 180,018</u>
Service cost			
Current service cost	6,827	-	6,827
Past service cost	35,957	-	35,957
Net interest expense (income)	<u>9,541</u>	<u>(6,793)</u>	<u>2,748</u>
Recognized in profit or loss	<u>52,325</u>	<u>(6,793)</u>	<u>45,532</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,199)	(3,199)
Actuarial gain - changes in demographic assumptions	(1,890)		(1,890)
Actuarial loss - changes in financial assumptions	13,000	-	13,000
Actuarial loss - experience adjustments	<u>63,361</u>	<u>-</u>	<u>63,361</u>
Recognized in other comprehensive income	<u>74,471</u>	<u>(3,199)</u>	<u>71,272</u>
Contributions from the employer	<u>-</u>	<u>(29,807)</u>	<u>(29,807)</u>
Contributions from plan participants	<u>4,324</u>	<u>(4,324)</u>	<u>-</u>
Benefits paid	<u>(23,324)</u>	<u>23,324</u>	<u>-</u>
Direct payment to employees	<u>(37,921)</u>	<u>-</u>	<u>(37,921)</u>
Exchange differences	<u>8,021</u>	<u>(6,751)</u>	<u>1,270</u>
Balance at December 31, 2023	<u>\$ 670,013</u>	<u>\$ (439,649)</u>	<u>\$ 230,364</u>
Balance at January 1, 2024	<u>\$ 670,013</u>	<u>\$ (439,649)</u>	<u>\$ 230,364</u>
Service cost			
Current service cost	8,517	632	9,149
Past service cost	4,440	-	4,440
Net interest expense (income)	<u>9,190</u>	<u>(6,318)</u>	<u>2,872</u>
Recognized in profit or loss	<u>22,147</u>	<u>(5,686)</u>	<u>16,461</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(36,368)	(36,368)
Actuarial gain - changes in demographic assumptions	36	-	36

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Actuarial gain - changes in financial assumptions	\$ (1,733)	\$ -	\$ (1,733)
Actuarial gain - experience adjustments	(8,538)	-	(8,538)
Recognized in other comprehensive income	(10,235)	(36,368)	(46,603)
Contributions from the employer	-	(74,273)	(74,273)
Contributions from plan participants	4,616	(4,616)	-
Benefits paid	(28,261)	28,261	-
Direct payment to employees	(2,803)	-	(2,803)
Exchange differences	(569)	502	(67)
Balance at December 31, 2024	<u>\$ 654,908</u>	<u>\$ (531,829)</u>	<u>\$ 123,079</u> (Concluded)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

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

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

	December 31	
	2024	2023
Discount rates	1.100%-1.500%	1.000%-2.000%
Expected rates of salary increase	0.500%-3.250%	0.500%-3.250%

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

	December 31	
	2024	2023
Discount rates		
0.250% increase	<u>\$ (14,180)</u>	<u>\$ (14,842)</u>
0.250% decrease	<u>\$ 14,734</u>	<u>\$ 15,419</u>
		(Continued)

	December 31	
	2024	2023
Expected rates of salary increase		
0.250% increase	<u>\$ 11,650</u>	<u>\$ 12,859</u>
0.250% decrease	<u>\$ (11,163)</u>	<u>\$ (12,589)</u>
		(Concluded)

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

	December 31	
	2024	2023
The expected contributions to the plan for the next year	<u>\$ 28,012</u>	<u>\$ 25,424</u>
The average duration of the defined benefit obligation	1.0-13.2 years	1.0-12.0 years

24. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Number of shares authorized (in thousands)	<u>920,000</u>	<u>920,000</u>
Shares authorized	<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>
Shares issued	<u>\$ 9,150,897</u>	<u>\$ 9,150,897</u>

b. Capital surplus

	December 31	
	2024	2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
Recognized from the difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ 1	\$ 1
Recognized from treasury share transactions	173,212	164,875
<u>May be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries (2)	<u>709</u>	<u>709</u>
	<u>\$ 173,922</u>	<u>\$ 165,585</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 profit in a fiscal year, the profit shall be appropriated, less any paying taxes and deficit:

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

The Company's Articles of Incorporation also prescribe that 30% to 100% of dividends shall be paid in cash; however, if the Company has major investment plans for which external funds are not available, the percentage may be lowered to 5% to 20%. The distribution plan shall be proposed by the Company's board of directors and resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of the compensation of employees and remuneration of directors after amendment, refer to Note 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 appropriations of earnings for 2023 and 2022, which were proposed in the shareholders' meetings on June 19, 2024 and June 16, 2023, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 118,157	\$ 126,036
Cash dividends	\$ 1,143,862	\$ 1,180,466
Cash dividends per share (NT\$)	\$ 1.25	\$ 1.29

The appropriation of earnings for 2024, which were proposed by the Company's board of directors on March 11, 2025, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	\$ 177,416
Cash dividends	\$ 1,281,125
Cash dividends per share (NT\$)	\$ 1.40

The appropriation of earnings for 2024 will be resolved by the shareholders in their meeting to be held on June 19, 2025.

d. Special reserve

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1 and December 31	<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 translation of the financial statements of foreign operations

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1	\$ (576,053)	\$ (489,177)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	<u>328,621</u>	<u>(86,876)</u>
Other comprehensive income recognized for the year	<u>328,621</u>	<u>(86,876)</u>
Balance at December 31	<u>\$ (247,432)</u>	<u>\$ (576,053)</u>

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

	<u>For the Year Ended December 31</u>	
	2024	2023
Balance at January 1	\$ 183,430	\$ 238,649
Recognized for the year		
Unrealized (loss) gain - equity instruments	<u>68,563</u>	<u>(42,047)</u>
Other comprehensive income recognized for the year	<u>68,563</u>	<u>(42,047)</u>
Disposal of equity instruments transferred to the retained earnings	<u>(2,279)</u>	<u>(13,172)</u>
Balance at December 31	<u>\$ 249,714</u>	<u>\$ 183,430</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 282,190	\$ 342,400
Share in profit for the year	68,132	42,379
Other comprehensive income (loss) during the year		
Exchange difference on translation of the financial statements of foreign operations	1,972	1,576
Unrealized (loss) gain on financial assets at FVTOCI	-	(70,661)
Cash dividends distributed by subsidiaries to non-controlling interests	<u>(38,291)</u>	<u>(33,504)</u>
Balance at December 31	<u>\$ 314,003</u>	<u>\$ 282,190</u>

g. Treasury shares

Purpose of Buy-back	Shares Held by Subsidiaries (In Thousands of Shares)
Number of shares at December 31, 2024 and January 1, 2024	<u>6,669</u>
Number of shares at December 31, 2023 and January 1, 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:

Name of Subsidiary	Number of Shares Held (In Thousands of Shares)	Carrying Amount	Market Price
<u>December 31, 2024</u>			
Chang Hui	6,669	<u>\$ 21,182</u>	<u>\$ 244,436</u>
<u>December 31, 2023</u>			
Chang Hui	6,669	<u>\$ 21,182</u>	<u>\$ 259,442</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 Year Ended December 31	
	2024	2023
Revenue from contracts with customers		
Revenue from sale of goods	<u>\$ 28,973,692</u>	<u>\$ 27,804,118</u>

a. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Notes receivable (Note 10)	\$ 5,365	\$ 14,829	\$ 9,223
Trade receivables (Note 10)	\$ 4,363,778	\$ 4,590,853	\$ 5,025,105
Trade receivables from related parties (Note 32)	\$ 7,940	\$ 43	\$ 4,737
Contract liabilities - current			
Sale of goods	\$ 253,182	\$ 295,312	\$ 478,697

b. Disaggregation of revenue

	Reportable Segments			Total
	Nutritious Foods	Cooking Products	Others	
For the year ended <u>December 31, 2024</u>				
Types of goods or services				
Sale of goods	\$ 10,371,278	\$ 15,741,681	\$ 2,860,733	\$ 28,973,692
For the year ended <u>December 31, 2023</u>				
Types of goods or services				
Sale of goods	\$ 10,400,114	\$ 14,625,564	\$ 2,778,440	\$ 27,804,118

26. NET PROFIT

Net profit includes:

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	\$ 56,795	\$ 51,701
Financial assets at amortized cost	116,512	123,851
Repurchase agreements collateralized by bonds	535	270
Others	<u>2,718</u>	<u>1,942</u>
	<u>\$ 176,560</u>	<u>\$ 177,764</u>

b. Other income

	For the Year Ended December 31	
	2024	2023
Rental income		
Operating lease rental income		
Investment properties	\$ 47,553	\$ 33,057
Others	<u>797</u>	<u>1,316</u>
	<u>48,350</u>	<u>34,373</u>
Dividends		
Investments in equity instruments at FVTPL	837	-
Investments in equity instruments at FVTOCI	<u>9,915</u>	<u>21,702</u>
	<u>10,752</u>	<u>21,702</u>
	<u>\$ 59,102</u>	<u>\$ 56,075</u>

