Taisun Int'l (Holding) Corp. and Subsidiaries

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

Deloitte.

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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 September 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including 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 September 30, 2020 and 2019, its consolidated financial performance for the three months ended September 30, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 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

November 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)

	September 30, 2020 (Reviewed)			December 31, 2019 (Audited)			September 30, 2019 (Reviewed)		
ASSETS	**NTD**	**USD**	**%**	**NTD**	**USD**	**%**	**NTD**	**USD**	**%**
CURRENT ASSETS									
Cash and cash equivalents (Note 6)	$ 204,764	$ 7,037	7	$ 161,945	$ 5,402	6	$ 242,039	$ 7,798	10
Financial assets at fair value through other comprehensive income - current (Note 7)	-	-	-	24,252	809	1	25,504	822	1
Financial assets at amortized cost - current (Note 8)	1,522,671	52,325	53	1,278,261	42,637	50	1,083,964	34,922	44
Notes receivable	222	8	-	232	8	-	146	5	-
Trade receivables (Note 9)	65,953	2,266	2	74,295	2,478	3	83,598	2,693	3
Other receivables	36,536	1,256	1	34,657	1,156	1	28,673	924	1
Inventories (Note 10)	355,718	12,224	13	249,052	8,307	10	254,941	8,213	10
Other current assets (Note 14)	47,852	1,644	2	67,139	2,236	3	59,351	1,912	3
Total current assets	2,233,716	76,760	78	1,889,833	63,033	74	1,778,216	57,289	72
NON-CURRENT ASSETS									
Financial assets at amortized cost - non-current (Note 8)	29,243	1,005	1	-	-	-	-	-	-
Property, plant and equipment (Note 12)	427,227	14,682	15	487,662	16,267	19	459,402	14,800	19
Right-of-use assets (Note 13)	134,501	4,622	5	145,040	4,838	6	152,430	4,911	6
Other intangible assets	198	6	-	576	19	-	726	24	-
Deferred tax assets	6,718	231	-	7,354	245	-	7,557	243	-
Prepayments for equipment	25,263	868	1	23,255	776	1	67,385	2,171	3
Other non-current assets (Note 14)	5,381	185	-	4,295	144	-	4,402	142	-
Total non-current assets	628,531	21,599	22	668,182	22,289	26	691,902	22,291	28
TOTAL	$ 2,862,247	$ 98,359	100	$ 2,558,015	$ 85,322	100	$ 2,470,118	$ 79,580	100
LIABILITIES AND EQUITY									
CURRENT LIABILITIES									
Short-term borrowings (Note 15)	$ 902,328	$ 31,008	32	$ 604,254	$ 20,155	24	$ 545,612	$ 17,578	22
Trade payables	106,689	3,666	4	114,595	3,822	5	119,862	3,862	5
Other payables (Note 16)	68,501	2,354	2	71,598	2,388	3	78,964	2,544	3
Current tax liabilities (Note 21)	24,208	832	1	7,719	257	-	13,403	432	1
Lease liabilities - current (Note 13)	5,196	179	-	5,813	194	-	7,328	236	-
Other current liabilities	33,675	1,159	1	10,858	362	-	10,610	343	1
Total current liabilities	1,140,597	39,198	40	814,837	27,178	32	775,779	24,995	32
NON-CURRENT LIABILITIES									
Deferred income tax liabilities (Note 21)	1	-	-	101	3	-	-	-	-
Lease liabilities - non-current (Note 13)	2,935	101	-	6,831	228	-	8,353	269	-
Guarantee deposits received	1,146	39	-	1,181	39	-	1,222	39	-
Total non-current liabilities	4,082	140	-	8,113	270	-	9,575	308	-
Total liabilities	1,144,679	39,338	40	822,950	27,448	32	785,354	25,303	32
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 18)									
Ordinary shares	392,700	12,667	14	392,700	12,667	15	392,700	12,667	16
Capital surplus	653,216	21,364	23	653,216	21,364	26	653,216	21,364	26
Retained earnings									
Legal reserve	118,562	3,920	4	84,046	2,756	3	84,046	2,756	3
Special reserve	130,284	4,332	5	91,193	3,013	4	91,191	3,013	4
Unappropriated earnings	606,892	19,123	21	644,195	20,444	25	534,805	16,870	22
Total retained earnings	855,738	27,375	30	819,434	26,213	32	710,042	22,639	29
Other equity	(184,086)	(2,385)	(7)	(130,285)	(2,370)	(5)	(71,194)	(2,393)	(3)
Total equity	1,717,568	59,021	60	1,735,065	57,874	68	1,684,764	54,277	68
TOTAL	$ 2,862,247	$ 98,359	100	$ 2,558,015	$ 85,322	100	$ 2,470,118	$ 79,580	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$29.10:US$1, NT$29.98:US$1 and NT31.04:US$1 as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively. The share capital in New Taiwan dollars was calculated at the par value of NT$10, the historical exchange rate on the issue date as stated in the Company's Articles of Incorporation.

