Taisun Int'l (Holding) Corp. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2020 and 2019 and Independent Auditors' Review Report

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Taisun Int'l (Holding) Corp.

Introduction

We have reviewed the accompanying consolidated balance sheets of Taisun Int'l (Holding) Corp. and its subsidiaries (collectively referred to as the "Group") as of June 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of June 30, 2020 and 2019, its consolidated financial performance for the three months ended June 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Yu-Shiou Su and Wen-Yea Shyu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 5, 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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars or U.S. Dollars, Except Par Value)

	June 30, 2020 (Reviewed)			December 31, 2019 (Audited)			June 30, 2019 (Reviewed)		
ASSETS	**NTD**	**USD**	**%**	**NTD**	**USD**	**%**	**NTD**	**USD**	**%**
CURRENT ASSETS									
Cash and cash equivalents (Note 6)	$ 71,903	$ 2,427	3	$ 161,945	$ 5,402	6	$ 405,287	$ 13,049	17
Financial assets at fair value through other comprehensive income - current (Note 7)	-	-	-	24,252	809	1	27,270	878	1
Financial assets at amortized cost - current (Note 8)	1,461,613	49,329	55	1,278,261	42,637	50	852,196	27,437	36
Notes receivable	-	-	-	232	8	-	262	8	-
Trade receivables (Note 9)	58,515	1,975	2	74,295	2,478	3	70,077	2,256	3
Other receivables	36,193	1,221	1	34,657	1,156	1	27,391	882	1
Inventories (Note 10)	350,536	11,831	13	249,052	8,307	10	228,616	7,360	10
Other current assets (Note 14)	40,452	1,365	1	67,139	2,236	3	54,166	1,744	3
Total current assets	2,019,212	68,148	75	1,889,833	63,033	74	1,665,265	53,614	71
NON-CURRENT ASSETS									
Financial assets at amortized cost - non-current (Note 8)	29,748	1,004	1	-	-	-	-	-	-
Property, plant and equipment (Note 12)	454,413	15,336	17	487,662	16,267	19	412,562	13,283	17
Right-of-use assets (Note 13)	138,858	4,686	5	145,040	4,838	6	114,478	3,686	5
Other intangible assets	321	11	-	576	19	-	855	27	-
Deferred tax assets	6,645	224	1	7,354	245	-	5,294	170	-
Prepayments for equipment	25,049	845	1	23,255	776	1	118,020	3,800	5
Other non-current assets (Note 14)	5,618	190	-	4,295	144	-	38,682	1,246	2
Total non-current assets	660,652	22,296	25	668,182	22,289	26	689,891	22,212	29
TOTAL	$ 2,679,864	$ 90,444	100	$ 2,558,015	$ 85,322	100	$ 2,355,156	$ 75,826	100
LIABILITIES AND EQUITY									
CURRENT LIABILITIES									
Short-term borrowings (Note 15)	$ 566,365	$ 19,115	21	$ 604,254	$ 20,155	24	$ 344,279	$ 11,084	15
Trade payables	92,011	3,105	3	114,595	3,822	5	127,692	4,111	5
Other payables (Note 16)	309,272	10,438	12	71,598	2,388	3	259,133	8,343	11
Current tax liabilities (Note 21)	23,077	779	1	7,719	257	-	7,814	252	-
Lease liabilities - current (Note 13)	5,270	178	-	5,813	194	-	8,478	273	-
Other current liabilities	20,252	685	1	10,858	362	-	14,807	477	1
Total current liabilities	1,016,247	34,300	38	814,837	27,178	32	762,203	24,540	32
NON-CURRENT LIABILITIES									
Deferred income tax liabilities (Note 21)	1	-	-	101	3	-	-	-	-
Lease liabilities - non-current (Note 13)	4,248	143	-	6,831	228	-	9,595	309	1
Guarantee deposits received	1,166	39	-	1,181	39	-	1,222	39	-
Total non-current liabilities	5,415	182	-	8,113	270	-	10,817	348	1
Total liabilities	1,021,662	34,482	38	822,950	27,448	32	773,020	24,888	33
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)									
Ordinary shares	392,700	12,667	15	392,700	12,667	15	392,700	12,667	16
Capital surplus	653,216	21,364	24	653,216	21,364	26	653,216	21,364	28
Retained earnings									
Legal reserve	118,562	3,920	5	84,046	2,756	3	84,046	2,756	4
Special reserve	130,284	4,332	5	91,193	3,013	4	91,193	3,013	4
Unappropriated earnings	517,813	16,098	19	644,195	20,444	25	436,716	13,658	18
Total retained earnings	766,659	24,350	29	819,434	26,213	32	611,955	19,427	26
Other equity	(154,373)	(2,419)	(6)	(130,285)	(2,370)	(5)	(75,735)	(2,520)	(3)
Total equity	1,658,202	55,962	62	1,735,065	57,874	68	1,582,136	50,938	67
TOTAL	$ 2,679,864	$ 90,444	100	$ 2,558,015	$ 85,322	100	$ 2,355,156	$ 75,826	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$29.63:US$1, NT$29.98:US$1 and NT31.06:US$1 as of June 30, 2020, December 31, 2019 and June 30, 2019, 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) CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars or U.S. Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30						For the Six Months Ended June 30					
	2020			2019			2020			2019		
	NTD	USD	%	NTD	USD	%	NTD	USD	%	NTD	USD	%
SALES (Note 19)	$ 428,165	$ 14,330	100	$ 462,295	$ 14,847	100	$ 926,842	$ 30,894	100	$ 923,528	$ 29,808	100
COST OF GOODS SOLD (Note 20)	274,650	9,191	64	328,441	10,547	71	586,021	19,533	63	663,523	21,416	72
GROSS PROFIT	153,515	5,139	36	133,854	4,300	29	340,821	11,361	37	260,005	8,392	28
OPERATING EXPENSES (Note 20)												
Selling and marketing expenses	49,453	1,655	11	43,274	1,390	9	109,005	3,633	12	84,819	2,738	9
General and administrative expenses	22,610	756	5	22,171	712	5	47,922	1,597	5	44,503	1,436	5
Research and development expenses	3,385	113	1	3,623	116	1	8,102	270	1	7,048	227	1
Expected credit loss	450	15	-	-	-	-	450	15	-	-	-	-
Total operating expenses	75,898	2,539	17	69,068	2,218	15	165,479	5,515	18	136,370	4,401	15
PROFIT FROM OPERATIONS	77,617	2,600	19	64,786	2,082	14	175,342	5,846	19	123,635	3,991	13
NON-OPERATING INCOME AND EXPENSES												
Interest income (Note 20)	25,689	860	6	17,021	547	4	50,632	1,688	6	31,215	1,007	3
Other income (Note 20)	-	-	-	408	13	-	91	3	-	541	17	-
Other gains and losses (Note 20)	4,371	142	1	(309)	(10)	-	805	24	-	646	21	-
Finance costs (Note 20)	(3,988)	(133)	(1)	(2,615)	(85)	(1)	(8,525)	(284)	(1)	(4,416)	(143)	-
Total non-operating income and expenses	26,072	869	6	14,505	465	3	43,003	1,431	5	27,986	902	3
PROFIT BEFORE INCOME TAX	103,689	3,469	25	79,291	2,547	17	218,345	7,277	24	151,621	4,893	16
INCOME TAX EXPENSE (Note 21)	12,306	411	3	6,788	218	1	23,202	773	3	13,951	450	1
NET PROFIT FOR THE PERIOD	91,383	3,058	22	72,503	2,329	16	195,143	6,504	21	137,670	4,443	15
OTHER COMPREHENSIVE (LOSS) INCOME												
Items that will not be reclassified subsequently to profit or loss:												
Unrealized (loss) gain on investments in equity instruments designated as at fair value through other comprehensive income	(14)	(1)	-	1,093	35	-	(3,992)	(133)	-	2,348	75	-
Exchange differences on translation to the presentation currency	(37,062)	-	(9)	13,144	-	3	(22,596)	-	(3)	18,717	-	2
Items that maybe reclassified subsequently to profit or loss:												
Exchange differences on translating the financial statements of foreign operations	25,368	841	6	(5,343)	(172)	(1)	(1,944)	(66)	-	(5,609)	(180)	-
Other comprehensive (loss) income for the period, net of income tax	(11,708)	840	(3)	8,894	(137)	2	(28,532)	(199)	(3)	15,456	(105)	2
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 79,675	$ 3,898	19	$ 81,397	$ 2,192	18	$ 166,611	$ 6,305	18	$ 153,126	$ 4,338	17
NET PROFIT ATTRIBUTABLE TO:												
Owners of the Company	$ 91,383	$ 3,058	22	$ 72,503	$ 2,329	16	$ 195,143	$ 6,504	21	$ 137,670	$ 4,443	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:												
Owners of the Company	$ 79,675	$ 3,898	19	$ 81,397	$ 2,192	18	$ 166,611	$ 6,305	18	$ 153,126	$ 4,338	17
EARNINGS PER SHARE (Note 22)												
Basic	$ 2.33	$ 0.08		$ 1.85	$ 0.06		$ 4.97	$ 0.17		$ 3.51	$ 0.11	
Diluted	$ 2.32	$ 0.08		$ 1.84	$ 0.06		$ 4.96	$ 0.17		$ 3.50	$ 0.11	

