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Standard Foods Corporation

Handbook for 2021 Annual Shareholders' Meeting

Friday, Jun. 11, 2021

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Chapter 1. Meeting Procedures

Standard Foods Corporation

Procedure of 2021 Annual Shareholders' Meeting

- I. Call Meeting to Order
- II. Chairman's Remarks
- III. Reports
- IV. Ratifications
- V. Discussions
- VI. Extempore Motions
- VII. Adjournment

Chapter 2. Meeting Agenda

Standard Foods Corporation Agenda of 2021 Annual Shareholders' Meeting

Time: 9:00 a.m., Friday, Jun. 11, 2021

Place: No.369, Section 1, Heping West Road, Dayuan District, Taoyuan City (In our staff social hall of Dayuan Factory)

- I. Call Meeting to Order
- II. Chairman's Remarks
- III. Reports
 - (I) 2020 Business Report
 - (II) 2020 Audit Committee's Review Report
 - (III) Distribution Report of Compensation of Employees and Directors for 2020
 - (IV) Report on Amendment to the Company's "Code of Ethnical Conduct"
 - (V) Report on Amendment to the Company's "Code of Good-faith Management"
- IV. Ratifications
 - (I) Adoption of the 2020 Business Report and Financial Statements
 - (II) Ratification of the 2020 Profit Distribution Plan
- V. Discussions
 - (I) Amendment to the Company's "Articles of Incorporation"
Proposed adoption and discussed matters resolved by voting
- VI. Extempore Motions
- VII. Adjournment

I. Reports

(I) **2020 Business Report, please refer to Attachment 1.**

(II) **2020 Audit Committee’s Review Report, please refer to Attachment 2.**

(III) **Distribution Report of Compensation of the Employees and Directors for 2020:**

Unit: NT\$

Item	Distribution object	Amount to be distributed by resolution of the Board of Directors	Payment method
Compensation of employees	Employees of the Company	49,920,653	Cash
Remuneration of directors	Directors of the Company	21,965,087	Cash
Total		71,885,740	

(IV) **Report on Amendment to the Company’s “Code of Ethnical Conduct”, please refer to Attachment 3.**

(V) **Report on Amendment to the Company’s “Code of Good-faith Management”, please refer to Attachment 4.**

II. Ratifications

Proposal I: (Proposed by the Board of Directors)

Subject: Adoption of the 2020 Business Report and Financial Statements.

Description:

- I. The Company's 2020 financial statements have been approved by the resolution of the Board of Directors, and audited as well as certified by the CPA of Tza-Li Gung and Chih-Yuan Chen from Deloitte & Touche. The 2020 financial statements together with the Business Report have been reviewed by the Company's Audit Committee, for which the Review Report has been issued for filing.
- II. Please refer to Attachment 1 for the Business Report (Page 7 to Page 13);
Please refer to Attachment 5 for the Auditor's Report and the 2020 Individual Financial Statements (Page 21 to Page 30); the Attachment 6 for the Auditor's Report and the 2020 Consolidated Financial Statements (Page 31 to Page 40).
- III. The proposal is hereby submitted for ratification.

Resolution:

Proposal II: (Proposed by the Board of Directors)

Subject: Ratification of 2020 Profit Distribution Plan.

Description:

- I. The Company's profit distribution plan for 2020 is as follows:

Standard Foods Corporation 2020 Profit Distribution Statement		Unit: NT\$
Beginning balance of retained earnings		1,726,685,039
Net Income after tax	3,212,801,446	
Remeasurement of defined benefit plan recognized in retained earnings	(21,129,932)	
Net income after tax of the period and items other than net profits of the period included in the undistributed earnings of the year		3,191,671,514
Less: Legal reserve		(319,167,151)
Special reserve		0
Distributable earnings of the period (Note)		4,599,189,402
Distribution		
Cash dividends (NT\$ 2.5 per share)		(2,287,723,978)
Undistributed earnings after distribution		2,311,465,424

(Note) The year of this distribution of earnings is 2020.

- II. After the foregoing distribution of cash dividends is passed by the shareholders' meeting, the Board of Directors is authorized to otherwise determine the distribution record date and distribution date.
- III. The distribution of the cash dividends shall be rounded off to the nearest New Taiwan Dollar, with the decimal places removed. The total rounded off amounts, are accounted as other income of the Company.
- IV. In the event that the number of the outstanding shares is affected due to changes to the laws, or change approved by the competent authority, the Company's buy-back of the treasury stock, the Company's other fund raising with issuance of new shares, transfer of treasury stock to the employee, or cancellation or other similar events, the Board of Directors is authorized to adjust the distribution percentage based on the aggregate number of the common shares to be distributed approved by resolution, and the number of the Company's actual outstanding shares on the distribution record date.
- V. The proposal is hereby submitted for ratification.

Resolution:

III. Discussions

Proposal I: (Proposed by the Board of Directors)

Subject: Review and approval of the amendment to the Company's Articles of Incorporation.

Description:

- I. In conjunction with Article 392-1 of the Company Act and Article 4 of the Regulations of Taiwan Stock Exchange Corporation Governing Establishment of the Board of Directors and Compliance Matters for Public Companies, it is proposed to amend certain provisions of the Company's Articles of Incorporation.
- II. Please refer to Attachment 7 for the comparison table of original and amendment to the Articles of Incorporation.
- III. The proposal is hereby submitted for resolution.

Resolution:

IV. Extempore Motions

V. Adjournment

Chapter 3. Attachments

Attachment I 2020 Business Report

2020 Business Report of the Company

Dear Shareholders, ladies and gentlemen,

Looking back to 2020, significant changes have been made to consumption habits and channel development under the impact of COVID-19. Thanks to long-term supports of our customers on the Company's products together with common efforts of all our colleagues, we see sustainable growth in consolidated operating revenue, and provide more consumers with nutritious and healthy foods.

With the firm belief that "eating balanced is the key to staying healthy," we not only work nonstop to innovate and develop nutritious and healthy food products for everyone, but also pay much attention to food safety. While pursuing growth, we continue enhancing the company governance so as to maintain the customer satisfaction and confidence, and become the most reliable food company.

Looking forward to 2021, in face of new catering trend for the post-epidemic era, we still take "every family's nutrition and health partner" as the mission, and are dedicated to developing new products and maintaining high-quality products. We shoulder our corporate social responsibility seriously and aspire to help everyone enjoy a "lifetime of well-being!". Under the joint efforts of everyone, we will provide our consumers with reassuring, nutritious and healthy products, and achieve prosperity of the Company.

The shareholders' trust and support for our operating team are highly appreciated.

We hereby outline 2020 consolidated operating results and 2021 business plan as follows:

I. Consolidated operating results of 2020

1. Overview of consolidated operating revenue and profits

Unit: NT\$1,000

Item	2020	%	2019	%	+/- %
Operating revenue	34,466,244	100	31,266,232	100	10.2
Operating costs	24,856,790	72	21,635,219	69	14.9
Gross profit	9,609,454	28	9,631,013	31	-0.2
Operating income	4,044,179	12	4,423,873	14	-8.6
Profit before income tax	4,288,711	13	4,548,534	14	-5.7
Net profit for the year	3,255,830	10	3,454,836	11	-5.8
Total comprehensive income	3,496,181	10	3,198,647	10	9.3

In 2020, the consolidated operating revenue of Standard Foods was NT\$ 34.46 billion, with a year-on-year increase of 10.2%, equivalent to NT\$ 3.2 billion. The operating revenue of individual company in 2020 amounted to NT\$13.18 billion, with a year-on-year increase of 0.3%, equivalent to NT\$ 44 million.

In 2020, the total comprehensive income was NT\$ 3.4 billion, with a year-on-year increase of 9.3%, equivalent to NT\$ 297 million. The total comprehensive income attributable to the owners of the Company amounted to NT\$ 3.49 billion, with a year-on-year increase of 8.6%, equivalent to NT\$ 271 million.

2. Research and development

With the purpose of providing consumers with delicious and convenient high-quality products to care for the nutritional health, Standard Foods invested NT\$ 166 million for research and development in 2020. Built on the solid foundation of science and innovation, our R&D team continually works on product and packaging upgrades, improvements, and new formulation to develop more effective and convenient products for customers.

II. Summary of 2021 Business Plan and Future Development Strategies

1. Business directions

- (1) In the post-epidemic era, people pay close attention to the health function of the food and the demand for nutritious and healthy products is increasing regardless of age. We constantly collect market data and listen to consumers' opinions/feedback, adopt cutting-edge science and technology to develop more convenient and diversified products that can safely meet the nutritional and health needs of every family member and strengthen brand value.
- (2) Implement traceability management and product transparency, strictly control quality and advance technology. By adhere to the principles of "no preservatives" to ensure minimal burden on health, we promise to deliver products of the highest quality, finest taste and safest to healthy, as every bite is taken by a consumer we cherish as "family".
- (3) Develop a systematic plan for talent development, foster talents to grow diversely, deepen professional capabilities and interdisciplinary flexibility, activate internal organizations and increase the flexibility and elasticity of organization for operations.

2. Expected sales volume and important production and sales policies

The combined sales volume in 2021 is expected to be 466,553 tons, and based on this estimation, the focuses of future production and sales policies are as follows:

(1) Production

- Follow the Group's future development strategies and goals, and enhance various capital expenditures and operational process to ensure the production efficiency and producing products that meet the nutritional and health needs of everyone.
- Choose proper suppliers and strengthen cooperation with upstream suppliers and downstream distributors, uphold the consumer-oriented policy, and implement the traceability management and quality policies to ramp up the supply chain efficiency.

- Abide by quality specifications and sustainable environmental development, stringent quality controls with every production process closely monitored to ensure product delivered with safest to health.

(2) Sales

- Grasp the market consumption trend and listen to customers' opinions/feedback attentively. With the firm belief of "eating balanced is the key to staying healthy", we integrate natural nutrition into each product and extend the product offerings into health supplements and adult special nutrition to meet everyone's daily dietary needs. With these, we hope to become "every family's nutrition and health partner".
- Provide the insight of targeted consumer's demands through multimedia, implement innovative and flexible marketing strategies, and establish close cooperation with the distributors to strengthen the product exposure and penetration, and increase the market share.
- Enable the consumers to obtain product-related information more easily and experience faster and friendly shopping through the official account of communication software and SFG Healthy Go e-Mall.

III. Impact of External Competition, the Legal Environment and Overall Business Environment

1. External competitive environment

In respond to the ever-changing domestic and international conditions, the development and renovation of social media marketing and omni-channel commerce, the company is required to maintain an advantage in a highly competitive environment and imperatively master the consumer demand for health care and characteristics of the distribution channels. In addition to adhering to the original intention and strict inspection and production of various products with the highest standards, Standard Foods researches and develops techniques through professional and innovative technology, continues understanding the real needs of the consumers to develop nutritious and healthy products that ensure “your every bite is safe”.

2. Regulatory environment

The mission of Standard Foods is to become every family's nutrition and health partner. "Safe food" is our commitment to customers. With increasing complete food safety and sanitation regulations, we continue improving the food safety monitoring plan on top of complying with the food safety laws and regulations of the government. Besides, we firmly acknowledge the importance of environmental protection. Not only do we comply fully with all environmental regulations, we actively seek ways to conserve energy, recycle water resources, and prevent pollution. Our aim is to continuously reduce our production footprints on the environment through nonstop improvements on the "clean efficiency" of our daily operations.

