Taisun Int'l (Holding) Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taisun Int'l (Holding) Corporation

Opinion

We have audited the accompanying consolidated financial statements of Taisun Int'l (Holding) Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2019 and 2018, 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, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants 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, 2019. 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, 2019 is stated as follows:

Key Audit Matter

The recognition of the credit sales of the Group is the most important to operating performance because credit sales have a significant impact on the consolidated financial statements; therefore, we considered credit sales as a key audit matter.

By performing control tests, we understood the process of credit sales recognition and the design and implementation of the related internal controls. Additionally, we also performed the following audit procedures:

1. We analyzed and compared the significant changes in major clients between the current year and the prior year.

2. We analyzed the changes in the main products' gross margins between the current year and the prior year.

3. We took samples of the credit sales of 2019 and checked the relevant vouchers to evaluate the authenticity of sale recognition.

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, 2019 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 Yu-Shiou Su and Wen-Yea Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2020

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.

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars or U.S. Dollars)

	2019			2018		
ASSETS	**NTD**	**USD**	**%**	**NTD**	**USD**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 161,945	$ 5,402	6	$ 373,429	$ 12,158	18
Financial assets at fair value through other comprehensive income - current (Note 7)	24,252	809	1	15,656	510	1
Financial assets at amortized cost - current (Note 8)	1,278,261	42,637	50	562,574	18,316	28
Notes receivable	232	8	-	400	13	-
Trade receivables (Note 9)	74,295	2,478	3	55,404	1,804	3
Other receivables	34,657	1,156	1	21,597	703	1
Inventories (Note 10)	249,052	8,307	10	289,115	9,413	14
Prepayment for leases (Note 14)	-	-	-	1,621	53	-
Other current assets (Note 15)	67,139	2,236	3	50,312	1,637	2
Total current assets	1,889,833	63,033	74	1,370,108	44,607	67
NON-CURRENT ASSETS						
Financial assets at amortized cost - non-current (Note 8)	-	-	-	40,147	1,307	2
Property, plant and equipment (Note 12)	487,662	16,267	19	364,389	11,863	18
Right-of-use assets (Note 13)	145,040	4,838	6	-	-	-
Other intangible assets	576	19	-	963	31	-
Deferred tax assets (Note 22)	7,354	245	-	4,623	151	-
Prepayments for equipment	23,255	776	1	137,341	4,471	7
Long-term prepayments for leases (Notes 3 and 14)	-	-	-	94,815	3,087	4
Other non-current assets (Note 15)	4,295	144	-	35,630	1,160	2
Total non-current assets	668,182	22,289	26	677,908	22,070	33
TOTAL	$ 2,558,015	$ 85,322	100	$ 2,048,016	$ 66,677	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term loans (Note 16)	$ 604,254	$ 20,155	24	$ 228,171	$ 7,429	11
Trade payables	114,595	3,822	5	99,971	3,255	5
Other payables (Note 17)	71,598	2,388	3	65,151	2,121	3
Current tax liabilities (Note 22)	7,719	257	-	10,062	328	1
Lease liabilities - current (Notes 3 and 13)	5,813	194	-	-	-	-
Other current liabilities	10,858	362	-	5,017	162	-
Total current liabilities	814,837	27,178	32	408,372	13,295	20
NON-CURRENT LIABILITIES						
Deferred income tax liabilities (Note 22)	101	3	-	223	7	-
Lease liabilities - non - current (Notes 3 and 13)	6,831	228	-	-	-	-
Guarantee deposits received	1,181	39	-	2,798	91	-
Total non-current liabilities	8,113	270	-	3,021	98	-
Total liabilities	822,950	27,448	32	411,393	13,393	20
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Ordinary shares	392,700	12,667	15	392,700	12,667	19
Capital surplus	653,216	21,364	26	653,216	21,364	32
Retained earnings						
Legal reserve	84,046	2,756	3	54,177	1,794	3
Special reserve	91,193	3,013	4	112,024	3,684	5
Unappropriated earnings	644,195	20,444	25	515,697	16,190	25
Other equity	(130,285)	(2,370)	(5)	(91,191)	(2,415)	(4)
Total equity	1,735,065	57,874	68	1,636,623	53,284	80
TOTAL	$ 2,558,015	$ 85,322	100	$ 2,048,016	$ 66,677	100

Note: These consolidated financial statements were originally presented in U.S. dollars. For the purpose of comparison, the consolidated balance sheets have been subsequently translated to New Taiwan dollars at an exchange rate of NT$29.98:US$1 and NT$30.715:US$1 as of December 31, 2019 and 2018, respectively. Since the par value of shares is NT$10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate the shares.

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

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars or U.S. Dollars, Except Earnings Per Share)

	2019			2018		
	NTD	USD	%	NTD	USD	%
SALES (Note 20)	$ 1,977,366	$ 63,968	100	$ 1,744,175	$ 57,852	100
COST OF GOODS SOLD (Note 21)	1,364,686	44,147	69	1,222,866	40,561	70
GROSS PROFIT	612,680	19,821	31	521,309	17,291	30
OPERATING EXPENSES (Note 21)						
Selling and marketing expenses	190,263	6,155	9	139,296	4,620	8
General and administrative expenses	91,897	2,973	5	83,387	2,766	5
Research and development expenses	15,418	499	1	14,111	468	1
Expected credit loss	93	3	-	-	-	-
Total operating expenses	297,671	9,630	15	236,794	7,854	14
PROFIT FROM OPERATIONS	315,009	10,191	16	284,515	9,437	16
NON-OPERATING INCOME AND EXPENSES						
Other income (Note 21)	74,315	2,404	4	48,520	1,609	3
Other gains (Note 21)	1,838	59	-	5,403	179	-
Finance costs (Note 21)	(10,884)	(352)	-	(2,596)	(86)	-
Total non-operating income and expenses	65,269	2,111	4	51,327	1,702	3
PROFIT BEFORE INCOME TAX	380,278	12,302	20	335,842	11,139	19
INCOME TAX EXPENSE (Note 22)	35,114	1,136	2	37,151	1,232	2
NET PROFIT FOR THE YEAR	345,164	11,166	18	298,691	9,907	17
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that will not be reclassified subsequently to profit or loss:						
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	648	21	-	(2,273)	(74)	-
Exchange differences on translation to the presentation currency	(40,498)	-	(2)	50,522	-	3
Items that maybe reclassified subsequently to profit or loss:						
Exchange differences on translating the financial statements of foreign operations	1,259	41	-	(27,416)	(910)	(2)
Other comprehensive income (loss) for the year, net of income tax	(38,591)	62	(2)	20,833	(984)	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 306,573	$ 11,228	16	$ 319,524	$ 8,923	18
NET PROFIT ATTRIBUTABLE TO:						
Owners of the Company	$ 345,164	$ 11,166	17	$ 298,691	$ 9,907	17
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:						
Owners of the Company	$ 306,573	$ 11,228	16	$ 319,524	$ 8,923	18

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TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars or U.S. Dollars, Except Earnings Per Share)

	2019			2018		
	NTD	USD	%	NTD	USD	%
EARNINGS PER SHARE (Note 23)						
From continuing and discounted operations						
Basic	$ 8.79	$ 0.28		$ 7.61	$ 0.25	
Diluted	$ 8.77	$ 0.28		$ 7.59	$ 0.25	

Note: These consolidated financial statements were originally presented in U.S. dollars. For the purpose of comparison, the consolidated statements of comprehensive income have been subsequently translated to New Taiwan dollars at an average exchange rate of NT$30.912:US$1 and NT$30.149:US$1 for the years ended December 31, 2019 and 2018, respectively. Since the par value of shares is NT$10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate the shares.

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

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	Ordinary Shares (Note 19)			Retained Earnings (Note 19)			Other		
	Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2018	35,700	$ 357,000	$ 653,216	$ 28,792	$ 1,346	$ 531,919	$ (113,088)	$ 1,064	$ 1,460,249
Appropriation of 2017 earnings									
Legal reserve	-	-	-	25,385	-	(25,385)	-	-	-
Special reserve	-	-	-	-	110,678	(110,678)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(142,800)	-	-	(142,800)
Share dividends to be distributed	3,570	35,700	-	-	-	(35,700)	-	-	-
Net profit for the year ended December 31, 2018	-	-	-	-	-	298,691	-	-	298,691
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	23,106	(2,273)	20,833
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	298,691	23,106	(2,273)	319,524
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(350)	-	-	(350)
BALANCE AT DECEMBER 31, 2018	39,270	392,700	653,216	54,177	112,024	515,697	(89,982)	(1,209)	1,636,623
Appropriation of 2018 earnings									
Legal reserve	-	-	-	29,869	-	(29,869)	-	-	-
Special reserve	-	-	-	-	(20,831)	20,831	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(208,131)	-	-	(208,131)
Net profit for the year ended December 31, 2019	-	-	-	-	-	345,164	-	-	345,164
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	(39,239)	648	(38,591)
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	345,164	(39,239)	648	306,573
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	503	-	(503)	-
BALANCE AT DECEMBER 31, 2019	39,270	$ 392,700	$ 653,216	$ 84,046	$ 91,193	$ 644,195	$ (129,221)	$ (1,064)	$ 1,735,065

Note: These consolidated financial statements were originally presented in U.S. dollars. For the purpose of comparison, the consolidated statements of changes in equity have been subsequently translated to New Taiwan dollars at an average exchange rate of NT$30.912:US$1 and NT$30.149:US$1 for the years ended December 31, 2019 and 2018, respectively. Since the par value of shares is NT$10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate the shares.