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$30.001:US$1 and NT$30.983:US$1 for the six months ended June 30, 2020 and 2019, 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) CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Ordinary Shares (Note 18)			Retained Earnings (Note 18)			Other		
	Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2019	39,270	$ 392,700	$ 653,216	$ 54,177	$ 112,024	$ 515,697	$ (1,209)	$ (89,982)	$ 1,636,623
Appropriation of 2018 earnings									
Legal reserve	-	-	-	29,869	-	(29,869)	-	-	-
Reversal of special reserve	-	-	-	-	(20,831)	20,831	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(208,131)	-	-	(208,131)
Net profit for the six months ended June 30, 2019	-	-	-	-	-	137,670	-	-	137,670
Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	-	-	2,348	13,108	15,456
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	137,670	2,348	13,108	153,126
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	518	-	-	518
BALANCE AT JUNE 30, 2019	39,270	$ 392,700	$ 653,216	$ 84,046	$ 91,193	$ 436,716	$ 1,139	$ (76,874)	$ 1,582,136
BALANCE AT JANUARY 1, 2020	39,270	$ 392,700	$ 653,216	$ 84,046	$ 91,193	$ 644,195	$ (1,064)	$ (129,221)	$ 1,735,065
Appropriation of 2019 earnings									
Legal reserve	-	-	-	34,516	-	(34,516)	-	-	-
Special reserve	-	-	-	-	39,091	(39,091)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(243,474)	-	-	(243,474)
Net profit for the six months ended June 30, 2020	-	-	-	-	-	195,143	-	-	195,143
Other comprehensive loss for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	(3,992)	(24,540)	(28,532)
Total comprehensive income (loss) the six months ended June 30, 2020	-	-	-	-	-	195,143	(3,992)	(24,540)	166,611
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(4,444)	4,444	-	-
BALANCE AT JUNE 30, 2020	39,270	$ 392,700	$ 653,216	$ 118,562	$ 130,284	$ 517,813	$ (612)	$ (153,761)	$ 1,658,202

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$30.001:US$1 and NT$30.983:US$1 for the six months ended June 30, 2020 and 2019, 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) CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of U.S. Dollars)
(Reviewed, Not Audited)

	Ordinary Shares (Note 18)			Retained Earnings (Note 18)			Other		
	Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2019	39,270	$ 12,667	$ 21,364	$ 1,794	$ 3,684	$ 16,190	$ (39)	$ (2,376)	$ 53,284
Appropriation of 2018 earnings									
Legal reserve	-	-	-	962	-	(962)	-	-	-
Reversal of special reserve	-	-	-	-	(671)	671	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(6,701)	-	-	(6,701)
Net profit for the six months ended June 30, 2019	-	-	-	-	-	4,443	-	-	4,443
Other comprehensive income for the six months ended June 30, 2019, net of income tax	-	-	-	-	-	-	75	(180)	(105)
Total comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	4,443	75	(180)	4,338
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	17	-	-	17
BALANCE AT JUNE 30, 2019	39,270	$ 12,667	$ 21,364	$ 2,756	$ 3,013	$ 13,658	$ 36	$ (2,556)	$ 50,938
BALANCE AT JANUARY 1, 2020	39,270	$ 12,667	$ 21,364	$ 2,756	$ 3,013	$ 20,444	$ (35)	$ (2,335)	$ 57,874
Appropriation of 2019 earnings									
Legal reserve	-	-	-	1,164	-	(1,164)	-	-	-
Special reserve	-	-	-	-	1,319	(1,319)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(8,217)	-	-	(8,217)
Net profit for the six months ended June 30, 2020	-	-	-	-	-	6,504	-	-	6,504
Other comprehensive loss for the six months ended June 30, 2020, net of income tax	-	-	-	-	-	-	(133)	(66)	(199)
Total comprehensive income (loss) the six months ended June 30, 2020	-	-	-	-	-	6,504	(133)	(66)	6,305
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(150)	150	-	-
BALANCE AT JUNE 30, 2020	39,270	$ 12,667	$ 21,364	$ 3,920	$ 4,332	$ 16,098	$ (18)	$ (2,401)	$ 55,962

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

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars or U.S. Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30			
	2020		2019	
	NTD	USD	NTD	USD
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	$ 218,345	$ 7,277	$ 151,621	$ 4,893
Adjustments for:				
Depreciation expenses	50,341	1,679	42,537	1,373
Amortization expenses	256	9	264	9
Expected credit loss	450	15	-	-
Finance costs	8,525	284	4,416	143
Interest income	(50,632)	(1,688)	(31,215)	(1,007)
Dividend income	(91)	(3)	(541)	(17)
Loss on disposal of property, plant and equipment	-	-	554	18
Allowance for inventory valuation and obsolescence loss	1,830	61	-	-
Changes in operating assets and liabilities				
Notes receivable	240	8	155	5
Trade receivables	14,640	488	(14,004)	(452)
Other receivables	(690)	(23)	496	16
Inventories	(107,554)	(3,585)	63,608	2,053
Other current assets	26,131	871	(3,315)	(107)
Trade payables	(21,511)	(717)	26,521	856
Other payables	(5,910)	(197)	(15,708)	(507)
Other current liabilities	9,690	323	9,760	315
Cash generated from operations	144,060	4,802	235,149	7,591
Interest paid	(7,625)	(254)	(3,583)	(115)
Income tax paid	(7,001)	(233)	(17,112)	(552)
Net cash generated from operating activities	129,434	4,315	214,454	6,924
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other comprehensive income	-	-	(12,548)	(405)
Proceeds from sale of financial assets at fair value through other comprehensive income	20,000	675	3,945	127
Purchase of financial assets at amortized cost	(230,888)	(7,696)	(242,101)	(7,814)
Payments for property, plant and equipment	(19,801)	(660)	(19,426)	(626)
Payments for intangible assets	-	-	(148)	(5)
Increase in other non-current assets	(1,380)	(46)	(2,665)	(86)
Increase in prepayments for equipment	(2,160)	(72)	(46,382)	(1,497)

(Continued)

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars or U.S. Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30			
	2020		2019	
	NTD	USD	NTD	USD
Interest received	$ 49,365	$ 1,646	$ 25,144	$ 812
Dividend received	91	3	541	17
Net cash used in investing activities	(184,773)	(6,150)	(293,640)	(9,477)
CASH FLOWS FROM FINANCING ACTIVITIES				
(Repayments of) proceeds from short-term borrowings	(31,201)	(1,040)	113,243	3,655
Refunds of guarantee deposits received	-	-	(1,611)	(52)
Repayment of the principal portion of lease liabilities	(2,986)	(98)	(1,921)	(61)
Net cash (used in) generated from financing activities	(34,187)	(1,138)	109,711	3,542
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(516)	(2)	1,333	(98)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(90,042)	(2,975)	31,858	891
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	161,945	5,402	373,429	12,158
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 71,903	$ 2,427	$ 405,287	$ 13,049

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$30.001:US$1 and NT$30.983:US$1 for the six months ended June 30, 2020 and 2019, 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) Corp. (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 exchange rate of NT$29.63:US$1, NT$29.98:US$1 and NT$31.06:US$1 was used for the balances as of June 30, 2020, December 31, 2019 and June 30, 2019, respectively. The average exchange rate was NT$30.001:US$1, NT$30.912:US$1 and NT$30.983:US$1, 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 August 5, 2020.