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 September 30						For the Nine Months Ended September 30					
	2020			2019			2020			2019		
	NTD	USD	%	NTD	USD	%	NTD	USD	%	NTD	USD	%
SALES (Note 19)	$ 462,817	$ 15,712	100	$ 498,809	$ 15,994	100	$ 1,389,659	$ 46,606	100	$ 1,422,337	$ 45,802	100
COST OF GOODS SOLD (Note 20)	302,030	10,250	65	333,019	10,675	67	888,051	29,783	64	996,542	32,091	70
GROSS PROFIT	160,787	5,462	35	165,790	5,319	33	501,608	16,823	36	425,795	13,711	30
OPERATING EXPENSES (Note 20)												
Selling and marketing expenses	56,999	1,934	12	49,515	1,588	10	166,004	5,567	12	134,334	4,326	9
General and administrative expenses	20,549	699	5	23,939	768	5	68,471	2,296	5	68,442	2,204	5
Research and development expenses	4,009	136	1	3,284	106	-	12,111	406	1	10,332	333	1
Expected credit (gain) loss	(301)	(10)	-	-	-	-	149	5	-	-	-	-
Total operating expenses	81,256	2,759	18	76,738	2,462	15	246,735	8,274	18	213,108	6,863	15
PROFIT FROM OPERATIONS	79,531	2,703	17	89,052	2,857	18	254,873	8,549	18	212,687	6,848	15
NON-OPERATING INCOME AND EXPENSES												
Interest income (Note 20)	24,961	847	5	20,335	653	4	75,593	2,535	6	51,550	1,660	4
Other income (Note 20)	-	-	-	521	17	-	91	3	-	1,062	34	-
Other gains and losses (Note 20)	(262)	(7)	-	1,840	60	1	543	17	-	2,486	81	-
Finance costs (Note 20)	(2,467)	(85)	-	(3,667)	(117)	(1)	(10,992)	(369)	(1)	(8,083)	(260)	(1)
Total non-operating income and expenses	22,232	755	5	19,029	613	4	65,235	2,186	5	47,015	1,515	3
PROFIT BEFORE INCOME TAX	101,763	3,458	22	108,081	3,470	22	320,108	10,735	23	259,702	8,363	18
INCOME TAX EXPENSE (Note 21)	12,761	433	3	9,996	321	2	35,963	1,206	3	23,947	771	1
NET PROFIT FOR THE PERIOD	89,002	3,025	19	98,085	3,149	20	284,145	9,529	20	235,755	7,592	17
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	23	-	-	(1,279)	(41)	-	(3,969)	(133)	-	1,069	34	-
Exchange differences on translation to the presentation currency	(30,693)	-	(6)	582	-	-	(53,289)	-	(4)	19,299	-	1
Items that maybe reclassified subsequently to profit or loss:												
Exchange differences on translating the financial statements of foreign operations	1,034	34	-	5,758	185	1	(910)	(32)	-	149	5	-
Other comprehensive (loss) income for the period, net of income tax	(29,636)	34	(6)	5,061	144	1	(58,168)	(165)	(4)	20,517	39	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 59,366	$ 3,059	13	$ 103,146	$ 3,293	21	$ 225,977	$ 9,364	16	$ 256,272	$ 7,631	18
NET PROFIT ATTRIBUTABLE TO:												
Owners of the Company	$ 89,002	$ 3,025	19	$ 98,085	$ 3,149	20	$ 284,145	$ 9,529	20	$ 235,755	$ 7,592	17
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:												
Owners of the Company	$ 59,366	$ 3,059	13	$ 103,146	$ 3,293	21	$ 225,977	$ 9,364	16	$ 256,272	$ 7,631	18
EARNINGS PER SHARE (Note 22)												
Basic	$ 2.27	$0.08		$ 2.49	$0.08		$ 7.24	$0.24		$ 6.00	$0.19	
Diluted	$ 2.26	$0.08		$ 2.49	$0.08		$ 7.22	$0.24		$ 5.99	$0.19	

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$29.817:US$1 and NT$31.054:US$1 for the nine months ended September 30, 2020 and 2019, respectively. The share capital in New Taiwan dollars was calculated at the par value of NT$10, the historical exchange rate on the issue date as stated in the Company's Articles of Incorporation.

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)			Others		
	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 Translation 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	-	-	-	-	(20,833)	20,833	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(208,131)	-	-	(208,131)
Net profit for the nine months ended September 30, 2019	-	-	-	-	-	235,755	-	-	235,755
Other comprehensive income for the nine months ended September 30, 2019, net of income tax	-	-	-	-	-	-	1,069	19,448	20,517
Total comprehensive income for the nine months ended September 30, 2019	-	-	-	-	-	235,755	1,069	19,448	256,272
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	520	(520)	-	-
BALANCE AT SEPTEMBER 30, 2019	39,270	$ 392,700	$ 653,216	$ 84,046	$ 91,191	$ 534,805	$ (660)	$ (70,534)	$ 1,684,764
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 nine months ended September 30, 2020	-	-	-	-	-	284,145	-	-	284,145
Other comprehensive loss for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	(3,969)	(54,199)	(58,168)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	284,145	(3,969)	(54,199)	225,977
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(4,367)	4,367	-	-
BALANCE AT SEPTEMBER 30, 2020	39,270	$ 392,700	$ 653,216	$ 118,562	$ 130,284	$ 606,892	$ (666)	$ (183,420)	$ 1,717,568

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$29.817:US$1 and NT$31.054:US$1 for the nine months ended September 30, 2020 and 2019, respectively. The share capital in New Taiwan dollars was calculated at the par value of NT$10, the historical exchange rate on the issue date as stated in the Company's Articles of Incorporation.

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)			Others		
	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 Translation 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	-	-	-	-	-	(6,638)	-	-	(6,638)
Net profit for the nine months ended September 30, 2019	-	-	-	-	-	7,592	-	-	7,592
Other comprehensive income for the nine months ended September 30, 2019, net of income tax	-	-	-	-	-	-	34	5	39
Total comprehensive income for the nine months ended September 30, 2019	-	-	-	-	-	7,592	34	5	7,631
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	17	(17)	-	-
BALANCE AT SEPTEMBER 30, 2019	39,270	$ 12,667	$ 21,364	$ 2,756	$ 3,013	$ 16,870	$ (22)	$ (2,371)	$ 54,277
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 nine months ended September 30, 2020	-	-	-	-	-	9,529	-	-	9,529
Other comprehensive loss for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	(133)	(32)	(165)
Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	9,529	(133)	(32)	9,364
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(150)	150	-	-
BALANCE AT SEPTEMBER 30, 2020	39,270	$ 12,667	$ 21,364	$ 3,920	$ 4,332	$ 19,123	$ (18)	$ (2,367)	$ 59,021

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 Nine Months Ended September 30			
	2020		2019	
	NTD	USD	NTD	USD
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax	$ 320,108	$ 10,735	$ 259,702	$ 8,363
Adjustments for:				
Depreciation expenses	74,467	2,497	66,929	2,154
Amortization expenses	371	12	397	13
Expected credit loss	149	5	-	-
Finance costs	10,992	369	8,083	260
Interest income	(75,593)	(2,535)	(51,550)	(1,660)
Dividend income	(91)	(3)	(1,062)	(34)
Loss on disposal of property, plant and equipment	-	-	556	18
Allowance for inventory valuation and obsolescence loss	895	30	-	-
Gain on lease modification	-	-	(109)	(4)
Changes in operating assets and liabilities				
Notes receivable	-	-	248	8
Trade receivables	6,172	207	(27,607)	(889)
Other receivables	(119)	(4)	(279)	(9)
Inventories	(117,688)	(3,947)	37,265	1,200
Other current assets	17,652	592	(8,540)	(275)
Trade payables	(4,651)	(156)	18,850	607
Other payables	686	23	11,335	365
Other current liabilities	23,764	797	5,621	181
Cash generated from operations	257,114	8,622	319,839	10,298
Interest paid	(12,698)	(426)	(6,258)	(202)
Income tax paid	(18,490)	(620)	(23,791)	(766)
Net cash generated from operating activities	225,926	7,576	289,790	9,330
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of financial assets at fair value through other comprehensive income	-	-	(12,577)	(405)
Proceeds from sale of financial assets at fair value through other comprehensive income	19,672	676	3,973	128
Purchase of financial assets at amortized cost	(318,833)	(10,693)	(475,095)	(15,299)
Payments for property, plant and equipment	(22,344)	(749)	(36,879)	(1,186)
Payments for intangible assets	-	-	(149)	(5)
Increase in other non-current assets	(1,222)	(41)	(9,937)	(320)