3. Overall business environment

Changes of the environment, the uncertainty in the coronavirus pandemic, and the short-term difficulty of container shipping storage have a considerable impact on bulk materials, raw materials and freight costs. Looking ahead, Standard Foods always adheres to the philosophy of sustainability despite of the unpredictable changes in the political and economic situation. We are dedicated to producing products that can safely meet the nutritional and health needs of every family member. While undertaking the social responsibility, we also ramp up company operation with a broader and more diverse product portfolio that effectively reaches today's younger generation and fits the international markets. Here at Standard Foods, we aspire to help everyone enjoy "a lifetime of well-being!"

IV. Overview of Business Operations

(I) Business Scope:

1. Standard Foods is mainly engaged in manufacturing and sales of nutritious foods, edible oil, dairy products and beverages.
2. Main products and business percentage

	2020
Product Category	Percentage
Nutritious Foods	35%
Cooking products Food	54%
Others	11%
Total	100%

(II) Industry Overview:

1. Current State and Development of the Industry

Based on the economic data published by Executive Yuan, the economic growth rate of Taiwan in 2020 was 3.11%. However, the relevant data also indicates that the overall domestic consumption performance is not as expected due to impact of Covid 19 on private consumption.

Given the impact of epidemic in 2020, epidemic prevention measures have changed the consumption habits of consumers, including (1) increasing frequency of eating at home; (2) raising awareness of health orientation and strengthening immunity; (3) increasing requirements of speed and convenience, which also recorded a new high in the performance of home delivery services. It is estimated the annual output value of the delivery platform will breach NT\$ 10 billion.

In the future, more convenient options will be offered in the consumption sector due to continuity of "stay-at-home economy". Upgrading of digital technology, exclusive marketing contents and differentiated products will become new business opportunities in the consumption sector of Taiwan.

2. Correlation with up-, mid-, and downstream sections of the industry
 - (1) Upstream: agriculture, animal husbandry, food packaging materials industry, biotechnology raw materials, etc.
 - (2) Midstream: R&D, food manufacturing, drink manufacturing, inspection, etc.
 - (3) Downstream: transportation, storage, sales channels and platforms, etc.
3. Trends in the development of various products
 - (1) In response to change of population structure and the consumption pattern of small young families, product design will be advanced to dedicate small packaging. Small and esthetical product requirements will become the mainstream of the young generation.
 - (2) After experiencing food safety issues and epidemic situation, the consumers pay more attention to such issues as nutrition, health and product functions. In addition to basic nutrition, functional products with health concept will strike a chord among consumption.
 - (3) With the rise of environmental and health awareness, pure and natural products of less additives and environmentally friendly packaging are increasingly well received by the consumers. Meanwhile, use of environmentally friendly packaging materials is also a part of global civil responsibilities.
4. Competitive situation
 - (1) In the competitive environment where many food companies have invested resources for market shares of health and nutrition products, have insight into the demand of the consumers, develop new consumer segment, continue professional innovation, seek for safety and quality, and develop high quality and convenient nutritious foods and health care products, so as to maintain the competitiveness.
 - (2) Analyze difference in respect of products and consumption habits based on characteristics of different distributors, and maximize the advantageous portfolio of distributors, products and consumers. Develop personalized consumer groups by taking advantage of flexible marketing strategies.

(III) Technology and R&D Overview

1. Technologies and products that have been successfully developed with R&D expenses incurred in the most recent year and as of the date of publication of the annual report:

- (1) Upgrading of products

In addition to understanding the consumer's needs for nutrition and health, Standard Foods are dedicated to producing convenient, delicious and effective products. We hope to deliver products of the highest quality, finest taste, and safest to health, as every bite is taken by a consumer we cherish as "family!"

We strive for nonstop innovation, continual pursuit of superior quality and the best taste. Furthermore, we adhere strictly to the principle of natural and non-additive

foods, such as upgraded nutrition of grain flour products, extension of flushing oat taste, and improvement of taste. In addition, we have also launched canned sugar-free grain flour formula, and Complete nutrition products of low-residue and low-nitrogen formula so that consumers of special needs have more choice.

(2) Launch of new products

In light of customer-oriented and built on the solid foundation of science, Standard Foods is dedicated to developing new products with cutting-edge science and technology.

In addition to meet the nutritional and health needs of the consumers, Standard Foods also develops new products that are consistent with the modern family structure and demands of the young generation, such as EXX digestive bacteria powder, BB soft and hard capsules (eye care, heart care, joint care), light food series of balanced nutrition and calorific control, such as oat and grain flour.

(3) Process improvement

Standard Foods is always going after high standard and high quality. We continue improving and innovating technology, study key raw materials, strengthen packaging material design and energy efficiency, and are committed to systematic management in order to guarantee quality and safety of process, and continuously optimize production process.

Improvement of cooling process of fermented yogurt after production leads to more effective cooling efficiency. We not only improve efficiency but also reduce waste water by equipment upgrading and replacement of old wastewater equipment, so as to achieve two-way improvement.

(4) Quality improvement

Safety and quality is our commitment to the consumers. We attach great importance to and strictly control efficacy and safety of the products from raw materials, manufacturing process, finished products to services, so as to guarantee safety and satisfaction of the end users. Our professional team improves the quality in light of innovative technology. Various products are accredited with multiple third-party quality and safety certifications and are well received and win awards in various events. Products of superior quality are worthy of trust and affirmation.

2. R&D plans in the most recent year:

The professional R&D team implements individual projects among various R&D plans, of which, the main contents are as follows:

- (1) Research and development of functional products.
- (2) Flavor improvement and taste extension of grain flour products.
- (3) Research and development of new types of packaging.
- (4) Upgrading and replacement of machinery and equipment.
- (5) Upgrading of nutrition of existing products.

- (6) Discussion and research of innovative technology.
- (7) Establishment and application of analysis method.

(IV) Long-term and Short-term Business Development Plans

1. Long-term Business Development Plans

- (1) We will continue brand building, introduce new image and new vitality in addition to consolidation of the existing main customer base, and attract consumer groups from young generation.
- (2) Built on the solid foundation of science, we strive for nonstop innovation to develop new products, and upgrade and enhance the existing products, so as to introduce more efficient and convenient products to the consumers.
- (3) By upholding the philosophy of sustainability, Standard Foods will constantly deepen its development in Taiwan and continue expanding its overseas market shares.

2. Short-term Business Development Plans

- (1) We will continue development of new products in order to respond to the market changes and meet the diversified demands of the consumers for nutritious and healthy products.
- (2) We will adhere to good quality and nutrition, and are committed to upgrading the nutrition ingredients and increasing the product functions, so that the consumers could have more and better choice.
- (3) We will fulfill our corporate social responsibilities and promote public benefit activities. Standard Foods' established "Children's Nutrition Care Program" and "Elderly Nutrition Care Program" works continuously to take care of nutrition and health of the vulnerable groups in the remote rural areas and the elderly

Chairman: Ter-Fung Tsao

President: Arthur Tsao

Accounting Supervisor: Shih-Kai Huang

Attachment II 2020 Audit Committee's Review Report

Standard Foods Corporation Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2020 Business Report, the consolidated financial statements, the individual financial statements and the profit distribution plan, of which, the consolidated financial statements and the individual financial statements have been audited by CPA Tza-Li Gung and Chih-Yuan Chen from Deloitte & Touche, and the auditor's report has been issued accordingly. The aforementioned Business Report, the consolidated and individual financial statements, and the profit distribution plan have been reviewed by the Audit Committee. We have not found any inconsistencies with applicable laws in our review of the aforementioned documents. Therefore, we, the Audit Committee, hereby issue this report in compliance with Article 14-4 of the Securities Act and Article 219 of the Company Act.

Sincerely,

2021 Annual Shareholders' Meeting of Standard Foods Corporation

Standard Foods Corporation

Convener of the Audit Committee: Ben Chang

Mar. 23, 2021

Attachment III Comparison Table of the Amendments to the “Code of Ethical Conduct”

Standard Foods Corporation
Comparison Table of the Amendments to the “Code of Ethical Conduct”

Amended Provisions	Current Provisions	Remark
<p>Article 1 (Purpose and Basis for Adoption) In order to regulate the conducts of the Company’s directors, managers and <u>all employees</u> in accordance with the ethical standards, and enable the Company’s stakeholders to further understand the Company’s ethical standards, this Code is hereby formulated.</p>	<p>Article 1 (Purpose and Basis for Adoption) In order to regulate the conducts of the Company’s directors, managers and <u>other employees</u> in accordance with the ethical standards, and enable the Company’s stakeholders to further understand the Company’s ethical standards, this Code is hereby formulated.</p>	Amended text
<p>Article 2 (Applicable subjects) This Code is applicable to the Company’s directors, managers and <u>all employees</u>. The foregoing objects of application are hereinafter referred to as the “Company’s personnel”.</p>	<p>Article 2 (Applicable subjects) This Code is applicable to the Company’s directors, managers and <u>other employees</u>. The foregoing objects of application are hereinafter referred to as the “Company’s personnel”.</p>	Amended text
<p>Article 4 (Prevention of Conflict of Interest) The Company’s personnel shall conduct business in an objective and efficient way, and shall not be allowed to obtain any improper benefit for themselves, their spouses or relatives within <u>the second degree</u> of consanguinity by taking advantage of their position in the Company. Rest omitted.</p>	<p>Article 4 (Prevention of Conflict of Interest) The Company’s personnel shall conduct business in an objective and efficient way, and shall not be allowed to obtain any improper benefit for themselves, their spouses, <u>parents, children,</u> or relatives within <u>the third degree</u> of consanguinity by taking advantage of their position in the Company. Rest omitted.</p>	Concise text
<p>Article 10 (Encourage Report on Any Illegal Conducts or Conducts in violation of the Code of Ethical Conduct) The Company shall organize education concerning this Code for the Company’s personnel at least once a year. If the Company’s personnel suspect or find any circumstances in violation of the laws and regulations or this Code, they shall take the initiative to report the circumstances to <u>the members of the Audit Committee</u>, the chief internal auditor or other appropriate heads, and shall provide adequate information so that the Company is able to take appropriate actions subsequently. <u>The Company allows the whistleblower to</u></p>	<p>Article 10 (Encourage Report on Any Illegal Conducts or Conducts in violation of the Code of Ethical Conduct) The Company shall organize education concerning this Code for the Company’s personnel at least once a year. If the Company’s personnel suspect or find any circumstances in violation of the laws and regulations or this Code, they shall take the initiative to report the circumstances to <u>the managers</u>, the chief internal auditor or other appropriate heads, and shall provide adequate information so that the</p>	Amend in conjunction with Article 14-5 of the Securities Act dated Apr. 17, 2019 and Jun. 21, 2019, and allow anonymous report and amend text by reference to Article 23 of the Code of Good-faith Management of the Public and Listed Companies

Amended Provisions	Current Provisions	Remark
<u>report any matters in an anonymous manner, absolutely keeps confidential such report, investigate such matters via independent channels, so as to protect safety of the whistleblowers and protect them from revenge.</u>	Company is able to take appropriate actions subsequently. All reported cases shall keep confidential such report, investigate such matters via independent channels, so as to protect <u>the whistleblower.</u>	
Article 12 (Procedures for Exemption from Applicability) <u>The Company's exemption of directors or managers from compliance with the Code of Ethical Conduct must be adopted by the resolution of the Board of Directors, and the information regarding the date of approval on exemption by the Board of Directors, the dissenting or qualified opinion of the Independent Directors, the period during which the exemption is applicable, the reasons for the exemption and the criteria for the exemption shall be disclosed on Market Observation Post System (MOPS) in real time, for the shareholders to assess if the resolutions of the Board of Directors are appropriate, to prevent arbitrary or suspicious exemption from complying with the Code, and to ensure any exemption from complying with the Code is accompanied with appropriate control mechanism to protect the Company.</u>	New article is added and the original article number is postponed.	New article
Article 13 (Method of Disclosure)	Article 12 (Method of Disclosure)	Original Article 12 is adjusted to Article 13
Article 14 (Enforcement) <u>The Company's Code of Ethical Conduct and any amendments hereto shall be put into enforcement with approval by the Board of Directors.</u>	Article 13 (Enforcement) <u>This Code and any amendments hereto shall be put into enforcement with approval by the Board of Directors, and shall be submitted to the shareholders' meeting.</u>	The original Article 13 is adjusted to Article 14 and the amended text.