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

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

Except for the following, the initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies:

1) Amendments to IFRS 3 "Definition of a Business"

The Group applies the amendments to IFRS 3 to transactions that occur on or after January 1, 2020. The amendments require that for an entity to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. To judge whether the acquired process is substantive, there will be different judgement requirements depending on whether there is output on the acquisition date. In addition, the amendments introduce an optional concentration test that permits a simplified assessment of whether or not an acquired set of activities and assets is a business.

2) Amendments to IAS 1 and IAS 8 "Definition of Material"

The Group adopted the amendments starting from January 1, 2020. The threshold for materiality influencing users has been changed to "could reasonably be expected to influence" and, therefore, the disclosures in the consolidated financial report have been adjusted and immaterial information that may obscure material information has been deleted.

The Group applied the amendment from January 1, 2020. Retrospective application of the amendment has no impact on the retained earnings as of January 1, 2020.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

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

Note 2: The amendments to IFRS 9 will be applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" will be applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" will be applied retrospectively to annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable 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, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

   The amendments stipulate that when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

   The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

   The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

3) Annual Improvements to IFRS Standards 2018-2020

Several standards, including IFRS 9 "Financial Instruments", were amended in the annual improvements. IFRS 9 requires the reporting entity to compare the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, with that of the cash flows under the original financial liability when there is an exchange or modification of debt instruments. The new terms and the original terms are substantially different if the difference between those discounted present values is at least 10 percent. The amendments to IFRS 9 clarify that the only fees that should be included in the above assessment are those fees paid or received between the borrower and the lender.

4) Amendments to IFRS 3 "Reference to the Conceptual Framework"

The amendments replace the references to the Conceptual Framework of IFRS 3 and specify that the acquirer shall apply IFRIC 21 "Levies" to determine whether the event that gives rise to a liability for a levy has occurred at the acquisition date.

5) Amendments to IAS 16 "Property, Plant and Equipment: Proceeds before Intended Use"

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of those items is measured in accordance with IAS 2 "Inventories". Any proceeds from selling those items and the cost of those items are recognized in profit or loss in accordance with applicable standards.

The amendments are applicable only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021. The Group will restate its comparative information when it initially applies the aforementioned amendments.

6) Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"

The amendments specify that when assessing whether a contract is onerous, the "cost of fulfilling a contract" includes both the incremental costs of fulfilling that contract (for example, direct labor and materials) and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of depreciation for an item of property, plant and equipment used in fulfilling the contract).

The Group will recognize the cumulative effect of the initial application of the aforementioned amendments in the retained earnings at the date of the initial application.

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.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

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. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries, 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. 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 4 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2019.

- Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

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 critical accounting judgments and key sources of estimation uncertainty were applied in the preparation of the consolidated financial statements for the six months ended June 30, 2020 were the same as those for the year ended December 31, 2019.

6. CASH AND CASH EQUIVALENTS

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Cash on hand	$ 354	$ 353	$ 325
Checking accounts and demand deposits	31,039	32,875	20,227
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	40,510	128,717	384,735
	$ 71,903	$ 161,945	$ 405,287
U.S. dollars			
Cash on hand	$ 12	$ 12	$ 11
Checking accounts and demand deposits	1,048	1,097	651
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	1,367	4,293	12,387
	$ 2,427	$ 5,402	$ 13,049

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

	June 30, 2020	December 31, 2019	June 30, 2019
Demand deposits	0.10%-0.75%	0.10%-0.30%	0.10%-0.80%
Time deposits	0.5%-4.25%	2.06%-5.5%	1.55%-5.50%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Current			
Investments in equity instruments at FVTOCI	$ -	$ 24,252	$ 27,270
Current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Satitar Co., Ltd.	$ -	$ 2,424	$ 2,717
Ordinary shares - King's Town Bank	-	5,025	5,070
Ordinary shares - China Steel Corporation	-	4,780	4,990
	-	12,229	12,777
Foreign investments			
Listed shares and emerging market shares			
Ordinary shares - Viet Nam Engine And Agricultural Machinery Corporation	-	2,931	3,838
Ordinary shares - Pha Lai Thermal Power Joint Stock Company	-	4,525	4,999
Ordinary shares - PetroVietnam Power Nhon Trach 2 JSC	-	1,961	2,491
Ordinary shares - Vietnam Rubber Group - Joint Stock Company	-	2,606	3,165
	-	12,023	14,493
	$ -	$ 24,252	$ 27,270
U.S. dollars			
Current			
Investments in equity instruments at FVTOCI	$ -	$ 809	$ 878
Current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Satitar Co., Ltd.	$ -	$ 81	$ 87
Ordinary shares - King's Town Bank	-	168	163
Ordinary shares - China Steel Corporation	-	159	161
	-	408	411

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
Foreign investments			
Listed shares and emerging market shares			
Ordinary shares - Viet Nam Engine And Agricultural Machinery Corporation	$ -	$ 98	$ 124
Ordinary shares - Pha Lai Thermal Power Joint Stock Company	-	151	161
Ordinary shares - PetroVietnam Power Nhon Trach 2 JSC	-	65	80
Ordinary shares - Vietnam Rubber Group - Joint Stock Company	-	87	102
	-	401	467
	$ -	$ 809	$ 878

(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.

The Group acquired ordinary shares for medium to long-term strategic purposes; the investments amounted to NT$12,548 thousand (US$405 thousand) at the end of the reporting period; the management designated these investments as at FVTOCI.

For the six months ended June 30, 2020 and 2019, the Group adjusted the investment portfolio in order to diversify investment risks and sold some of its shares. The sold shares had a fair value of NT$20,000 thousand (US$675 thousand) and NT$3,945 thousand (US$127 thousand), and the Group transferred a loss of NT$(4,444) thousand (US$(150) thousand) and NT$518 thousand (US$17 thousand) from other equity to retained earnings.

Dividends of NT$91 thousand (US$3 thousand) and NT$541 thousand (US$17 thousand) were recognized during the six months ended June 30, 2020 and 2019, respectively. Dividends related to investments derecognized during the six months ended June 30, 2020 and 2019 were NT$91 thousand (US$3 thousand) and NT$333 (US$11 thousand), respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Current			
Time deposits with original maturities of more than 3 months	$ 1,461,613	$ 1,278,261	$ 852,196
Non-current			
Time deposits with original maturities of more than 1 year	$ 29,748	$ -	$ -

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
U.S. dollars			
Current			
Time deposits with original maturities of more than 3 months	$ 49,329	$ 42,637	$ 27,437
Non-current			
Time deposits with original maturities of more than 1 year	$ 1,004	$ -	$ -

(Continued)

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 0.9%-8.25%, 2.3%-8.25% and 6.25%-7.50% per annum as of June 30, 2020, December 31, 2019 and June 30, 2019, respectively.