(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 Nine Months Ended September 30			
	2020		2019	
	NTD	USD	NTD	USD
Increase in prepayments for equipment	$ (2,833)	$ (95)	$ (46,550)	$ (1,499)
Interest received	72,730	2,439	44,958	1,448
Dividends received	91	3	1,062	34
Net cash used in investing activities	(252,739)	(8,460)	(531,194)	(17,104)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term borrowings	323,604	10,853	315,167	10,149
Refund of guarantee deposits received	-	-	(1,615)	(52)
Repayment of the principal portion of lease liabilities	(4,222)	(141)	(2,614)	(83)
Dividends paid to owners of the Company	(243,474)	(8,217)	(208,131)	(6,638)
Net cash generated from financing activities	75,908	2,495	102,807	3,376
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(6,276)	24	7,207	38
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	42,819	1,635	(131,390)	(4,360)
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	$ 204,764	$ 7,037	$ 242,039	$ 7,798

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$29.817:US$1 and NT$31.054:US$1 for the nine months ended September 30, 2020 and 2019, respectively. The share capital in New Taiwan dollars was calculated at the par value of NT$10, the historical exchange rate on the issue date as stated in the Company's Articles of Incorporation.

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 its 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 rates were NT$29.10:US$1, NT$29.98:US$1 and NT$31.04:US$1 as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively, and the average exchange rates for the period then ended were NT$29.817:US$1, NT$30.912:US$1 and NT$31.054:US$1, respectively. The share capital in New Taiwan dollars was calculated at the par value of NT$10, the historical exchange rate on the issue date as stated in the Company's Articles of Incorporation.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on November 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.

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 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform - Phase 2"	January 1, 2021
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 same critical accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2019.

6. CASH AND CASH EQUIVALENTS

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Cash on hand	$ 523	$ 353	$ 236
Checking accounts and demand deposits	160,741	32,875	18,534
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	43,500	128,717	223,269
	$ 204,764	$ 161,945	$ 242,039
U.S. dollars			
Cash on hand	$ 18	$ 12	$ 9
Checking accounts and demand deposits	5,524	1,097	596
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	1,495	4,293	7,193
	$ 7,037	$ 5,402	$ 7,798

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

	September 30, 2020	December 31, 2019	September 30, 2019
Demand deposits	0.10%-0.75%	0.10%-0.30%	0.10%-0.30%
Time deposits	0.30%-3.80%	2.06%-5.50%	1.55%-5.50%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Current			
Investments in equity instruments at FVTOCI	$ -	$ 24,252	$ 25,504
Current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Sanitar Co., Ltd.	$ -	$ 2,424	$ 2,428
Ordinary shares - King's Town Bank	-	5,025	4,628
Ordinary shares - China Steel Corporation	-	4,780	4,600
	-	12,229	11,656
Foreign investments			
Listed shares and emerging market shares			
Ordinary shares - Vietnam Engine And Agricultural Machinery Corporation	-	2,931	3,692
Ordinary shares - Pha Lai Thermal Power Joint Stock Company	-	4,525	4,452
Ordinary shares - PetroVietnam Power Nhon Trach 2 Joint Stock Company	-	1,961	2,247
Ordinary shares - Vietnam Rubber Group - Joint Stock Company	-	2,606	3,457
	-	12,023	13,848
	$ -	$ 24,252	$ 25,504
U.S. dollars			
Current			
Investments in equity instruments at FVTOCI	$ -	$ 809	$ 822
Current			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Sanitar Co., Ltd.	$ -	$ 81	$ 78
Ordinary shares - King's Town Bank	-	168	149
Ordinary shares - China Steel Corporation	-	159	148
	-	408	375
Foreign investments			
Listed shares and emerging market shares			
Ordinary shares - Vietnam Engine And Agricultural Machinery Corporation	-	98	119
Ordinary shares - Pha Lai Thermal Power Joint Stock Company	-	151	144

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
Ordinary shares - PetroVietnam Power Nhon Trach 2 Joint Stock Company	$ -	$ 65	$ 73
Ordinary shares - Vietnam Rubber Group - Joint Stock Company	-	87	111
	-	401	447
	$ -	$ 809	$ 822

(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, which amounted to NT$12,577 thousand (US$405 thousand) as of September 30, 2019. The management designated these investments as at FVTOCI

During the nine months ended September 30, 2020 and 2019, the Group adjusted its investment portfolio in order to diversify risks and sold some of its shares. The shares sold had a fair value of NT$19,672 thousand (US$676 thousand) and NT$3,973 thousand (US$128 thousand), respectively, and the Group transferred a loss of NT$(4,367) thousand (US$(150) thousand) and a gain of NT$520 thousand (US$17 thousand), respectively, from other equity - unrealized gain (loss) on financial assets at fair value through other comprehensive income to retained earnings.

Dividends of NT$91 thousand (US$3 thousand) and NT$1,062 thousand (US$34 thousand) were recognized during the nine months ended September 30, 2020 and 2019, respectively, in which the amounts related to write-off of investments during the nine months ended September 30, 2020 and 2019 were NT$91 thousand (US$3 thousand) and NT$334 thousand (US$11 thousand), respectively.

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Current			
Time deposits with original maturities of more than 3 months	$ 1,522,671	$ 1,278,261	$ 1,083,964
Non-current			
Time deposits with original maturities of more than 1 year	$ 29,243	$ -	$ -

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
U.S. dollars			
Current			
Time deposits with original maturities of more than 3 months	$ 52,325	$ 42,637	$ 34,922
Non-current			
Time deposits with original maturities of more than 1 year	$ 1,005	$ -	$ -

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 5%-8% per annum as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively.

9. TRADE RECEIVABLES

	September 30, 2020	December 31, 2019	September 30, 2019
Trade receivables			
New Taiwan dollars			
At amortized cost			
Gross carrying amount	$ 66,244	$ 74,445	$ 84,374
Less: Allowance for impairment loss	(291)	(150)	(776)
	$ 65,953	$ 74,295	$ 83,598
U.S. dollars			
At amortized cost			
Gross carrying amount	$ 2,276	$ 2,483	$ 2,718
Less: Allowance for impairment loss	(10)	(5)	(25)
	$ 2,266	$ 2,478	$ 2,693

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 prepared 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.