Attachment IV Comparison Table of the Amendments to the “Code of Good-faith Management”

Standard Foods Corporation
Comparison Table of the Amendments to the “Code of Good-faith Management”

Amended Provisions	Current Provisions	Remark
<p>Article 5 (Policy) The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and <u>obtain approval from the board of directors</u>, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	<p>Article 5 (Policy) The Company shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.</p>	Amended text
<p>Article 7 (Scope of Prevention Plan) While formulating the prevention plan, <u>the Company shall analyze the business activities at higher risk of being involved in dishonest conducts within the business scope, and shall strengthen the relevant prevention measures.</u> The prevention measures shall <u>at least</u> cover the following behaviors: I. Offering and acceptance of bribes. II. Offering of illegal political donations. III. Improper charitable donations or sponsorship. IV. Offering or acceptance of unreasonable presents, hospitality or other improper benefits. V. Infringement of trade secrets, trade mark rights, patent rights, copyrights, and other intellectual property rights. VI. Unfair competitive practices. VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.</p>	<p>Article 7 (Scope of Prevention Plan) The Company shall establish a prevention plan with prevention measures that shall at least cover the following behaviors: I. Offering and acceptance of bribes. II. Offering of illegal political donations. III. Improper charitable donations or sponsorship. IV. Offering or acceptance of unreasonable presents, hospitality or other improper benefits. V. Infringement of trade secrets, trade mark rights, patent rights, copyrights, and other intellectual property rights. VI. Unfair competitive practices. VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development,</p>	Amendment is made in accordance with TWSE Letter TZZL No. 1080008378 dated May. 23, 2019.

Amended Provisions	Current Provisions	Remark
	procurement, manufacture, provision, or sale of products and services.	
<p>Article 20 (Accounting and Internal Control) Paragraph 1 is omitted.</p> <p>The Company's audit department shall take relevant measures, if necessary, <u>based on the materiality of the results of the risk assessment of dishonest behavior, such as the formulation of relevant audit plans, etc.</u> The contents of <u>the audit plan include the object, scope, item and frequency of the audit. The audit plan is designed to examine compliance with the prevention plans.</u> An accountant shall be appointed to perform audit, and if necessary, professionals shall be appointed for assistance. <u>The audit results shall be submitted to the senior management and the organization responsible for good-faith management, and the audit report shall be formed and submitted to the Board of Directors.</u></p>	<p>Article 20 (Accounting and Internal Control) Paragraph 1 is omitted.</p> <p>The Company's audit department shall <u>examine compliance with the foregoing system on a regular basis, and shall form an audit report and submit it to the Board of Directors.</u> Besides, an accountant shall be appointed to perform audit, and if necessary, professionals shall be appointed for assistance.</p>	<p>Amendment is made in accordance with TWSE Letter TZZL No. 1080008378 dated May. 23, 2019.</p>
<p>Article 22 (Whistleblowing System) <u>The Company shall adopt specific whistleblowing system, and practically implement the system. The contents of this system shall at least cover the following items:</u></p> <p>I. <u>The Company has established and announced an internal independent mailbox, hotline, or commissioned other external independent organizations to provide whistle-blowing mailbox and hotline for the Company's internal and external personnel.</u></p> <p>II. <u>Dedicated personnel or unit appointed to handle the whistle-blowing system. Any tip involving a director or senior management shall be reported to the independent directors or supervisors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.</u></p> <p>III. <u>After the investigation of the prescribed prosecution case is completed, follow-up measures to be taken in accordance with the severity of the circumstances shall be reported to the competent authority or transferred to the judicial organ for</u></p>	<p>Article 22 (Whistleblowing System) <u>The Company has set up a reporting email, which can be used by internal or external personnel for reporting violations.</u></p> <p>If, upon investigation, the Company's personnel or departments in charge of whistleblowing discover material violation of regulation or likelihood of material impairment to the Company, such personnel or departments shall immediately prepare a report, and inform the independent directors or the Audit Committee in writing.</p>	<p>Amendment is made in accordance with TWSE Letter TZZL No. 1080008378 dated May. 23, 2019.</p>

Amended Provisions	Current Provisions	Remark
<p><u>investigation if necessary.</u></p> <p>IV. <u>Documentation of case acceptance, investigation processes, investigation results, and relevant documents.</u></p> <p>V. <u>Confidentiality of the identity of whistleblowers and the content of reported cases, and an undertaking regarding anonymous reporting.</u></p> <p>VI. <u>The Company shall protect the whistleblower from and against any improper treatment.</u></p> <p>VII. <u>Whistle-blowing incentive measures.</u> If, upon investigation, the Company’s personnel or departments in charge of whistleblowing discover material violation of regulation or likelihood of material impairment to the Company, such personnel or departments shall immediately prepare a report, and inform the independent directors or the Audit Committee in writing.</p>		
<p>Article 26 (Operating Procedures and Guidelines of Conduct) <u>The Company shall formulate operating procedures and behavior guidelines in accordance with the provisions of Article 6 to regulate directors, supervisors, managerial officers, employees, and substantive controllers on how to conduct business; the contents shall at least contain the following matters:</u></p> <p>I. <u>Standards for determining whether improper benefits have been offered or accepted.</u></p> <p>II. <u>Procedures for offering legitimate political donations.</u></p> <p>III. <u>Procedures and the standard rates for offering charitable donations or sponsorship.</u></p> <p>IV. <u>Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</u></p> <p>V. <u>Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</u></p> <p>VI. <u>Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</u></p> <p>VII. <u>Handling procedures for violations of</u></p>		New article

Amended Provisions	Current Provisions	Remark
<p><u>these Principles.</u></p> <p>VIII. <u>Disciplinary measures on offenders.</u></p>		
<p>Article 27 (Implementation)</p> <p>This Code and any amendments hereto shall be put into enforcement with approval by the Audit Committee and the Board of Directors. <u>When the Company submits its ethical corporate management best practice principles to the board of directors for discussion pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. Any objections or reservations of any independent director shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objections or reservations shall provide a written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.</u></p>	<p>Article 27 (Implementation)</p> <p>This Code and any amendments hereto shall be put into enforcement with approval by the Audit Committee and the Board of Directors, <u>and shall be submitted to the shareholders' meeting.</u></p>	<p>The original Article 26 is adjusted to Article 27 and the amended text Paragraph 2 is newly added</p>

Attachment V Auditor’s Report and 2020 Individual Financial Statements

INDEPENDENT AUDITORS’ REPORT

The Board of Directors and Shareholders
Standard Foods Corporation

Opinion

We have audited the accompanying financial statements of Standard Foods Corporation (the “Company”), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in 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 financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2020 is stated as follows:

Estimate the return liability

The Company mainly manufactures and sells nutritious foods, edible oils, dairy products and beverages. Taking into account the accumulated experience in the past, the company estimates the return liability with the probable amount, and please refer to Notes 5 and 19 to the financial statements for detailed information related to return liability. Because the assessment of return liability involves management's critical accounting estimates and judgments, we considered the assessment of return liability to be a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

1. We understood and tested the design and operating effectiveness of the key controls over estimates the return liability;
2. We selected samples from the sales return transactions and inspected the correctness of the sales returns in current year;
3. We obtained the relevant reports of estimates return liability, recalculated and reviewed whether the assessment results were adequacy.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2020 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 audit resulting in this independent auditors' report are Tza-Li Gung and Zhi-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2021

Notice to Readers

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

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

STANDARD FOODS CORPORATION

BALANCE SHEETS

DECEMBER 31, 2020 AND 2019

(In Thousands of New Taiwan Dollars)

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 205,747	1	\$ 624,431	3
Financial assets at fair value through profit or loss - current (Note 7)	1,118,813	5	556,393	3
Financial assets at fair value through other comprehensive income - current (Note 8)	20,671	-	21,825	-
Financial assets at amortized cost - current (Note 9)	1,092,961	5	1,610,195	8
Notes receivable (Notes 10 and 22)	5	-	-	-
Trade receivables from unrelated parties (Notes 10 and 22)	1,980,474	10	2,148,846	11
Trade receivables from related parties (Notes 22 and 28)	136,585	1	141,484	1
Other receivables (Note 10)	34,420	-	15,523	-
Other receivables from related parties (Note 28)	947,545	5	3,242	-
Inventories (Note 11)	1,834,330	9	1,926,771	10
Prepayments (Note 12)	167,706	1	242,149	1
Other current assets (Note 17 and 19)	27,378	-	15,348	-
Total current assets	<u>7,566,635</u>	<u>37</u>	<u>7,306,207</u>	<u>37</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	1,894	-	7,575	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	77,341	-	81,342	-
Investments accounted for using the equity method (Note 13)	11,167,932	54	10,339,942	53
Property, plant and equipment (Note 14)	1,352,887	7	1,372,629	7
Right-of-use assets (Note 15)	63,174	-	84,295	1
Other intangible assets (Note 16)	13,660	-	2,943	-
Deferred tax assets (Note 24)	321,299	2	378,132	2
Other non-current assets (Note 17)	19,928	-	23,123	-
Total non-current assets	<u>13,018,115</u>	<u>63</u>	<u>12,289,981</u>	<u>63</u>
TOTAL	<u>\$ 20,584,750</u>	<u>100</u>	<u>\$ 19,596,188</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Note 22)	\$ 21,440	-	\$ 15,035	-
Notes payable (Note 18)	289	-	577	-
Trade payables (Note 18)	827,945	4	876,262	5
Trade payables to related parties (Note 28)	20,526	-	26,141	-
Other payables (Note 19)	1,110,589	5	1,041,136	5
Current tax liabilities (Note 24)	299,812	2	391,748	2
Lease liabilities - current (Note 15)	20,979	-	25,349	-
Other current liabilities (Note 5 and 19)	24,670	-	8,284	-
Total current liabilities	<u>2,326,250</u>	<u>11</u>	<u>2,384,532</u>	<u>12</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 24)	347,410	2	265,870	2
Lease liabilities - non-current (Note 15)	38,059	-	56,304	-
Net defined benefit liabilities (Note 20)	188,393	1	211,205	1
Other non-current liabilities (Note 19)	150	-	150	-
Total non-current liabilities	<u>574,012</u>	<u>3</u>	<u>533,529</u>	<u>3</u>
Total liabilities	<u>2,900,262</u>	<u>14</u>	<u>2,918,061</u>	<u>15</u>
EQUITY (Note 21)				
Ordinary shares	9,150,897	44	9,150,897	47
Capital surplus	127,392	1	109,718	-
Retained earnings				
Legal reserve	3,287,022	16	2,945,412	15
Special reserve	577,494	3	330,945	2
Unappropriated earnings	4,918,357	24	4,739,831	24
Total retained earnings	8,782,873	43	8,016,188	41
Other equity	(355,492)	(2)	(577,494)	(3)
Treasury shares	(21,182)	-	(21,182)	-
Total equity	<u>17,684,488</u>	<u>86</u>	<u>16,678,127</u>	<u>85</u>
TOTAL	<u>\$ 20,584,750</u>	<u>100</u>	<u>\$ 19,596,188</u>	<u>100</u>