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

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of U.S. Dollars)

	Ordinary Shares (Note 19)			Retained Earnings (Note 19)			Other		
	Shares (In Thousands)	Share Capital	Capital Surplus	Foreign Operations	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2018	35,700	$ 11,493	$ 21,364	$ 959	$ 45	$ 16,638	$ (1,466)	$ 35	$ 49,068
Appropriation of 2017 earnings									
Legal reserve	-	-	-	835	-	(835)	-	-	-
Special reserve	-	-	-	-	3,639	(3,639)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(4,696)	-	-	(4,696)
Share dividends to be distributed	3,570	1,174	-	-	-	(1,174)	-	-	-
Net profit for the year ended December 31, 2018	-	-	-	-	-	9,907	-	-	9,907
Other comprehensive income (loss) for the year ended December 31, 2018, net of income tax	-	-	-	-	-	-	(910)	(74)	(984)
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	9,907	(910)	(74)	8,923
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(11)	-	-	(11)
BALANCE AT DECEMBER 31, 2018	39,270	12,667	21,364	1,794	3,684	16,190	(2,376)	(39)	53,284
Appropriation of 2018 earnings									
Legal reserve	-	-	-	962	-	(962)	-	-	-
Special reserve	-	-	-	-	(671)	671	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(6,638)	-	-	(6,638)
Net profit for the year ended December 31, 2019	-	-	-	-	-	11,166	-	-	11,166
Other comprehensive income for the year ended December 31, 2019, net of income tax	-	-	-	-	-	-	41	21	62
Total comprehensive income for the year ended December 31, 2019	-	-	-	-	-	11,166	41	21	11,228
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	17	-	(17)	-
BALANCE AT DECEMBER 31, 2019	39,270	$ 12,667	$ 21,364	$ 2,756	$ 3,013	$ 20,444	$ (2,335)	$ (35)	$ 57,874

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

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars or U.S. Dollars)

	2019		2018	
	NTD	USD	NTD	USD
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	$ 380,278	$ 12,302	$ 335,842	$ 11,139
Adjustments for:				
Depreciation expenses	93,157	3,013	58,458	1,940
Amortization expenses	529	17	515	17
Amortization of prepayments for leases	-	-	1,599	53
Finance costs	10,884	352	2,596	86
Interest income	(72,739)	(2,353)	(48,042)	(1,593)
Dividend income	(1,576)	(51)	(478)	(16)
Loss on disposal of property, plant and equipment	651	21	-	-
Expected credit loss	93	3	-	-
Allowance for inventory valuation and obsolescence loss	1,886	61	-	-
Gain on lease modification	(115)	(4)	-	-
Changes in operating assets and liabilities				
Notes receivable	155	5	(362)	(12)
Trade receivables	(20,927)	(677)	(25,325)	(840)
Other receivables	(1,917)	(62)	874	29
Inventories	32,303	1,045	(45,103)	(1,496)
Prepayments	(18,362)	(594)	(25,295)	(839)
Other current assets	(155)	(5)	60	2
Trade payables	17,527	567	(5,276)	(175)
Other payables	7,450	241	20,109	667
Other current liabilities	6,182	200	(511)	(17)
Cash generated from operations	435,304	14,081	269,661	8,945
Interest paid	(10,083)	(326)	(2,428)	(81)
Income tax paid	(40,339)	(1,305)	(30,820)	(1,022)
Net cash generated from operating activities	384,882	12,450	236,413	7,842
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases from sale of financial assets at fair values through other comprehensive income	(12,519)	(405)	(19,412)	(632)
Proceeds from financial assets at fair values through other comprehensive income	3,837	128	10,075	328

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TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars or U.S. Dollars)

	2019		2018	
	NTD	USD	NTD	USD
Purchases from sale of financial assets at amortized cost	$ (711,409)	$ (23,014)	$ (73,955)	$ (2,453)
Payments for property, plant and equipment	(60,445)	(1,956)	(55,067)	(1,827)
Increase in other non-current assets	(10,015)	(324)	(32,923)	(1,092)
Payments for intangible assets	(153)	(5)	-	-
Increase in prepayments for equipment	(48,686)	(1,575)	(127,229)	(4,220)
Interest received	60,641	1,962	44,618	1,480
Dividends received	1,576	51	478	16
Net cash used in investing activities	(777,173)	(25,138)	(253,415)	(8,400)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term borrowings	393,386	12,726	110,587	3,668
Refunds of guarantee deposits received	(1,607)	(52)	(60)	(2)
Repayment of the principal portion of lease liabilities	(5,250)	(168)	-	-
Dividends paid to owners of the Company	(208,131)	(6,638)	(142,800)	(4,696)
Net cash generated from (used in) financing activities	178,398	5,868	(32,273)	(1,030)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	2,409	64	(6,213)	(667)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(211,484)	(6,756)	(55,488)	(2,255)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	373,429	12,158	428,917	14,413
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 161,945	$ 5,402	$ 373,429	$ 12,158

Note: These consolidated financial statements were originally presented in U.S. dollars. For the purpose of comparison, the consolidated statements of cash flows have been subsequently translated to New Taiwan dollars at an average exchange rate of NT$30.912:US$1 and NT$30.149:US$1 for the years ended December 31, 2019 and 2018, respectively. Since the par value of shares is NT$10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate the shares.

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

1. GENERAL INFORMATION

Taisun Int'l (Holding) Corporation (the "Company") was incorporated in the Cayman Islands in February 2014 for the purpose of organizational restructuring for initial public offering and application for listing on the Taiwan Stock Exchange (TWSE). Based on the equity exchange agreement, the Company completed the organizational restructuring on December 31, 2014 and became the holding company of all of the consolidated entities.

The Company and the subsidiaries (collectively, the "Group") mainly manufacture and sell baby diapers, baby pants, adult diapers, sanitary napkins and wet wipes.

The Company's shares have been listed on the TWSE since January 2017.

The functional currency of the Company is the U.S. dollar. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars and U.S. dollars, since the Company's shares are listed on the TWSE.

The spot exchange rate of NT$29.98:US$1 and NT$30.715:US$1 was used for the balances as of December 31, 2019 and 2018, respectively. The average exchange rate of NT$30.912:US$1 and NT$30.419:US$1 was used in 2019 and 2018, respectively. Since the par value of shares is NT$10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate the shares.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on February 27, 2020.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

   1) IFRS 16 "Leases"

      IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

Definition of a lease

The Group elects to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Group presents the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Prepaid lease payments for land use rights in Vietnam and Cambodia were recognized as prepayments for leases. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows. Leased assets and finance lease payables were recognized on the consolidated balance sheets for contracts classified as finance leases.

The Group elects to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at the Group applies IAS 36 to all right-of-use assets.

The Group also applies the following practical expedients:

a) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.

b) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

The lessee's weighted average incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 1.41%-4.60%. The difference between the lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

(In Thousands of New Taiwan Dollars)

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 4,214
Less: Recognition exemption for short-term leases	(888)
Undiscounted amounts on January 1, 2019	$ 3,326
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 3,303
Lease liabilities recognized on January 1, 2019	$ 3,303

(In Thousands of U.S. Dollars)

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 137
Less: Recognition exemption for short-term leases	(28)
Undiscounted amounts on January 1, 2019	$ 109
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 107
Lease liabilities recognized on January 1, 2019	$ 107

The Group as lessor

Except for sublease transactions, the Group does not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019

(In Thousands of New Taiwan Dollars)

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Right-of-use assets - land	$ -	$ 96,436	$ 96,436
Right-of-use assets - buildings	-	3,303	3,303
Prepayments for leases - current	1,621	(1,621)	-
Prepayments for leases - non-current	94,815	(94,815)	-
Lease liabilities - current	-	2,889	2,889
Lease liabilities - non-current	-	414	414

(In Thousands of U.S. Dollars)

	As Originally Stated on January 1, 2019	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Right-of-use assets - land	$ -	$ 3,140	$ 3,140
Right-of-use assets - buildings	-	107	107
Prepayments for leases - current	53	(53)	-
Prepayments for leases - non-current	3,087	(3,087)	-
Lease liabilities - current	-	94	94
Lease liabilities - non-current	-	13	13

2) IFRIC 23 “Uncertainty over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Group should assume that the taxation authority has full knowledge of all related information when making related examinations. If the Group concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the Group should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in its income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Group should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the Group expects to better predict the

resolution of the uncertainty. The Group has to reassess its judgments and estimates if facts and circumstances change.

b. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Group shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

- Amendments to IAS 1 and IAS 8 "Definition of material"

  The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. The concept of "obscuring" material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from "could influence" to "could reasonably be expected to influence".

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of the above standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

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

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

- Principles for preparing consolidated financial statements

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

  Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

  When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

  All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

  See Note 11 and Table 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

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

g. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

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

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

h. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

i. Impairment of tangible and intangible assets other than goodwill and assets related to contract costs

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 25: Financial Instruments.

ii. Financial assets at amortized cost

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

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets and contract assets

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

- Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses/any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains or losses on such financial liabilities are recognized in other gains or losses.

b) Derecognition of financial liabilities

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

k. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

The sale of goods is recognized as revenue when the customer obtains the right of goods. When the goods are delivered to the customer's specific location, the time of performance obligation is satisfied.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Allowances for sales returns and liabilities for returns are recognized to provisions at the time of sale based on the seller's reliable estimate of future returns and based on past experience and different contract conditions.

l. Leasing

<u>2019</u>

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

For a contract that contains a lease component and non-lease components, the Group allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

- The Group as lessee

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

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

  Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

  Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

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

<u>2018</u>

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

1) The Group as lessee

   Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheets as a finance lease obligation.