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Fair value changes of financial assets and financial liabilities		
Financial assets and financial liabilities held for trading	\$ 88,540	\$ 42,783
Net foreign exchange gains (losses)	89,040	(12,629)
Net gain on disposal of property, plant and equipment	1,359	749
Government grants	16,783	4,708
Others	<u>14,711</u>	<u>50,100</u>
	<u>\$ 210,433</u>	<u>\$ 85,711</u>

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	\$ 56,776	\$ 70,525
Interest on short-term bills payable	551	736
Interest on lease liabilities	7,660	5,334
Other interest expense	<u>89</u>	<u>42</u>
	<u>\$ 65,076</u>	<u>\$ 76,637</u>

e. Impairment loss (gain on reversal)

	For the Year Ended December 31	
	2024	2023
Trade receivables	<u>\$ 8,095</u>	<u>\$ 40,431</u>
Inventories (included in operating costs)	<u>\$ (33,448)</u>	<u>\$ (13,375)</u>

f. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 371,031	\$ 374,085
Operating expenses	161,038	175,070
Non-operating revenue and expenses	<u>39,947</u>	<u>39,105</u>
	<u>\$ 572,016</u>	<u>\$ 588,260</u>
An analysis of amortization by function		
Operating costs	\$ 24,847	\$ 29,701
Operating expenses	<u>81,388</u>	<u>46,870</u>
	<u>\$ 106,235</u>	<u>\$ 76,571</u>

g. Operating expenses directly related to investment properties

	For the Year Ended December 31	
	2024	2023
Direct operating expenses of investment properties that generated rental income	\$ 7,296	\$ 2,120
Direct operating expenses of investment properties that did not generated rental income	<u>579</u>	<u>575</u>
	<u>\$ 7,875</u>	<u>\$ 2,695</u>

h. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Post-employment benefits		
Defined contribution plans	\$ 147,542	\$ 137,665
Defined benefit plans (Note 23)	<u>16,461</u>	<u>45,532</u>
	164,003	183,197
Other employee benefits	<u>2,617,101</u>	<u>2,437,489</u>
Total employee benefits expense	<u>\$ 2,781,104</u>	<u>\$ 2,620,686</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 978,002	\$ 939,397
Operating expenses	<u>1,803,102</u>	<u>1,681,289</u>
	<u>\$ 2,781,104</u>	<u>\$ 2,620,686</u>

i. Employees' compensation and remuneration of directors

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 compensation of employees and remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 11, 2025 and March 11, 2024, respectively, were as follows:

Accrual rate

	For the Year Ended December 31	
	2024	2023
Compensation of employees	1.34%	1.32%
Remuneration of directors	0.55%	0.55%

Amount

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 28,146	\$ 19,472
Remuneration of directors	11,553	8,113

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.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

j. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2024	2023
Foreign exchange gains	\$ 140,326	\$ 98,732
Foreign exchange losses	<u>(51,286)</u>	<u>(111,361)</u>
Net gains (losses)	<u>\$ 89,040</u>	<u>\$ (12,629)</u>

27. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 438,362	\$ 399,849
Income tax on unappropriated earnings	-	51
Adjustments for prior years	<u>(4,330)</u>	<u>(24,314)</u>
	<u>434,032</u>	<u>375,586</u>
Deferred tax		
In respect of the current year	<u>55,480</u>	<u>(40,424)</u>
Income tax expense recognized in profit or loss	<u>\$ 489,512</u>	<u>\$ 335,162</u>

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

	For the Year Ended December 31	
	2024	2023
Profit before tax	<u>\$ 2,291,608</u>	<u>\$ 1,603,314</u>
Income tax expense calculated at the statutory rate	\$ 765,516	\$ 426,667
Nondeductible expenses in determining taxable income	10,914	11,020
Tax-exempt income	(94,357)	(58,339)
Unrecognized deductible temporary differences and loss carryforwards	(188,231)	(19,923)
Income tax on unappropriated earnings	-	51
Adjustments for prior years' tax	<u>(4,330)</u>	<u>(24,314)</u>
Income tax expense recognized in profit or loss	<u>\$ 489,512</u>	<u>\$ 335,162</u>

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current year		
Translation of foreign operations	\$ 82,155	\$ (21,719)
Fair value changes of financial assets at FVTOCI	2	12
Remeasurement of defined benefit plans	<u>8,686</u>	<u>(13,901)</u>
Total expense (income) tax recognized in other comprehensive income	<u>\$ 90,843</u>	<u>\$ (35,608)</u>

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets		
Tax refund receivable	\$ <u>299</u>	\$ <u>299</u>
Current tax liabilities		
Income tax payable	\$ <u>202,339</u>	\$ <u>107,241</u>

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Investments accounted for using the equity method	\$ 71,395	\$ (13,142)	\$ -	\$ -	\$ 58,253
Exchange differences on translation of the financial statements of foreign operations	144,012	-	(82,155)	-	61,857
Defined benefit plans	80,245	(6,657)	(9,321)	(11)	64,256
Advertisement payable	53,062	-	-	2,761	55,823
Deferred sales returns and allowances	18,000	(776)	-	-	17,224
Allowance for inventory loss	28,422	(2,559)	-	-	25,863
Financial assets measured at cost	20,408	-	(2)	-	20,406
Others	<u>12,158</u>	<u>(336)</u>	<u>-</u>	<u>(5)</u>	<u>11,817</u>
	<u>\$ 427,702</u>	<u>\$ (23,470)</u>	<u>\$ (91,478)</u>	<u>\$ 2,745</u>	<u>\$ 315,499</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Investments accounted for using the equity method	\$ 20,653	\$ 21,270	\$ -	\$ -	\$ 41,923
Reserve for land value increment tax	33,685	-	-	-	33,685
Defined benefit plans	1,853	33	(635)	-	1,251
Others	<u>6,032</u>	<u>10,707</u>	<u>-</u>	<u>(36)</u>	<u>16,703</u>
	<u>\$ 62,223</u>	<u>\$ 32,010</u>	<u>\$ (635)</u>	<u>\$ (36)</u>	<u>\$ 93,562</u>

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Investments accounted for using the equity method	\$ 78,889	\$ (7,494)	\$ -	\$ -	\$ 71,395
Exchange differences on translation of the financial statements of foreign operations	122,292	-	21,720	-	144,012
Defined benefit plans	70,274	(4,503)	14,255	219	80,245
Advertisement payable	53,970	-	-	(908)	53,062
Deferred sales returns and allowances	17,810	190	-	-	18,000
Allowance for inventory loss	31,097	(2,675)	-	-	28,422
Financial assets measured at cost	43,880	(23,460)	(12)	-	20,408
Others	<u>11,947</u>	<u>136</u>	<u>-</u>	<u>75</u>	<u>12,158</u>
	<u>\$ 430,159</u>	<u>\$ (37,806)</u>	<u>\$ 35,963</u>	<u>\$ (614)</u>	<u>\$ 427,702</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Investments accounted for using the equity method	\$ 99,954	\$ (79,301)	\$ -	\$ -	\$ 20,653
Reserve for land value increment tax	33,685	-	-	-	33,685
Defined benefit plans	1,497	1	355	-	1,853
Others	<u>4,480</u>	<u>1,070</u>	<u>-</u>	<u>482</u>	<u>6,032</u>
	<u>\$ 139,616</u>	<u>\$ (78,230)</u>	<u>\$ 355</u>	<u>\$ 482</u>	<u>\$ 62,223</u>

- e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
Loss carryforwards		
Expiry in 2024	\$ 33,369	\$ 24,151
Expiry in 2025	162,980	37,480
Expiry in 2026	217,946	117,438
Expiry in 2027	249,576	143,340
Expiry in 2028	<u>169,597</u>	<u>142,493</u>
	<u>\$ 833,468</u>	<u>\$ 464,902</u>
Deductible temporary differences	<u>\$ 539,520</u>	<u>\$ 512,832</u>

- f. Income tax assessments

The income tax returns of the Company, Standard Dairy Products, Charng Hui, Standard Beverage and Domex Technology for the year ended December 31, 2022 have been assessed by the tax authorities.

28. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	\$ <u>1.91</u>	\$ <u>1.35</u>
Diluted earnings per share	\$ <u>1.91</u>	\$ <u>1.35</u>

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

Net Profit for the Year

	For the Year Ended December 31	
	2024	2023
Earnings used in the computation of basic earnings per share	\$ <u>1,733,964</u>	\$ <u>1,225,773</u>

Weighted average number of ordinary shares outstanding (in thousands of shares):

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in computation of basic earnings per share	908,420	908,420
Effects of potentially dilutive ordinary shares:		
Compensation of employees	<u>898</u>	<u>616</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>909,318</u>	<u>909,036</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. CASH FLOWS INFORMATION

Changes in liabilities from financing activities:

For the year ended December 31, 2024

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			Addition Lease/Lease Modification	Exchanging Rate Adjustments	
Short-term borrowings	\$ 1,421,038	\$ (891,860)	\$ -	\$ 56,902	\$ 586,080
Short-term bills payable	49,993	(49,993)	-	-	-
Lease liabilities	190,187	(99,241)	190,388	(6,020)	275,314
Guarantee deposits received	<u>21,249</u>	<u>(3,215)</u>	<u>-</u>	<u>909</u>	<u>18,943</u>
	<u>\$ 1,682,467</u>	<u>\$ (1,044,309)</u>	<u>\$ 190,388</u>	<u>\$ 51,791</u>	<u>\$ 880,337</u>

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			Addition Lease/Lease Modification	Exchanging Rate Adjustments	
Short-term borrowings	\$ 2,928,175	\$ (1,489,713)	\$ -	\$ (17,424)	\$ 1,421,038
Short-term bills payable	-	49,993	-	-	49,993
Lease liabilities	250,858	(106,573)	62,532	(16,630)	190,187
Guarantee deposits received	<u>22,224</u>	<u>(666)</u>	<u>-</u>	<u>(309)</u>	<u>21,249</u>
	<u>\$ 3,201,257</u>	<u>\$ (1,546,959)</u>	<u>\$ 62,532</u>	<u>\$ (34,363)</u>	<u>\$ 1,682,467</u>

30. CAPITAL 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 twelve 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 the 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

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	\$ 67,542	\$ -	\$ -	\$ 67,542
Unlisted shares	-	-	1,403	1,403
Mutual fund beneficiary certification	1,416,470	-	-	1,416,470
Note cash	<u>-</u>	<u>132,301</u>	<u>-</u>	<u>132,301</u>
	<u>\$ 1,484,012</u>	<u>\$ 132,301</u>	<u>\$ 1,403</u>	<u>\$ 1,617,716</u>
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares	\$ 316,641	\$ -	\$ -	\$ 316,641
Unlisted shares	<u>-</u>	<u>-</u>	<u>546,812</u>	<u>546,812</u>
	<u>\$ 316,641</u>	<u>\$ -</u>	<u>\$ 546,812</u>	<u>\$ 863,453</u>

December 31, 2023

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

There were no transfers between Levels 1 and 2 for the years ended December 31, 2024 and 2023.

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

For the year ended December 31, 2024

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2024	\$ 2,028	\$ 20,517	\$ 22,545
Recognized in profit or loss (included in other gains and losses)	(625)	-	(625)
Recognized in other comprehensive income (loss) (included in unrealized gain (loss) on financial assets at FVTOCI)	-	86,490	86,490
Acquisition	-	439,750	439,750
Impact of exchange rates	<u>-</u>	<u>55</u>	<u>55</u>
Balance at December 31, 2024	<u>\$ 1,403</u>	<u>\$ 546,812</u>	<u>\$ 548,215</u>
Recognized in other gains and losses - unrealized	<u>\$ (625)</u>	<u>\$ -</u>	<u>\$ (625)</u>

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Equity Instruments	Equity Instruments	
Balance at January 1, 2023	\$ 2,059	\$ 215,709	\$ 217,768
Recognized in profit or loss (included in other gains and losses)	(31)	-	(31)
Recognized in other comprehensive income (loss) (included in unrealized gain (loss) on financial assets at FVTOCI)	-	(143,262)	(143,262)
Disposals	-	(51,912)	(51,912)
Impact of exchange rates	-	(18)	(18)
Balance at December 31, 2023	<u>\$ 2,028</u>	<u>\$ 20,517</u>	<u>\$ 22,545</u>
Recognized in other gains and losses - unrealized	<u>\$ (31)</u>	<u>\$ -</u>	<u>\$ (31)</u>

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

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

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

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

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

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

b. Categories of financial instruments

	December 31	
	2024	2023
<u>Financial assets</u>		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	\$ 1,617,716	\$ 1,177,235
Financial assets at amortized cost (1)	12,285,628	11,282,919
Investments in equity instruments at FVTOCI	863,453	378,945
<u>Financial liabilities</u>		
Financial liabilities at amortized cost (2)	3,838,324	3,633,405

- 1) The balances include financial assets measured at amortized cost, such as cash and cash equivalents, note receivables, trade receivables and other receivables and other financial assets.
- 2) The balances include short-term borrowings, short-term bills payables, note payables, 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 loans. 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's foreign currency risk arises from its foreign currency monetary assets and liabilities. 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% increase or decrease. The amount below indicates an increase (decrease) in pre-tax profit associated with the functional currency weakening 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 Year Ended		For the Year Ended	
	December 31		December 31	
	2024	2023	2024	2023
Profit or loss	\$ 29,138 (i)	\$ 29,423 (i)	\$ 12,846 (ii)	\$ 15,322 (ii)

	EUR Impact		AUD Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Profit or loss	\$ 93 (iii)	\$ 4,655 (iii)	\$ 2,826 (iv)	\$ 2,836 (iv)
	CHF Impact		SGD Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2024	2023	2024	2023
Profit or loss	\$ 576 (v)	\$ (252) (v)	\$ (49) (vi)	\$ (177) (vi)

- i. This was mainly derived from the outstanding RMB-denominated bank deposits and receivables 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, receivables and payables which were not hedged at the end of the reporting period.
- iv. This was mainly derived from the outstanding AUD-denominated bank deposits which were not hedged at the end of the reporting period.
- v. This was mainly derived from the outstanding CHF-denominated bank deposits and payables which were not hedged at the end of the reporting period.
- vi. This was mainly derived from the outstanding SGD-denominated bank deposits, receivables 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 exchange rates in the market, and takes appropriate actions to manage the exchange rate risk.

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

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 4,934,741	\$ 3,781,952
Financial liabilities	861,394	1,661,218
Cash flow interest rate risk		
Financial assets	800	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 assuming the amount of the asset and liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased by \$8 thousand and \$1,712 thousand, respectively. If the interest rate decreases by 1%, it would be the same amount but negative number reflecting the effect on the pre-tax profit.

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 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 equity prices had been 1% higher/lower, pre-tax profit for the year ended December 31, 2024 would have increased/decreased by \$16,177 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the year ended December 31, 2024 would have increased/decreased by \$8,635 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

If equity prices had been 1% higher/lower, pre-tax profit for the year ended December 31, 2023 would have increased/decreased by \$11,772 thousand, as a result of the changes in fair value of financial assets at FVTPL, and the pre-tax other comprehensive income for the year ended December 31, 2023 would have increased/decreased by \$3,789 thousand, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the 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 sheets.

To reduce credit risk, the Company has a dedicated credit risk management department responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions have been taken to collect overdue receivables. In addition, the Company reviews the recoverable amounts of receivables at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible receivables.

Accounts receivable are addressed to wide range of clients and are dispersed across different industries and geographies. The consolidated company continuously evaluates the collateral and financial position obtained by customers receivable.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2024 and 2023, the Group had available unutilized bank loan facilities in the amounts of \$9,325,545 thousand and \$7,864,874 thousand, respectively.

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

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

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5 Years or More
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 1,058,406	\$ 2,113,367	\$ 61,473	\$ 18,333	\$ -
Lease liabilities	7,211	18,131	63,241	197,266	-
Fixed interest rate liabilities	60,016	70,047	-	456,080	-
Contract liabilities	<u>84,394</u>	<u>168,788</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,210,027</u>	<u>\$ 2,370,333</u>	<u>\$ 124,714</u>	<u>\$ 671,679</u>	<u>\$ -</u>

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5 Years or More
<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	<u>98,437</u>	<u>196,874</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 875,354</u>	<u>\$ 1,699,567</u>	<u>\$ 103,467</u>	<u>\$ 1,447,095</u>	<u>\$ 114</u>

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

32. TRANSACTIONS WITH RELATED PARTIES

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

a. Related parties and relationships

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

b. Sales of goods

<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
GeneFerm	\$ 285	\$ 180
H2U	<u>12,802</u>	<u>-</u>
	<u>\$ 13,087</u>	<u>\$ 180</u>

The sale of goods from related parties were conducted on normal commercial terms.

c. Purchases of goods

<u>Related Party Category</u>	<u>For the Year Ended December 31</u>	
	<u>2024</u>	<u>2023</u>
GeneFerm	\$ 40,590	\$ 47,870
H2U	63	-
Sancci	<u>48,989</u>	<u>-</u>
	<u>\$ 89,642</u>	<u>\$ 47,870</u>

Purchases from related parties were conducted on normal commercial terms.

d. Receivables from related parties

<u>Line Items</u>	<u>Related Party Category</u>	<u>December 31</u>	
		<u>2024</u>	<u>2023</u>
Trade receivables	GeneFerm	\$ 119	\$ 43
Trade receivables	H2U	<u>7,821</u>	<u>-</u>
		<u>\$ 7,940</u>	<u>\$ 43</u>