September 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	$ 63,534	$ 2,177	$ 403	$ 130	$ 66,244
Loss allowance (Lifetime ECL)	-	(22)	(139)	(130)	(291)
Amortized cost	$ 63,534	$ 2,155	$ 264	$ -	$ 65,953

(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	$ 2,183	$ 75	$ 14	$ 4	$ 2,276
Loss allowance (Lifetime ECL)	-	(1)	(5)	(4)	(10)
Amortized cost	$ 2,183	$ 74	$ 9	$ -	$ 2,266

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

September 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	$ 76,212	$ 5,250	$ 2,182	$ 730	$ 84,374
Loss allowance (Lifetime ECL)	-	(13)	(33)	(730)	(776)
Amortized cost	$ 76,212	$ 5,237	$ 2,149	$ -	$ 83,598

(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	$ 2,455	$ 169	$ 70	$ 24	$ 2,718
Loss allowance (Lifetime ECL)	-	-	(1)	(24)	(25)
Amortized cost	$ 2,455	$ 169	$ 69	$ -	$ 2,693

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

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

	For the Nine Months Ended September 30	
	2020	2019
New Taiwan dollars		
Balance at January 1	$ 150	$ 768
Add: Impairment loss	149	-
Foreign exchange gains and losses	(8)	8
Balance at September 30	$ 291	$ 776

(Continued)

	For the Nine Months Ended September 30	
	2020	**2019**
U.S. dollars		
Balance at January 1	$ 5	$ 25
Add: Impairment loss	5	-
Foreign exchange gains and losses	-	-
Balance at September 30	$ 10	$ 25

(Concluded)

10. INVENTORIES

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Merchandise	$ 8,090	$ 5,933	$ 2,930
Finished goods	130,827	82,832	91,255
Raw materials	180,823	123,664	115,508
Inventory in transit	35,978	36,623	45,248
	$ 355,718	$ 249,052	$ 254,941
U.S. dollars			
Merchandise	$ 278	$ 198	$ 94
Finished goods	4,496	2,763	2,940
Raw materials	6,214	4,124	3,721
Inventory in transit	1,236	1,222	1,458
	$ 12,224	$ 8,307	$ 8,213

The cost of inventories recognized as cost of goods sold amounted to NT$302,030 thousand (US$10,250 thousand) and NT$333,019 thousand (US$10,675 thousand) for the three months ended September 30, 2020 and 2019; and NT$888,501 thousand (US$29,783 thousand) and NT$996,542 thousand (US$32,091 thousand) for the nine months ended September 30, 2020 and 2019, respectively.

The cost of goods sold for the nine months ended September 30, 2020 included allowance for inventory write-down of NT$895 thousand (US$30 thousand).

11. SUBSIDIARIES

Subsidiaries Included in Consolidated Financial Statements

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

Investor	Investee	Nature of Activities	Proportion of Ownership September 30, 2020	Proportion of Ownership December 31, 2019	Proportion of Ownership September 30, 2019	Remark
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 and investing	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 as 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	-	2,955	756	80	-	-	18,553	22,344
Disposals	-	-	-	-	-	-	-	-
Reclassifications	-	342	-	-	-	-	(342)	-
Transfer from prepaid equipment	-	-	-	75	-	-	-	75
Effect of foreign currency exchange differences	(4,647)	(19,617)	(1,102)	(1,018)	(355)	-	(1,223)	(27,962)
Balance at September 30, 2020	$ 151,717	$ 636,861	$ 35,910	$ 33,854	$ 11,481	$ 167	$ 44,948	$ 914,938
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	7,149	53,365	3,018	3,797	773	-	-	68,102
Effect of foreign currency exchange differences	(1,270)	(10,466)	(725)	(436)	(313)	-	-	(13,210)
Balance at September 30, 2020	$ 43,044	$ 394,514	$ 24,319	$ 15,309	$ 10,358	$ 167	$ -	$ 487,711
Carrying amount at September 30, 2020	$ 108,673	$ 242,347	$ 11,591	$ 18,545	$ 1,123	$ -	$ 44,948	$ 427,227

(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	-	99	25	3	-	-	622	749
Disposals	-	-	-	-	-	-	-	-
Reclassifications	-	11	-	-	-	-	(11)	-
Transfer from prepaid equipment	-	-	-	3	-	-	-	3
Effect of foreign currency exchange differences	(2)	(13)	-	-	-	-	1	(14)
Balance at September 30, 2020	$ 5,214	$ 21,884	$ 1,234	$ 1,164	$ 395	$ 6	$ 1,545	$ 31,442
Accumulated depreciation and impairment								
Balance at January 1, 2020	$ 1,239	$ 11,729	$ 735	$ 397	$ 331	$ 6	$ -	$ 14,437
Disposals	-	-	-	-	-	-	-	-
Depreciation expense	240	1,790	101	127	26	-	-	2,284
Effect of foreign currency exchange differences	-	39	-	-	-	-	-	39
Balance at September 30, 2020	$ 1,479	$ 13,558	$ 836	$ 524	$ 357	$ 6	$ -	$ 16,760
Carrying amount at September 30, 2020	$ 3,735	$ 8,326	$ 398	$ 640	$ 38	$ -	$ 1,545	$ 14,682
New Taiwan dollars								
Cost								
Balance at January 1, 2019	$ 139,658	$ 512,914	$ 28,573	$ 34,460	$ 11,695	$ 167	$ 19,034	$ 746,501
Additions	3,430	10,200	1,794	1,090	289	-	20,076	36,879
Disposals	-	(24,832)	(1,029)	-	(191)	-	-	(26,052)
Reclassifications	17,201	12,674	-	-	295	-	(30,170)	-
Transfer from prepaid equipment	-	112,054	5,922	-	-	-	-	117,976
Effect of foreign currency exchange differences	1,481	5,433	303	363	150	-	187	7,917
Balance at September 30, 2019	$ 161,770	$ 628,443	$ 35,563	$ 35,913	$ 12,238	$ 167	$ 9,127	$ 883,221
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ 29,170	$ 319,012	$ 19,103	$ 5,494	$ 9,193	$ 140	$ -	$ 382,112
Disposals	-	(24,276)	(1,029)	-	(191)	-	-	(25,496)
Depreciation expense	6,492	45,722	3,698	5,139	847	32	-	61,930
Effect of foreign currency exchange differences	304	4,625	200	54	95	(5)	-	5,273
Balance at September 30, 2019	$ 35,966	$ 345,083	$ 21,972	$ 10,687	$ 9,944	$ 167	$ -	$ 423,819
Carrying amount at September 30, 2019	$ 125,804	$ 283,360	$ 13,591	$ 25,226	$ 2,294	$ -	$ 9,127	$ 459,402
U.S. dollars								
Cost								
Balance at January 1, 2019	$ 4,547	$ 16,702	$ 930	$ 1,119	$ 381	$ 5	$ 620	$ 24,304
Additions	110	328	58	35	9	-	646	1,186
Disposals	-	(799)	(33)	-	(6)	-	-	(838)
Reclassifications	555	408	-	-	9	-	(972)	-
Transfer from prepaid equipment	-	3,608	191	-	-	-	-	3,799
Effect of foreign currency exchange differences	-	(1)	-	3	1	-	-	3
Balance at September 30, 2019	$ 5,212	$ 20,246	$ 1,146	$ 1,157	$ 394	$ 5	$ 294	$ 28,454
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ 949	$ 10,387	$ 622	$ 178	$ 300	$ 5	$ -	$ 12,441
Disposals	-	(782)	(33)	-	(5)	-	-	(820)
Depreciation expense	209	1,472	119	166	27	1	-	1,994
Effect of foreign currency exchange differences	-	40	-	-	-	(1)	-	39
Balance at September 30, 2019	$ 1,158	$ 11,117	$ 708	$ 344	$ 322	$ 5	$ -	$ 13,654
Carrying amount at September 30, 2019	$ 4,054	$ 9,129	$ 438	$ 813	$ 72	$ -	$ 294	$ 14,800