9. TRADE RECEIVABLES

	June 30, 2020	December 31, 2019	June 30, 2019
Trade receivables			
New Taiwan dollars			
At amortized cost			
Gross carrying amount	$ 59,107	$ 74,445	$ 70,850
Less: Allowance for impairment loss	(592)	(150)	(773)
	$ 58,515	$ 74,295	$ 70,077
U.S. dollars			
At amortized cost			
Gross carrying amount	$ 1,995	$ 2,483	$ 2,281
Less: Allowance for impairment loss	(20)	(5)	(25)
	$ 1,975	$ 2,478	$ 2,256

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.

June 30, 2020

(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	$ 55,615	$ 2,584	$ 619	$ 289	$ 59,107
Loss allowance (Lifetime ECL)	-	(25)	(278)	(289)	(592)
Amortized cost	$ 55,615	$ 2,559	$ 341	$ -	$ 58,515

(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	$ 1,877	$ 87	$ 21	$ 10	$ 1,995
Loss allowance (Lifetime ECL)	-	(1)	(9)	(10)	(20)
Amortized cost	$ 1,877	$ 86	$ 12	$ -	$ 1,975

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

June 30, 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	$ 65,818	$ 3,608	$ 688	$ 736	$ 70,850
Loss allowance (Lifetime ECL)	-	(16)	(21)	(736)	(773)
Amortized cost	$ 65,818	$ 3,592	$ 667	$ -	$ 70,077

(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	$ 2,119	$ 116	$ 22	$ 24	$ 2,281
Loss allowance (Lifetime ECL)	-	-	(1)	(24)	(25)
Amortized cost	$ 2,119	$ 116	$ 21	$ -	$ 2,256

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

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

	For the Six Months Ended June 30	
	2020	2019
New Taiwan dollars		
Balance at January 1	$ 150	$ 768
Add: Impairment loss	450	-
Foreign exchange gains and losses	(8)	5
Balance at June 30	$ 592	$ 773

(Continued)

	For the Six Months Ended June 30	
	2020	**2019**
U.S. dollars		
Balance at January 1	$ 5	$ 25
Add: Impairment loss	15	-
Foreign exchange gains and losses	-	-
Balance at June 30	$ 20	$ 25

(Concluded)

10. INVENTORIES

	June 30, 2020	**December 31, 2019**	**June 30, 2019**
New Taiwan dollars			
Merchandise	$ 8,966	$ 5,933	$ 1,599
Finished goods	102,428	82,832	65,734
Raw materials	197,974	123,664	113,533
Inventory in transit	41,168	36,623	47,750
	$ 350,536	$ 249,052	$ 228,616
U.S. dollars			
Merchandise	$ 303	$ 198	$ 52
Finished goods	3,457	2,763	2,116
Raw materials	6,682	4,124	3,655
Inventory in transit	1,389	1,222	1,537
	$ 11,831	$ 8,307	$ 7,360

The cost of inventories recognized as cost of goods sold were NT$274,650 thousand (US$9,191 thousand) and NT$328,441 thousand (US$10,547 thousand) for the three months ended June 30, 2020 and 2019; and were NT$586,021 thousand (US$19,533 thousand) and NT$663,523 thousand (US$21,416 thousand) for the six months ended June 30, 2020 and 2019, respectively.

The cost of goods sold for the six months ended June 30, 2020 included allowance for inventory valuation and obsolescence loss of NT$1,830 thousand (US$61 thousand).

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	Proportion of Ownership			Remark
			June 30, 2020	December 31, 2019	June 30, 2019	
Taisun Int'l (Holding) Corp.	Taisun Vietnam Co., Ltd. (VN)	Manufacture and sale of baby diapers, baby pants, adult diapers, sanitary napkins and wet wipes	100%	100%	100%	a
	Taipoly (Far East) Corporation (Mauritius)	Trading	100%	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%	100%	c
	AB Care (Singapore) Pte. Ltd.	Trading	100%	100%	100%	d
Winsun (Cambodia) Co., Ltd. (Cambodia)	Winsun Trade Co., Ltd. (VN)	Trading	100%	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 and was renamed AB Care (Singapore) Pte. Ltd. in October 2019, and the registration of changes has been completed.

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, 2020	$ 156,364	$ 653,181	$ 36,256	$ 34,717	$ 11,836	$ 167	$ 27,960	$ 920,481
Additions	-	1,576	760	-	-	-	17,465	19,801
Disposals	-	-	-	-	-	-	-	-
Reclassifications	-	344	-	-	-	-	(344)	-
Transfer from prepaid equipment	-	-	-	76	-	-	-	76
Effect of foreign currency exchange differences	(1,962)	(8,534)	(482)	(410)	(157)	-	(511)	(12,056)
Balance at June 30, 2020	$ 154,402	$ 646,567	$ 36,534	$ 34,383	$ 11,679	$ 167	$ 44,570	$ 928,302
Accumulated depreciation and impairment								
Balance at January 1, 2020	$ 37,165	$ 351,615	$ 22,026	$ 11,948	$ 9,898	$ 167	$ -	$ 432,819
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	4,790	35,909	2,161	2,545	532	-	-	45,937
Effect of foreign currency exchange differences	(532)	(3,717)	(310)	(172)	(136)	-	-	(4,867)
Balance at June 30, 2020	$ 41,423	$ 383,807	$ 23,877	$ 14,321	$ 10,294	$ 167	$ -	$ 473,889
Carrying amounts at June 30, 2020	$ 112,979	$ 262,760	$ 12,657	$ 20,062	$ 1,385	$ -	$ 44,570	$ 454,413

(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, 2020	$ 5,216	$ 21,787	$ 1,209	$ 1,158	$ 395	$ 6	$ 933	$ 30,704
Additions	-	53	25	-	-	-	582	660
Disposals	-	-	-	-	-	-	-	-
Reclassifications	-	11	-	-	-	-	(11)	-
Transfer from prepaid equipment	-	-	-	3	-	-	-	3
Effect of foreign currency exchange differences	(5)	(30)	(1)	-	(1)	-	-	(37)
Balance at June 30, 2020	$ 5,211	$ 21,821	$ 1,233	$ 1,161	$ 394	$ 6	$ 1,504	$ 31,330
Accumulated depreciation and impairment								
Balance at January 1, 2020	$ 1,239	$ 11,729	$ 735	$ 397	$ 331	$ 6	$ -	$ 14,437
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	160	1,197	72	85	18	-	-	1,532
Effect of foreign currency exchange differences	(1)	27	(1)	-	-	-	-	25
Balance at June 30, 2020	$ 1,398	$ 12,953	$ 806	$ 482	$ 349	$ 6	$ -	$ 15,994
Carrying amounts at June 30, 2020	$ 3,813	$ 8,868	$ 427	$ 679	$ 45	$ -	$ 1,504	$ 15,336
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	441	10,039	691	1,082	288	-	6,885	19,426
Disposals	-	(24,744)	(1,026)	-	(191)	-	-	(25,961)
Reclassifications	-	43	-	-	-	-	(43)	-
Transfer from prepaid equipment	-	61,251	5,905	-	-	-	-	67,156
Effect of foreign currency exchange differences	1,253	3,622	205	371	76	-	125	5,652
Balance at June 30, 2019	$ 141,352	$ 563,125	$ 34,348	$ 35,913	$ 11,868	$ 167	$ 26,001	$ 812,774
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ 29,170	$ 319,012	$ 19,103	$ 5,494	$ 9,193	$ 140	$ -	$ 382,112
Disposals	-	(24,190)	(1,026)	-	(191)	-	-	(25,407)
Depreciation expense	4,239	28,961	2,405	3,431	562	32	-	39,630
Effect of foreign currency exchange differences	203	3,434	128	56	61	(5)	-	3,877
Balance at June 30, 2019	$ 33,612	$ 327,217	$ 20,610	$ 8,981	$ 9,625	$ 167	$ -	$ 400,212
Carrying amounts at June 30, 2019	$ 107,740	$ 235,908	$ 13,738	$ 26,932	$ 2,243	$ -	$ 26,001	$ 412,562
U.S. dollars								
Cost								
Balance at January 1, 2019	$ 4,547	$ 16,702	$ 930	$ 1,119	$ 381	$ 5	$ 620	$ 24,304
Additions	14	324	22	35	9	-	222	626
Disposals	-	(799)	(33)	-	(6)	-	-	(838)
Reclassifications	-	1	-	-	-	-	(1)	-
Transfer from prepaid equipment	-	1,977	191	-	-	-	-	2,168
Effect of foreign currency exchange differences	(10)	(75)	(4)	2	(1)	-	(4)	(92)
Balance at June 30, 2019	$ 4,551	$ 18,130	$ 1,106	$ 1,156	$ 383	$ 5	$ 837	$ 26,168
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ 949	$ 10,387	$ 622	$ 178	$ 300	$ 5	$ -	$ 12,441
Disposals	-	(781)	(33)	-	(6)	-	-	(820)
Depreciation expense	137	935	78	111	18	1	-	1,280
Effect of foreign currency exchange differences	(4)	(6)	(3)	-	(2)	(1)	-	(16)
Balance at June 30, 2019	$ 1,082	$ 10,535	$ 664	$ 289	$ 310	$ 5	$ -	$ 12,885
Carrying amounts at June 30, 2019	$ 3,469	$ 7,595	$ 442	$ 867	$ 73	$ -	$ 837	$ 13,283