The outstanding receivables from related parties are unsecured. For the years ended December 31, 2024 and 2023, no impairment losses were recognized for trade receivables from related parties.

e. Payables to related parties

Line Items	Related Party Category	December 31	
		2024	2023
Trade payables	GeneFerm	\$ 12,555	\$ 9,889
Trade payables	H2U	9	-
Trade payables	Sancci	<u>2,137</u>	<u>-</u>
		<u>\$ 14,701</u>	<u>\$ 9,889</u>
Other payables	H2U	<u>\$ 602</u>	<u>\$ -</u>

The outstanding payables from related parties were unsecured.

f. Compensation of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 27,204	\$ 20,973
Post-employment benefits	<u>681</u>	<u>601</u>
	<u>\$ 27,885</u>	<u>\$ 21,574</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:

	December 31	
	2024	2023
Pledge time deposits (included in other current assets)	\$ 10,478	\$ 10,174
Property, plant and equipment, net	104,234	109,673
Investment properties, net	<u>31,712</u>	<u>32,893</u>
	<u>\$ 146,424</u>	<u>\$ 152,740</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2024 were as follows:

- 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 commitments for acquisition of property, plant and equipment of approximately \$410,838 thousand.
- c. Unrecognized commitments for acquiring approximately 17,846 tons of colostrum from dairymen.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2024

	Foreign Currency	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
Monetary items				
USD	\$ 8,639	32.79	(USD:NTD)	\$ 283,218
USD	6,132	7.19	(USD:RMB)	201,041
EUR	122	0.94	(EUR:CHF)	4,171
RMB	212,949	4.56	(RMB:NTD)	971,261
AUD	5,050	20.39	(AUD:NTD)	102,971
CHF	700	36.27	(CHF:NTD)	<u>25,387</u>
				<u>\$ 1,588,049</u>
<u>Financial liabilities</u>				
Monetary items				
USD	1,710	32.79	(USD:NTD)	\$ 56,052
EUR	31	34.14	(EUR:NTD)	1,057
AUD	430	20.39	(AUD:NTD)	8,768
SGD	67	24.13	(SGD:NTD)	1,627
CHF	171	7.95	(CHF:RMB)	<u>6,202</u>
				<u>\$ 73,706</u>

December 31, 2023

	Foreign Currency	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
Monetary items				
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	23.29	(SGD:NTD)	<u>7,134</u>
				<u>\$ 1,850,849</u>

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 3,340	30.71 (USD:NTD)	\$ 102,540
CHF	230	8.42 (CHF:RMB)	8,388
SGD	560	23.29 (SGD:NTD)	<u>13,041</u>
			<u>\$ 123,969</u>
			(Concluded)

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

For the Year Ended December 31				
2024			2023	
Foreign Currencies	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
NTD	1 (NTD:NTD)	\$ 86,354	1 (NTD:NTD)	\$ (9,205)
RMB	4.51(RMB:NTD)	2,274	4.42(RMB:NTD)	(3,742)
CHF	36.47 (CHF:NTD)	<u>412</u>	34.70 (CHF:NTD)	<u>318</u>
		<u>\$ 89,040</u>		<u>\$ (12,629)</u>

36. SUPPLEMENTARY DISCLOSURES

a. Information about significant transactions and investees:

- 1) Financings provided to others: (Table 1)
- 2) Endorsement/guarantee provided: (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 investees (excluding investees of mainland China) (Table 7)
- c. Information on investment in mainland China
- 1) The name of the investee in mainland China, the main businesses and products, its issued capital, the method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, ending balance, amount received as dividends from the investee, and the limitation 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. Specifically, 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 corporation

a. Operating segment information

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	Consolidated
<u>For the year ended December 31, 2024</u>						
Sales from external customers	\$ 10,743,291	\$ 2,622,561	\$ 13,539,721	\$ 2,068,119	\$ -	\$ 28,973,692
Sales among intersegments	<u>1,641,706</u>	<u>1,143,482</u>	<u>-</u>	<u>1,696</u>	<u>(2,786,884)</u>	<u>-</u>
Total sales	<u>\$ 12,384,997</u>	<u>\$ 3,766,043</u>	<u>\$ 13,539,721</u>	<u>\$ 2,069,815</u>	<u>\$ (2,786,884)</u>	<u>\$ 28,973,692</u>
Interest income	\$ 54,366	\$ 4,503	\$ 120,845	\$ 26,319	\$ (29,473)	\$ 176,560
Financial cost	<u>1,347</u>	<u>1</u>	<u>74,500</u>	<u>18,670</u>	<u>(29,442)</u>	<u>65,076</u>
Depreciation expense	<u>210,996</u>	<u>45,391</u>	<u>220,872</u>	<u>94,757</u>	<u>-</u>	<u>572,016</u>
Amortization expense	<u>20,863</u>	<u>4,123</u>	<u>34,672</u>	<u>46,577</u>	<u>-</u>	<u>106,235</u>
Operating segment income (loss)	<u>\$ 1,523,312</u>	<u>\$ 353,444</u>	<u>\$ 505,529</u>	<u>\$ (74,292)</u>	<u>\$ (16,385)</u>	<u>\$ 2,291,608</u>
Income before income tax						<u>\$ 2,291,608</u>

(Continued)

	Standard Foods Segment	Standard Dairy Products Segment	China Standard Segment	Other Segments	Adjustments and Eliminations	Consolidated
<u>For the year ended December 31, 2023</u>						
Sales from external customers	\$ 10,572,586	\$ 2,563,293	\$ 12,666,362	\$ 2,001,877	\$ -	\$ 27,804,118
Sales among intersegments	<u>1,617,377</u>	<u>1,253,574</u>	<u>9,822</u>	<u>79</u>	<u>(2,880,852)</u>	<u>-</u>
Total sales	<u>\$ 12,189,963</u>	<u>\$ 3,816,867</u>	<u>\$ 12,676,184</u>	<u>\$ 2,001,956</u>	<u>\$ (2,880,852)</u>	<u>\$ 27,804,118</u>
Interest income	<u>\$ 52,634</u>	<u>\$ 4,166</u>	<u>\$ 118,906</u>	<u>\$ 24,703</u>	<u>\$ (22,645)</u>	<u>\$ 177,764</u>
Financial cost	<u>\$ 1,296</u>	<u>\$ 5</u>	<u>\$ 83,484</u>	<u>\$ 14,497</u>	<u>\$ (22,645)</u>	<u>\$ 76,637</u>
Depreciation expense	<u>\$ 205,203</u>	<u>\$ 47,915</u>	<u>\$ 242,840</u>	<u>\$ 94,739</u>	<u>\$ (2,437)</u>	<u>\$ 588,260</u>
Amortization expense	<u>\$ 26,257</u>	<u>\$ 3,238</u>	<u>\$ 32,236</u>	<u>\$ 14,840</u>	<u>\$ -</u>	<u>\$ 76,571</u>
Operating segment income (loss)	<u>\$ 1,444,281</u>	<u>\$ 386,444</u>	<u>\$ (214,272)</u>	<u>\$ 16,067</u>	<u>\$ (29,206)</u>	<u>\$ 1,603,314</u>
Income before income tax						<u>\$ 1,603,314</u>

(Concluded)

b. Geographical information:

The Group operates in two principal geographical areas - Taiwan and mainland China.

The Group's revenue from external customers by location of operations and information about its non-current assets by location of asset are detailed below.

	Revenue from External Customers For the Year Ended December 31	
	2024	2023
Taiwan	\$ 15,097,426	\$ 14,767,669
Mainland China	13,680,504	12,879,350
Others	<u>195,763</u>	<u>157,099</u>
	<u>\$ 28,973,693</u>	<u>\$ 27,804,118</u>
	Non-current Assets December 31	
	2024	2023
Taiwan	\$ 2,616,243	\$ 2,604,408
Mainland China	2,348,393	2,277,470
Others	<u>7,974</u>	<u>53,183</u>
	<u>\$ 4,972,610</u>	<u>\$ 4,935,061</u>

Non-current assets exclude financial instruments, deferred tax assets and net defined benefit assets.