(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
Others	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

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amount			
New Taiwan dollars			
Land	$ 126,241	$ 132,362	$ 96,152
Buildings	8,260	12,678	56,278
	$ 134,501	$ 145,040	$ 152,430
U.S. dollars			
Land	$ 4,338	$ 4,415	$ 3,098
Buildings	284	423	1,813
	$ 4,622	$ 4,838	$ 4,911

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Additions to right-of-use assets	$ -	$ 41,588	$ -	$ 58,257
Depreciation charge for right-of-use assets				
Land	$ 740	$ 482	$ 2,240	$ 1,297
Buildings	1,221	1,610	4,125	3,702
	$ 1,961	$ 2,092	$ 6,365	$ 4,999

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
U.S. dollars				
Additions to right-of-use assets	$ -	$ 1,338	$ -	$ 1,876
Depreciation charge for right-of-use assets				
Land	$ 25	$ 16	$ 75	$ 42
Buildings	41	51	138	118
	$ 66	$ 67	$ 213	$ 160

(Concluded)

b. Lease liabilities

	September 30, 2020	December 31, 2019	September 30, 2019
Carrying amount			
New Taiwan dollars			
Current	$ 5,196	$ 5,813	$ 7,328
Non-current	$ 2,935	$ 6,831	$ 8,353
U.S. dollars			
Current	$ 179	$ 194	$ 236
Non-current	$ 101	$ 228	$ 269

Range of discount rate for lease liabilities was as follows:

	September 30, 2020	December 31, 2019	September 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 land 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 the land use right and the deed of ownership transfer were obtained, so the prepayment for buildings and land recorded under other assets was reclassified as right-of-use assets.

d. Other lease information

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Expenses relating to short-term leases	$ 1,217	$ 2,982	$ 3,871	$ 4,414
Total cash outflow for leases	$ (2,453)	$ (3,675)	$ (8,093)	$ (7,028)
U.S. dollars				
Expenses relating to short-term leases	$ 42	$ 96	$ 130	$ 142
Total cash outflow for leases	$ (85)	$ (118)	$ (271)	$ (225)

14. OTHER ASSETS

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Current			
Prepayments	$ 11,425	$ 1,454	$ 1,369
Business tax carryforward	35,719	51,379	44,236
Prepayments and others	708	14,306	13,746
	$ 47,852	$ 67,139	$ 59,351
Non-current			
Refundable deposits	$ 4,048	$ 4,213	$ 4,299
Others	1,333	82	103
	$ 5,381	$ 4,295	$ 4,402
U.S. dollars			
Current			
Prepayments	$ 393	$ 48	$ 44
Business tax carryforward	1,227	1,714	1,425
Prepayments and others	24	474	443
	$ 1,644	$ 2,236	$ 1,912
Non-current			
Refundable deposits	$ 139	$ 141	$ 139
Others	46	3	3
	$ 185	$ 144	$ 142

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

15. BORROWINGS

Short-term Borrowings

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Secured borrowings (Note 26)			
Bank loans	$ 108,984	$ 90,731	$ 101,127
Unsecured borrowings			
Line of credit borrowings	$ 793,344	$ 513,523	$ 444,485
U.S. dollars			
Secured borrowings (Note 26)			
Bank loans	$ 3,745	$ 3,026	$ 3,258
Unsecured borrowings			
Line of credit borrowings	$ 27,263	$ 17,129	$ 14,320

The range of weighted average effective interest rates on bank loans was 0.97%-3.00%, 1.25%-5.10% and 1.25%-5.10% per annum as of September 30, 2020, December 31, 2019 and September 30, 2019, respectively.

16. OTHER LIABILITIES

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Other payables			
Payables for salaries or bonuses	$ 14,271	$ 16,571	$ 15,152
Payables for bonuses to employees and directors	9,966	10,325	8,503
Payables for purchases of equipment	10,725	11,049	18,402
Payables for services	3,684	2,848	2,607
Payables for retention from construction	3,524	4,383	4,882
Others	26,331	26,422	29,418
	$ 68,501	$ 71,598	$ 78,964

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
U.S. dollars			
Other payables			
Payables for salaries or bonuses	$ 490	$ 553	$ 488
Payables for bonuses to employees and directors	343	344	274
Payables for purchases of equipment	369	369	593
Payables for services	127	95	84
Payables for retention from construction	121	146	157
Others	904	881	948
	$ 2,354	$ 2,388	$ 2,544

(Concluded)

17. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

Taisun Int'l (Holding) Corp. Taiwan Branch 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 subsidiaries, Taisun Vietnam Co., Ltd. (VN) in Vietnam and WINSUN (CAMBODIA) CO., LTD in Cambodia are members of a state-managed retirement benefit plan operated by the local government. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefit plan. 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

	September 30, 2020	December 31, 2019	September 30, 2019
Number 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 Articles and Regulations of Public Companies in the Cayman Islands, 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 should be 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 Nine Months Ended September 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	(20,833)
Balance at September 30	$ 130,284	$ 91,191
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 September 30	$ 4,332	$ 3,013

19. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Revenue from contracts with customers				
Revenue from sale of goods	$ 1,389,659	$ 46,606	$ 1,422,337	$ 45,802
U.S. dollars				
Revenue from contracts with customers				
Revenue from sale of goods	$ 462,817	$ 15,712	$ 498,809	$ 15,994

a. Contract information

Revenue from sale of goods

The Group mainly sells baby diapers, baby pants, adult diapers, sanitary napkins and wet wipes to retailers, dealers, self-operated stores and through 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 under a fixed-price contract.

b. Contract balances

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Trade receivables (Note 9)	$ 65,953	$ 74,295	$ 83,598
Contract liabilities - current			
Sale of goods	$ 28,714	$ 5,805	$ 5,969
U.S. dollars			
Trade receivables (Note 9)	$ 2,266	$ 2,478	$ 2,693
Contract liabilities - current			
Sale of goods	$ 987	$ 193	$ 192