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

STANDARD FOODS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 22 and 28)	\$ 13,184,535	100	\$ 13,139,944	100
OPERATING COSTS				
Cost of goods sold (Notes 11, 23 and 28)	<u>8,455,471</u>	<u>64</u>	<u>8,469,936</u>	<u>64</u>
GROSS PROFIT	<u>4,729,064</u>	<u>36</u>	<u>4,670,008</u>	<u>36</u>
OPERATING EXPENSES (Note 23)				
Selling and marketing expenses	1,340,048	10	1,223,016	9
General and administrative expenses	453,697	3	397,433	3
Research and development expenses	87,553	1	94,429	1
Expected credit gain	<u>(217)</u>	<u>-</u>	<u>(95)</u>	<u>-</u>
Total operating expenses	<u>1,881,081</u>	<u>14</u>	<u>1,714,783</u>	<u>13</u>
OPERATING INCOME	<u>2,847,983</u>	<u>22</u>	<u>2,955,225</u>	<u>23</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Notes 23 and 28)	21,974	-	22,823	-
Other income (Notes 23 and 28)	11,298	-	11,933	-
Other gains (Note 23)	50,398	-	3,468	-
Finance costs (Note 23)	(1,084)	-	(1,339)	-
Share of the profit of subsidiaries	<u>990,798</u>	<u>8</u>	<u>1,191,976</u>	<u>9</u>
Total non-operating income and expenses	<u>1,073,384</u>	<u>8</u>	<u>1,228,861</u>	<u>9</u>
PROFIT BEFORE INCOME TAX	3,921,367	30	4,184,086	32
INCOME TAX EXPENSE (Note 24)	<u>708,566</u>	<u>6</u>	<u>767,989</u>	<u>6</u>
NET PROFIT FOR THE YEAR	<u>3,212,801</u>	<u>24</u>	<u>3,416,097</u>	<u>26</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	(20,575)	-	(20,000)	-

(Continued)

STANDARD FOODS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(5,155)	-	(18,658)	-
Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method	101,676	1	40,644	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 24)	<u>4,095</u>	<u>-</u>	<u>4,338</u>	<u>-</u>
Total items that will not be reclassified subsequently to profit or loss	<u>80,041</u>	<u>1</u>	<u>6,324</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	151,041	1	(350,212)	(3)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 24)	<u>(30,209)</u>	<u>-</u>	<u>70,043</u>	<u>1</u>
Total items that may be reclassified subsequently to profit or loss	<u>120,832</u>	<u>1</u>	<u>(280,169)</u>	<u>(2)</u>
Other comprehensive loss for the year, net of income tax	<u>200,873</u>	<u>2</u>	<u>(273,845)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,413,674</u>	<u>26</u>	<u>\$ 3,142,252</u>	<u>24</u>
EARNINGS PER SHARE (Note 25)				
Basic	<u>\$ 3.54</u>		<u>\$ 3.76</u>	
Diluted	<u>\$ 3.53</u>		<u>\$ 3.76</u>	

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

(Concluded)

STANDARD FOODS CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on Translating the Financial Statements of Foreign Operations	Other Equity		Treasury Shares	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Total		Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total		
BALANCE AT JANUARY 1, 2019	\$ 9,150,897	\$ 93,045	\$ 2,650,503	\$ 260,426	\$ 4,004,182	\$ 6,915,111	\$ (412,869)	\$ 81,924	\$ (330,945)	\$ (21,182)	\$15,806,926
Appropriation of 2018 earnings											
Legal reserve	-	-	294,909	-	(294,909)	-	-	-	-	-	-
Special reserve	-	-	-	70,519	(70,519)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,287,724)	(2,287,724)	-	-	-	-	(2,287,724)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	16,673	-	-	-	-	-	-	-	-	16,673
Net profit for the year ended December 31, 2019	-	-	-	-	3,416,097	3,416,097	-	-	-	-	3,416,097
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	(27,296)	(27,296)	(280,169)	33,620	(246,549)	-	(273,845)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	3,388,801	3,388,801	(280,169)	33,620	(246,549)	-	3,142,252
BALANCE AT DECEMBER 31, 2019	9,150,897	109,718	2,945,412	330,945	4,739,831	8,016,188	(693,038)	115,544	(577,494)	(21,182)	16,678,127
Appropriation of 2019 earnings											
Legal reserve	-	-	341,610	-	(341,610)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	246,549	(246,549)	-	-	-	-	-	-
Share dividends to shareholders	-	-	-	-	(2,424,987)	(2,424,987)	-	-	-	-	(2,424,987)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	17,674	-	-	-	-	-	-	-	-	17,674
Net profit for the year ended December 31, 2020	-	-	-	-	3,212,801	3,212,801	-	-	-	-	3,212,801
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(21,129)	(21,129)	120,832	101,170	222,002	-	200,873
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	3,191,672	3,191,672	120,832	101,170	222,002	-	3,413,674
BALANCE AT DECEMBER 31, 2020	\$ 9,150,897	\$ 127,392	\$ 3,287,022	\$ 577,494	\$ 4,918,357	\$ 8,782,873	\$ (572,206)	\$ 216,714	\$ (355,492)	\$ (21,182)	\$17,684,488

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

STANDARD FOODS CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,921,367	\$ 4,184,086
Adjustments for:		
Depreciation expenses	225,981	222,087
Amortization expenses	8,105	11,998
Expected credit loss reversed on trade receivables	(217)	(95)
Net gain on fair value changes of financial assets and liabilities designated as at fair value through profit or loss	(3,063)	(4,098)
Finance costs	1,084	1,339
Interest income	(21,974)	(22,823)
Dividend income	(1,721)	(2,787)
Share of the profit of subsidiaries	(990,798)	(1,191,976)
Net loss on disposal of property, plant and equipment	951	2,087
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	(553,676)	(95,054)
Notes receivable	(5)	567
Trade receivables	168,589	(164,585)
Trade receivables from related parties	4,899	33,008
Other receivables	(20,660)	55,058
Other receivables from related parties	(944,303)	715
Inventories	92,441	(93,767)
Prepayments	74,443	39,532
Other current assets	(12,030)	5,061
Contract liabilities	6,405	7,040
Notes payable	(288)	(8,771)
Trade payables	(48,317)	(8,917)
Trade payables to related parties	(5,615)	12,485
Other payables	69,453	36,273
Other current liabilities	16,386	(175)
Net defined benefit liabilities	(43,387)	8
Cash generated from operations	1,944,050	3,018,296
Interest received	23,737	21,489
Interest paid	(1,084)	(1,339)
Income tax paid	(688,243)	(522,605)
Net cash generated from operating activities	<u>1,278,460</u>	<u>2,515,841</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(2,240,636)	(2,768,840)
Proceeds from sale of financial assets at amortized cost	2,757,870	2,141,408
Payments for property, plant and equipment	(185,413)	(159,044)
Proceeds from disposal of property, plant and equipment	2,417	1,131
Payments for intangible assets	(13,541)	(7,564)
(Increase) decrease in other financial assets	1,323	(3,441)

(Continued)

STANDARD FOODS CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Increase in other non-current assets	(3,409)	(7,235)
Dividends received from subsidiaries	442,255	424,580
Other dividends received	<u>1,721</u>	<u>2,787</u>
Net cash generated from (used in) investing activities	<u>762,587</u>	<u>(376,218)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from guarantee deposits received	-	(50)
Repayment of the principal portion of lease liabilities	(25,688)	(26,113)
Dividends paid to owners of the Company	(2,424,987)	(2,287,724)
Acquisition of interest in subsidiaries	<u>(9,056)</u>	<u>-</u>
Net cash used in financing activities	<u>(2,459,731)</u>	<u>(2,313,887)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(418,684)	(174,264)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>624,431</u>	<u>798,695</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 205,747</u>	<u>\$ 624,431</u>

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

(Concluded)

Attachment VI Auditor’s Report and 2020 Consolidated Financial Statements

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, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (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, 2020 and 2019, 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 audit of the consolidated financial statements for the year ended December 31, 2020 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. We conducted our audit of the consolidated financial statements for the year ended December 31, 2019 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants, Rule No. 1090360805 issued by the Financial Supervisory Commission of the Republic of China on February 25, 2020, and auditing standards generally accepted in 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, 2020. 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, 2020 is stated as follows:

Estimate the Return Liability

Standard Foods Corporation and its subsidiaries which located in China mainly manufactures and sells nutritious foods, edible oils, dairy products and beverages. Taking into account the accumulated experience in the past, the company estimates the return liability with the probable amount, and please refer to Notes 5 and 22 to the financial statements for detailed information related to return liability. Because the assessment of return liability involves management's critical accounting estimates and judgments, we considered the assessment of return liability to be a key audit matter.

Our key audit procedures performed in respect of the above area included the following:

1. We understood and tested the design and operating effectiveness of the key controls over estimates the return liability;
2. We selected samples from the sales return transactions and inspected the correctness of the sales returns in current year;
3. We obtained the relevant reports of estimates other sales return liability, recalculated and reviewed whether the assessment results were adequacy.

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, 2020 and 2019 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 auditing standards generally accepted in 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 auditing standards generally accepted in 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, 2020 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 audit resulting in this independent auditors' report are Tza-Li Gung and Zhi-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 22, 2021

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

ASSETS	2020		2019	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 4,332,018	16	\$ 3,705,903	15
Financial assets at fair value through profit or loss - current (Note 7)	1,490,336	5	667,673	3
Financial assets at fair value through other comprehensive income - current (Note 8)	249,485	1	186,711	1
Financial assets at amortized cost - current (Note 9)	1,728,070	6	2,206,805	9
Notes receivable (Notes 10 and 25)	3,154	-	2,977	-
Trade receivables (Notes 10 and 25)	6,295,581	23	6,439,550	25
Trade receivable from related parties (Notes 25 and 33)	9,011	-	-	-
Finance lease receivables - current (Note 11)	2,917	-	2,775	-
Other receivables (Note 10)	224,370	1	193,083	1
Current tax assets (Note 27)	23,063	-	46,114	-
Inventories (Note 12)	5,124,648	18	3,646,984	14
Prepayments (Note 13)	1,579,289	6	1,385,226	5
Other current assets (Notes 19 and 34)	63,844	-	29,384	-
Total current assets	<u>21,125,786</u>	<u>76</u>	<u>18,513,185</u>	<u>73</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Note 7)	10,666	-	7,575	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	267,178	1	189,695	1
Property, plant and equipment (Notes 15 and 34)	4,201,645	15	5,125,312	20
Right-of-use assets (Note 16)	626,440	2	699,679	3
Investment properties (Notes 17 and 34)	844,797	3	122,492	-
Goodwill	817	-	818	-
Other intangible assets (Note 18)	105,391	-	67,269	-
Deferred tax assets (Note 27)	417,127	2	473,398	2
Finance lease receivables - non-current (Note 11)	24,031	-	26,948	-
Net defined benefit assets - non-current (Note 23)	3,521	-	919	-
Other non-current assets (Notes 19 and 34)	196,463	1	260,975	1
Total non-current assets	<u>6,698,076</u>	<u>24</u>	<u>6,975,080</u>	<u>27</u>
	<u>\$27,823,862</u>	<u>100</u>	<u>\$25,488,265</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 34)	\$ 1,846,767	7	\$ 1,382,955	6
Short-term bills payable (Note 20)	129,869	1	99,968	1
Contract liabilities - current (Note 25)	748,044	3	326,644	1
Notes payable (Note 21)	90,333	-	316,444	1
Trade payables (Note 21)	2,107,188	8	2,014,619	8
Trade payables to related parties (Note 33)	20,526	-	26,141	-
Other payables (Note 22)	3,442,258	12	2,850,674	11
Current tax liabilities (Note 27)	399,020	1	547,018	2
Lease liabilities - current (Note 16)	77,782	-	83,119	-
Current portion of long-term borrowings (Notes 20 and 34)	-	-	6,000	-
Other current liabilities (Note 5 and 22)	94,108	-	28,501	-
Total current liabilities	<u>8,955,895</u>	<u>32</u>	<u>7,682,083</u>	<u>30</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 27)	351,328	1	268,813	1
Lease liabilities - non-current (Note 16)	200,191	1	264,496	1
Net defined benefit liabilities - non-current (Note 23)	280,701	1	299,204	2
Other non-current liabilities (Note 22)	20,120	-	22,978	-
Total non-current liabilities	<u>852,340</u>	<u>3</u>	<u>855,491</u>	<u>4</u>
Total liabilities	<u>9,808,235</u>	<u>35</u>	<u>8,537,574</u>	<u>34</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 24)				
Ordinary shares	<u>9,150,897</u>	<u>33</u>	<u>9,150,897</u>	<u>36</u>
Capital surplus	<u>127,392</u>	<u>-</u>	<u>109,718</u>	<u>-</u>
Retained earnings				
Legal reserve	3,287,022	12	2,945,412	11
Special reserve	577,494	2	330,945	1
Unappropriated earnings	<u>4,918,357</u>	<u>18</u>	<u>4,739,831</u>	<u>19</u>
Total retained earnings	<u>8,782,873</u>	<u>32</u>	<u>8,016,188</u>	<u>31</u>
Other equity	<u>(355,492)</u>	<u>(1)</u>	<u>(577,494)</u>	<u>(2)</u>
Treasury shares	<u>(21,182)</u>	<u>-</u>	<u>(21,182)</u>	<u>-</u>
Total equity attributable to owners of the Company	17,684,488	64	16,678,127	65
NON-CONTROLLING INTERESTS (Note 24)				
	<u>331,139</u>	<u>1</u>	<u>272,564</u>	<u>1</u>
Total equity	<u>18,015,627</u>	<u>65</u>	<u>16,950,691</u>	<u>66</u>
TOTAL	<u>\$27,823,862</u>	<u>100</u>	<u>\$25,488,265</u>	<u>100</u>