   Finance expenses implicit in lease payments for each period are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets; in which case, they are capitalized.

   Operating lease payments are recognized as expenses on a straight-line basis over the lease term.

2) Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The minimum lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

m. Borrowing costs

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

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

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

3) Termination benefits

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

o. Taxation

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

1) Current tax

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

2) Deferred tax

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

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

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

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

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. When a current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2019	**2018**
New Taiwan dollars		
Cash on hand	$ 353	$ 817
Checking accounts and demand deposits	32,875	20,572
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	128,717	352,040
	$ 161,945	$ 373,429

(Continued)

	December 31	
	2019	2018
U.S. dollars		
Cash on hand	$ 12	$ 27
Checking accounts and demand deposits	1,097	669
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	4,293	11,462
	$ 5,402	$ 12,158

(Concluded)

The market rate intervals of cash in the bank at the end of the reporting period were as follows:

	December 31	
	2019	2018
Demand deposits	0.1%-0.3%	0.1%-0.8%
Time deposits	2.06%-5.5%	1.4%-5.5%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2019	2018
New Taiwan dollars		
Current		
Investments in equity instruments at FVTOCI	$ 24,252	$ 15,656
Current		
Domestic investments		
Listed shares and emerging market shares		
Ordinary shares - Satitar Co., Ltd.	$ 2,424	$ 2,513
Ordinary shares - King’s Town Bank	5,025	4,327
Ordinary shares - China Steel Corporation	4,780	4,850
	$ 12,229	$ 11,690

(Continued)

	December 31	
	2019	2018
Foreign investments		
Listed shares and emerging market shares		
Ordinary shares - Bao Minh Insurance Corporation	$ -	$ 822
Ordinary shares - PetroVietnam Technical Services Corporation	-	114
Ordinary shares - Viet Nam Engine And Agricultural Machinery Corporation	2,931	1,017
Ordinary shares - Tu Liem Urban Development Joint-Stock Company	-	2,013
Ordinary shares - Pha Lai Thermal Power Joint Stock Company	4,525	-
Ordinary shares - PetroVietnam Power Nhon Trach 2 JSC	1,961	-
Ordinary shares - Vietnam Rubber Group - Joint Stock Company	2,606	-
	$ 12,023	$ 3,966
U.S. dollars		
Current		
Investments in equity instruments at FVTOCI	$ 809	$ 510
Current		
Domestic investments		
Listed shares and emerging market shares		
Ordinary shares - Satitar Co., Ltd.	$ 81	$ 82
Ordinary shares - King's Town Bank Co., Ltd.	168	140
Ordinary shares - China Steel Corporation	159	158
	$ 408	$ 380
Foreign investments		
Listed shares and emerging market shares		
Ordinary shares - Bao Minh Insurance Corporation	$ -	$ 27
Ordinary shares - PetroVietnam Technical Services Corporation	-	4
Ordinary shares - Viet Nam Engine And Agricultural Machinery Corporation	98	33
Ordinary shares - Tu Liem Urban Development Joint-Stock Company	-	66
Ordinary shares - Pha Lai Thermal Power Joint Stock Company	151	-
Ordinary shares - PetroVietnam Power Nhon Trach 2 JSC	65	-
Ordinary shares - Vietnam Rubber Group - Joint Stock Company	87	-
	$ 401	$ 130

(Concluded)

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

In 2019 and 2018, the Group acquired ordinary shares of NT$12,519 thousand (US$405 thousand) and NT$19,412 thousand (US$632 thousand) for medium- to long-term strategic purposes, the management designated these investments as at FVTOCI.

In 2019 and 2018, the Group adjusted investment portfolio in order to diversify investment risks and sold some of its shares. The sold shares had a fair value of NT$3,837 thousand (US$128 thousand) and NT$10,075 thousand (US$328 thousand), and the Group transferred a gain of NT$503 thousand (US$17 thousand) and a loss of NT$(350) thousand (US$(11) thousand) from other equity to retained earnings.

Dividends of $1,576 thousand (US$51 thousand) and NT$478 thousand (US$16 thousand) were recognized during 2019 and 2018, respectively. Dividends related to investments derecognized during 2019 and 2018 were NT$728 thousand (US$23 thousand) and NT$0 thousand (US$0 thousand), respectively, and those related to investments held as of December 31, 2019 and 2018 were NT$848 thousand (US$28 thousand) and NT$11,804 thousand (US$384 thousand), respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2019	**2018**
New Taiwan dollars		
Current		
Time deposits with original maturities of more than 3 months	$ 1,278,261	$ 562,574
Non-current		
Time deposits with original maturities of more than 1 year	$ -	$ 40,147
U.S. dollars		
Current		
Time deposits with original maturities of more than 3 months	$ 42,637	$ 18,316
Non-current		
Time deposits with original maturities of more than 1 year	$ -	$ 1,307

The interest rates for time deposits with original maturities of more than 3 months were from 2.3% to 7.3% per annum as of December 31, 2019 and 2018.

9. TRADE RECEIVABLES

	December 31	
	2019	2018
Trade receivables		
New Taiwan dollars		
At amortized cost		
Gross carrying amount	$ 74,445	$ 56,172
Less: Allowance for impairment loss	(150)	(768)
	$ 74,295	$ 55,404
U.S. dollars		
At amortized cost		
Gross carrying amount	$ 2,483	$ 1,829
Less: Allowance for impairment loss	(5)	(25)
	$ 2,478	$ 1,804

The average credit period of sales of goods was 30 days. No interest was charged on trade receivables. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2019

(In Thousands of New Taiwan Dollars)

	Posting Date Less Than 90 Days	Posting Date 91 to 180 Days	Posting Date 181 to 360 Days	Posting Date Over 360 Days	Total
Gross carrying amount	$ 68,706	$ 1,567	$ 4,129	$ 43	$ 74,445
Loss allowance (Lifetime ECL)	-	(16)	(91)	(43)	(150)
Amortized cost	$ 68,706	$ 1,551	$ 4,038	$ -	$ 74,295

(In Thousands of U.S. Dollars)

	Posting Date Less Than 90 Days	Posting Date 91 to 180 Days	Posting Date 181 to 360 Days	Posting Date Over 360 Days	Total
Gross carrying amount	$ 2,292	$ 52	$ 138	$ 1	$ 2,483
Loss allowance (Lifetime ECL)	-	(1)	(3)	(1)	(5)
Amortized cost	$ 2,292	$ 51	$ 135	$ -	$ 2,478

December 31, 2018

(In Thousands of New Taiwan Dollars)

	Posting Date Less Than 90 Days	Posting Date 91 to 180 Days	Posting Date 181 to 360 Days	Posting Date Over 360 Days	Total
Gross carrying amount	$ 53,724	$ 1,682	$ 44	$ 722	$ 56,172
Loss allowance (Lifetime ECL)	-	(24)	(22)	(722)	(768)
Amortized cost	$ 53,724	$ 1,658	$ 22	$ -	$ 55,404

(In Thousands of U.S. Dollars)

	Posting Date Less Than 90 Days	Posting Date 91 to 180 Days	Posting Date 181 to 360 Days	Posting Date Over 360 Days	Total
Gross carrying amount	$ 1,749	$ 55	$ 1	$ 24	$ 1,829
Loss allowance (Lifetime ECL)	-	-	(1)	(24)	(25)
Amortized cost	$ 1,749	$ 55	$ -	$ -	$ 1,804

The Group's expected credit loss rates are as follows: 180 days of 0-1%; 180 days to 360 days of 30-50%; 1 years and above of 100%.

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

	2019	2018
New Taiwan dollars		
Balance at January 1	$ 768	$ 774
Add: Impairment loss	93	-
Less: Amounts written off	(711)	-
Foreign exchange gains and losses	-	(6)
Balance at December 31	$ 150	$ 768
U.S. dollars		
Balance at January 1	$ 25	$ 26
Add: Impairment loss	3	-
Less: Amounts written off	(23)	-
Foreign exchange gains and losses	-	(1)
Balance at December 31	$ 5	$ 25

10. INVENTORIES

	December 31	
	2019	2018
New Taiwan dollars		
Merchandise	$ 5,933	$ 2,847
Finished goods	82,832	105,671
Raw materials	123,664	144,751
Inventory in transit	36,623	35,846
	$ 249,052	$ 289,115
U.S. dollars		
Merchandise	$ 198	$ 93
Finished goods	2,763	3,440
Raw materials	4,124	4,713
Inventory in transit	1,222	1,167
	$ 8,307	$ 9,413

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2019 and 2018 was NT$1,364,686 thousand (US$44,147 thousand) and NT$1,222,866 thousand (US$40,561 thousand), respectively.

The cost of goods sold included allowance for inventory valuation and obsolescence loss of NT$1,886 thousand (US$61 thousand) for the year ended December 31, 2019.