STANDARD FOODS CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 2)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits	Note
													Item	Value			
0	Standard Foods Corporation	Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	\$ 457,970	\$ -	\$ -	2.500%	b.	\$ -	Need for operation	\$ -	-	\$ -	\$ 3,554,374 (Note 3)	\$ 7,108,748 (Note 4)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	911,540	456,080	-	2.300%-2.500%	b.	-	Need for operation	-	-	-	3,554,374 (Note 3)	7,108,748 (Note 4)	Note 11
		Charmg Hui	Financing receivables - related parties	Y	100,000	100,000	26,500	2.300%-2.867%	b.	-	Need for operation	-	-	-	3,554,374 (Note 3)	7,108,748 (Note 4)	Note 11
		Dermalab S.A.	Financing receivables - related parties	Y	25,386	25,386	25,386	2.000%	b.	-	Need for operation	-	-	-	7,108,748 (Note 5)	7,108,748 (Note 5)	Note 11
1	Standard Investment (China) Co., Ltd.	Shanghai Dermalab Corporation	Financing receivables - related parties	Y	228,040	228,040	154,420	2.000%-2.650%	b.	-	Need for operation	-	-	-	1,467,479 (Note 6)	1,467,479 (Note 6)	Note 11
		Shanghai Le Ben Tuo Health Technology Co., Ltd.	Financing receivables - related parties	Y	456,080	456,080	395,850	2.000%-2.650%	b.	-	Need for operation	-	-	-	1,467,479 (Note 6)	1,467,479 (Note 6)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	552,264	547,296	484,339	2.000%-2.650%	b.	-	Need for operation	-	-	-	1,467,479 (Note 6)	1,467,479 (Note 6)	Note 11
		Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	92,044	45,608	38,917	2.000%-2.650%	b.	-	Need for operation	-	-	-	1,467,479 (Note 6)	1,467,479 (Note 6)	Note 11
2	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	667,319	661,316	639,885	2.000%-2.650%	b.	-	Need for operation	-	-	-	1,389,508 (Note 7)	1,389,508 (Note 7)	Note 11
		Standard Foods (Xiamen) Co., Ltd.	Financing receivables - related parties	Y	230,110	228,040	186,993	2.000%-2.650%	b.	-	Need for operation	-	-	-	1,389,508 (Note 7)	1,389,508 (Note 7)	Note 11
		Standard Foods (China) Co., Ltd.	Financing receivables - related parties	Y	230,110	228,040	-	2.000%-2.650%	b.	-	Need for operation	-	-	-	1,389,508 (Note 7)	1,389,508 (Note 7)	Note 11
3	Shanghai Le Ho Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	55,226	54,730	46,575	2.000%-2.650%	b.	-	Need for operation	-	-	-	179,192 (Note 8)	179,192 (Note 8)	Note 11
4	Shanghai Le Min Industrial Co., Ltd.	Standard Investment (China) Co., Ltd.	Financing receivables - related parties	Y	55,226	54,730	31,397	2.000%-2.650%	b.	-	Need for operation	-	-	-	112,184 (Note 9)	112,184 (Note 9)	Note 11
5	Shanghai New Vitality Health Technology (Group) Co., Ltd.	Jiangsu Hua Sun Health Technology Co., Ltd.	Financing receivables - related parties	Y	55,226	-	-	2.000%	b.	-	Need for operation	-	-	-	133,574 (Note 10)	133,574 (Note 10)	Note 11

Note 1: “0” for the Company, subsidiaries are numbered from “1”.

Note 2: Reasons for financing are as follows:

a. Please fill in a for having business transactions.

b. Please fill in b for short-term financing.

Note 3: The single limit is calculated based on 20% of the net worth of the latest financial statements of Standard Foods Corporation, which was calculated to be \$3,554,374 thousand (the net value per financial statements of \$17,771,871 thousand x 20% as of September 30, 2024).

Note 4: The maximum limit is calculated based on 40% of the net worth of the latest financial statements of Standard Foods Corporation, which was calculated to be \$7,108,748 thousand (the net value per financial statements of \$17,771,871 thousand x 40% as of September 30, 2024).

Note 5: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Standard Foods Corporation., which was calculated to be \$7,108,748 thousand (the net value per financial statements of \$17,771,871 thousand x 40% as of September 30, 2024).

Note 6: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai Investment (China) Co., Ltd., which was calculated to be \$1,467,479 thousand (the net value per financial statements of \$3,668,698 thousand x 40% as of September 30, 2024).

Note 7: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai Le Ben De Health Technology Co., Ltd., which was calculated to be \$1,389,508 thousand (the net value per financial statements of \$3,473,771 thousand x 40% as of September 30, 2024).

Note 8: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai Le Ho Industrial Co., Ltd., which was calculated to be \$179,192 thousand (the net value per financial statements of \$447,979 thousand x 40% as of September 30, 2024).

Note 9: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai Le Min Industrial Co., Ltd., which was calculated to be \$112,184 thousand (the net value per financial statements of \$280,460 thousand x 40% as of September 30, 2024).

Note 10: The single and maximum limit is calculated based on 40% of the net worth of the latest financial statements of Shanghai New Vitality Health Technology (Group) Co., Ltd., which was calculated to be \$133,574 thousand (the net value per financial statements of \$333,936 thousand x 40% as of September 30, 2024).

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

TABLE 2

STANDARD FOODS CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount	Guarantee Provided by Parent Company (Note 5)	Guarantee Provided by Subsidiary (Note 5)	Guarantee Provided to Subsidiaries in Mainland China (Note 5)	Note
		Name	Nature of Relationship (Note 2)											
0	Standard Foods Corporation	Standard Beverage Company Limited	b.	\$ 14,217,497 (Note 3)	\$ 94,740	\$ -	\$ -	\$ -	0.00%	\$ 17,771,871 (Note 4)	Y	-	-	
		Charng Hui Ltd.	b.	14,217,497 (Note 3)	98,505	98,355	-	-	0.55%	17,771,871 (Note 4)	Y	-	-	

Note 1: “0” for the Company, subsidiaries are numbered from “1”.

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

- a. Trading partner.
- b. The company in which the Company holds, directly or indirectly, more than fifty percent (50%) of the voting shares.
- c. The company that holds, directly or indirectly, more than fifty percent (50%) of the Company’s voting shares.
- d. The company in which the Company holds, directly or indirectly, more than fifty percent (90%) of the voting shares.
- e. Guaranteed by construction contracts formed due to the need of construction projects, in which the companies in the same industry or joint builders provide endorsement/guarantee to one another.
- f. The guarantees were provided based on the Company’s proportionate share in an investee company.
- g. Companies in the same industry provide among themselves joint and several security 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; the amount was calculated at \$14,217,497 thousand (the net value per financial statements of \$17,771,871 thousand x 80% as of September 30, 2024).

Note 4: The maximum limit is calculated based on 100% of the net worth of the latest financial statements of Standard Foods Corporation; the amount was calculated at \$17,771,871 thousand (the net value per financial statements of \$17,771,871 thousand x 100% as of September 30, 2024).