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

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 25 and 33)	\$ 34,466,244	100	\$ 31,266,232	100
OPERATING COSTS				
Cost of goods sold (Notes 12, 26 and 33)	<u>24,856,790</u>	<u>72</u>	<u>21,635,219</u>	<u>69</u>
GROSS PROFIT	<u>9,609,454</u>	<u>28</u>	<u>9,631,013</u>	<u>31</u>
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	4,232,068	12	3,967,158	13
General and administrative expenses	1,152,067	3	1,078,836	4
Research and development expenses	166,035	1	148,384	-
Expected credit loss	<u>15,105</u>	<u>-</u>	<u>12,762</u>	<u>-</u>
Total operating expenses	<u>5,565,275</u>	<u>16</u>	<u>5,207,140</u>	<u>17</u>
OPERATING INCOME	<u>4,044,179</u>	<u>12</u>	<u>4,423,873</u>	<u>14</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 26)	119,907	-	74,819	-
Other income (Note 26)	39,862	-	35,918	-
Other gains (Notes 26 and 29)	136,100	1	60,803	-
Finance costs (Note 26)	<u>(51,337)</u>	<u>-</u>	<u>(46,879)</u>	<u>-</u>
Total non-operating income and expenses	<u>244,532</u>	<u>1</u>	<u>124,661</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	4,288,711	13	4,548,534	14
INCOME TAX EXPENSE (Note 27)	<u>1,032,881</u>	<u>3</u>	<u>1,093,698</u>	<u>3</u>
NET PROFIT FOR THE YEAR	<u>3,255,830</u>	<u>10</u>	<u>3,454,836</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(26,831)	-	(36,667)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	140,235	-	54,764	-

(Continued)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019	
	Amount	%	Amount	%
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 27)	<u>5,347</u>	-	<u>7,671</u>	-
Total items that will not be reclassified subsequently to profit or loss	<u>118,751</u>	-	<u>25,768</u>	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	151,809	1	(351,999)	(1)
Income tax relating to the items that may be reclassified subsequently to profit or loss (Note 27)	<u>(30,209)</u>	-	<u>70,042</u>	-
Total items that may be reclassified subsequently to profit or loss	<u>121,600</u>	1	<u>(281,957)</u>	(1)
Other comprehensive loss for the year, net of income tax	<u>240,351</u>	1	<u>(256,189)</u>	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 3,496,181</u>	<u>10</u>	<u>\$ 3,198,647</u>	<u>10</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,212,801	10	\$ 3,416,097	11
Non-controlling interests	<u>43,029</u>	-	<u>38,739</u>	-
	<u>\$ 3,255,830</u>	<u>10</u>	<u>\$ 3,454,836</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,413,674	10	\$ 3,142,252	10
Non-controlling interests	<u>82,507</u>	-	<u>56,395</u>	-
	<u>\$ 3,496,181</u>	<u>10</u>	<u>\$ 3,198,647</u>	<u>10</u>
EARNINGS PER SHARE (Note 28)				
Basic	<u>\$ 3.54</u>		<u>\$ 3.76</u>	
Diluted	<u>\$ 3.53</u>		<u>\$ 3.76</u>	

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, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Other Equity		Treasury Shares	Total	Non-controlling Interests		
							Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2019	\$9,150,897	\$ 93,045	\$2,650,503	\$ 260,426	\$4,004,182	\$6,915,111	\$ (412,869)	\$ 81,924	\$ (330,945)	\$ (21,182)	\$15,806,926	\$ 233,399	\$16,040,325
Appropriation of 2018 earnings													
Legal reserve	-	-	294,909	-	(294,909)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	70,519	(70,519)	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,287,724)	(2,287,724)	-	-	-	-	(2,287,724)	-	(2,287,724)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	16,673	-	-	-	-	-	-	-	-	16,673	-	16,673
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(17,230)	(17,230)
Net profit for the year ended December 31, 2019	-	-	-	-	3,416,097	3,416,097	-	-	-	-	3,416,097	38,739	3,454,836
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	(27,296)	(27,296)	(280,169)	33,620	(246,549)	-	(273,845)	17,656	(256,189)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	3,388,801	3,388,801	(280,169)	33,620	(246,549)	-	3,142,252	56,395	3,198,647
BALANCE AT DECEMBER 31, 2019	9,150,897	109,718	2,945,412	330,945	4,739,831	8,016,188	(693,038)	115,544	(577,494)	(21,182)	16,678,127	272,564	16,950,691
Appropriation of 2019 earnings													
Legal reserve	-	-	341,610	-	(341,610)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	246,549	(246,549)	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,424,987)	(2,424,987)	-	-	-	-	(2,424,987)	-	(2,424,987)
Adjustment of capital surplus for the Company's cash dividends received by subsidiaries	-	17,674	-	-	-	-	-	-	-	-	17,674	-	17,674
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(23,932)	(23,932)
Net profit for the year ended December 31, 2020	-	-	-	-	3,212,801	3,212,801	-	-	-	-	3,212,801	43,029	3,255,830
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(21,129)	(21,129)	120,832	101,170	222,002	-	200,873	39,478	240,351
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	3,191,672	3,191,672	120,832	101,170	222,002	-	3,413,674	82,507	3,496,181
BALANCE AT DECEMBER 31, 2020	\$9,150,897	\$ 127,392	\$3,287,022	\$ 577,494	\$4,918,357	\$8,782,873	\$ (572,206)	\$ 216,714	\$ (355,492)	\$ (21,182)	\$17,684,488	\$ 331,139	\$18,015,627

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, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 4,288,711	\$ 4,548,534
Adjustments for:		
Depreciation expenses	596,990	574,798
Amortization expenses	65,479	54,237
Expected credit loss recognized on trade receivables	15,105	12,762
Net gain loss on fair value changes of financial assets and financial liabilities at fair value through profit or loss	(929)	(7,812)
Finance costs	51,337	46,879
Interest income	(119,907)	(74,819)
Dividend income	(9,809)	(11,231)
Loss on disposal of property, plant and equipment	2,959	37,346
Loss on disposal of investment properties	-	4,268
Others	-	(19)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as fair value through profit or loss	(823,078)	(42,330)
Notes receivable	(134)	(204)
Trade receivables	172,746	(418,070)
Trade receivables from related parties	(9,011)	-
Other receivables	(21,040)	30,739
Inventories	(1,427,914)	490,995
Prepayments	(172,766)	185,019
Other current assets	(34,073)	(7,472)
Accrued pension assets	(2,602)	1,645
Contract liabilities	409,533	(21,368)
Notes payable	(227,045)	196,093
Trade payables	85,049	(121,831)
Trade payables - related parties	(5,615)	17,540
Other payables	562,724	298,026
Other current liabilities	64,643	(5,242)
Net defined benefit liabilities	(46,228)	(3,124)
Cash generated from operations	3,415,125	5,785,359
Interest received	110,023	72,781
Interest paid	(51,777)	(50,799)
Income tax paid	(1,043,196)	(780,867)
Net cash generated from operating activities	<u>2,430,175</u>	<u>5,026,474</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(3,929,027)	(3,588,919)
Refund of financial assets at amortized cost	4,412,156	2,879,221
Payments for property, plant and equipment	(281,891)	(405,804)
Proceeds from disposal of property, plant and equipment	20,943	20,095
Payments for intangible assets	(42,768)	(7,564)

(Continued)

STANDARD FOODS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
Decrease in finance lease receivables	2,775	2,640
Increase in other financial assets	-	(13,000)
Decrease in other financial assets	83,674	-
Increase in other non-current assets	(73,606)	-
Decrease in other non-current assets	-	2,296
Other dividends received	<u>9,809</u>	<u>11,006</u>
Net cash generated from (used in) investing activities	<u>202,065</u>	<u>(1,100,029)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	440,344	-
Decrease in short-term borrowings	-	(301,316)
Increase in short-term bills payable	29,901	-
Decrease in short-term bills payable	-	(19,936)
Payments for long-term borrowings	(6,000)	(21,000)
Repayment of the principal portion of lease liabilities	(88,207)	(73,714)
Increase in other financial liabilities	-	705
Decrease in other financial liabilities	(286)	-
Decrease in other non-current liabilities	(2,851)	(1,757)
Dividends paid to owners of the Company	<u>(2,431,245)</u>	<u>(2,288,281)</u>
Net cash used in financing activities	<u>(2,058,344)</u>	<u>(2,705,299)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES		
	<u>52,219</u>	<u>(105,195)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	626,115	1,115,951
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
	<u>3,705,903</u>	<u>2,589,952</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		
	<u>\$ 4,332,018</u>	<u>\$ 3,705,903</u>

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

Attachment VII Comparison Table of the Amendments to the “Articles of Incorporation”

Standard Foods Corporation
Comparison Table of the Amendments to the “Articles of Incorporation”