(Concluded)

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

	June 30, 2020	December 31, 2019	June 30, 2019
Carrying amounts			
In thousands of New Taiwan dollars			
Land	$ 129,226	$ 132,362	$ 96,575
Buildings	9,632	12,678	17,903
	$ 138,858	$ 145,040	$ 114,478
In thousands of U.S. dollars			
Land	$ 4,361	$ 4,415	$ 3,109
Buildings	325	423	577
	$ 4,686	$ 4,838	$ 3,686

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
In thousands of New Taiwan dollars				
Additions to right-of-use assets			$ -	$ 16,669
Depreciation charge for right-of-use assets				
Land	$ 746	$ 408	$ 1,500	$ 815
Buildings	1,341	1,154	2,904	2,092
	$ 2,087	$ 1,562	$ 4,404	$ 2,907

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
In thousands of U.S. dollars				
Additions to right-of-use assets			$ -	$ 538
Depreciation charge for right-of-use assets				
Land	$ 25	$ 13	$ 50	$ 26
Buildings	45	37	97	67
	$ 70	$ 50	$ 147	$ 93

(Concluded)

b. Lease liabilities

	June 30, 2020	December 31, 2019	June 30, 2019
Carrying amounts			
In thousands of New Taiwan dollars			
Current	$ 5,270	$ 5,813	$ 8,478
Non-current	$ 4,248	$ 6,831	$ 9,595
In thousands of U.S. dollars			
Current	$ 178	$ 194	$ 273
Non-current	$ 143	$ 228	$ 309

Range of discount rate for lease liabilities was as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Buildings	1.41%-4.60%	1.41%-4.60%	1.41%-4.60%

c. Material leasing activities and terms (the Group is lessee)

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, a certificate of registration of the land right use and transfer of ownership were obtained, so prepayment of buildings and land recorded under other assets was reclassified to right-of-use assets.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Expenses relating to short-term leases	$ 998	$ 681	$ 2,654	$ 1,432
Total cash outflow for leases	$ (2,409)	$ (1,676)	$ (5,640)	$ (3,353)
U.S. dollars				
Expenses relating to short-term leases	$ 33	$ 22	$ 88	$ 46
Total cash outflow for leases	$ (80)	$ (54)	$ (186)	$ (107)

14. OTHER ASSETS

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Current			
Prepayments	$ 1,535	$ 1,454	$ 2,464
Business tax carry forward	28,283	51,379	40,777
Prepayments and others	10,634	14,306	10,925
	$ 40,452	$ 67,139	$ 54,166
Non-current			
Refundable deposits	$ 4,111	$ 4,213	$ 4,836
Prepayment for buildings and land	-	-	33,726
Others	1,507	82	120
	$ 5,618	$ 4,295	$ 38,682
U.S. dollars			
Current			
Prepayments	$ 52	$ 48	$ 79
Business tax carry forward	955	1,714	1,313
Prepayments and others	358	474	352
	$ 1,365	$ 2,236	$ 1,744

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
Non-current			
Refundable deposits	$ 139	$ 141	$ 156
Prepayment for buildings and land	-	-	1,086
Others	51	3	4
	$ 190	$ 144	$ 1,246

(Concluded)

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.

15. BORROWINGS

Short-term Borrowings

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Unsecured borrowings			
Line of credit borrowings	$ 566,365	$ 604,254	$ 344,279
U.S. dollars			
Unsecured borrowings			
Line of credit borrowings	$ 19,115	$ 20,155	$ 11,084

The range of weighted average effective interest rates on bank loans was 0.95%-5.15%, 1.25%-5.10% and 1.42%-3.50% per annum as of June 30, 2020, December 31, 2019 and June 30, 2019.

16. OTHER LIABILITIES

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Other payables			
Payables for salaries or bonuses	$ 13,418	$ 16,571	$ 13,508
Payables for bonuses to employees and directors	7,155	10,325	6,896
Payables for purchases of equipment	10,920	11,049	8,419
Payables for services	2,700	2,848	2,251
Payables for retention from construction	3,363	4,383	1,544
Payables for dividends	243,474	-	208,131
Others	28,242	26,422	18,384
	$ 309,272	$ 71,598	$ 259,133

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
U.S. dollars			
Other payables			
Payables for salaries or bonuses	$ 453	$ 553	$ 435
Payables for bonuses to employees and directors	242	344	222
Payables for purchases of equipment	369	369	271
Payables for services	91	95	72
Payables for retention from construction	114	146	50
Payables for dividends	8,217	-	6,701
Others	952	881	592
	$ 10,438	$ 2,388	$ 8,343

(Concluded)

17. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

Taisun Int'l (Holding) Corp. 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) Corp. 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.

18. EQUITY

a. Share capital

Ordinary shares

	June 30, 2020	December 31, 2019	June 30, 2019
Numbers of authorized shares (in thousands)	100,000	100,000	100,000
Amount of authorized capital	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	39,270	39,270	39,270
Amount of issued shares (in New Taiwan dollars)	$ 392,700	$ 392,700	$ 392,700
Amount of issued shares (in U.S. dollars)	$ 12,667	$ 12,667	$ 12,667

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 20-g.

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 2019 and 2018 were approved in the shareholders' meetings on June 29, 2020 and June 28, 2019, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	For the Year Ended December 31		**For the Year Ended December 31**	
	2019	**2018**	**2019**	**2018**
Cash dividends	$ 243,474	$ 208,131	$6.2	$5.3
Legal reserve	34,516	29,869	-	-
Recognition (reversal) of special reserve	39,091	(20,831)	-	-

d. Special reserve

	For the Six Months Ended June 30	
	2020	2019
New Taiwan dollars		
Balance at January 1	$ 91,193	$ 112,024
Appropriation (reversal) in respect of:		
Debit to other equity items	39,091	(20,831)
Balance at June 30	$ 130,284	$ 91,193
U.S. dollars		
Balance at January 1	$ 3,013	$ 3,684
Appropriation (reversal) in respect of:		
Debit to other equity items	1,319	(671)
Balance at June 30	$ 4,332	$ 3,013

19. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Revenue from contracts with customers				
Revenue from sale of goods	$ 428,165	$ 462,295	$ 926,842	$ 923,528
U.S. dollars				
Revenue from contracts with customers				
Revenue from sale of goods	$ 14,330	$ 14,847	$ 30,894	$ 29,808

a. Contract information

Revenue from sale of goods

The Group mainly sells 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

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Trade receivables (Note 9)	$ 58,515	$ 74,295	$ 70,077
Contract liabilities - current			
Sale of goods	$ 16,282	$ 5,805	$ 5,038
U.S. dollars			
Trade receivables (Note 9)	$ 1,975	$ 2,478	$ 2,256
Contract liabilities - current			
Sale of goods	$ 550	$ 193	$ 162