11. SUBSIDIARIES

Subsidiaries Included in Consolidated Financial Statements

The detailed information on the Company's subsidiaries at the end of the reporting period was as follows:

Investor	Investee	Business Nature	Percentage of Ownership December 31 2019	Percentage of Ownership December 31 2018	Note
Taisun Int'l (Holding) Corporation	Taisun Vietnam Co., Ltd. (VN)	Manufacture and sale of baby diapers, baby pants, adult diapers, sanitary napkins and wet wipes	100	100	a
	Taipoly (Far East) Corporation (Mauritius)	Trading	100	100	b
	Winsun (Cambodia) Co., Ltd. (Cambodia)	Manufacture and sale of baby diapers, baby pants, adult diapers, sanitary napkins and wet wipes	100	100	c
	Taipoly International Pte. Ltd.	Trading	100	-	d
Winsun (Cambodia) Co., Ltd. (Cambodia)	Winsun Trade Co., Ltd. (VN)	Trading	100	100	e

a. Taisun Vietnam Co., Ltd. (VN) was incorporated in 2001 in Vietnam.

b. Taipoly (Far East) Corporation (Mauritius) was incorporated in 2006 in Mauritius.

c. Winsun (Cambodia) Co., Ltd. (Cambodia) was incorporated in 2005 in Cambodia.

d. Taipoly International Pte. Ltd. was incorporated in April 2019 in Singapore.

e. Winsun Trade Co., Ltd. was incorporated in December 2017 in Vietnam.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Finance Leases	Property in Construction	Total
New Taiwan dollars								
Cost								
Balance at January 1, 2019	$ 139,658	$ 512,914	$ 28,573	$ 34,460	$ 11,695	$ 167	$ 19,034	$ 746,501
Additions	3,416	11,661	4,292	1,104	288	-	39,684	60,445
Reclassifications	17,135	12,624	-	-	294	-	(30,053)	-
Disposals	-	(24,721)	(1,612)	-	(191)	-	-	(26,524)
Transfer from prepaid equipment	-	156,960	5,899	-	-	-	-	162,859
Effect of foreign currency exchange differences	(3,845)	(16,257)	(896)	(847)	(250)	-	(705)	(22,800)
Balance at December 31, 2019	$ 156,364	$ 653,181	$ 36,256	$ 34,717	$ 11,836	$ 167	$ 27,960	$ 920,481
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ 29,170	$ 319,012	$ 19,103	$ 5,494	$ 9,193	$ 140	$ -	$ 382,112
Disposals	-	(24,168)	(1,514)	-	(191)	-	-	(25,873)
Depreciation expense	8,920	63,920	4,972	6,781	1,132	31	-	85,756
Effect of foreign currency exchange differences	(925)	(7,149)	(535)	(327)	(236)	(4)	-	(9,176)
Balance at December 31, 2019	$ 37,165	$ 351,615	$ 22,026	$ 11,948	$ 9,898	$ 167	$ -	$ 432,819
Carrying amounts at December 31, 2019	$ 119,199	$ 301,566	$ 14,230	$ 22,769	$ 1,938	$ -	$ 27,960	$ 487,662

(Continued)

	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Equipment under Finance Leases	Property in Construction	Total
U.S. dollars								
Cost								
Balance at January 1, 2019	$ 4,547	$ 16,702	$ 930	$ 1,119	$ 381	$ 5	$ 620	$ 24,304
Additions	111	377	139	36	9	-	1,284	1,956
Reclassifications	554	408	-	-	10	-	(972)	-
Disposals	-	(800)	(52)	-	(6)	-	-	(858)
Transfer from prepaid equipment	-	5,078	191	-	1	-	-	5,270
Effect of foreign currency exchange differences	4	22	1	3	-	1	1	32
Balance at December 31, 2019	$ 5,216	$ 21,787	$ 1,209	$ 1,158	$ 395	$ 6	$ 933	$ 30,704
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ 949	$ 10,387	$ 622	$ 178	$ 300	$ 5	$ -	$ 12,441
Disposals	-	(782)	(49)	-	(6)	-	-	(837)
Depreciation expense	289	2,068	161	219	37	1	-	2,775
Effect of foreign currency exchange differences	1	56	1	-	-	-	-	58
Balance at December 31, 2019	$ 1,239	$ 11,729	$ 735	$ 397	$ 331	$ 6	$ -	$ 14,437
Carrying amounts at December 31, 2019	$ 3,977	$ 10,058	$ 474	$ 761	$ 64	$ -	$ 933	$ 16,267
New Taiwan dollars								
Cost								
Balance at January 1, 2018	$ 66,909	$ 449,197	$ 24,088	$ 3,030	$ 11,440	$ 167	$ 58,382	$ 613,213
Additions	9,296	8,488	2,121	2,068	85	-	33,009	55,067
Reclassifications	60,973	-	-	12,240	77	-	(73,290)	-
Transfer from prepaid equipment	615	50,697	2,098	16,498	-	-	-	69,908
Effect of foreign currency exchange differences	1,865	4,532	266	624	93	-	933	8,313
Balance at December 31, 2018	$ 139,658	$ 512,914	$ 28,573	$ 34,460	$ 11,695	$ 167	$ 19,034	$ 746,501
Accumulated depreciation and impairment								
Balance at January 1, 2018	$ 22,532	$ 271,596	$ 15,183	$ 1,799	$ 8,044	$ 58	$ -	$ 319,212
Depreciation expense	6,384	43,534	3,760	3,617	1,074	89	-	58,458
Effect of foreign currency exchange differences	254	3,882	160	78	75	(7)	-	4,442
Balance at December 31, 2018	$ 29,170	$ 319,012	$ 19,103	$ 5,494	$ 9,193	$ 140	$ -	$ 382,112
Carrying amounts at December 31, 2018	$ 110,488	$ 193,902	$ 9,470	$ 28,966	$ 2,502	$ 27	$ 19,034	$ 364,389
U.S. dollars								
Cost								
Balance at January 1, 2018	$ 2,248	$ 15,093	$ 809	$ 103	$ 385	$ 6	$ 1,962	$ 20,606
Additions	308	282	70	69	3	-	1,095	1,827
Reclassifications	2,022	-	-	406	3	-	(2,431)	-
Transfer from prepaid equipment	20	1,682	70	547	-	-	-	2,319
Effect of foreign currency exchange differences	(51)	(355)	(19)	(6)	(10)	(1)	(6)	(448)
Balance at December 31, 2018	$ 4,547	$ 16,702	$ 930	$ 1,119	$ 381	$ 5	$ 620	$ 24,304
Accumulated depreciation and impairment								
Balance at January 1, 2018	$ 756	$ 9,127	$ 510	$ 60	$ 271	$ 2	$ -	$ 10,726
Depreciation expense	212	1,444	125	120	36	3	-	1,940
Effect of foreign currency exchange differences	(19)	(184)	(13)	(2)	(7)	-	-	(225)
Balance at December 31, 2018	$ 949	$ 10,387	$ 622	$ 178	$ 300	$ 5	$ -	$ 12,441
Carrying amounts at December 31, 2018	$ 3,598	$ 6,315	$ 308	$ 941	$ 81	$ -	$ 620	$ 11,863

(Concluded)

For the years ended December 31, 2019 and 2018, the Group did not recognized any impairment loss.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Industrial building	20-50 years
Engineering systems	14-15 years
Other	5-7 years
Machinery and equipment	2-10 years
Transportation equipment	3-8 years
Office equipment	2-6 years
Other equipment	3-10 years

13. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	December 31, 2019
Carrying amounts	
In thousands of New Taiwan dollars	
Land	$ 132,362
Buildings	12,678
	$ 145,040
In thousands of U.S. dollars	
Land	$ 4,415
Buildings	423
	$ 4,838

	2019
In thousands of New Taiwan dollars	
Depreciation charge for right-of-use assets	
Land	$ 2,070
Buildings	5,331
	$ 7,401
In thousands of U.S. dollars	
Depreciation charge for right-of-use assets	
Land	$ 67
Buildings	171
	$ 238

b. Lease liabilities - 2019

	December 31, 2019
Carrying amounts	
In thousands of New Taiwan dollars	
Current	$ 5,813
Non-current	$ 6,831
In thousands of U.S. dollars	
Current	$ 194
Non-current	$ 228

Range of discount rate for lease liabilities was as follows:

	December 31, 2019
Buildings	1.41%-4.60%

c. Material lease-in activities and terms

The Group leases certain buildings for the use of office spaces with lease terms of 2-3 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

The Group also leases land and buildings for the use of product manufacturing with lease terms of 34 to 50 years in Vietnam and Cambodia, and the land in Cambodia can be renewed for another period of 50 years upon expiration of the lease period. Lease payment is paid in one whole lump sum at the time of contract, and the Group does not have bargain purchase options to acquire the leasehold land at the end of the lease terms.

The Group signed an agreement to acquire ownership of lands and buildings in Vietnam with non-related parties in September 2018 for manufacturing and storage of the products. In the third quarter of 2019, the registration certificate of this land use right and ownership transfer was obtained, so prepayment of buildings and land recorded under other assets was reclassified to right-of-use assets.

d. Other lease information

2019

	2019
New Taiwan dollars	
Expenses relating to short-term leases	$ 4,538
Total cash outflow for leases	$ (9,788)
U.S. dollars	
Expenses relating to short-term leases	$ 147
Total cash outflow for leases	$ (315)

The Group leases certain buildings which qualify as short-term leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

2018

The future minimum lease payments of non-cancellable operating lease commitments are as follows:

	December 31, 2018
New Taiwan dollars	
Not later than 1 year	$ 3,815
Later than 1 year and not later than 5 years	399
Later than 5 years	-
	$ 4,214
U.S. dollars	
Not later than 1 year	$ 124
Later than 1 year and not later than 5 years	13
Later than 5 years	-
	$ 137

14. PREPAYMENTS FOR LEASES

	December 31	
	2019	2018
New Taiwan dollars		
Current assets	$ -	$ 1,621
Non-current assets	-	94,815
	$ -	$ 96,436
U.S. dollars		
Current assets	$ -	$ 53
Non-current assets	-	3,087
	$ -	$ 3,140

As of December 31 of 2018, the prepayments for leases are for the land use rights in Vietnam and Cambodia.