Amended Provisions	Current Provisions	Remark
<p>Article 1 The Company is organized in accordance with the provisions concerning company limited by shares under the Company Act of Republic of China, and is named “佳格食品股份有限公司” in Chinese and <u>“STANDARD FOODS CORPORATION”</u> in English.</p>	<p>Article 1 The Company is organized in accordance with the provisions concerning company limited by shares under the Company Act of Republic of China, and is named “佳格食品股份有限公司.”</p>	<p>Add English name of the Company in conjunction with Article 392-1 of the Company Act.</p>
<p>Article 21 The Company shall have <u>7 to 11</u> directors, who are elected from the competent persons by the shareholders’ meeting. If the vacancy in the office of the directors is up to one third of the Board of Directors, the Board of Directors shall convene a special shareholders’ meeting within 60 days to elect new directors to fill such vacancy, who shall hold office for the remaining term of office of the director whose office is vacant. (The following is omitted.)</p>	<p>Article 21 The Company shall have <u>5 to 7</u> directors, who are elected from the competent persons by the shareholders’ meeting. If the vacancy in the office of the directors is up to one third of the Board of Directors, the Board of Directors shall convene a special shareholders’ meeting within 60 days to elect new directors to fill such vacancy, who shall hold office for the remaining term of office of the director whose office is vacant. (The following is omitted.)</p>	<p>In conjunction with Article 4 of the Regulations of Taiwan Stock Exchange Corporation Governing Establishment of the Board of Directors and Compliance Matters for Public Companies: the number of the directors is added.</p>
<p>Article 42 The Articles of Incorporation are unanimously agreed by all sponsors and enacted on May 22, 1986. (Omitted) The 34th Amendment dated Jun. 22, 2017 and <u>the 35th Amendment dated Mar. 22, 2021.</u></p>	<p>Article 42 The Articles of Incorporation are unanimously agreed by all sponsors and enacted on May 22, 1986. (Omitted) The 34th Amendment dated Jun. 22, 2017.</p>	<p>Add date of amendment</p>

Chapter 4. Appendixes

Appendix I Code of Ethical Conduct

Standard Foods Corporation

Codes of Ethical Conduct (before revision)

Article 1. (Purpose and basis for adoption)

This Code is hereby formulated to regulate the conducts of the Company's directors, managers and other employees in accordance with the ethical standards, and enable the Company's stakeholders to further understand the Company's ethical standards.

Article 2. (Objects of Application)

This Code is applicable to the Company's directors, managers and other employees. The foregoing objects of application are hereinafter referred to as the "Company's personnel".

Article 3. (Principles of Good-faith Management)

The Company and its personnel will comply with the ethical code for business management, and shall observe the laws, regulation and this Code in good faith.

Article 4. (Prevention of Conflict of Interest)

The Company's personnel shall perform their duties in an objective and efficient manner, and shall not be allowed to obtain any improper benefit for themselves, their spouses, their parents, their children or relatives within the third degree of consanguinity by taking advantage of their position in the Company.

When the Company lends funds to or provides guarantees for, has material asset transactions with or purchases (sells) goods from and to the enterprises associated with the above personnel, the relevant personnel shall take the initiative to declare whether there is potential conflict of interest with the Company or not, and shall follow the Company's Code of Conduct to prevent conflict of interest.

Article 5. (No Personal Gains)

The Company's personnel shall not:

1. Pursue personal gains by using the Company's properties, information or taking advantage of their positions;
2. Compete with the Company;
3. Have any behaviors prohibited by the Company's Code of Conduct or other relevant regulations.

Article 6. (Confidentiality Obligations)

1. The Company's personnel shall be obligated to keep confidential the Company's own technical and non-technical information, or the information regarding the suppliers (buyers) (hereinafter referred to as the "Confidential Information"), except otherwise disclosed with authorization or by laws and regulations. The Confidential Information shall include any non-public information that may result in impairment to the Company or customers after possible use or disclosure by others.
2. The Company's personnel shall also comply with the Policy and Standards on Management of Trade Secrets signed with the Company, and other relevant nondisclosure agreements.

Article 7. (Arm's Length Transaction)

1. The Company's personnel shall fairly treat the Company's suppliers (buyers), competitors and employees, and shall not obtain any improper gains by controlling, concealing or misusing any information learnt by taking advantage of the position, misstating the important information or other unfair transactions.
2. The Company's personnel shall comply with this Code and the Company's "Employee Handbook" while performing the duties.

Article 8. (Proper Protection and Use of the Company's Assets)

The Company's personnel shall be obligated to protect the Company's assets, and shall ensure that the Company's assets are used for the Company's business effectively and legally, to avoid being stolen, ignored or wasted.

Article 9. (Compliance with Laws and Regulations)

The Company's personnel shall comply with the Securities Act, and other laws and regulations.

Article 10. (Encourage Report on Any Illegal Conducts or Conducts in violation of the Code of Ethical Conduct)

The Company shall organize education concerning this Code for the Company's personnel at least once a year.

If the Company's personnel suspect or find any circumstances in violation of the laws and regulations or this Code, they shall take the initiative to report the circumstances to the managers, the chief internal auditor or other appropriate heads, and shall provide adequate information so that the Company is able to take appropriate actions subsequently. All reported cases shall be kept absolutely confidential, and shall be investigated via independent channels so as to protect the whistleblower.

Article 11. (Punishment and Remedies)

If the Company's personnel violate the provisions of this Code, the Company shall take appropriate actions pursuant to the laws and regulations, or the Company's relevant rules.

The Company establishes appealing system so that the personnel violating this Code may make remedies according to the relevant regulations.

Article 12. (Method of Disclosure)

The Company shall disclose this Code and any amendments hereto on its corporate website, annual report, prospectuses and on the MOPS.

Article 13. (Implementation)

This Code and any amendments hereto shall be put into enforcement with approval by the Board of Directors, and shall be submitted to the shareholders' meeting.

Appendix II Code of Good-faith Management

Standard Foods Corporation

Code of Good-faith Management (Before Amendment)

Article 1 (Purpose and Scope of Application)

In order to establish corporate culture of good faith management and good risk control mechanism, and improve operational environment for sustainable development, this Code is hereby formulated pursuant to the Code of Good-faith Management of Public and Listed Companies.

This Code is applicable to the Company's subsidiaries and other group enterprises and organizations such as institutions or legal entities that are substantially controlled by the Company.

Article 2 (No Dishonest Conducts)

In the course of business, the Company's directors, managers, employees, agents or anyone who de facto controls the management of the Company (hereinafter referred to as the "objects of application") shall not directly or indirectly provide, promise, claim or accept any improper benefits, or violate integrity and laws, or have any behaviors against the fiduciary duty in order to obtain or maintain interest (hereinafter referred to as the "dishonest conducts").

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

Article 3 (Type of Benefits)

In these Principles, "benefits" means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations shall be excluded.

Article 4 (Compliance with Laws and Regulations)

The Company shall adhere to the Company Act, the Securities Act, the Business Accounting Act, the Political Contribution Act, the Regulations on Punishment for Corruption, the Government Procurement Act, the Act on Avoiding Conflict of Interest of Public Officials, the relevant rules and regulations regarding listing, and other laws and regulations governing commercial conducts, as the basic prerequisites for implementation of credit management.

Article 5 (Policy)

TWSE/GTSM listed companies shall abide by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith, and establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

Article 6 (Prevention Plan)

The credit management policy formulated by the Company shall clearly and thoroughly prescribe the specific ethical management practices, and programs to prevent dishonest conducts (hereinafter referred to as the "prevention plan").

Article 7 (Scope of the Prevention Plan)

The Company shall establish a prevention plan with prevention measures that at least cover the following behaviors:

- I. Offering and acceptance of bribes.
- II. Offering of illegal political donations.
- III. Improper charitable donations or sponsorship.
- IV. Offering or acceptance of unreasonable presents, hospitality or other improper benefits.
- V. Infringement of trade secrets, trade mark rights, patent rights, copyrights, and other intellectual property rights.
- VI. Unfair competitive practices.
- VII. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 8 (Undertaking and Enforcement)

The Company shall expressly set forth the credit management policies, and the undertaking of the Board of Directors and the management to positively implement the credit management policies in the relevant rules and external documents, and shall practically enforce such policies in the course of internal management and business activities.

Article 9 (Honest Business Activities)

Merry shall engage in business activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of their agents, suppliers, clients, or other trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with the persons involving dishonest conducts.

When entering into contracts with its agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with the credit management policies. In the event that the trading counterparties are involved in dishonest conducts, the Company may terminate or rescind the contracts at any time.

Article 10 (No Offering and Acceptance of Bribes)

While performing the duties, the objects of application hereunder shall not provide, promise, claim or accept any forms of improper benefits to and from customers, agents, contractors, suppliers, public servants or other stakeholders, whether directly or indirectly.

Article 11 (No Illegal Political Donations)

Direct or indirect donations made by the objects of application hereunder to the political parties or organizations or individuals participating in the political activities shall conform to the Political Contribution Act and the Company's internal procedures, and shall not seek for business benefit or transaction advantages.

Article 12 (No Improper Charitable Donations or Sponsorship)

The charitable donations or sponsorship of the objects of application hereunder shall conform to the relevant laws and regulation, and the Company's internal procedures, and shall not constitute disguised bribe.

Article 13 (No Unreasonable Presents, Hospitality or Other Improper Benefits)

The objects of application hereunder shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

Article 14 (No Infringement of Intellectual Property Rights)

The objects of application hereunder shall comply with the intellectual property related laws and regulations, the Company's internal procedures and contracts, and without consent of the owners of the intellectual property rights, shall not use, disclose, dispose of or otherwise damage the intellectual property rights.

Article 15 (No Unfair Competitive Practices)

In the course of business, the Company shall follow the Fair Trade law and the relevant competition regulations, and shall not be engaged in unfair competition.

Article 16 (Prevention of Damage to Stakeholders by Products or Services)

In research and development, procurement, manufacturing, provision or sale of the products and services, the objects of application hereunder shall guarantee information transparency and safety of the products, marks and services, formulate and disclose the policies on protection of rights and interest of the consumers or other stakeholders, and implement such policies in the operational activities to protect the right and interest, health and safety of the consumers or the stakeholders from and against direct or indirect impairment by the products or services. Where there are sufficient facts to determine that the products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 17 (Organization and Responsibilities)

The objects of application hereunder shall exercise the due care of good administrators to urge the Company to prevent dishonest conducts, and review the results of the preventive measures and continually make adjustments at any time, so as to ensure thorough implementation of its credit management policies.

In order to improve the credit management of the Company, the HR Department will organize the departments to promote the following honest practices, and report to the Board of Directors on a regular basis:

- I. Assist in incorporating integrity and moral values into the Company's management policies, and formulate and guarantee credit management policies in compliance with the laws and regulations.
- II. Promote formulation of relevant plan on prevention of dishonest conducts.

- III. Plan the internal organization, structure, and allocation of responsibilities and set up check-and-balance mechanisms for mutual supervision of the business activities within the business scope, which are possibly at a higher risk for dishonest conducts.
- IV. Promoting and coordinating awareness and educational activities with respect to ethics policy.
- V. Supervise operation of the whistleblowing system and guarantee effectiveness thereof.
- VI. Assist the Board of Directors and the management in evaluating whether the prevention measures taken for the purpose of implementing credit management are effective, and prepare reports on regular assessment of compliance with the relevant business procedures.

Article 18 (Compliance with Laws and Regulations Governing Business)

When the objects of application hereunder conduct the business, they shall comply with the laws, regulations and the prevention plan.

Article 19 (Avoidance of Interest)

The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

If the proposals to be discussed at the Board meeting involve a conflict of interest with the Company's directors, managers and other stakeholders who are present or attend the Board meeting or the legal entities represented by them, they shall disclose the important contents of the conflict of interest at the Board meeting, and shall refrain from discussion or vote on the relevant proposals nor shall exercise the right to vote for other directors if there is likelihood of impairment to the Company's interest. Directors shall also exercise self-discipline and must not support one another in improper dealings.

The objects of application hereunder shall not obtain any improper benefits for themselves, their spouses, parents, children or any other persons by taking advantages of their position and influence in the Company.