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

20. NET PROFIT AND OTHER COMPREHENSIVE INCOME (LOSS)

Net profit was attributable to:

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Bank deposits	$ 186	$ 124	$ 366	$ 279
Financial assets at amortized cost	25,473	16,866	50,217	30,874
Others	30	31	49	62
	$ 25,689	$ 17,021	$ 50,632	$ 31,215
U.S. dollars				
Bank deposits	$ 6	$ 4	$ 12	$ 9
Financial assets at amortized cost	853	542	1,674	996
Others	1	1	2	2
	$ 860	$ 547	$ 1,688	$ 1,007

b. Other income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Dividends				
Investments in equity instruments at FVTOCI	$ -	$ 408	$ 91	$ 541
U.S. dollars				
Dividends				
Investments in equity instruments at FVTOCI	$ -	$ 13	$ 3	$ 17

c. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Net foreign exchange (loss) gains	$ 4,619	$ 112	$ 1,169	$ 1,136
Loss on disposal of property, plant and equipment	-	(431)	-	(554)
Other	(248)	10	(364)	64
	$ 4,371	$ (309)	$ 805	$ 646
U.S. dollars				
Net foreign exchange (loss) gains	$ 154	$ 4	$ 39	$ 37
Loss on disposal of property, plant and equipment	-	(14)	-	(18)
Other	(12)	-	(15)	2
	$ 142	$ (10)	$ 24	$ 21

d. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Interest on bank loans	$ 3,904	$ 2,564	$ 8,346	$ 4,355
Interest on lease liabilities	84	51	179	61
	$ 3,988	$ 2,615	$ 8,525	$ 4,416
U.S. dollars				
Interest on bank loans	$ 130	$ 83	$ 278	$ 141
Interest on lease liabilities	3	2	6	2
	$ 133	$ 85	$ 284	$ 143

e. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Property, plant and equipment	$ 22,720	$ 20,132	$ 45,937	$ 39,630
Right-of-use assets	2,087	1,562	4,404	2,907
Intangible assets	128	132	256	264
	$ 24,935	$ 21,826	$ 50,597	$ 42,801
U.S. dollars				
Property, plant and equipment	$ 761	$ 648	$ 1,532	$ 1,280
Right-of-use assets	70	50	147	93
Intangible assets	5	5	9	9
	$ 836	$ 703	$ 1,688	$ 1,382
New Taiwan dollars				
An analysis of depreciation by function				
Operating costs	$ 21,801	$ 18,997	$ 44,090	$ 37,370
Operating expenses	3,006	2,697	6,251	5,167
	$ 24,807	$ 21,694	$ 50,341	$ 42,537

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
U.S. dollars				
An analysis of depreciation by function				
Operating costs	$ 730	$ 610	$ 1,470	$ 1,206
Operating expenses	101	88	209	167
	$ 831	$ 698	$ 1,679	$ 1,373
New Taiwan dollars				
An analysis of amortization by function				
Operating expenses	$ 128	$ 132	$ 256	$ 264
U.S. dollars				
An analysis of amortization by function				
Operating expenses	$ 5	$ 5	$ 9	$ 9

(Concluded)

f. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Employee benefits				
Others (including salary expense, insurance expense, post-employment benefits)	$ 51,713	$ 54,125	$ 114,423	$ 103,638
U.S. dollars				
Employee benefits				
Others (including salary expense, insurance expense, post-employment benefits)	$ 1,731	$ 1,739	$ 3,814	$ 3,345

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
An analysis of employee benefits expense by function				
Operating costs	$ 19,356	$ 22,624	$ 43,561	$ 42,478
Operating expenses	32,357	31,501	70,862	61,160
	$ 51,713	$ 54,125	$ 114,423	$ 103,638
U.S. dollars				
An analysis of employee benefits expense by function				
Operating costs	$ 648	$ 727	$ 1,452	$ 1,371
Operating expenses	1,083	1,012	2,362	1,974
	$ 1,731	$ 1,739	$ 3,814	$ 3,345

(Concluded)

g. 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. For the six months ended June 30, 2020 and 2019, the employees' compensation and the remuneration of directors were as follows:

	For the Six Months Ended June 30	
	2020	2019
Employees' compensation	2.6%	3.5%
Remuneration of directors	0.4%	-

Amount

	For the Three Months Ended June 30			
	2020		2019	
	Cash	Shares	Cash	Shares
New Taiwan dollars				
Employees' compensation	$ 2,968	$ -	$ 2,807	$ -
Remuneration of directors	-	-	-	-
U.S. dollars				
Employees' compensation	103	-	90	-
Remuneration of directors	-	-	-	-

	For the Six Months Ended June 30			
	2020		2019	
	Cash	Shares	Cash	Shares
New Taiwan dollars				
Employees' compensation	$ 5,884	$ -	$ 5,590	$ -
Remuneration of directors	997	-	-	-
U.S. dollars				
Employees' compensation	199	-	180	-
Remuneration of directors	33	-	-	-

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 2019 and 2018 that were resolved by the board of directors on February 27, 2020 and March 8, 2019, respectively, are shown below:

	For the Year Ended December 31			
	2019		2018	
	Cash	Shares	Cash	Shares
New Taiwan dollars				
Employees' compensation	$ 11,080	$ -	$ 9,240	$ -
Remuneration of directors	880	-	800	-
U.S. dollars				
Employees' compensation	358	-	300	-
Remuneration of directors	29	-	26	-

Due to future operational needs, the Company held the board of directors' meeting on February 27, 2020, and that meeting resulted in the actual amounts of the employees' compensation and remuneration of directors paid for 2019 to differ from the amounts recognized in the consolidated financial statements for the year ended December 31, 2019. The differences were adjusted to profit and loss for the year ended December 31, 2020.

	For the Year Ended December 31, 2019	
	Employees' Compensation	Remuneration of Directors and Supervisors
New Taiwan dollars		
Amounts approved in the board of directors' meeting	$ 11,080	$ 880
Amounts recognized in the annual consolidated financial statements	$ 9,065	$ 989
U.S. dollars		
Amounts approved in the board of directors' meeting	$ 358	$ 29
Amounts recognized in the annual consolidated financial statements	$ 302	$ 33

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.

21. INCOME TAXES

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Current tax				
In respect of the current period	$ 12,786	$ 6,698	$ 24,352	$ 14,817
In respect of the prior period	3	-	(636)	-
Deferred tax				
In respect of the current period	(483)	90	(514)	(866)
Income tax expense recognized in profit or loss	$ 12,306	$ 6,788	$ 23,202	$ 13,951
U.S. dollars				
Current tax				
In respect of the current period	$ 427	$ 215	$ 811	$ 478
In respect of the prior period	-	-	(21)	-
Deferred tax				
In respect of the current period	(16)	3	(17)	(28)
Income tax expense recognized in profit or loss	$ 411	$ 218	$ 773	$ 450

b. 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.

22. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
Basic earnings per share	$ 2.33	$ 1.85	$ 4.97	$ 3.51
Diluted earnings per share	$ 2.32	$ 1.84	$ 4.96	$ 3.50

Unit: US$ Per Share

	Fr the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	**2019**	**2020**	**2019**
Basic earnings per share	$ 0.08	$ 0.06	$ 0.17	$ 0.11
Diluted earnings per share	$ 0.08	$ 0.06	$ 0.17	$ 0.11

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

Net profit for the period is as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	**2019**	**2020**	**2019**
New Taiwan dollars				
Profit for the period attributable to owners of the Company	$ 91,383	$ 72,503	$ 195,143	$ 137,670
Earnings used in the computation of diluted earnings per share	$ 91,383	$ 72,503	$ 195,143	$ 137,670
U.S. dollars				
Profit for the period attributable to owners of the Company	$ 3,058	$ 2,329	$ 6,504	$ 4,443
Earnings used in the computation of diluted earnings per share	$ 3,058	$ 2,329	$ 6,504	$ 4,443

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	**2019**	**2020**	**2019**
Weighted average number of ordinary shares used in the computation of basic earnings per share	39,270	39,270	39,270	39,270
Effect of potentially dilutive ordinary shares:				
Employees' compensation	23	46	67	72
Weighted average number of ordinary shares used in the computation of diluted earnings per share	39,293	39,316	39,337	39,342

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.