The above land use rights were originally accounted for in the prepaid lease payments. For subsequent reclassification on January 1, 2019 and the information on December 31, 2019, please refer to Notes 3 and 13.

15. OTHER ASSETS

	December 31	
	2019	2018
New Taiwan dollars		
Current		
Prepayments	$ 1,454	$ 4,688
Business tax carry forward	51,379	34,333
Prepayments and others	14,306	11,291
	$ 67,139	$ 50,312
Non-current		
Refundable deposits	$ 4,213	$ 2,123
Prepayment for buildings and land	82	33,507
	$ 4,295	$ 35,630
U.S. dollars		
Current		
Prepayments	$ 48	$ 153
Business tax carry forward	1,714	1,118
Prepayments and others	474	366
	$ 2,236	$ 1,637
Non-current		
Refundable deposits	$ 141	$ 69
Prepayment for buildings and land	3	1,091
	$ 144	$ 1,160

The Group signed an agreement to acquire ownership of lands and buildings in Vietnam with non-related parties in September 2018. In the third quarter of 2019, the registration certificate of land use right and ownership transfer was obtained, so the prepayment of buildings and land was reclassified as right-of-use assets.

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2019	2018
New Taiwan dollars		
Unsecured borrowings		
Line of credit borrowings	$ 604,254	$ 228,171
U.S. dollars		
Unsecured borrowings		
Line of credit borrowings	$ 20,155	$ 7,429

The range of weighted average effective interest rates on bank loans was 1.25%-5.1% and 1.41%-4.50% per annum as of December 31, 2019 and 2018.

17. OTHER LIABILITIES

	December 31	
	2019	2018
New Taiwan dollars		
Other payables		
Payables for salaries or bonuses	$ 16,571	$ 14,140
Payables for bonuses to employees and directors	10,325	9,149
Payables for services	2,848	5,941
Payables for retention from construction	4,383	5,727
Payables for purchases of equipment	11,049	17,336
Others	26,422	12,858
	$ 71,598	$ 65,151
U.S. dollars		
Other payables		
Payables for salaries or bonuses	$ 553	$ 460
Payables for bonuses to employees and directors	344	298
Payables for services	95	193
Payables for retention from construction	146	186
Payables for purchases of equipment	369	564
Others	881	420
	$ 2,388	$ 2,121

18. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

Taisun Int'l (Holding) Corporation Taiwan Branch of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, Taisun Int'l (Holding) Corporation Taiwan Branch makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group's subsidiary, Taisun Vietnam Co., Ltd. (VN), WINSUN (CAMBODIA) CO., LTD (Cambodia) in Vietnam and Cambodia are members of a state-managed retirement benefit plan operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. The other related expenses are included in employee benefits expense.

19. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2019	2018
Numbers of shares authorized (in thousands)	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	39,270	39,270
Shares issued (in New Taiwan dollars)	$ 392,700	$ 392,700
Shares issued (in U.S. dollars)	$ 12,667	$ 12,667

The appropriation of earnings for 2017 was approved in the shareholder's meetings on June 29, 2018. The distribution of share dividends was NT$35,700 thousand (US$1,174 thousand), with a par value of NT$10, which increased the share capital of NT$392,700 thousand (US$12,667 thousand) issued and fully paid. The above transaction was approved by the FSC, and the related corporate registration was completed on September 11, 2018.

b. Capital surplus

Capital surplus which is generated from the issuance of ordinary shares may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of

directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 21-f.

According to the Cayman Company's Articles and Regulations of public companies, after considering the financial, business and operational factors, the distribution of dividends to shareholders should be more than 20% of the net profit of the current year and distributed according to their shareholding percentage. The distribution of dividends to shareholders is made by the issuance of share dividends and the payment of cash dividends. In principle, cash dividends should be more than 50% of the total dividends distributed.

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

The appropriations of earnings for 2018 and 2017 were approved in the shareholders' meetings on June 28, 2019 and June 29, 2018, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings (In Thousands of New Taiwan Dollars)		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2018	**2017**	**2018**	**2017**
Cash dividends	$ 208,131	$ 142,800	$ 5.3	$ 4
Share dividend	-	35,700	-	1
Legal reserve	29,869	25,385	-	-
Special reserve	(20,831)	110,678	-	-

The appropriation of earnings for 2019 was proposed by the Company's board of directors on February 27, 2020. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 34,516	$ -
Cash dividends	243,474	6.2
Share dividends	-	-
Special reserve	(39,091)	-

The appropriation of earnings for 2019 are subject to the resolution of the shareholders' meeting to be held on June 26, 2020.

d. Special reserve

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Beginning at January 1	$ 112,024	$ 1,346
Appropriation in respect of:		
Debit to other equity items	-	110,678
Reversals:		
Reversal of the debits to other equity items	(20,831)	-
Balance at December 31	$ 91,193	$ 112,024
U.S. dollars		
Beginning at January 1	$ 3,684	$ 45
Appropriation in respect of:		
Debit to other equity items	-	3,639
Reversals:		
Reversal of the debits to other equity items	(671)	-
Balance at December 31	$ 3,013	$ 3,684

20. REVENUE

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Revenue from contracts with customers		
Revenue from sale of goods	$ 1,977,366	$ 1,744,175
U.S. dollars		
Revenue from contracts with customers		
Revenue from sale of goods	$ 63,968	$ 57,852

a. Contract information

Revenue from sale of goods

The Group mainly sell baby diapers, baby pants, adult diapers, sanitary napkins and wet wipes to the retailers, the dealers, the self-operated stores and the online sales. As sales discounts are provided when the sales to certain retailers reach the pre-agreed amount, revenue is reduced by the estimated sales discounts which are forecasted based on past experience. The rest of the goods are sold at a fixed price per contract.

b. Contract balances

	December 31	
	2019	2018
New Taiwan dollars		
Trade receivables (Note 9)	$ 74,295	$ 55,404
Contract liabilities - current		
Sale of goods	$ 5,805	$ 409
U.S. dollars		
Trade receivables (Note 9)	$ 2,478	$ 1,804
Contract liabilities - current		
Sale of goods	$ 193	$ 13

The Group makes the collection in advance and accountsfor contract liabilities under other current liabilities based on the contracts.

21. NET PROFIT AND OTHER COMPREHENSIVE INCOME (LOSS)

Net profit was attributable to:

a. Other income

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Interest income		
Bank deposits	$ 72,739	$ 48,042
Dividends		
Investments in equity instruments at FVTOCI	1,576	478
	$ 74,315	$ 48,520
U.S. dollars		
Interest income		
Bank deposits	$ 2,353	$ 1,593
Dividends		
Investments in equity instruments at FVTOCI	51	16
	$ 2,404	$ 1,609

b. Other gains and losses

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Net foreign exchange gains	$ 1,824	$ 3,537
Loss on disposal of property, plant and equipment	(651)	-
Other	665	1,866
	$ 1,838	$ 5,403
U.S. dollars		
Net foreign exchange gains	$ 59	$ 117
Loss on disposal of property, plant and equipment	(21)	-
Other	21	62
	$ 59	$ 179

c. Finance costs

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Interest on bank loans	$ 10,586	$ 2,596
Interest on lease liabilities	298	-
	$ 10,884	$ 2,596
U.S. dollars		
Interest on bank loans	$ 342	$ 86
Interest on lease liabilities	10	-
	$ 352	$ 86

d. Depreciation and amortization

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Property, plant and equipment	$ 85,756	$ 58,458
Right-of-use assets	7,401	-
Intangible assets	529	515
Prepayments for leases	-	1,599
	$ 93,686	$ 60,572

(Continued)

	For the Year Ended December 31	
	2019	2018
U.S. dollars		
Property, plant and equipment	$ 2,775	$ 1,940
Right-of-use assets	238	-
Intangible assets	17	17
Prepayments for leases	-	53
	$ 3,030	$ 2,010
New Taiwan dollars		
An analysis of depreciation by function		
Operating costs	$ 81,295	$ 55,833
Operating expenses	11,862	2,625
	$ 93,157	$ 58,458
U.S. dollars		
An analysis of depreciation by function		
Operating costs	$ 2,631	$ 1,853
Operating expenses	382	87
	$ 3,013	$ 1,940
New Taiwan dollars		
An analysis of amortization by function		
Operating expenses	$ 529	$ 2,114
U.S. dollars		
An analysis of amortization by function		
Operating expenses	$ 17	$ 70

(Concluded)

e. Employee benefits expense

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Employee benefits		
Others (including salary expense, insurance expense, post-employment benefits)	$ 215,271	$ 176,612
U.S. dollars		
Employee benefits		
Others (including salary expense, insurance expense, post-employment benefits)	$ 6,964	$ 5,858

(Continued)

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
An analysis of employee benefits expense by function		
Operating costs	$ 86,955	$ 73,955
Operating expenses	128,316	102,657
	$ 215,271	$ 176,612
U.S. dollars		
An analysis of employee benefits expense by function		
Operating costs	$ 2,813	$ 2,453
Operating expenses	4,151	3,405
	$ 6,964	$ 5,858

(Concluded)

f. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors at rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2019 and 2018 were as follows:

Accrual rate

	For the Year Ended December 31	
	2019	2018
Employees' compensation	2.4%	2.3%
Remuneration of directors	0.3%	0.3%

Amount

	For the Year Ended December 31			
	2019		2018	
	Cash	Shares	Cash	Shares
New Taiwan dollars				
Employees' compensation	$ 9,065	$ -	$ 7,948	$ -
Remuneration of directors	989	-	1,200	-
U.S. dollars				
Employees' compensation	302	-	259	-
Remuneration of directors	33	-	39	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The appropriations of employees' compensation and remuneration of directors for 2018 and 2017 that were resolved by the board of directors on March 8, 2019 and March 13, 2018, respectively, are shown below:

	For the Year Ended December 31			
	2018		2017	
	Cash	Shares	Cash	Shares
New Taiwan dollars				
Employees' compensation	$ 9,240	$ -	$ 6,968	$ -
Remuneration of directors	800	-	800	-
U.S. dollars				
Employees' compensation	300	-	234	-
Remuneration of directors	26	-	27	-

Because of the future operational needs, the Company held the board of directors' meeting on March 8, 2019, and that meeting resulted in the actual amounts of the employees' compensation and remuneration of directors paid for 2018 to differ from the amounts recognized in the consolidated financial statements for the year ended December 31, 2018. The differences were adjusted to profit and loss for the year ended December 31, 2019.