Article 20 (Accounting and Internal Control)

The Company shall establish effective accounting system and internal control system for the business activities at high risks of dishonest conducts, shall not establish off-the-book accounts or private ledgers, and shall review such systems at any time to ensure that design and implementation of such systems remain in force.

The Company's audit department shall examine compliance with the foregoing system on a regular basis, and shall form an audit report and submit it to the Board of Directors. Besides, an accountant shall be appointed to perform audit, and if necessary, professionals shall be appointed for assistance.

Article 21 (Education, Training and Appraisal)

The Company's management shall regularly advocate importance of credit management to the directors, employees and agents, so that they could fully understand the Company's determination, policies and prevention plan regarding credit management, and the consequences of dishonest conducts.

The Company shall link credit management policies with the employee performance appraisal and human resource policies, and shall establish clear and effective systems for reward and punishment.

Article 22 (Whistleblowing System)

The Company has set up a reporting email, which can be used by internal or external personnel for reporting violations.

If, upon investigation, the Company's personnel or departments in charge of whistleblowing discover material violation of regulation or likelihood of material impairment to the Company, such personnel or departments shall immediately prepare a report, and inform the independent directors or the Audit Committee in writing.

Article 23 (Disciplinary and Appeal System)

If the objects of application hereunder violate the relevant provisions hereof, the Company will take disciplinary actions as appropriate.

The Company has established appeal system so that those who violate this Code may make remedies according to the applicable regulations.

Article 24 (Information Disclosure)

The measures adopted by the ethical corporate management, implementing status, and results of promotions shall be disclosed by the Company on the website and in the annual report and prospectuses of the Company. The details of the principles shall also be disclosed through the Market Observation Post System.

Article 25 (Review and Amendment of the Credit Management Policies and Measures)

The Company shall, at all times, monitor the development of relevant local and international regulations concerning credit management, and encourage its directors, Audit Committee, managers and employees to make suggestions based on which the adopted credit management policy and measures taken shall be reviewed and improved with a view to achieving better implementation of credit management.

Article 26 (Implementation)

This Code and any amendments hereto shall be implemented after approval by the Audit Committee and the Board of Directors, and shall be submitted to the shareholders' meeting.

Appendix III Rules of Procedure for the Shareholders' Meeting

Standard Foods Corporation Rules and Procedures of the Shareholders' Meeting

Adopted by the shareholders' meeting on Jun.18, 2014

- I. Unless otherwise prescribed by relevant laws and regulations, the shareholders' meeting of the Company shall be conducted in accordance with the Rules of Procedure for the Shareholders' Meeting.
- II. The Company shall provide a sign-in book to allow the attending shareholders to sign in or else attending shareholders may also submit the attendance card in lieu of signing in.
The number of shares represented by attending shareholders shall be calculated in accordance with the sign-in book and submitted attendance cards, plus shares of those shareholders who exercise their voting rights electronically.
- III. The participation and voting by shareholders shall be duly calculated based on the number of shares they hold.
- IV. The meeting shall be held at the location of the Company or other venues convenient for the shareholders' attendance and suitable for holding the meeting. The Meeting shall not begin at a time earlier than 9:00 a.m. or later than 3:00 p.m.
Electronic transmission shall be listed as one of the channels for shareholders to exercise their voting power, of which the exercise method shall be described in the Meeting notice. A shareholder who exercises his/her voting rights at a shareholders meeting by electronic means shall be deemed to have attended the shareholders' meeting in person. However, they shall be deemed to have waived their voting power in respect of any special motions and any amendments or substitute to the original proposals of the Meeting.
- V. If the shareholders' meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall be preside over the meeting. If the Chairman is on leave or unable to exercise his powers and duties for any reasons, the Vice Chairman shall chair the meeting in place of the Chairman; if no Vice Chairman is appointed or the Vice Chairman is also on leave or is unable to exercise his powers and duties for any reasons, the managing director designated by the Chairman shall preside over the meeting; if there is no managing director, a director shall be designated to preside over the meeting; if the Chairman does not designate the chair of the meeting, the managing directors or directors shall elect one of them to preside over the meeting.
- VI. The Company may appoint its designated counsels, CPAs, or other relevant personnel to attend the meeting.
Staff at the shareholders' meetings shall wear ID badges or arm badges.
- VII. The whole process of the meeting shall be audio recorded or videotaped from beginning to end, of which the files shall be kept for at least one (1) year.

VIII. The Chair of the Meeting shall call the meeting to order at the scheduled time. Nevertheless, if the shares represented by the attending shareholders have not reached more than half of the total shares issued, the Chair may announce postponement of the meeting. However, the postponement shall be limited to two times and the meeting shall not be postponed for more than one hour in total. In case that after postponements for twice, the shares represented by the attending shareholders have not reached more than one third of the total shares issued, tentative resolutions may be passed in accordance with the first Paragraph of Article 175 of the Company Act.

In the event that the shares represented by the attending shareholders have reached more than half of the total share issued before the end of the meeting, the chair of the meeting may resubmit previously passed tentative resolutions to the meeting for voting in accordance with Article 174 of the Company Act.

IX. If the shareholders' meeting is convened by the Board of Directors, the agenda of the meeting shall be prepared by the Board of Directors. The meeting shall proceed in accordance with the agenda which may not be changed without a resolution of the meeting.

Except by a resolution of the meeting, the Chair shall not announce adjournment of the meeting before completion of the all scheduled items on the agenda (including special motions).

After the meeting is adjourned, the shareholders shall not elect another chairman to resume such meeting at the same location or seek an alternative venue. Nevertheless, in the event that the Chair adjourns the meeting in violation of the Rules of Procedure, the attending shareholders may designate, by agreement of a majority of votes, one person as the Chair to continue the Meeting.

X. Before speaking at the meeting, the attending shareholders shall submit a slip of paper summarizing the speaking subject, shareholder account number (or attendance ID number) and account name. The Chair shall determine the order of speaking.

An attending shareholder who submits a slip of paper but does not speak at the meeting is deemed to have not spoken. In the event that the content of the speech made by a shareholder is inconsistent with that specified on the speech note, the confirmed content of the actual speech shall prevail.

When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the chairman and such speaking shareholder; the chairman shall stop any such violations.

XI. Without the consent of the Chair of the meeting, each shareholder shall not make a speech on the same discussion item more than two times and each time shall not exceed five minutes.

The chairman may stop the speech of any shareholder that is in violation of the preceding paragraph or exceeds the scope of the proposal.

- XII. If a legal person is appointed to attend the shareholders' meeting, this legal person may appoint only one representative to attend the meeting.
- In the event that a juristic (corporate) person shareholder appoints two or more representatives to participate in a shareholder meeting, only one representative may speak for the same issue.
- XIII. After the speech of an attending shareholder, the Chair of the meeting may respond in person or appoint an appropriate person to respond.
- XIV. Where the chairman believes an issue has been discussed in the meeting up to the level for voting, the chairman may announce discontinuance of the discussion process and bring that issue to a vote.
- XV. The scrutineer and the vote counter shall be appointed by the Chair, and the scrutineer shall be a shareholder. The results of voting shall be announced onsite and recorded in the minutes of the meeting.
- XVI. During the process of the meeting, the chairman may announce a recess at an appropriate time.
- XVII. Unless otherwise specified in the Company Act and the Articles of Incorporation, a resolution shall be adopted by a majority of votes represented by the attending shareholders at the meeting. At the time of voting, the proposed case is deemed adopted if there is no objection when consulted by the Chair of the Meeting and its effect is the same as vote by ballot.
- XVIII. In the event that an amendment or a substitute comes out of the same proposal, the chair shall fix the order of voting for the original proposal and the amendment or the substitute. When one among them is duly resolved, other issue(s) is (are) deemed to have been vetoed and no voting process is required.
- XIX. The Chair may direct the disciplinary personnel (or security personnel) to assist in maintaining the order of the meeting. The disciplinary personnel (or security personnel) shall wear arm badges reading "Disciplinary Officer" while assisting in maintaining the order of the meeting.
- XX. These Rules and any amendments hereto shall be implemented with approval of the shareholders' meeting.

Appendix IV Articles of Incorporation
Standard Foods Corporation
Articles of Incorporation (Before Amendment)

Chapter 1. General Provisions

Article 1. Standard Foods Corporation (hereinafter referred to as the “Company”) is organized pursuant to the provisions regarding company limited by shares under the Company Act of Republic of China.

Article 2. The business scope of the Company includes:

1. A102060 Grain commerce
2. C102010 Dairy products manufacturing
3. C103050 Canned, frozen, and dehydrated food manufacturing
4. C104010 Sugar confectionery manufacturing
5. C104020 Bakery food manufacturing
6. C105010 Edible oil manufacturing
7. C106010 Flour manufacturing
8. C108010 Sugar manufacturing
9. C109010 Seasoning manufacturing
10. C110010 Beverage manufacturing
11. C113011 Alcoholic drink manufacturing
12. C114010 Food additives manufacturing
13. C199010 Noodles and flour food manufacturing
14. C199020 Edible ice manufacturing
15. C199990 Other food manufacturing not elsewhere classified
16. C201010 Prepared animal feeds manufacturing
17. CB01010 Machinery and equipment manufacturing
18. F102020 Wholesale of edible oil
19. F102040 Wholesale of beverages
20. F102170 Wholesale of food and grocery
21. F103010 Wholesale of animal feeds
22. F106020 Wholesale of articles for daily use
23. F108011 Wholesale of Chinese medicines
24. F113010 Wholesale of machinery
25. F121010 Wholesale of food additives
26. F202010 Retail sale of animal feeds
27. F203010 Retail sale of food products and groceries
28. F206020 Retail sale of articles for daily use

29. F209060 Retail sale of stationery articles, musical instruments and educational entertainment articles
30. F213080 Retail sale of other machinery and equipment
31. F221010 Retail sale of good additives
32. F301020 Supermarkets
33. F399010 Convenient stores
34. F401010 International trade
35. F501030 Coffee/ Tea shops and bars
36. F501060 Restaurants
37. G801010 Warehousing and storage
38. I104010 Nutrition consultation services
39. J303010 Magazine (periodical) publisher
40. ZZ99999 All business items that are not prohibited or restricted by laws, except those that are subject to license.

Article 2-1 Total amount of reinvestment of the Company may exceed 40% of the Company's paid-in capital, without being subject to restrictions set out in Article 13 of the Company Act.

Article 2-2 The Company may provide mutual endorsements or guarantees with the peer companies or affiliates for the purpose of catering for business needs.

Article 3. The Company, with its principal office being located in Taipei City of the ROC, may set up branch offices at suitable locations within and without the territory of the ROC as it deems necessary for business growth.

Article 4. The public notice of the Company shall be made pursuant to relevant provisions of the Company Act or other related laws and regulations.

Chapter 2. Capital

Article 5. The capital of the Company is set at NT\$ 9,200,000,000, which is divided into 920,000,000 shares (NT\$10 per share). The shares of the Company may be issued in installments. Matters concerning the issuance of shares are authorized to be conducted by the Board of Directors.

Article 6. Article 6 The shares of the Company are issued as registered share certificates, of which the issuance shall be affixed with the signatures or personal seals of three Directors of the Company and duly certified or authenticated by the competent authority pursuant to the provisions of Article 162 of the Company Act.

The Company may be exempted from printing share certificates for the shares issued. However, for the issuance of such shares, the Company shall appoint a centralized securities depository enterprise to make recordation.

Article 7. The operation of stock affairs of the Company, such as transfer, change of ownership, inheritance, donation, loss, and damage of share certificates, shall be conducted pursuant to the provisions of the Company Act and other related laws and regulations.