23. 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.

24. FINANCIAL INSTRUMENTS

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

Fair value hierarchy

June 30, 2020: None.

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

June 30, 2019

	Level 1	Level 2	Level 3	Total
New Taiwan dollars				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	$ 12,777	$ -	$ -	$ 12,777
Foreign listed shares and emerging market shares	14,493	-	-	14,493
	$ 27,270	$ -	$ -	$ 27,270
U.S. dollars				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	$ 411	$ -	$ -	$ 411
Foreign listed shares and emerging market shares	467	-	-	467
	$ 878	$ -	$ -	$ 878

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

b. Categories of financial instruments

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Financial assets			
Financial assets at amortized cost (1)	$ 1,657,972	$ 1,549,390	$ 1,355,213
Financial assets at FVTOCI			
Equity instruments	-	24,252	27,270
Financial liabilities			
Financial liabilities at amortized cost (2)	967,648	790,447	731,104
U.S. dollars			
Financial assets			
Financial assets at amortized cost (1)	55,956	51,681	43,632
Financial assets at FVTOCI			
Equity instruments	-	809	878
Financial liabilities			
Financial liabilities at amortized cost (2)	32,658	26,365	23,538

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

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

c. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, notes receivable, trade receivables, other receivables, trade payables, other payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to each business unit, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures according to the degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies which are implemented to mitigate risk exposures.

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 26.

Sensitivity analysis

The Group was mainly exposed to the VND.

The following table details the Group's sensitivity to a 5% increase and decrease in the 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; the translated amounts at the end of the reporting period were adjusted for a 5% change in foreign currency rates. The negative number below indicates a decrease in pre-tax profit and other equity associated with the USD strengthening 5% against the relevant currency. For a 5% weakening 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 positive.

	VND Impact	
	For the Six Months Ended June 30	
	2020	2019
New Taiwan dollars		
Profit or loss	$ (9,663)	$ (9,525)
U.S. dollars		
Profit or loss	(326)	(307)

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

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The 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:

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Fair value interest rate risk			
Financial assets	$ 1,531,871	$ 1,406,978	$ 1,236,931
Financial liabilities	-	-	-
Cash flow interest rate risk			
Financial assets	29,230	32,132	19,231
Financial liabilities	566,365	604,254	344,279

(Continued)

	June 30, 2020	December 31, 2019	June 30, 2019
U.S. dollars			
Fair value interest rate risk			
Financial assets	$ 51,700	$ 46,930	$ 39,824
Financial liabilities	-	-	-
Cash flow interest rate risk			
Financial assets	987	1,072	619
Financial liabilities	19,115	20,155	11,084

(Concluded)

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 six months ended June 30, 2020 and 2019 would have decreased by NT$671 thousand (US$23 thousand) and NT$406 thousand (US$13 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. 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 maturities for its non-derivative financial liabilities with agreed upon 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 includes 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 upon 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.

June 30, 2020

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
New Taiwan dollars					
Trade payables	$ 63,287	$ 10,595	$ 18,129	$ -	$ -
Lease liabilities	405	1,221	3,644	4,248	-
Variable interest rate liabilities	38,647	85,438	442,280	-	-
	$ 102,339	$ 97,254	$ 464,053	$ 4,248	$ -
U.S. dollars					
Trade payables	$ 2,136	$ 357	$ 612	$ -	$ -
Lease liabilities	14	41	123	143	-
Variable interest rate liabilities	1,304	2,884	14,927	-	-
	$ 3,454	$ 3,282	$ 15,662	$ 143	$ -

December 31, 2019

New Taiwan dollars	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
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	$ -
U.S. dollars					
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	$ -

June 30, 2019

New Taiwan dollars	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Trade payables	$ 91,341	$ 36,351	$ -	$ -	$ -
Lease liabilities	312	939	7,227	9,595	-
Variable interest rate liabilities	25,460	30,550	288,269	-	-
	$ 117,113	$ 67,840	$ 295,496	$ 9,595	$ -
U.S. dollars					
Trade payables	$ 2,941	$ 1,170	$ -	$ -	$ -
Lease liabilities	10	30	233	309	-
Variable interest rate liabilities	820	983	9,281	-	-
	$ 3,771	$ 2,183	$ 9,514	$ 309	$ -

b) Financing facilities

	June 30, 2020	December 31, 2019	June 30, 2019
New Taiwan dollars			
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	$ 566,365	$ 604,254	$ 344,279
Amount unused	1,039,621	810,327	834,787
	$ 1,605,986	$ 1,414,581	$ 1,179,066
U.S. dollars			
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	$ 19,115	$ 20,155	$ 11,084
Amount unused	35,086	27,029	26,877
	$ 54,201	$ 47,184	$ 37,961

25. 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 June 30, 2020, December 31, 2019 and June 30, 2019.

c. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019
New Taiwan dollars				
Short-term benefits	$ 7,993	$ 10,323	$ 17,215	$ 17,448
U.S. dollars				
Short-term benefits	$ 276	$ 331	$ 581	$ 562

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

26. EXCHANGE RATE OF FINANCIAL 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:

June 30, 2020

	Foreign Currencies (In U.S. Thousands)	Exchange Rate	Carrying Amount
New Taiwan dollars			
Financial assets			
Monetary items			
VND	$ 1,119	23,207 (USD:VND)	$ 33,162
Financial liabilities			
Monetary items			
VND	7,642	23,207 (USD:VND)	226,423
U.S. dollars			
Financial assets			
Monetary items			
VND	1,119	23,207 (USD:VND)	1,119
Financial liabilities			
Monetary items			
VND	7,642	23,207 (USD:VND)	7,642

December 31, 2019

	Foreign Currencies (In U.S. 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

June 30, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
New Taiwan dollars			
Financial assets			
Monetary items			
VND	$ 1,879	23,304 (USD:VND)	$ 58,368
Financial liabilities			
Monetary items			
VND	8,012	23,304 (USD:VND)	248,862

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
U.S. dollars			
Financial assets			
Monetary items			
VND	$ 1,879	23,304 (USD:VND)	$ 1,879
Financial liabilities			
Monetary items			
VND	8,012	23,304 (USD:VND)	8,012

(Concluded)

Unrealized net foreign exchange gains were NT$4,619 thousand (US$154 thousand) and NT$112 thousand (US$4 thousand) for the three months ended June 30, 2020 and 2019; and were NT$1,169 thousand (US$39 thousand) and NT$1,136 thousand (US$37 thousand) for the six months ended June 30, 2020 and 2019, respectively.

27. 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) (None)

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 2)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 3)

11) Information on investees (Table 4)

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

c. Information of major shareholders

All shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder are listed on Table 5.