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 September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Bank deposits	$ -	$ 549	$ 341	$ 828
Financial assets at amortized cost	24,960	19,785	75,249	50,719
Others	1	1	3	3
	$ 24,961	$ 20,335	$ 75,593	$ 51,550
U.S. dollars				
Bank deposits	$ -	$ 20	$ 13	$ 29
Financial assets at amortized cost	847	633	2,522	1,631
Others	-	-	-	-
	$ 847	$ 653	$ 2,535	$ 1,660

b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Dividends				
Investments in equity instruments at FVTOCI	$ -	$ 521	$ 91	$ 1,062
U.S. dollars				
Dividends				
Investments in equity instruments at FVTOCI	$ -	$ 17	$ 3	$ 34

c. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Net foreign exchange (loss) gain	$ (120)	$ 1,425	$ 1,049	$ 2,561
Loss on disposal of property, plant and equipment	-	-	-	(556)
Others	(142)	415	(506)	481
	$ (262)	$ 1,840	$ 543	$ 2,486
U.S. dollars				
Net foreign exchange (loss) gain	$ (4)	$ 45	$ 35	$ 82
Loss on disposal of property, plant and equipment	-	-	-	(18)
Others	(3)	15	(18)	17
	$ (7)	$ 60	$ 17	$ 81

d. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Interest on bank loans	$ 2,394	$ 3,546	$ 10,740	$ 7,901
Interest on lease liabilities	73	121	252	182
	$ 2,467	$ 3,667	$ 10,992	$ 8,083
U.S. dollars				
Interest on bank loans	$ 83	$ 113	$ 361	$ 254
Interest on lease liabilities	2	4	8	6
	$ 85	$ 117	$ 369	$ 260

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Property, plant and equipment	$ 22,165	$ 22,300	$ 68,102	$ 61,930
Right-of-use assets	1,961	2,092	6,365	4,999
Intangible assets	115	133	371	397
	$ 24,241	$ 24,525	$ 74,838	$ 67,326
U.S. dollars				
Property, plant and equipment	$ 752	$ 714	$ 2,284	$ 1,994
Right-of-use assets	66	67	213	160
Intangible assets	3	4	12	13
	$ 821	$ 785	$ 2,509	$ 2,167
New Taiwan dollars				
An analysis of depreciation by function				
Operating costs	$ 21,310	$ 21,178	$ 65,400	$ 58,548
Operating expenses	2,816	3,214	9,067	8,381
	$ 24,126	$ 24,392	$ 74,467	$ 66,929

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
U.S. dollars				
An analysis of depreciation by function				
Operating costs	$ 722	$ 679	$ 2,192	$ 1,885
Operating expenses	96	102	305	269
	$ 818	$ 781	$ 2,497	$ 2,154
New Taiwan dollars				
An analysis of amortization by function				
Operating expenses	$ 115	$ 133	$ 371	$ 397
U.S. dollars				
An analysis of amortization by function				
Operating expenses	$ 3	$ 4	$ 12	$ 13

(Concluded)

f. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Employee benefits				
Others (including salary expense, insurance expense, post-employment benefits)	$ 50,495	$ 53,590	$ 164,918	$ 157,630
U.S. dollars				
Employee benefits				
Others (including salary expense, insurance expense, post-employment benefits)	$ 1,717	$ 1,718	$ 5,531	$ 5,076
New Taiwan dollars				
An analysis of employee benefits expense by function				
Operating costs	$ 22,096	$ 21,277	$ 65,657	$ 64,157
Operating expenses	28,399	32,313	99,261	93,473
	$ 50,495	$ 53,590	$ 164,918	$ 157,630

(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
U.S. dollars				
An analysis of employee benefits expense by function				
Operating costs	$ 750	$ 682	$ 2,202	$ 2,066
Operating expenses	967	1,036	3,329	3,010
	$ 1,717	$ 1,718	$ 5,531	$ 5,076

(Concluded)

g. Employees' compensation and remuneration of directors

The Company accrues 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 three months ended September 30, 2020 and 2019 and for the nine months ended September 30, 2020 and 2019, the accrual rates and amounts of employees' compensation and the remuneration of directors were as follows:

	For the Nine Months Ended September 30	
	2020	2019
Employees' compensation	2.7%	3.5%
Remuneration of directors	0.3%	-

Amount

	For the Three Months Ended September 30			
	2020		2019	
	Cash	Shares	Cash	Shares
New Taiwan dollars				
Employees' compensation	$ 2,834	$ -	$ 2,820	$ -
Remuneration of directors	-	-	-	-
U.S. dollars				
Employees' compensation	101	-	91	-
Remuneration of directors	-	-	-	-

	For the Nine Months Ended September 30			
	2020		2019	
	Cash	Shares	Cash	Shares
New Taiwan dollars				
Employees' compensation	$ 8,718	$ -	$ 8,410	$ -
Remuneration of directors	997	-	-	-
U.S. dollars				
Employees' compensation	300	-	271	-
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 as 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 will be 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 September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Current tax				
In respect of the current period	$ 12,566	$ 12,242	$ 36,918	$ 27,059
In respect of the prior period	-	-	(636)	-
Deferred tax				
In respect of the current period	195	(2,246)	(319)	(3,112)
Income tax expense recognized in profit or loss	$ 12,761	$ 9,996	$ 35,963	$ 23,947
U.S. dollars				
Current tax				
In respect of the current period	$ 427	$ 393	$ 1,238	$ 871
In respect of the prior period	-	-	(21)	-
Deferred tax				
In respect of the current period	6	(72)	(11)	(100)
Income tax expense recognized in profit or loss	$ 433	$ 321	$ 1,206	$ 771

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 September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
Basic earnings per share	$ 2.27	$ 2.49	$ 7.24	$ 6.00
Diluted earnings per share	$ 2.26	$ 2.49	$ 7.22	$ 5.99

Unit: US$ Per Share

	Fr the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
Basic earnings per share	$ 0.08	$ 0.08	$ 0.24	$ 0.19
Diluted earnings per share	$ 0.08	$ 0.08	$ 0.24	$ 0.19

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 September 30		For the Nine Months Ended September 30	
	2020	**2019**	**2020**	**2019**
New Taiwan dollars				
Profit for the period attributable to owners of the Company	$ 89,002	$ 98,085	$ 284,145	$ 235,755
Earnings used in the computation of diluted earnings per share	$ 89,002	$ 98,085	$ 284,145	$ 235,755
U.S. dollars				
Profit for the period attributable to owners of the Company	$ 3,025	$ 3,149	$ 9,529	$ 7,592
Earnings used in the computation of diluted earnings per share	$ 3,025	$ 3,149	$ 9,529	$ 7,592