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

TABLE 3

STANDARD FOODS CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Foods Corporation	<u>Shares</u> Far Eastern International Commercial Bank Co., Ltd.	The Company is one of the directors	Financial assets at fair value through other comprehensive income - current	1,541,049	\$ 20,342	-	\$ 20,342	
	Chunghwa Telecom Co., Ltd.		Financial assets at fair value through other comprehensive income - current	48,600	6,002	-	6,002	
	GeneFerm Biotechnology Co., Ltd.		Financial assets at fair value through other comprehensive income - non-current	2,145,110	100,820	5.2	100,820	
	Dah Chung Bills Finance Corp.		Financial assets at fair value through other comprehensive income - non-current	1,338,204	20,662	0.3	20,662	
	H2U Corporation	The Company is one of the directors	Financial assets at fair value through other comprehensive income - non-current	4,165,000	408,170	14.9	408,170	
	Sancci Manufacture Food Company	The Company is one of the directors	Financial assets at fair value through other comprehensive income - non-current	1,286,786	116,853	10.0	116,853	
	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at fair value through profit or loss - current	5,743	6,174	-	6,174	
	Apple Inc.		Financial assets at fair value through profit or loss - current	393	3,227	-	3,227	
	Amazon.com, Inc.		Financial assets at fair value through profit or loss - current	431	3,100	-	3,100	
	Alphabet Inc.		Financial assets at fair value through profit or loss - current	427	2,650	-	2,650	
	Microsoft Corporation		Financial assets at fair value through profit or loss - current	197	2,722	-	2,722	
	NVIDIA Corporation		Financial assets at fair value through profit or loss - current	2,413	10,624	-	10,624	
	Tesla, Inc.		Financial assets at fair value through profit or loss - current	682	9,030	-	9,030	
	<u>Mutual funds</u> Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	14,945,426	211,440	-	211,440	
	Taishin Ta-Chong Money Market Fund		Financial assets at fair value through profit or loss - current	4,723,538	70,000	-	70,000	
	Cathay China Domestic Demand Growth Fund		Financial assets at fair value through profit or loss - current	3,585,869	71,466	-	71,466	
	Cathay Target Date 2029 Fund		Financial assets at fair value through profit or loss - current	4,720,915	72,080	-	72,080	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Standard Dairy Products Taiwan Limited	Cathay Global Aggressive Fund		Financial assets at fair value through profit or loss - current	2,284,844	\$ 73,435	-	\$ 73,435	
	FSITC Taiwan Money Market (Frist Financial Holding Co., Ltd.)		Financial assets at fair value through profit or loss - current	27,993,322	446,964	-	446,964	
	Yuanta FTSE4Good TIP Taiwan ESG ETF		Financial assets at fair value through profit or loss - current	300,000	13,713	-	13,713	
	<u>Note cash</u>							
	HSBC Holdings USD Bond (HSBC_4.3_030826)		Financial assets at fair value through profit or loss - current	10,000	32,303	-	32,303	
	TSMC Unsecured Corporate Bond 2023 2nd Offering		Financial assets at fair value through profit or loss - current	500,000	49,999	-	49,999	
	The 3rd unsecured corporate bonds of Far Eastern New Century Corp. in 2024 (Far Eastern New Century Corporation 7th Unsecured Corporate Bond-A Issue In 2024)		Financial assets at fair value through profit or loss - current	500,000	49,999	-	49,999	
	<u>Shares</u>							
	Paradigm Venture Capital Corporation		Financial assets at fair value through profit or loss - non-current	153,320	1,403	7.0	1,403	
	U-Teck Environment Corporation, Ltd.		Financial assets at fair value through profit or loss - non-current	11,200	-	0.2	-	
	Techgains Pan-Pacific Corporation		Financial assets at fair value through profit or loss - non-current	500,000	-	0.9	-	
	Authenex, Inc.		Financial assets at fair value through profit or loss - non-current	2,424,242	-	5.5	-	
	Octamer, Inc. - Series E Preference Shares		Financial assets at fair value through profit or loss - non-current	800,000	-	7.8	-	
	Octamer, Inc. - Series F Preference Shares		Financial assets at fair value through profit or loss - non-current	107,815	-	1.0	-	
	Fortemedia, Inc. - Series D Preference Shares		Financial assets at fair value through profit or loss - non-current	3,455	-	1.2	-	
	Fortemedia, Inc. - Series E Preference Shares		Financial assets at fair value through profit or loss - non-current	71,397	-	1.2	-	
	Fortemedia, Inc. - Series F Preference Shares		Financial assets at fair value through profit or loss - non-current	29,173	-	1.2	-	
	Fortemedia, Inc. - Series G Preference Shares		Financial assets at fair value through profit or loss - non-current	31,135	-	1.3	-	
	Fortemedia, Inc. - Series I Preference Shares		Financial assets at fair value through profit or loss - non-current	29,102	-	1.3	-	
	Fortemedia, Inc. - Common Stock		Financial assets at fair value through profit or loss - non-current	12,938	-	1.2	-	
	<u>Mutual funds</u>							
	Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	6,753,821	95,550	-	95,550	
	Cathay China Domestic Demand Growth Fund		Financial assets at fair value through profit or loss - current	1,195,290	23,822	-	23,822	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Charng Hui Company Ltd.	Cathay Target Date 2029 Fund		Financial assets at fair value through profit or loss - current	786,819	\$ 12,014	-	\$ 12,014	Note
	Cathay Global Aggressive Fund		Financial assets at fair value through profit or loss - current	761,615	24,478	-	24,478	
	FSITC Taiwan Money Market (Frist Financial Holding Co., Ltd.)		Financial assets at fair value through profit or loss - current	652,739	10,422	-	10,422	
	<u>Shares</u> Standard Foods Corporation	Parent of Charng Hui Ltd.	Financial assets at fair value through other comprehensive income - current	6,669,471	244,436	0.7	244,436	
	Polytronics Technology Corp.	Charng Hui Ltd. is one of the directors	Financial assets at fair value through other comprehensive income - current	1,596,000	92,727	1.9	92,727	
	Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at fair value through other comprehensive income - current	90,000	96,750	-	96,750	
	<u>Mutual funds</u> Fuh Hwa Global Strategic Allocation FoF		Financial assets at fair value through profit or loss - current	1,000,000	14,280	-	14,280	
	Franklin Templeton SinoAm Franklin Templeton Global Bond Fund of Funds-Accu.		Financial assets at fair value through profit or loss - current	1,453,360	18,723	-	18,723	
	<u>Shares</u> Amphastar Pharmaceuticals Inc. (AMPH)		Financial assets at fair value through profit or loss - non-current	7,742	9,424	-	9,424	
	<u>Mutual funds</u> Taishin 1699 Money Market Fund		Financial assets at fair value through profit or loss - current	2,077,392	29,390	-	29,390	
Standard Beverage Company Limited								
Accession Limited	<u>Shares</u> AsiaVest Liquidation Co.		Financial assets at fair value through other comprehensive income - non current	200	1,127	0.7	1,127	
China Standard Investment	<u>Shares</u> Better Life Commercial Chain Share Co., Ltd.		Financial assets at fair value through profit or loss - current	1,143,000	20,591	-	20,591	
	<u>Mutual funds</u> JPMorgan Funds		Financial assets at fair value through profit or loss - current	50,143,067	228,693	-	228,693	

Note: The amounts presented above were eliminated upon consolidation.

(Concluded)

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 YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable (Receivable)		Note
			Purchases (Sales)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Standard Foods Corporation	Standard Dairy Products Taiwan Limited	The Company's subsidiary	Sales	\$ (1,641,683)	13.26	55 days after month end closing (net of receivables and payables)	-	-	\$ 141,253	7.00	Note
			Purchases	1,143,482	16.33	55 days after month end closing (net of receivables and payables)	-	-	-	-	Note
Standard Dairy Products Taiwan Limited	Standard Foods Corporation	Parent company of Standard Dairy Products Taiwan Limited	Purchases	1,641,683	56.32	55 days after month end closing (net of receivables and payables)	-	-	(141,253)	32.69	Note
			Sales	(1,143,482)	30.36	55 days after month end closing (net of receivables and payables)	-	-	-	-	Note
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Sales	(1,313,508)	61.11	60 days after month-end closing	-	-	270,213	99.14	Note
			Purchases	610,316	30.46	60 days after month-end closing	-	-	(157,205)	70.81	Note
Standard Investment (China) Co., Ltd.	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Purchases	1,313,508	11.44	60 days after month-end closing	-	-	(270,213)	7.15	Note
			Sales	(610,316)	4.69	60 days after month-end closing	-	-	157,205	8.95	Note
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Sales	(5,373,546)	94.54	60 days after month-end closing	-	-	1,280,268	99.37	Note
Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	5,373,546	46.84	60 days after month-end closing	-	-	(1,280,268)	33.89	Note
Standard Foods (Xiamen) Co., Ltd.	Standard Foods (China) Co., Ltd.	Brother company of Standard Foods (Xiamen) Co., Ltd.	Sales	(113,148)	2.27	60 days after month-end closing	-	-	37	0.00	Note
			Purchases	135,407	3.18	60 days after month-end closing	-	-	(55)	0.03	Note
Standard Foods (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Brother company of Standard Foods (China) Co., Ltd.	Purchases	113,148	2.16	60 days after month-end closing	-	-	(37)	0.02	Note
			Sales	(135,407)	2.38		-	-	55	0.00	
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Sales	(4,718,942)	94.72	60 days after month-end closing	-	-	857,173	99.95	Note
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.'s subsidiary	Purchases	4,718,942	41.13	60 days after month-end closing	-	-	(857,173)	22.69	Note

Note: The amounts presented above were eliminated upon consolidation.