28. SEGMENT INFORMATION

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:

a. Whether operating units have similar long-term gross margins.

b. Whether the nature of products and production processes are similar.

c. 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	
	For the Six Months Ended June 30		For the Six Months Ended June 30		For the Six Months Ended June 30		For the Six Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
New Taiwan dollars										
Revenue	$ 732,008	$ 741,946	$ 186,196	$ 178,720	$ 91,589	$ 28,502	$ (82,951)	$ (25,640)	$ 926,842	$ 923,528
Expenditures	(617,823)	(660,955)	(123,119)	(126,839)	(87,467)	(38,395)	76,909	26,296	(751,500)	(799,893)
Operating profit	$ 114,185	$ 80,991	$ 63,077	$ 51,881	$ 4,122	$ (9,893)	$ (6,042)	$ 656	175,342	123,635
Interest revenue									50,632	31,215
Other income									91	541
Financial costs									(8,525)	(4,416)
Other gains or losses									805	646
Profit before tax									$ 218,345	$ 151,621
Recognizable assets										
Notes receivable	$ -	$ -	$ -	$ -	$ -	$ 262	$ -	$ -	$ -	$ 262
Trade receivables	53,849	64,320	-	-	17,853	9,738	(13,187)	(3,981)	58,515	70,077
Inventories	278,300	202,815	71,633	24,746	7,198	1,057	(6,595)	(2)	350,536	228,616
Property, plant and equipment	294,549	267,102	161,717	148,660	29	74	(1,882)	(3,274)	454,413	412,562
	$ 626,698	$ 534,237	$ 233,350	$ 173,406	$ 25,080	$ 11,131	$ (21,664)	$ (7,257)	863,464	711,517
General assets									1,816,400	1,643,639
Total assets									$ 2,679,864	$ 2,355,156
Recognizable liabilities										
Short-term loans	$ 203,861	$ 162,159	$ 74,075	$ -	$ 288,429	$ 182,120	$ -	$ -	$ 566,365	$ 344,279
Accounts payable	82,598	110,266	7,318	17,377	15,240	3,986	(13,145)	(3,937)	92,011	127,692
	$ 286,459	$ 272,425	$ 81,393	$ 17,377	$ 303,669	$ 186,106	$ (13,145)	$ (3,937)	658,376	471,971
General liabilities									363,286	301,049
Total liabilities									$ 1,021,662	$ 773,020

(Continued)

	Taisun Vietnam Co., Ltd. (VN)		Winsun (Cambodia) Co., Ltd (Cambodia)		Other Subsidiaries		Internal Transfer Pricing		Total	
	For the Six Months Ended June 30		For the Six Months Ended June 30		For the Six Months Ended June 30		For the Six Months Ended June 30		For the Six Months Ended June 30	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
U.S. dollars										
Revenue	$ 24,399	$ 23,947	$ 6,206	$ 5,768	$ 3,053	$ 920	$ (2,764)	$ (827)	$ 30,894	$ 29,808
Expenditures	(20,593)	(21,333)	(4,104)	(4,094)	(2,916)	(1,240)	2,565	850	(25,048)	(25,817)
Operating profit	$ 3,806	$ 2,614	$ 2,102	$ 1,674	$ 137	$ (320)	$ (199)	$ 23	5,846	3,991
Interest revenue									1,688	1,007
Other income									3	17
Financial costs									(284)	(143)
Other gains or losses									24	21
Profit before tax									$ 7,277	$ 4,893
Recognizable assets										
Notes receivable	$ -	$ -	$ -	$ -	$ -	$ 8	$ -	$ -	$ -	$ 8
Trade receivables	1,817	2,071	-	-	602	314	(444)	(129)	1,975	2,256
Inventories	9,392	6,530	2,418	797	243	34	(222)	(1)	11,831	7,360
Property, plant and equipment	9,941	8,600	5,458	4,786	1	2	(64)	(105)	15,336	13,283
	$ 21,150	$ 17,201	$ 7,876	$ 5,583	$ 846	$ 358	$ (730)	$ (235)	29,142	22,907
General assets									61,302	52,919
Total assets									$ 90,444	$ 75,826
Recognizable liabilities										
Short-term loans	$ 6,880	$ 5,221	$ 2,500	$ -	$ 9,734	$ 5,863	$ 1	$ -	$ 19,115	$ 11,084
Accounts payable	2,788	3,550	247	559	514	128	(444)	(126)	3,105	4,111
	$ 9,668	$ 8,771	$ 2,747	$ 559	$ 10,248	$ 5,991	$ (443)	$ (126)	22,220	15,195
General liabilities									12,262	9,693
Total liabilities									$ 34,482	$ 24,888

(Concluded)

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.

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(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) Corp.	Winsun (Cambodia) Co., Ltd. (Cambodia)	Other receivables	Yes	$ 149,900 (US$ 5,000)	$ 149,900 (US$ 5,000)	$ 103,705 (US$ 3,500)	2	The need for short-term financing	$ -	Operating capital	$ -	$ -	$ -	$ 331,640 (US$ 11,192)	$ 663,281 (US$ 22,384)	Note

Note: 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.

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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) Corp.	Winsun (Cambodia) Co., Ltd. (Cambodia)	Transactions from parent company to subsidiary	$ 103,705 (US$ 3,500)	Note	$ -	-	$ -	$ -

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

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(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)	Taisun Int'l (Holding) Corp.	b	Sales	$ 32,838 (US$ 1,095)	No significant difference from those with third parties	-
				Trade receivables	13,187 (US$ 445)	No significant difference from those with third parties	-
0	Taisun Int'l (Holding) Corp.	Winsun (Cambodia) Co., Ltd. (Cambodia)	a	Other receivables	103,705 (US$ 3,500)	Financing provided and the term of each loan for funding is one year.	4
2	Taipoly (Far East) Corporation (Mauritius)	Winsun (Cambodia) Co., Ltd. (Cambodia)	c	Sales	49,045 (US$ 1,635)	No significant difference from those with third parties	5

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.

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

INFORMATION OF INVESTEES
JUNE 30, 2020
(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 June 30, 2020			Net Income (Loss) of the Investee (Note 2,b)	Share of Profit (Loss) (Note 2,c)	Note
				June 30, 2020	December 31, 2019	Number of Shares (In Thousands)	Percentage Ownership (%)	Carrying Amount			
Taisun Int'l (Holding) Corp.	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	$ 1,464,119 (US$ 49,413)	$ 126,027 (US$ 4,201)	$ 126,027 (US$ 4,201)	
	Taipoly (Far East) Corporation (Mauritius)	Mauritius	Trading	5,450 (US$ 180)	5,450 (US$ 180)	-	100	40,258 (US$ 1,359)	6,777 (US$ 226)	7,412 (US$ 247)	Difference from sidestream 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	552,559 (US$ 18,650)	72,139 (US$ 2,411)	72,139 (US$ 2,411)	
	AB CARE (Singapore) Pte. Ltd.	Singapore	Trading	225 (US$ 7)	225 (US$ 7)	-	100	14,872 (US$ 502)	(1) (US$ -)	(1) (US$ -)	
Winsun (Cambodia) Co., Ltd. (Cambodia)	Winsun Trade Co., Ltd. (VN)	Vietnam	Trading	14,773 (US$ 500)	14,773 (US$ 500)	-	100	15,959 (US$ 539)	410 (US$ 14)	410 (US$ 14)	

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.

TABLE 5

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
JUNE 30, 2020
(In Thousands of New Taiwan Dollars or U.S. Dollars)

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
EVERLINK OVERSEAS INC.	16,907,000	43.05
KT LOOK INT'L INC.	8,539,300	21.74

Note 1: Table 5 is based on the information on the last business day of the quarter provided by the Taiwan Depository & Clearing Corporation (TDCC). TDCC calculate the total number of ordinary shares and preference shares held by shareholders who retain more than 5% of the Company's share (including treasury shares) that have been delivered without physical registration. The number of shares in the Company's consolidated financial statements and the actual number of shares delivered without physical registration may differ due to different calculation basis.

Note 2: As per information above, if the shareholder delivers the shares to the trust, shares will be disclosed based on the trustee's account. Additionally, according to the Securities and Exchange Act, more than 10% of the Company's shares, which include shares held by the internal stakeholders and some delivered to the trust that have rights to decision making, should be declared. For information regarding internal stakeholder declaration, refer to the Market Observation Post System website of the Taiwan Stock Exchange Corporation.