Article 8. Deleted.

Article 9. Deleted.

Article 10. Deleted.

Article 11. Deleted.

Chapter 3. Shareholders' Meeting

- Article 12. Registration of transfer of shares must not be conducted within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of an interim shareholders' meeting, or within 5 days prior to the base date fixed by the Company for distribution of dividends, bonus or other benefits.
- Article 13. The shareholders' meetings of the Company are divided into regular shareholders' meetings and interim shareholders' meetings. The regular shareholders' meeting shall be convened within 6 months after close of each fiscal year. The interim shareholders' meeting may be convened according to laws whenever the Company deems necessary.
- Article 14. A written notice shall be given to the latest mailing address of each shareholder registered at the Company thirty days prior to the regular shareholders' meeting or fifteen days prior to the interim shareholders' meeting. The matter of convening the shareholders' meeting shall be stated in the written notice.
- Article 15. Except otherwise provided by the Company Act, resolutions at a shareholders' meeting shall be adopted by the majority of present shareholders representing the majority of the voting power. The voting power at a Shareholders' Meeting may be exercised by way of electronic means. Attendance via electronic means is deemed to be attendance in person. Related matters shall be handled subject to the relevant regulations.
- Article 16. Deleted.
- Article 17. Each shareholder of the Company is entitled to one vote for each share held.
- Article 18. In case that a shareholder cannot attend a shareholders' meeting, he/she/it may appoint a proxy to attend the meeting in his/ her/its behalf with a letter of attorney pursuant to the Company Act, and other relevant laws and regulations.
- Article 19. For a shareholders' meeting convened by the Board of Directors, the Chairman of the meeting shall be appointed in accordance with the provisions of Paragraph 3 Article 208 of the Company Act; whereas for a shareholders' meeting convened by any other person with the convening right but without the Board, he/she shall act as the Chairman of the said meeting. In case that two or more people have the convening right, the Chairman of the meeting shall be elected from among themselves.
- Article 20. Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or personal seal of the Chairman of the meeting. The meeting minutes along with the attendance book, and letters of attorney of the meeting, shall be archived in accordance with laws and regulations. The abovementioned minutes of the shareholders' meeting shall be distributed to all shareholders within twenty days after close of the meeting pursuant to the provisions of the Company Act.

Chapter 4. Directors and the Audit Committee

- Article 21. The Company shall have five to seven directors, who are elected from the persons with behavioral capacity by the shareholders' meeting. If the vacancy in the office of the directors is up to one third of the Board of Directors, the Board of Directors shall convene a special shareholders' meeting within 60 days to elect new directors to fill such vacancy, who shall hold office for the remaining term of office of the director whose office is vacant.

Since the 12th term of the Board of Directors, among the directors as described in the preceding paragraph, the number of independent directors shall not be less than two and one fifth of the total number of directors.

For election of directors, the candidate nomination system as described in Article 192-1

of the Company Act is adopted. The shareholders shall elect the directors from among the nominees in the list of director candidates. Related matters concerning the implementation of this system shall be conducted pursuant to related laws and regulations, such as the Company Act and the Securities and Exchange Act. With respect to independent directors, matters concerning the professional qualifications, restrictions on shareholdings and concurrent positions held, and methods of nomination and selection, as well as other matters subject to compliance shall be subject to related laws and regulations.

Article 21-1

The Company shall set up an Audit Committee, which shall be composed of all independent directors. The audit committee and the members of the Audit Committee are responsible for executing the authority of the Supervisors according to the Company Act, Securities and Exchange Act and other relevant regulations.

Article 22. The term of office of the directors shall be three years, and the directors are eligible for re-election.

The remuneration of directors of the Company shall be determined by the Board of Directors taking reference to the level of remuneration adopted by peer companies and listed companies.

Article 23. The scope of powers and duties of the Board of Directors is as follows:

1. To draw up the business guidelines.
2. To examine and verify the important regulations and contracts.
3. To hire or dismiss the executives.
4. To set up and dissolve the branch offices.
5. To examine and verify the budgets and financial reports.
6. To determine mortgage, sale or otherwise disposal of the Company's important properties.
7. To make recommendations to the shareholders' meeting regarding modification to the Articles of Incorporation, alteration of capital, and dissolution of the Company and its amalgamation with other companies.
8. To make recommendations to the shareholders' meeting regarding surplus distribution.
9. To determine other important matters.

Article 24. The directors shall elect one of them as the Chairman.

Article 25. The Chairman is authorized to represent the Company, and has full power to take charge of all important matters of the Company. Nevertheless, the power of the Chairman shall be restricted by law and regulations, the Articles of Incorporation, and the resolutions of shareholders' meetings and the Board meetings.

Article 26. Apart from the first meeting of each term of newly elected Board of Directors, which shall be convened by the director with most votes, the Board meeting shall be convened by the Chairman of the Board of Directors. In calling a Board meeting, the convener shall send a notice to each director no later than seven days prior to the scheduled meeting date. However, in the case of emergency, the Board meeting may be convened at any time. The Board meeting shall be held in the territory of the ROC.

The meeting notice as described in the preceding paragraph shall specify the subject of

the meeting and may be delivered in writing, by E-mail or by fax.

- Article 27. The Board meeting shall be presided over by the Chairman of the Board of Directors. In case that the Chairman is absent, one director shall be appointed to act as a substitute pursuant to Article 208 of the Company Act.
- Article 28. Unless otherwise provided by the Company Act, the Board meeting shall be held with at least half of directors present and resolutions of the meeting shall be adopted by consent of a majority of the directors present.
- Article 29. A director may authorize in writing another director to attend a Board meeting on his/her behalf and exercise voting rights on all motions proposed at the meeting. Nevertheless, each director can only represent one other director at the meeting. In case that the Board meeting is held in the form of a video conference, all directors who participate in the video conference are deemed as participating in the Board meeting in person.
- Article 30. Directors shall adopt the resolutions of the Board meeting and exercise their functional duties.
- Article 31. Deleted.
- Article 32. Deleted.
- Article 33. The Board of Directors shall have a secretary to take charge of all the important documents, contracts and stocks of the Board of Directors and the Company.
- Article 33-1

The Company may purchase liability insurance for directors and officers on the compensation for which they may be held responsible according to laws in the scope of performing duties.

Chapter 5. Personnel

- Article 34. The Company may have one chief executive officer, one general manager, several managerial officers, of which the hiring, dismissal and remuneration shall be conducted in accordance with resolutions of the Board of Directors.
- Article 35. Deleted.
- Article 36. Deleted.

Chapter 6. Financial Reports

- Article 37. The fiscal year of the Company starts on Jan. 1 of each year and ends on Dec.31 of the same year. The Board of Directors shall prepare and submit the following documents to the annual shareholders' meeting for ratification according to legal procedures.
1. Business Report.
 2. Financial statements.
 3. Surplus earnings distribution or loss make-up proposal.
- Article 38. In case that the Company has profit left over from deducting employees' compensation and directors' remuneration from pre-tax profit for a fiscal year, no less than 0.5% of this profit shall be allocated as employees' compensation. The payment of such compensation shall be made either by stock or in cash, which shall be decided by the Board of Directors. The recipients of the said profit include employees from subsidiary companies who meet certain conditions. The Board of Directors may also decide to allocate no more than 0.75% of the said profit as directors' compensation. The allocation of employees' and Directors' compensation shall be reported to the shareholders' meeting.

Nevertheless, in case that the Company has an accumulated deficit, a sum to make up the losses shall be reserved from the said profit before it is allocated to pay for the employees' compensation and directors' remuneration pro rata as described in the preceding paragraph.

Article 39. In case that when the Company made profit in a fiscal year, the profit shall be appropriated, less any paying taxes and deficit, 10% thereof as legal reserve, special reserve provided or reversed in accordance with the regulations, and 30% to 100% of the sum of the remainder and prior years' unappropriated earnings as dividends. The Company's Articles of Incorporation also prescribe that 30% to 100% of dividends shall be paid in cash; however, if the Company has major investment plans for which external funds are not available, the percentage may be lowered to 5% to 20%. The distribution plan shall be proposed by the Company's board of directors and resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

Chapter 7. Supplementary Provisions

Article 40. The internal organization and business handling rules of the Company shall be decided by the Board of Directors.

Article 41. Matters unspecified in the Articles of Incorporation shall be subject to the Company Act of the Republic of China.

Article 42. The Articles of Incorporation are unanimously agreed by all sponsors, and are enacted on May 22, 1986. Since then, the Articles of Incorporation has been amended for 34 times as follows: 1st amendment on Aug. 23, 1986; 2nd amendment on May 20, 1987; 3rd amendment on Aug. 3, 1987; 4th amendment on Sep. 25, 1987; 5th amendment on Nov. 5, 1987; 6th amendment on Feb. 25, 1988; 7th amendment on Nov.10, 1988; 8th amendment on Jul. 20, 1989; 9th amendment on Feb. 1, 1990; 10th amendment on Apr. 2, 1990; 11th amendment on Sep. 24, 1990; 12th amendment on Dec. 17, 1990; 13th amendment on Nov. 8, 1991; 14th amendment on Feb. 29, 1992; 15th amendment on Dec. 29, 1992; 16th amendment on Sep. 1, 1993; 17th amendment on Nov. 2, 1993; 18th amendment on Oct. 28, 1994; 19th amendment on Oct. 28, 1995; 20th amendment on Nov. 16, 1996; 21st amendment on Nov. 8, 1997; 22nd amendment on Mar. 8, 1999; 23rd amendment on Nov. 27, 2000; 24th amendment on Dec. 6, 2001; 25th amendment on Nov. 28, 2002; 26th amendment on Nov. 30, 2005; 27th amendment on Jun. 17, 2010; 28th amendment on Jun. 15, 2011; 29th amendment on Jun. 6, 2012; 30th amendment on Jun. 14, 2013; 31st amendment on Jun. 18, 2014; 32nd amendment on Jun. 26, 2015; 33rd amendment on Jun. 15, 2016; 34th amendment on Jun. 22, 2017.

Standard Foods Corporation

Chairman: Ter-Fung Tsao

Appendix V Directors' Shareholding Status on Book Closure Date for This Shareholders' Meeting

Standard Foods Corporation

Register of
Directors

Base day: April 13, 2021

Title	Name	Date elected	Shareholding while elected			Current shareholding			Note
			Category	Shares	Shareholding ratio (%)	Category	Shares	Shareholding ratio (%)	
Chairman	Mu Te Investment Co. Ltd. Representative: Ter-Fung Tsao	2019.06.13	Common stock	22,650,057	2.48%	Common stock	22,650,057	2.48%	
Directors	Mu Te Investment Co. Ltd. Representative: Jason Hsuan								
Directors	Mu Te Investment Co. Ltd. Representative: Wendy Tsao								
Directors	Charng Hui Ltd. Representative: Arthur Tsao	2019.06.13	Common stock	6,669,471	0.73%	Common stock	6,669,471	0.73%	
Independent Director	Ben Chang	2019.06.13	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	George Chou	2019.06.13	Common stock	0	0.00%	Common stock	0	0.00%	
Independent Director	Daniel Chiang	2019.06.13	Common stock	0	0.00%	Common stock	0	0.00%	
Total			Common stock	29,319,528		Common stock	29,319,528		

Total shares issued as of June 13, 2019: 915,089,591 shares

Total shares issued as of April 13, 2021: 915,089,591 shares

Note All directors of the Company legally hold shares: 29,282,866 shares, hold as of April 13, 2021: 29,319,528 shares

The Company has set up an Audit Committee, so the supervisor's legally held shares are not applicable

©The shareholding of independent directors is not calculated in the shareholding of directors.