	For the Year Ended December 31, 2018	
	Employees' Compensation	Remuneration of Directors
New Taiwan dollars		
Amounts approved in the board of directors' meeting	$ 9,240	$ 800
Amounts recognized in the annual consolidated financial statements	$ 7,948	$ 1,200
U.S. dollars		
Amounts approved in the board of directors' meeting	$ 300	$ 26
Amounts recognized in the annual consolidated financial statements	$ 259	$ 39

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES

a. The major components of tax expense (benefit) were as follows:

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Current tax		
In respect of the current year	$ 38,114	$ 50,043
In respect of the prior years	(47)	(12,378)
Deferred tax		
In respect of the current year	(2,953)	(514)
Income tax expense recognized in profit or loss	$ 35,114	$ 37,151
U.S. dollars		
Current tax		
In respect of the current year	$ 1,237	$ 1,659
In respect of the prior years	(2)	(411)
Deferred tax		
In respect of the current year	(99)	(16)
Income tax expense recognized in profit or loss	$ 1,136	$ 1,232

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

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Profit before tax	$ 380,278	$ 335,842
Income tax expense calculated at the statutory rate (20%)	$ 76,056	$ 67,168
Tax effect of adjustments:		
Tax credits	(20,716)	(19,087)
Nondeductible expenses in determining taxable income	1,856	3,425
Effect of different tax rates of group entities operating in other jurisdictions	(22,035)	(1,977)
Adjustment for prior years' tax	(47)	(12,378)
Income tax expense recognized in profit or loss	$ 35,114	$ 37,151

(Continued)

	For the Year Ended December 31	
	2019	2018
U.S. dollars		
Profit before tax	$ 12,302	$ 11,139
Income tax expense calculated at the statutory rate (20%)	$ 2,460	$ 2,228
Tax effect of adjustments:		
Tax credits	(670)	(633)
Nondeductible expenses in determining taxable income	60	114
Effect of different tax rates of group entities operating in other jurisdictions	(712)	(66)
Adjustment for prior years' tax	(2)	(411)
Income tax expense recognized in profit or loss	$ 1,136	$ 1,232

(Concluded)

Tax rates used by group entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Current tax assets and liabilities

	December 31	
	2019	2018
New Taiwan dollars		
Current tax liabilities		
Income tax payable	$ 7,719	$ 10,062
U.S. dollars		
Current tax liabilities		
Income tax payable	$ 257	$ 328

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2019

	Opening Balance	Recognize in Profit or Loss	Exchange Differences	Closing Balance
New Taiwan dollars				
Deferred tax assets				
Expenses payable	$ 2,433	$ 2,595	$ (55)	$ 4,973
Payables for annual leave	192	-	(4)	188
Allowance for write-downs of inventories	1,192	366	(27)	1,531
Unrealized termination benefits	640	-	(15)	625
Allowance for impaired receivables	166	(125)	(4)	37
	$ 4,623	$ 2,836	$ (105)	$ 7,354
Deferred tax liabilities				
Foreign exchange gains or losses	$ 223	$ (117)	$ (5)	$ 101
U.S. dollars				
Deferred tax assets				
Expenses payable	$ 79	$ 87	$ -	$ 166
Payables for annual leave	6	-	-	6
Allowance for write-downs of inventories	39	12	-	51
Unrealized termination benefits	21	-	-	21
Allowance for impaired receivables	6	(4)	(1)	1
	$ 151	$ 95	$ (1)	$ 245
Deferred tax liabilities				
Foreign exchange gains or losses	$ 7	$ (4)	$ -	$ 3

For the year ended December 31, 2018

	Opening Balance	Recognize in Profit or Loss	Exchange Differences	Closing Balance
New Taiwan dollars				
Deferred tax assets				
Expenses payable	$ 3,032	$ (624)	$ 25	$ 2,433
Payables for annual leave	111	81	-	192
Allowance for write-downs of inventories	1,223	(41)	10	1,192
Unrealized termination benefits	635	-	5	640
Allowance for impaired receivables	165	-	1	166
	$ 5,166	$ (584)	$ 41	$ 4,623
Deferred tax liabilities				
Foreign exchange gains or losses	$ 290	$ (70)	$ 3	$ 223
U.S. dollars				
Deferred tax assets				
Expenses payable	$ 102	$ (20)	$ (3)	$ 79
Payables for annual leave	4	3	(1)	6
Allowance for write-downs of inventories	41	(1)	(1)	39
Unrealized termination benefits	21	-	-	21
Allowance for impaired receivables	6	-	-	6
	$ 174	$ (18)	$ (5)	$ 151
Deferred tax liabilities				
Foreign exchange gains or losses	$ 10	$ (2)	$ (1)	$ 7

d. Income tax assessments

The income tax returns of the Company and its subsidiaries have been assessed by the local governments of each country within the prescribed period.

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2019	**2018**
Basic earnings per share	$ 8.79	$ 7.61
Diluted earnings per share	$ 8.77	$ 7.59

Unit: US$ Per Share

	For the Year Ended December 31	
	2019	**2018**
Basic earnings per share	$ 0.28	$ 0.25
Diluted earnings per share	$ 0.28	$ 0.25

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

Net Profit for the Year

New Taiwan dollars

	For the Year Ended December 31	
	2019	**2018**
Profit for the year attributable to owners of the Company	$ 345,164	$ 298,691
Earnings used in the computation of diluted earnings per share	$ 345,164	$ 298,691

U.S. dollars

	For the Year Ended December 31	
	2019	**2018**
Profit for the year attributable to owners of the Company	$ 11,166	$ 9,907
Earnings used in the computation of diluted earnings per share	$ 11,166	$ 9,907

	For the Year Ended December 31	
	2019	**2018**
Weighted average number of ordinary shares used in the computation of basic earnings per share	39,270	39,270
Effect of potentially dilutive ordinary shares		
Employees' compensation	79	74
Weighted average number of ordinary shares used in the computation of diluted earnings per share	39,349	39,344

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

24. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity).

The Group is not subject to any externally imposed capital requirements.

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

25. FINANCIAL INSTRUMENTS

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

- Fair value hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
New Taiwan dollars				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	$ 12,229	$ -	$ -	$ 12,229
Foreign listed shares and emerging market shares	12,023	-	-	12,023
	$ 24,252	$ -	$ -	$ 24,252
U.S. dollars				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	$ 408	$ -	$ -	$ 408
Foreign listed shares and emerging market shares	401	-	-	401
	$ 809	$ -	$ -	$ 809

December 31, 2018

	Level 1	Level 2	Level 3	Total
New Taiwan dollars				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	$ 11,690	$ -	$ -	$ 11,690
Foreign listed shares and emerging market shares	3,966	-	-	3,966
	$ 15,656	$ -	$ -	$ 15,656
U.S. dollars				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	$ 380	$ -	$ -	$ 380
Foreign listed shares and emerging market shares	130	-	-	130
	$ 510	$ -	$ -	$ 510

There were no transfers between Levels 1 and 2 in the current and prior period.

b. Categories of financial instruments

	December 31	
	2019	2018
New Taiwan dollars		
Financial assets		
Financial assets at amortized cost (1)	$ 1,549,390	$ 1,053,551
Financial assets at FVTOCI		
Equity instruments	24,252	15,656
Financial liabilities		
Financial liabilities at amortized cost (2)	790,447	393,293
U.S. dollars		
Financial assets		
Financial assets at amortized cost (1)	51,681	34,301
Financial assets at FVTOCI		
Equity instruments	809	510
Financial liabilities		
Financial liabilities at amortized cost (2)	26,365	12,805

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents and notes, trade and other receivables.

2) The balances include financial liabilities at amortized cost, which comprise short-term loans, trade and other payables and lease liabilities.

c. Financial risk management objectives and policies

The Group's purpose of financial risk management is to manage the foreign currency risk, interest rate risk, credit risk and liquidity risk that related to its management and operating activities. To reduce the relevant financial risk, the Group not only judges and assesses the uncertainty of the market, it also uses conservative principles as the highest guidelines and will not utilize derivative financial instruments or other instruments which possess higher risk. Based on the above principles, the Group reduces the potential risk of market variations affecting its financial performance.