The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 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	74	67	88	84
Weighted average number of ordinary shares used in the computation of diluted earnings per share	39,344	39,337	39,358	39,354

Since 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, capital reserves, retained earnings and 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

September 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

September 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	$ 11,656	$ -	$ -	$ 11,656
Foreign listed shares and emerging market shares	13,848	-	-	13,848
	$ 25,504	$ -	$ -	$ 25,504
U.S. dollars				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	$ 375	$ -	$ -	$ 375
Foreign listed shares and emerging market shares	447	-	-	447
	$ 822	$ -	$ -	$ 822

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

b. Categories of financial instruments

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Financial assets			
Financial assets at amortized cost (1)	$ 1,859,389	$ 1,549,390	$ 1,438,420
Financial assets at FVTOCI			
Equity instruments	-	24,252	25,504
Financial liabilities			
Financial liabilities at amortized cost (2)	1,077,518	790,447	760,119
U.S. dollars			
Financial assets			
Financial assets at amortized cost (1)	63,897	51,681	46,342
Financial assets at FVTOCI			
Equity instruments	-	809	822
Financial liabilities			
Financial liabilities at amortized cost (2)	37,028	26,365	24,489

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

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, trade payables 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 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 27.

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 Nine Months Ended September 30	
	2020	2019
New Taiwan dollars		
Profit or loss*	$ (9,524)	$ (10,737)
U.S. dollars		
Profit or loss*	(327)	(346)

* The results were 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 entering into interest rate swap contracts and interest rate forward 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:

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Fair value interest rate risk			
Financial assets	$ 1,595,414	$ 1,406,978	$ 1,307,233
Financial liabilities	-	-	-
Cash flow interest rate risk			
Financial assets	157,563	32,132	17,391
Financial liabilities	902,328	604,254	545,612

(Continued)

	September 30, 2020	December 31, 2019	September 30, 2019
U.S. dollars			
Fair value interest rate risk			
Financial assets	$ 54,825	$ 46,930	$ 42,115
Financial liabilities	-	-	-
Cash flow interest rate risk			
Financial assets	5,415	1,072	559
Financial liabilities	31,008	20,155	17,578

(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 nine months ended September 30, 2020 and 2019 would have decreased by NT$1,396 thousand (US$48 thousand) and NT$990 thousand (US$32 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. 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 (b) below.

a) Liquidity and interest rate risk tables 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.

September 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	$ 73,340	$ 15,694	$ 17,655	$ -	$ -
Lease liabilities	401	1,210	3,585	2,935	-
Variable interest rate liabilities	936	19,710	883,577	-	-
	$ 74,677	$ 36,614	$ 904,817	$ 2,935	$ -
U.S. dollars					
Trade payables	$ 2,519	$ 540	$ 607	$ -	$ -
Lease liabilities	14	42	123	101	-
Variable interest rate liabilities	31	677	30,300	-	-
	$ 2,564	$ 1,259	$ 31,030	$ 101	$ -

December 31, 2019

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

September 30, 2019

	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	$ 83,988	$ 35,874	$ -	$ -	$ -
Lease liabilities	519	1,566	5,243	8,353	-
Variable interest rate liabilities	16,425	227,211	301,976	-	-
	$ 100,932	$ 264,651	$ 307,219	$ 8,353	$ -
U.S. dollars					
Trade payables	$ 2,706	$ 1,156	$ -	$ -	$ -
Lease liabilities	17	50	169	269	-
Variable interest rate liabilities	529	7,320	9,729	-	-
	$ 3,252	$ 8,526	$ 9,898	$ 269	$ -

b) Financing facilities

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	$ 902,328	$ 604,254	$ 545,612
Amount unused	1,024,869	810,327	664,912
	$ 1,927,197	$ 1,414,581	$ 1,210,524
U.S. dollars			
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	$ 31,008	$ 20,155	$ 17,578
Amount unused	35,219	27,029	21,421
	$ 66,227	$ 47,184	$ 38,999

25. TRANSACTIONS WITH RELATED PARTIES

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

The bank loans of the Company and its subsidiaries are guaranteed by the chairman of the Company on September 30, 2020, December 31, 2019 and September 30, 2019.

c. Compensation of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019
New Taiwan dollars				
Short-term benefits	$ 7,751	$ 8,376	$ 24,966	$ 25,824
U.S. dollars				
Short-term benefits	$ 277	$ 270	$ 858	$ 832

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

26. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets are provided as collateral for bank borrowings, tariff guarantee for imported raw material or the deposits for hiring foreign workers:

	September 30, 2020	December 31, 2019	September 30, 2019
New Taiwan dollars			
Pledged deposits (classified as financial assets at amortized cost)	$ 108,984	$ 90,731	$ 101,127
U.S. dollars			
Pledged deposits (classified as financial assets at amortized cost)	$ 3,745	$ 3,026	$ 3,258

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's 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:

September 30, 2020

	Foreign Currencies (In Thousands of U.S. dollars)	Exchange Rate	Carrying Amount
New Taiwan dollars			
Financial assets			
Monetary items			
VND	$ 767	23,188 (USD:VND)	$ 22,325
Financial liabilities			
Monetary items			
VND	7,313	23,188 (USD:VND)	212,795
U.S. dollars			
Financial assets			
Monetary items			
VND	767	23,188 (USD:VND)	767
Financial liabilities			
Monetary items			
VND	7,313	23,188 (USD:VND)	7,313

December 31, 2019

	Foreign Currencies (In Thousands of U.S. dollars)	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

September 30, 2019

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
New Taiwan dollars			
Financial assets			
Monetary items			
VND	$ 2,011	23,304 (USD:VND)	$ 62,411
Financial liabilities			
Monetary items			
VND	8,929	23,304 (USD:VND)	277,148
U.S. dollars			
Financial assets			
Monetary items			
VND	2,011	23,304 (USD:VND)	2,011

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
VND	$ 8,929	23,304 (USD:VND)	$ 8,929
			(Concluded)

Unrealized net foreign exchange (losses) gains amounted to NT$(120) thousand (US$(4) thousand) and NT$1,425 thousand (US$45 thousand) for the three months ended September 30, 2020 and 2019; and NT$1,049 thousand (US$35 thousand) and NT$2,561 thousand (US$82 thousand) for the nine months ended September 30, 2020 and 2019, respectively.

28. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On November 5, 2020, the board of directors resolved to acquire the land use rights in Vietnam from a non-related party, SAI GON VRG INVESTMENT CORPORATION, at a total price of NT$148,410 thousand (US$5,100 thousand).

29. 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.