TABLE 5

STANDARD FOODS CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationships	Ending Balance for Account Receivable - Related Parties		Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts	Note
						Amount	Actions Taken			
Standard Foods Corporation	Standard Dairy Products Taiwan Limited	The Company’s subsidiary	Trade receivables	\$ 141,253	10.97	\$ -		\$ 141,253 (Note 1)	\$ -	(Note 2)
			Other receivables	<u>3,965</u>		<u>-</u>		<u>3,965</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 145,218</u>		<u>\$ -</u>		<u>\$ 145,218</u> (Note 1)	<u>\$ -</u>	
Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivables	\$ 270,213	4.57	\$ -		\$ 270,213 (Note 1)	\$ -	(Note 2)
			Financing receivables	639,885		-		- (Note 1)	-	(Note 2)
			Other receivables	<u>11,153</u>		<u>-</u>		<u>11,153</u> (Note 1)	<u>-</u>	(Note 2)
		<u>\$ 921,251</u>	<u>\$ -</u>	<u>\$ 281,366</u> (Note 1)	<u>\$ -</u>					
	Standard Foods (Xiamen) Co., Ltd. (China) Co., Ltd.	Brother company of Shanghai Standard Foods Co., Ltd.	Trade receivables	\$ 60	2.77	\$ -		\$ 60 (Note 1)	\$ -	(Note 2)
			Financing receivables	186,993		-		- (Note 1)	-	(Note 2)
Other receivables			<u>2,139</u>	<u>-</u>		<u>-</u> (Note 1)		<u>-</u>		
	<u>\$ 189,192</u>	<u>\$ -</u>	<u>\$ 60</u> (Note 1)	<u>\$ -</u>						
Standard Foods (China) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (China) Co., Ltd.	Trade receivables	\$ 1,280,268	4.00	\$ -		\$ 841,468 (Note 1)	\$ -	(Note 2)
			Other receivables	<u>20</u>		<u>-</u>		<u>20</u> (Note 1)	<u>-</u>	
				<u>\$ 1,280,288</u>		<u>\$ -</u>		<u>\$ 841,488</u> (Note 1)	<u>\$ -</u>	
Standard Investment (China) Co., Ltd.	Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.’s subsidiary	Financing receivables	\$ 484,339	3.57	\$ -		\$ - (Note 1)	\$ -	(Note 2)
			Other receivables	<u>37,074</u>		<u>-</u>		<u>37,074</u> (Note 1)	<u>-</u>	(Note 2)
				<u>\$ 521,413</u>		<u>\$ -</u>		<u>\$ 37,074</u> (Note 1)	<u>\$ -</u>	
	Shanghai Standard Foods Co., Ltd.	Brother company of Standard Investment (China) Co., Ltd.	Trade receivables	\$ 157,205		\$ -		\$ 157,205 (Note 1)	\$ -	(Note 2)
			Other receivables	<u>4,624</u>		<u>-</u>		<u>-</u> (Note 1)	<u>-</u>	
				<u>\$ 161,829</u>		<u>\$ -</u>		<u>\$ 157,205</u> (Note 1)	<u>\$ -</u>	
Shanghai Le Ben Tuo Health Technology Co., Ltd.	Standard Investment (China) Co., Ltd.’s subsidiary	Financing receivables	\$ 395,850	\$ -	\$ - (Note 1)	\$ -	(Note 2)			
		Other receivables	<u>7,893</u>	<u>-</u>	<u>7,893</u> (Note 1)	<u>-</u>	(Note 2)			
			<u>\$ 403,743</u>	<u>\$ -</u>	<u>\$ 7,893</u> (Note 1)	<u>\$ -</u>				
Shanghai Dermalab Corporation	Standard Investment (China) Co., Ltd.’s subsidiary	Financing receivables	\$ 154,420		\$ -		\$ - (Note 1)	\$ -	(Note 2)	
		Other receivables	<u>3,330</u>		<u>-</u>		<u>3,330</u> (Note 1)	<u>-</u>	(Note 2)	
			<u>\$ 157,750</u>		<u>\$ -</u>		<u>\$ 3,330</u> (Note 1)	<u>\$ -</u>		
Standard Foods (Xiamen) Co., Ltd.	Standard Investment (China) Co., Ltd.	Parent company of Standard Foods (Xiamen) Co., Ltd.	Trade receivables	<u>\$ 857,173</u>	6.60	<u>\$ -</u>		<u>\$ 496,216</u> (Note 1)	<u>\$ -</u>	(Note 2)

Note 1: Amounts received before March 11, 2025.

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

TABLE 6

STANDARD FOODS CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Total Sales or Assets (Note 3)
0	Standard Foods Corporation	Standard Dairy Products Taiwan Limited	a	Trade receivables	\$ 141,253	According to the general conditions	0.5
		Standard Dairy Products Taiwan Limited	a	Other receivables	3,965	According to the general conditions	-
		Standard Dairy Products Taiwan Limited	a	Sales	1,641,683	According to the general conditions	5.7
		Standard Dairy Products Taiwan Limited	a	Purchases	1,143,482	According to the general conditions	3.9
		Standard Dairy Products Taiwan Limited	a	Royalty revenue	9,554	According to the general conditions	-
		Charng Hui	a	Other receivables	119	According to the general conditions	-
		Charng Hui	a	Financing receivables	26,500	Interest rate 2.300%	0.1
		Charng Hui	a	Interest income	849	Interest rate 2.300%-2.867%	-
		Charng Hui	a	Service revenue	1,320	According to the general conditions	-
		China Standard Foods	a	Interest income	5,809	Interest rate 2.500%	-
		Xiamen Standard	a	Interest income	10,197	Interest rate 2.300%-2.500%	-
		Shanghai Le Bonta	a	Sales	23	According to the general conditions	-
		Dermalab	a	Financing receivables	25,386	Interest rate 2.000%	-
1	Shanghai Standard Foods Co., Ltd.	Standard Investment (China) Co., Ltd.	c	Trade receivables	270,213	According to the general conditions	1.0
		Standard Investment (China) Co., Ltd.	c	Financing receivables	639,885	Interest rate 2.650%	2.3
		Standard Investment (China) Co., Ltd.	c	Other receivables	11,153	According to the general conditions	-
		Standard Investment (China) Co., Ltd.	c	Trade payables	157,205	According to the general conditions	0.6
		Standard Investment (China) Co., Ltd.	c	Other payables	4,624	According to the general conditions	-
		Standard Investment (China) Co., Ltd.	c	Sales	1,313,508	According to the general conditions	4.5
		Standard Investment (China) Co., Ltd.	c	Purchases	610,316	According to the general conditions	2.1
		Standard Investment (China) Co., Ltd.	c	Interest income	10,314	Interest rate 2.000%-2.650%	-
		Standard Investment (China) Co., Ltd.	c	Other income	4,094	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	c	Trade receivables	176	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	c	Trade payables	7,902	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	c	Sales	295	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	c	Purchases	15,482	According to the general conditions	0.1
		Shanghai Le Bonta	c	Other expenses	1	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c	Trade receivables	60	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c	Other receivables	2,139	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c	Financing receivables	186,993	Interest rate 2.650%	0.7
		Standard Foods (Xiamen) Co., Ltd.	c	Sales	83	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c	Purchases	589	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c	Interest income	3,550	Interest rate 2.000%-2.650%	-
2	Standard Investment (China) Co., Ltd.	Standard Foods (China) Co., Ltd.	a	Other receivables	15,489	According to the general conditions	0.1
		Standard Foods (China) Co., Ltd.	a	Financing receivables	38,917	Interest rate 2.650%	0.1

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Total Sales or Assets (Note 3)
		Standard Foods (China) Co., Ltd.	a	Trade payables	\$ 1,280,268	According to the general conditions	4.7
		Standard Foods (China) Co., Ltd.	a	Other payables	20	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	a	Sales	248	According to the general conditions	-
		Standard Foods (China) Co., Ltd.	a	Purchases	5,373,546	According to the general conditions	18.5
		Standard Foods (China) Co., Ltd.	a	Interest income	758	Interest rate 2.000%-2.650%	-
		Standard Foods (China) Co., Ltd.	a	Other income	14,547	According to the general conditions	0.1
		Standard Foods (China) Co., Ltd.	a	Rental revenue	109	According to the general conditions	-
		Shanghai Dermalab Corporation	c	Other receivables	3,330	According to the general conditions	-
		Shanghai Dermalab Corporation	c	Financing receivables	154,420	Interest rate 2.650%	0.6
		Shanghai Dermalab Corporation	c	Trade payables	18	According to the general conditions	-
		Shanghai Dermalab Corporation	c	Interest income	3,289	Interest rate 2.000%-2.650%	-
		Shanghai Dermalab Corporation	c	Other expenses	291	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	a	Other receivables	37,074	According to the general conditions	0.1
		Standard Foods (Xiamen) Co., Ltd.	a	Financing receivables	484,339	Interest rate 2.650%	1.8
		Standard Foods (Xiamen) Co., Ltd.	a	Trade payables	857,173	According to the general conditions	3.1
		Standard Foods (Xiamen) Co., Ltd.	a	Sales	178	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	a	Purchases	4,718,942	According to the general conditions	16.3
		Standard Foods (Xiamen) Co., Ltd.	a	Interest income	9,609	Interest rate 2.000%-2.650%	-
		Standard Foods (Xiamen) Co., Ltd.	a	Other revenue	27,015	According to the general conditions	0.1
		Shanghai Le Bonta	c	Other receivables	7,893	According to the general conditions	-
		Shanghai Le Bonta	c	Financing receivables	395,850	Interest rate 2.650%	1.4
		Shanghai Le Bonta	c	Trade payables	13	According to the general conditions	-
		Shanghai Le Bonta	c	Interest income	7,801	Interest rate 2.000%-2.650%	-
		Shanghai Le Bonta	c	Other expenses	1,395	According to the general conditions	-
		Shanghai Le Ho	c	Other payables	922	According to the general conditions	-
		Shanghai Le Ho	c	Financing payables	46,575	Interest rate 2.650%	0.2
		Shanghai Le Ho	c	Interest expenses	910	Interest rate 2.000%-2.650%	-
		Shanghai Le Min	c	Other payables	625	According to the general conditions	-
		Shanghai Le Min	c	Financing payables	31,397	Interest rate 2.650%	0.1
		Shanghai Le Min	c	Interest expenses	619	Interest rate 2.000%-2.650%	-
		Jiangsu Hua Sun Co., Ltd.	c	Trade receivables	11	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Other payables	182	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Other expenses	765	According to the general conditions	-
3	Shanghai Dermalab Corporation	Dermalab	c	Trade payables	6,187	According to the general conditions	-
		Dermalab	c	Purchases	52,851	According to the general conditions	0.2
		Shanghai Le Ben De Co., Ltd.	c	Purchases	1,658	According to the general conditions	-
4	Standard Foods (China) Co., Ltd.	Shanghai Le Bonta	c	Other receivables	547	According to the general conditions	-
		Shanghai Le Bonta	c	Other income	765	According to the general conditions	-
		Shanghai Le Bonta	c	Other expenses	1	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c	Trade receivables	55	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c	Trade payables	37	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.	c	Sales	135,407	According to the general conditions	0.5
		Standard Foods (Xiamen) Co., Ltd.	c	Purchases	113,148	According to the general conditions	0.4
		Jiangsu Hua Sun Co., Ltd.	c	Other receivables	266	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Other payables	41	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Rental revenue	4,962	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Other expenses	652	According to the general conditions	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Total Sales or Assets (Note 3)
5	Shanghai Le Bonta	Shanghai Le Ben De Co., Ltd.	c	Purchases	\$ 306	According to the general conditions	-
		Standard Foods (Xiamen) Co., Ltd.		Sales	7	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Trade receivables	608	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Trade payables	362	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Other payables	33	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Sales	680	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Purchases	3,755	According to the general conditions	-
6	Shanghai Le Ben De Co., Ltd.	Dermalab	c	Purchases	1,499	According to the general conditions	-
		Jiangsu Hua Sun Co., Ltd.	c	Purchases	303	According to the general conditions	-