1) Market risk

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

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign-currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Group was mainly exposed to the VND and RMB.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar/U.S. dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and which represents management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign-currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the USD weakening 5% against the relevant currency. For a 5% strengthening of the USD against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	VND Impact		RMB Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2019	2018	2019	2018
New Taiwan dollars				
Profit or loss	$ (11,509)	$ (6,389)	$ -	$ 250
U.S. dollars				
Profit or loss	(384)	(208)	-	8

i. This was mainly attributable to the exposure on outstanding USD receivables and payables which were not hedged at the end of the reporting period.

ii. This was mainly attributable to the exposure on outstanding RMB payables which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings and using interest rate swap contracts and forward interest rate contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring that the most cost-effective hedging strategies are applied.

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

	December 31	
	2019	**2018**
New Taiwan dollars		
Fair value interest rate risk		
Financial assets	$ 1,406,978	$ 954,761
Financial liabilities	-	-
Cash flow interest rate risk		
Financial assets	32,132	19,723
Financial liabilities	604,254	228,171
U.S. dollars		
Fair value interest rate risk		
Financial assets	46,930	31,085
Financial liabilities	-	-
Cash flow interest rate risk		
Financial assets	1,072	641
Financial liabilities	20,155	7,429

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming that the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.25% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.25% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2019 and 2018 would have decreased by NT$1,430 thousand (US$48 thousand) and NT$521 thousand (US$17 thousand), respectively, which would be mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with creditworthy counterparties and continuously monitored such transactions to ensure that the aggregate value of concluded transactions is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually by the risk management committee.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2019 and 2018, the Group had available unutilized short-term bank loan facilities which are set out in the following section (b).

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

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

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

December 31, 2019

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
New Taiwan dollars					
Non-derivative financial liabilities					
Trade payables	$ 78,544	$ 36,051	$ -	$ -	$ -
Lease liabilities	510	1,536	3,767	6,831	-
Variable interest rate liabilities	359	461,432	142,463	-	-
	$ 79,413	$ 499,019	$ 146,230	$ 6,831	$ -

(Continued)

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
U.S. dollars					
Non-derivative financial liabilities					
Trade payables	$ 2,620	$ 1,202	$ -	$ -	$ -
Lease liabilities	17	51	126	228	-
Variable interest rate liabilities	12	15,391	4,752	-	-
	$ 2,649	$ 16,644	$ 4,878	$ 228	$ -

(Concluded)

December 31, 2018

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
New Taiwan dollars					
Non-derivative financial liabilities					
Trade payables	$ 99,971	$ -	$ -	$ -	$ -
Variable interest rate liabilities	327	138,521	89,323	-	-
	$ 100,298	$ 138,521	$ 89,323	$ -	$ -
U.S. dollars					
Non-derivative financial liabilities					
Trade payables	$ 3,255	$ -	$ -	$ -	$ -
Variable interest rate liabilities	11	4,510	2,908	-	-
	$ 3,266	$ 4,510	$ 2,908	$ -	$ -

b) Financing facilities

	December 31	
	2019	2018
New Taiwan dollars		
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 604,254	$ 228,171
Amount unused	810,327	387,889
	$ 1,414,581	$ 616,060
U.S. dollars		
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ 20,155	$ 7,429
Amount unused	27,029	12,629
	$ 47,184	$ 20,058

26. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

a. Related party name and relationship

Name	Relationship
Tai, Chao-Rong	Key management personnel (chairman of the Company)

b. Endorsements and guarantees provided by related parties

Bank deposits of the Company and its subsidiaries are guaranteed by the chairman of the Company on December 31, 2019, and 2018.

c. Compensation of key management personnel

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Short-term benefits	$ 29,272	$ 34,955
U.S. dollars		
Short-term benefits	$ 976	$ 1,138

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

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The group entities' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
New Taiwan dollars			
Financial assets			
Monetary items			
VND	$ 1,830	23,172 (USD:VND)	$ 54,878
Financial liabilities			
Monetary items			
VND	9,508	23,172 (USD:VND)	285,048
U.S. dollars			
Financial assets			
Monetary items			
VND	1,830	23,172 (USD:VND)	1,830
Financial liabilities			
Monetary items			
VND	9,508	23,172 (USD:VND)	9,508

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
New Taiwan dollars			
Financial assets			
Monetary items			
VND	$ 1,342	23,198 (USD:VND)	$ 41,211
RMB	1,117	0.1457 (RMB:USD)	4,998
Financial liabilities			
Monetary items			
VND	5,502	23,198 (USD:VND)	168,990

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
U.S. dollars			
Financial assets			
Monetary items			
VND	$ 1,342	23,198 (USD:VND)	$ 1,342
RMB	1,117	0.1457 (RMB:USD)	163
Financial liabilities			
Monetary items			
VND	5,502	23,198 (USD:VND)	5,502
			(Concluded)

For the years ended December 31, 2019 and 2018, net foreign exchange gains were NT$1,824 thousand (US$59 thousand) and NT$3,537 thousand (US$117 thousand), respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

28. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (None)

5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 4)

11) Information on investees (Table 5)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period

c) The amount of property transactions and the amount of the resultant gains or losses

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes

e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

29. SEGMENT INFORMATION

a. Segment revenue and results

The chief operating decision maker views the segment directly selling baby and adult diapers and feminine products in Asia and Africa as one individual operating segment. Though the Group considers the following elements in decision-making, management views the segment mentioned above as a single operating segment when preparing the consolidated financial statements:

1) Whether operating units have similar long-term gross margins.

2) Whether the nature of products and production processes are similar.

3) Whether the delivery of products to customers is the same.

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

	Taisun Vietnam Co., Ltd. (VN)		Winsun (Cambodia) Co., Ltd. (Cambodia)		Other Subsidiaries		Internal Transfer Pricing		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
New Taiwan dollars										
Revenue	$ 1,609,524	$ 1,575,389	$ 365,532	$ 135,204	$ 67,501	$ 75,123	$ (65,191)	$ (41,541)	$ 1,977,366	$ 1,744,175
Expenditures	(1,396,382)	(1,294,259)	(246,460)	(118,269)	(86,014)	(89,949)	66,499	42,817	(1,662,357)	(1,459,660)
Operating profit	213,142	281,130	119,072	16,935	(18,513)	(14,826)	1,308	1,276	315,009	284,515
Interest revenue	56,748	41,192	12,018	1,912	5,780	4,938	(1,807)	-	72,739	48,042
Financial costs	(5,759)	(1,432)	(2,663)	(75)	(4,269)	(1,088)	1,807	(1)	(10,884)	(2,596)
Other gains or losses	4,982	4,635	398	(84)	354,475	305,788	(356,441)	(304,458)	3,414	5,881
Profit before tax	$ 269,113	$ 325,525	$ 128,825	$ 18,688	$ 337,473	$ 294,812	$ (355,133)	$ (303,183)	$ 380,278	$ 335,842
Recognizable assets										
Notes receivable	$ -	$ -	$ -	$ -	$ 232	$ 400	$ -	$ -	$ 232	$ 400
Trade receivables	73,126	50,184	-	-	12,583	10,868	(11,414)	(5,648)	74,295	55,404
Inventories	208,706	220,350	35,945	-	4,402	533	(1)	68,232	249,052	289,115
Property, plant and equipment	313,553	212,825	176,597	155,378	51	86	(2,539)	(3,900)	487,662	364,389
	$ 595,385	$ 483,359	$ 212,542	$ 155,378	$ 17,268	$ 11,887	$ (13,954)	$ 58,684	811,241	709,308
General assets									1,746,774	1,338,708
Total assets									$ 2,558,015	$ 2,048,016
Recognizable liabilities										
Short-term loans	$ 260,660	$ 123,171	$ 29,980	$ -	$ 313,614	$ 105,000	$ -	$ -	$ 604,254	$ 228,171
Accounts payable	97,819	84,553	15,209	-	12,940	4,552	(11,373)	10,866	114,595	99,971
	$ 358,479	$ 207,724	$ 45,189	$ -	$ 326,554	$ 109,552	$ (11,373)	$ 10,866	718,849	328,142
General liabilities									104,101	83,251
Total liabilities									$ 822,950	$ 411,393
U.S. dollars										
Revenue	$ 52,068	$ 52,253	$ 11,825	$ 4,485	$ 2,184	$ 2,492	$ (2,109)	$ (1,378)	$ 63,968	$ 57,852
Expenditures	(45,173)	(42,929)	(7,973)	(3,923)	(2,783)	(2,983)	2,152	1,420	(53,777)	(48,415)
Operating profit	6,895	9,324	3,852	562	(599)	(491)	43	42	10,191	9,437
Interest revenue	1,836	1,366	389	63	186	164	(58)	-	2,353	1,593
Financial costs	(186)	(48)	(86)	(3)	(138)	(36)	58	1	(352)	(86)
Other gains or losses	161	154	13	(3)	11,467	10,143	(11,531)	(10,099)	110	195
Profit before tax	$ 8,706	$ 10,796	$ 4,168	$ 619	$ 10,916	$ 9,780	$ (11,488)	$ (10,056)	$ 12,302	$ 11,139
Recognizable assets										
Notes receivable	$ -	$ -	$ -	$ -	$ 8	$ 13	$ -	$ -	$ 8	$ 13
Trade receivables	2,439	1,634	-	-	420	354	(381)	(184)	2,478	1,804
Inventories	6,961	7,174	1,199	-	147	17	-	2,222	8,307	9,413
Property, plant and equipment	10,459	6,929	5,890	5,059	2	3	(84)	(128)	16,267	11,863
	$ 19,859	$ 15,737	$ 7,089	$ 5,059	$ 577	$ 387	$ (465)	$ 1,910	27,060	23,093
General assets									58,262	43,584
Total assets									$ 85,322	$ 66,677
Recognizable liabilities										
Short-term loans	$ 8,694	$ 4,010	$ 1,000	$ -	$ 10,461	$ 3,419	$ -	$ -	$ 20,155	$ 7,429
Accounts payable	3,263	2,753	507	-	432	148	(380)	354	3,822	3,255
	$ 11,957	$ 6,763	$ 1,507	$ -	$ 10,893	$ 3,567	$ (380)	$ 354	23,977	10,684
General liabilities									3,471	2,709
Total liabilities									$ 27,448	$ 13,393

The Group measures the financial information by overall operating condition and the key management personnel formulate decisions based on that information. Thus, the segment information is disclosed from the consolidated perspective.