30. SEGMENT INFORMATION

Segment Revenue and Results

The chief operating decision maker classifies the direct sales units of baby diapers, adult diapers and feminine products in Asia and Africa as an individual operating segment. However, the Group will consider the following factors in decision making and aggregate the segments 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 method 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 Nine Months Ended September 30		For the Nine Months Ended September 30		For the Nine Months Ended September 30		For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
New Taiwan dollars										
Revenue	$ 1,101,566	$ 1,147,963	$ 275,526	$ 270,462	$ 127,232	$ 36,326	$ (114,665)	$ (32,414)	$ 1,389,659	$ 1,422,337
Expenditures	(927,263)	(1,007,174)	(193,953)	(184,930)	(120,344)	(1,094,904)	106,774	1,077,358	(1,134,786)	(1,209,650)
Operating profit	$ 174,303	$ 140,789	$ 81,573	$ 85,532	$ 6,888	$ (1,058,578)	$ (7,891)	$ 1,044,944	254,873	212,687
Interest revenue									75,593	51,550
Other income									91	1,062
Financial costs									(10,992)	(8,083)
Other gains or losses									543	2,486
Profit before tax									$ 320,108	$ 259,702
Recognizable assets										
Notes receivable	$ -	$ -	$ -	$ -	$ 222	$ 146	$ -	$ -	$ 222	$ 146
Trade receivables	52,097	79,352	592	-	14,158	7,639	(894)	(3,393)	65,953	83,598
Inventories	290,342	215,625	67,388	37,805	6,612	1,512	(8,624)	(1)	355,718	254,941
Property, plant and equipment	275,046	319,189	153,624	143,107	98	63	(1,541)	(2,957)	427,227	459,402
	$ 617,485	$ 614,166	$ 221,604	$ 180,912	$ 21,090	$ 9,360	$ (11,059)	$ (6,351)	849,120	798,087
General assets									2,013,127	1,672,031
Total assets									$ 2,862,247	$ 2,470,118
Recognizable liabilities										
Short-term loans	$ 194,273	$ 226,984	$ 58,200	$ -	$ 649,855	$ 287,588	$ -	$ 31,040	$ 902,328	$ 545,612
Accounts payable	93,758	107,028	9,356	12,772	4,195	3,412	(620)	(3,350)	106,689	119,862
	$ 288,031	$ 334,012	$ 67,556	$ 12,772	$ 654,050	$ 291,000	$ (620)	$ 27,690	1,009,017	665,474
General liabilities									135,662	119,880
Total liabilities									$ 1,144,679	$ 785,354

(Continued)

	Taisun Vietnam Co., Ltd. (VN)		Winsun (Cambodia) Co., Ltd (Cambodia)		Other Subsidiaries		Internal Transfer Pricing		Total	
	For the Nine Months Ended September 30		For the Nine Months Ended September 30		For the Nine Months Ended September 30		For the Nine Months Ended September 30		For the Nine Months Ended September 30	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
U.S. dollars										
Revenue	$ 36,944	$ 36,967	$ 9,241	$ 8,709	$ 4,267	$ 1,169	$ (3,846)	$ (1,043)	$ 46,606	$ 45,802
Expenditures	(31,098)	(32,433)	(6,505)	(5,955)	(4,035)	(35,258)	3,581	34,692	(38,057)	(38,954)
Operating profit	$ 5,846	$ 4,534	$ 2,736	$ 2,754	$ 232	$ (34,089)	$ (265)	$ 33,649	8,549	6,848
Interest revenue									2,535	1,660
Other income									3	34
Financial costs									(369)	(260)
Other gains or losses									17	81
Profit before tax									$ 10,735	$ 8,363
Recognizable assets										
Notes receivable	$ -	$ -	$ -	$ -	$ 8	$ 5	$ -	$ -	$ 8	$ 5
Trade receivables	1,790	2,556	20	-	487	246	(31)	(109)	2,266	2,693
Inventories	9,977	6,947	2,316	1,218	227	49	(296)	(1)	12,224	8,213
Property, plant and equipment	9,452	10,283	5,279	4,610	3	2	(52)	(95)	14,682	14,800
	$ 21,219	$ 19,786	$ 7,615	$ 5,828	$ 725	$ 302	$ (379)	$ (205)	29,180	25,711
General assets									69,179	53,869
Total assets									$ 98,359	$ 79,580
Recognizable liabilities										
Short-term loans	$ 6,676	$ 7,313	$ 2,000	$ -	$ 22,332	$ 9,265	$ -	$ 1,000	$ 31,008	$ 17,578
Accounts payable	3,222	3,448	321	411	144	110	(21)	(107)	3,666	3,862
	$ 9,898	$ 10,761	$ 2,321	$ 411	$ 22,476	$ 9,375	$ (21)	$ 893	34,674	21,440
General liabilities									4,664	3,863
Total liabilities									$ 39,338	$ 25,303

(Concluded)

The Group measures the financial information by taking into account overall operating conditions 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 NINE MONTHS ENDED SEPTEMBER 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	$ -	$ -	$ -	$ 343,514 (US$ 11,804)	$ 687,027 (US$ 23,608)	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
SEPTEMBER 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 NINE MONTHS ENDED SEPTEMBER 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	$ 43,203 (US$ 1,449)	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	69,344 (US$ 2,326)	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
SEPTEMBER 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 September 30, 2020			Net Income (Loss) of the Investee (Note 2, b)	Share of Profit (Loss) (Note 2, c)	Note
				September 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	$ 1,505,081 (US$ 51,721)	$ 192,692 (US$ 6,463)	$ 192,692 (US$ 6,463)	
	Taipoly (Far East) Corporation (Mauritius)	Mauritius	Trading	5,450 (US$ 180)	5,450 (US$ 180)	-	100	45,875 (US$ 1,576)	12,913 (US$ 433)	13,860 (US$ 465)	Difference resulting from sidestream transactions amounted to US$32 thousand.
	Winsun (Cambodia) Co., Ltd. (Cambodia)	Cambodia	Manufacture and sale of baby diapers, adult diapers, feminine products and wipes	365,343 (US$ 11,690)	365,343 (US$ 11,690)	-	100	564,373 (US$ 19,394)	96,254 (US$ 3,228)	96,254 (US$ 3,228)	
	AB CARE (Singapore) Pte. Ltd.	Singapore	Trading	15,208 (US$ 507)	15,208 (US$ 507)	-	100	14,600 (US$ 502)	7 (US$ -)	7 (US$ -)	
Winsun (Cambodia) Co., Ltd. (Cambodia)	Winsun Trade Co., Ltd. (VN)	Vietnam	Trading	14,773 (US$ 500)	14,773 (US$ 500)	-	100	15,891 (US$ 546)	615 (US$ 21)	615 (US$ 21)	

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 according to 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 subsidiary or sub-subsidiary).

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
SEPTEMBER 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 calculates 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 Group'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.