Note 1: 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 amount presented above were eliminated upon consolidation.

(Concluded)

TABLE 7

STANDARD FOODS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2024	December 31, 2023	Shares	%	Carrying Amount			
Standard Foods Corporation	Accession Limited	Tortola, British Virgin Islands	Investment business	\$ 3,936,267	\$ 3,936,267	123,600,000	100	\$ 3,890,526	\$ 64,121	\$ 65,709 (Note 1)	Subsidiary (Note 5)
	Standard Investment (Cayman) Limited	Grand Cayman, Cayman Islands	Investment business	4,931,225	4,931,225	157,147,892	100	4,770,615	106,094	106,094	Subsidiary (Note 5)
	Standard Dairy Products Taiwan Limited	Taipei, Taiwan	Manufacture and sale of dairy products and beverages	300,853	300,853	30,000,000	100	1,038,034	286,685	286,789 (Note 2)	Subsidiary (Note 5)
	Charng Hui Company Ltd.	Taipei, Taiwan	Investment business	230,000	230,000	24,100,000	100	344,147	15,848	7,511 (Note 3)	Subsidiary (Note 5)
	Domex Technology Corporation	Hsinchu, Taiwan	Manufacture and sale of computer peripherals and computer and information products	114,116	114,116	10,374,399	52	296,590	139,322	72,461	Subsidiary (Note 5)
	Standard Beverage Company Limited	Taipei, Taiwan	Manufacture and sale of beverages	79,072	79,072	7,907,000	100	79,732	(1,170)	(1,170)	Subsidiary (Note 5)
	Standard Foods, LLC.	U.S.A.	Sale of health foods	9,056	9,056	Note 4	100	9,836	-	-	Subsidiary (Note 5)
	Standard Great Foods Singapore PTE. LTD.	Singapore	Food trade	9,427	9,427	400,000	100	9,911	258	258	Subsidiary (Note 5)
	Newtrin Holding PTE. LTD.	Singapore	Investment business	16,372	-	500,000	100	16,392	-	-	
Accession Limited	Dermalab S.A.	Switzerland	Development and sale of cosmetics	379,489	379,489	4,050	100	224,291	(34,837)	-	Indirect subsidiary (Note 5)
Dermalab S.A.	Swissderma SL	Spain	Sale of cosmetics	96	96	3,000	100	-	-	-	Third-tier subsidiary (Note 5)
Standard Investment (Cayman) Limited	Standard Corporation (Hong Kong) Limited	Hong Kong	Investment business	4,927,405	4,927,405	157,021,892	100	4,769,606	106,436	-	Indirect subsidiary (Note 5)
Shanghai Dermalab Corporation	Rotiva International Limited	Hong Kong	Sale of cosmetics	34	-	7,544	100	2	(32)	-	Fourth-tier subsidiary (Note 5)

Note 1: This amount after the net profit in investees recognized based on the shareholding ratio, \$64,121 thousand, plus the adjustment on unrealized gain or loss on side-stream transactions of \$1,588 thousand.

Note 2: This amount after the net profit in investees recognized based on the shareholding ratio, \$286,685 thousand, plus the adjustment on unrealized gain or loss on up-stream transactions of \$104 thousand.

Note 3: This amount after the net profit in investees recognized based on the shareholding ratio, \$15,848 thousand, minus the Standard Foods Corporation Cash dividends paid of \$8,337 thousand.

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

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

TABLE 8

STANDARD FOODS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024	Note
					Outward	Inward							
Shanghai Standard Foods Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	\$ 3,949,575	b. (Note 3)	\$ 3,949,575 (Note 4)	\$ -	\$ -	\$ 3,949,575 (Note 4)	\$ 96,488	100.0	\$ 97,609 (Note 9)	\$ 3,502,675	\$ -	Note 11
Standard Investment (China) Co., Ltd.	Investment and sales of edible oil products and nutritional foods	3,755,530	b. (Note 5)	3,718,677 (Note 5)	-	-	3,718,677 (Note 5)	343,604	99.0	340,168 (Note 9)	3,776,049	-	Note 11
Shanghai New Vitality Health Technology (Group) Co., Ltd.	Sale of nutritional foods, cosmetics and international trading	664,630	b. (Note 5)	217,434 (Note 5)	-	-	217,434 (Note 5)	(216,554)	99.0	(214,388) (Note 9)	268,175	-	Note 11
Standard Foods (China) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	2,600,443	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	200,134	99.0	194,956 (Note 9)	2,855,332	-	Note 11
Shanghai Dermalab Corporation	Sale of nutritional foods, cosmetics and international trading	93,989	c. (Note 7)	- (Note 7)	-	-	- (Note 7)	(42,262)	99.0	(41,839) (Note 9)	(65,219)	-	Note 11
Shanghai Le Ben Tuo Health Technology Co., Ltd.	Sale of nutritional foods and international trading	284,127	c. (Note 7)	181,048 (Note 7)	-	-	181,048 (Note 7)	(113,002)	99.0	(111,872) (Note 9)	(358,061)	-	Note 11
Shanghai Le Ben De Health Technology Co., Ltd.	Sale of health, to beautify produce and about service trading	31,220	c. (Notes 4 and 7)	31,220 (Note 4)	-	-	31,220 (Note 4)	312	99.0	309 (Note 9)	33,993	-	Note 11
Standard Foods (Xiamen) Co., Ltd.	Manufacture and sale of edible oil products and nutritional foods	1,307,582	c. (Note 6)	- (Note 6)	-	-	- (Note 6)	279,628	99.0	270,269 (Note 9)	2,032,143	-	Note 11
Shanghai Le Ho Industrial Co., Ltd.	Property management	607,717	b. (Note 5)	607,717 (Note 5)	-	-	607,717 (Note 5)	(11,889)	100.0	(11,889) (Note 9)	445,090	-	Note 11
Shanghai Le Min Industrial Co., Ltd.	Property management	378,009	b. (Note 5)	378,009 (Note 5)	-	-	378,009 (Note 5)	(7,280)	100.0	(7,280) (Note 9)	278,782	-	Note 11
Jiangsu Hua Sun Health Technology Co., Ltd	Develop brands and products in the field of health foods and special nutritious foods	315,921	c. (Note 8)	- (Note 8)	-	-	- (Note 8)	(64,055)	99.0	(63,414) (Note 9)	235,644	-	Note 11

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024	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 10)

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

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

(Continued)

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

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

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

Note 4: There was no difference between the beginning balance and the ending balance of the accumulated amount invested from Taiwan for the current period. The investment remained at \$4,034,074 thousand. Of the \$4,034,074 thousand, \$53,279 thousand has been retained in Accession Limited. The remaining balance of 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 of Shanghai Standard Foods Co., Ltd. and Shanghai Le Ben De Health Technology Co., Ltd. was \$3,949,575 thousand and \$31,220 thousand, respectively.

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

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

Note 7: The company in mainland China was reinvested through a company registered in mainland China, namely Shanghai New Vitality Health Technology (Group) Co., Ltd.

Note 8: A new company was incorporated upon the split of Le Bonta Wellness Co., Ltd., as invested by Shanghai New Vitality Health Technology (Group) Co., Ltd., a company in mainland China.

Note 9: The basis for recognition of investment profit and loss is Note 2.b. Item 2)

Note 10: The Industrial Development Bureau of the MOEA issued the proofing document of operational headquarters to the Company; the document is still valid within the audit period. Hence, according to the Investment Commission of the MOEA, there is no upper limit on the amount of investment.

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

(Concluded)

TABLE 9**STANDARD FOODS CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****DECEMBER 31, 2024**

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

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

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