Segment revenue reported above represents revenue generated from external customers.

Segment profit represented the profit before tax earned by each segment without the allocation of central administration costs and directors' salaries, the share of profit of associates, the gains recognized on the disposal of interests in former associates, rental revenue, interest income, the gains or losses on disposals of property, plant and equipment, the gains or losses on disposals of financial instruments, foreign exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Geographical information

The Group operates in four principal geographical areas - Vietnam, Asia (seen as not including Vietnam), Africa, and the United States (USA) and others.

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2019	2018	2019	2018
New Taiwan dollars				
Vietnam	$ 929,810	$ 817,758	$ 404,190	$ 389,924
Asia	863,316	756,615	256,638	283,361
Africa	138,803	126,383	-	-
USA and others	45,437	43,419	-	-
	$ 1,977,366	$ 1,744,175	$ 660,828	$ 673,285
U.S. dollars				
Vietnam	$ 30,080	$ 27,124	$ 13,482	$ 12,695
Asia	27,928	25,096	8,562	9,224
Africa	4,490	4,192	-	-
USA and others	1,470	1,440	-	-
	$ 63,968	$ 57,852	$ 22,044	$ 21,919

Non-current assets exclude deferred tax assets.

c. Information about major customers

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2019	2018
New Taiwan dollars		
Customer A	$ 615,520	$ 524,532
U.S. dollars		
Customer A	$ 19,912	$ 17,398

TABLE 1

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Taisun Int'l (Holding) Corporation	Winsun (Cambodia) Co., Ltd. (Cambodia)	Other receivables	Yes	$ 149,900 (US$ 5,000)	$ 149,900 (US$ 5,000)	$ 104,930 (US$ 3,500)	2	The need for short-term financing	$ -	Operating capital	$ -	$ -	$ -	$ 347,013 (US$ 11,575)	$ 694,026 (US$ 23,150)	1

Note 1: The individual loan amount of fund to a company for a short-term period shall not exceed 20% of the net worth of the Company, and the total loan amount of fund shall not exceed 40% of the net worth of the Company.

TABLE 2

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2019			
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value
Tausan Int'l (Holding) Corporation	Stock-listed company (domestic)						
	Sanitar Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	68	$ 2,424 (US$ 81)	-	$ 2,424 (US$ 81)
	King's Town Bank	None	Financial assets at fair value through other comprehensive income - current	150	5,025 (US$ 168)	-	5,025 (US$ 168)
	China Steel Corporation	None	Financial assets at fair value through other comprehensive income - current	200	4,780 (US$ 159)	-	4,780 (US$ 159)
Taisun Vietnam Co., Ltd. (VN)	Stock-listed company (foreign)						
	Viet Nam Engine And Agricultural Machinery Corporation	None	Financial assets at fair value through other comprehensive income - current	50	2,931 (US$ 98)	-	2,931 (US$ 98)
	Pha Lai Thermal Power Joint Stock Company	None	Financial assets at fair value through other comprehensive income - current	130	4,525 (US$ 151)	-	4,525 (US$ 151)
	PetroVietnam Power Nhon Trach 2 JSC	None	Financial assets at fair value through other comprehensive income - current	70	1,961 (US$ 65)	-	1,961 (US$ 65)
	Vietnam Rubber Group - Joint Stock Company	None	Financial assets at fair value through other comprehensive income - current	190	2,606 (US$ 87)	-	2,606 (US$ 87)

TABLE 3

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Taisun Int'l (Holding) Corporation	Winsun (Cambodia) Co., Ltd. (Cambodia)	Transactions from parent company to subsidiary	$ 104,930 (US$ 3,500)	Note	$ -	-	$ -	$ -

Note: Financing is provided from parent company to subsidiary; thus, there is no need to calculate the turnover rate.

TABLE 4

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars or U.S. Dollars)

No. (Note 1)	Company Name	Counterparty	Natural of Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets (%) (Note 3)
1	Taisun Vietnam Co., Ltd. (VN)	Taipoly (Far East) Corporation (Mauritius)	c	Sales	$ 24,631 (US$ 793)	No significant difference from those with third parties	1
				Sales	27,450 (US$ 884)	No significant difference from those with third parties	1
		Taisun Int'l (Holding) Corporation	b	Trade receivables	11,415 (US$ 381)	No significant difference from those with third parties	-
		Winsun (Cambodia) Co., Ltd. (Cambodia)	c	Purchases	894 (US$ 29)	No significant difference from those with third parties	-
2	Taisun Int'l (Holding) Corporation	Winsun (Cambodia) Co., Ltd. (Cambodia)	a	Other receivables	104,930 (US$ 3,500)	Financing provided and the term of each loan for funding is one year.	4

Note 1: The business transactions between the parent company and the subsidiaries should be indicated in the number column respectively, numbers as follows:

a. Parent company fills in 0.
b. Subsidiaries are numbered sequentially according to the Company from 1.

Note 2: The following numerals indicate the respective nature of relationship between the two parties in the transaction:

a. Transactions from parent company to subsidiary.
b. Transactions from subsidiary to parent company.
c. Transactions between subsidiaries.

Note 3: The transaction amount accounts for the calculation of the combined total revenue or total assets ratio, if it belongs to assets and liabilities, and is calculated by the ending balance accounts for the calculation of the combined total assets. If it belongs to income, it is calculated by the accumulated amount in the period accounts for the calculation of the combined total revenue.

Note 4: The important transaction of this form may be determined by the Company according to the principle of materiality.

TABLE 5

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

INFORMATION OF INVESTEES
DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor Company	Investee Company (Notes 1 and 2)	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2019			Net Income (Loss) of the Investee (Note 2,b)	Share of Profit (Loss) (Note 2,c)	Note
				December 31, 2019	December 31, 2018	Number of Shares (In Thousands)	Percentage Ownership (%)	Carrying Amount			
Taisun Int'l (Holding) Corporation	Taisun Vietnam Co., Ltd. (VN)	Vietnam	Manufacture and sale of baby diapers, adult diapers, feminine products and wipes	$ 246,585 (US$ 7,791)	$ 246,585 (US$ 7,791)	-	100	$ 1,356,145 (US$ 45,235)	$ 231,406 (US$ 7,486)	$ 231,406 (US$ 7,486)	
	Taipoly (Far East) Corporation (Mauritius)	Mauritius	Trading	5,450 (US$ 180)	5,450 (US$ 180)	-	100	33,327 (US$ 1,112)	(7,861) (US$ (254))	(7,207) (US$ (233))	Difference from side stream transactions of US$21 thousand
	Winsun (Cambodia) Co., Ltd. (Cambodia)	Cambodia	Manufacture and sale of baby diapers, adult diapers, feminine products and wipes	365,343 (US$ 11,690)	365,343 (US$ 11,690)	-	100	493,555 (US$ 16,463)	128,825 (US$ 4,167)	128,825 (US$ 4,167)	
	Taipoly International Pte. Ltd.	Singapore	Trading	225 (US$ 7)	- (US$ -)	-	100	15,049 (US$ 502)	(164) (US$ 5)	(164) (US$ 5)	
Winsun (Cambodia) Co., Ltd. (Cambodia)	Winsun Trade Co., Ltd. (VN)	Vietnam	Trading	14,773 (US$ 500)	14,773 (US$ 500)	-	100	15,762 (US$ 526)	782 (US$ 25)	782 (US$ 25)	

Note 1: If a publicly-issued company has a foreign holding company and the consolidated financial statements are used as the main financial statements in accordance with local laws and regulations, the disclosure of information about foreign invested companies may only reveal relevant information to the holding company.

Note 2: Not in the situation described in Note 1, fill in according to the following regulations:

a. "Investee Company", "Location", "Main business items", "Original investment amount", "Percentage ownership at the end of the period" should be filled in sequentially by the Company's investment situation and each direct or indirect control of the accrued company's re-investment situation, and the remarks column indicates the relationship of each invested company and the (public) company (such as the genus subsidiary or grand company).

b. The column "Net income (loss) of the Investee" should be filled in the amount of profit and loss of each investment company.

c. The column "Share of profit (loss)" only needs to fill in the profit and loss amount of each of the investee company which the Company recognized as a direct reinvestment and the investment company is evaluated by the equity method. When filling the "recognition of the current profit and loss of each subsidiary of the direct investment", the confirmed amount of profit and loss of each subsidiary in the current period already includes the investment profit and loss that should be recognized for its reinvestment according to the regulations.