

Taisun Int'l (Holding) Corporation and Subsidiaries

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2019 and 2018 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Taisun Int'l (Holding) Corporation and its subsidiaries (the "Group") as of September 30, 2019 and 2018, the related consolidated statements of comprehensive income for the three months ended September 30, 2019 and 2018 and for the nine months ended September 30, 2019 and 2018, the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. 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, 2019 and 2018, its consolidated financial performance for the nine months ended September 30, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2019 and 2018 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 Shuang-Hsiung Kung.

Yu-Shiou Su

Shuang-Hsiung Kung

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 8, 2019

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) CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

ASSETS	September 30, 2019 (Reviewed)			December 31, 2018 (Audited)			September 30, 2018 (Reviewed)		
	NTD	USD	%	NTD	USD	%	NTD	USD	%
CURRENT ASSETS									
Cash and cash equivalents (Note 6)	\$ 242,039	\$ 7,798	10	\$ 373,429	\$ 12,158	18	\$ 349,194	\$ 11,440	19
Financial assets at fair value through other comprehensive income - current (Note 7)	25,504	822	1	15,656	510	1	18,813	616	1
Financial assets at amortized cost - current (Note 8)	1,083,964	34,922	44	562,574	18,316	28	525,877	17,228	28
Notes receivable from unrelated parties	146	5	-	400	13	-	99	3	-
Trade receivables from unrelated parties (Note 9)	83,598	2,693	3	55,404	1,804	3	41,004	1,343	2
Other receivables from unrelated parties	28,673	924	1	21,597	703	1	13,856	454	1
Inventories (Note 10)	254,941	8,213	10	289,115	9,413	14	292,358	9,578	15
Prepayments for leases (Note 14)	-	-	-	1,621	53	-	1,606	53	-
Other current assets (Note 15)	59,351	1,912	3	50,312	1,637	2	24,534	804	1
Total current assets	1,778,216	57,289	72	1,370,108	44,607	67	1,267,341	41,519	67
NON-CURRENT ASSETS									
Financial assets at amortized cost - non-current (Note 8)	-	-	-	40,147	1,307	2	59,698	1,956	3
Property, plant and equipment (Note 12)	459,402	14,800	19	364,389	11,863	18	341,985	11,204	18
Other intangible assets	726	24	-	963	31	-	1,069	35	-
Deferred tax assets	7,557	243	-	4,623	151	-	5,143	167	-
Right-of-use assets (Note 13)	152,430	4,911	6	-	-	-	-	-	-
Prepayments for equipment	67,385	2,171	3	137,341	4,471	7	90,382	2,961	5
Long-term prepayments for leases (Note 14)	-	-	-	94,815	3,087	4	94,479	3,095	5
Other non-current assets (Note 15)	4,402	142	-	35,630	1,160	2	27,794	911	2
Total non-current assets	691,902	22,291	28	677,908	22,070	33	620,550	20,329	33
TOTAL	\$ 2,470,118	\$ 79,580	100	\$ 2,048,016	\$ 66,677	100	\$ 1,887,891	\$ 61,848	100
LIABILITIES AND EQUITY									
CURRENT LIABILITIES									
Short-term borrowings (Note 16)	\$ 545,612	\$ 17,578	22	\$ 228,171	\$ 7,429	11	\$ 138,680	\$ 4,543	7
Trade payables to unrelated parties	119,862	3,862	5	99,971	3,255	5	130,081	4,262	7
Other payables (Note 17)	78,964	2,544	3	65,151	2,121	3	55,618	1,822	3
Current tax liabilities	13,403	432	1	10,062	328	1	4,131	135	-
Lease liabilities - current (Note 13)	7,328	236	-	-	-	-	-	-	-
Other current liabilities	10,610	343	1	5,017	162	-	14,560	478	1
Total current liabilities	775,779	24,995	32	408,372	13,295	20	343,070	11,240	18
NON-CURRENT LIABILITIES									
Deferred income tax liabilities	-	-	-	223	7	-	76	2	-
Lease liabilities (Note 13)	8,353	269	-	-	-	-	-	-	-
Guarantee deposits received	1,222	39	-	2,798	91	-	2,770	91	-
Total non-current liabilities	9,575	308	-	3,021	98	-	2,846	93	-
Total liabilities	785,354	25,303	32	411,393	13,393	20	345,916	11,333	18
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)									
Ordinary shares	392,700	12,667	16	392,700	12,667	19	392,700	12,667	21
Capital surplus	653,216	21,364	26	653,216	21,364	32	653,216	21,364	35
Retained earnings									
Legal reserve	84,046	2,756	3	54,177	1,794	3	54,177	1,794	3
Special reserve	91,191	3,013	4	112,024	3,684	5	112,024	3,684	6
Unappropriated earnings	534,805	16,870	22	515,697	16,190	25	436,073	13,605	23
Total retained earnings	710,042	22,639	29	681,898	21,668	33	602,274	19,083	32
Other equity	(71,194)	(2,393)	(3)	(91,191)	(2,415)	(4)	(106,215)	(2,599)	(6)
Total equity	1,684,764	54,277	68	1,636,623	53,284	80	1,541,975	50,515	82
TOTAL	\$ 2,470,118	\$ 79,580	100	\$ 2,048,016	\$ 66,677	100	\$ 1,887,891	\$ 61,848	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 NTS31.04:US\$1, NTS30.715:US\$1 and NTS30.525:US\$1 as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively. Since the par value of shares is NTS10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate shares.

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

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(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					
	2019			2018			2019			2018		
	NTD	USD	%	NTD	USD	%	NTD	USD	%	NTD	USD	%
SALES	\$ 498,809	\$ 15,994	100	\$ 453,380	\$ 14,810	100	\$1,422,337	\$ 45,802	100	\$1,258,812	\$ 42,079	100
COST OF GOODS SOLD (Note 21)	<u>333,019</u>	<u>10,675</u>	<u>67</u>	<u>326,247</u>	<u>10,671</u>	<u>72</u>	<u>996,542</u>	<u>32,091</u>	<u>70</u>	<u>876,091</u>	<u>29,286</u>	<u>70</u>
GROSS PROFIT	<u>165,790</u>	<u>5,319</u>	<u>33</u>	<u>127,133</u>	<u>4,139</u>	<u>28</u>	<u>425,795</u>	<u>13,711</u>	<u>30</u>	<u>382,721</u>	<u>12,793</u>	<u>30</u>
OPERATING EXPENSES (Note 21)												
Selling and marketing expenses	49,515	1,588	10	34,977	1,142	8	134,334	4,326	9	98,421	3,290	8
General and administrative expenses	23,939	768	5	18,941	614	4	68,442	2,204	5	63,315	2,116	5
Research and development expenses	<u>3,284</u>	<u>106</u>	<u>-</u>	<u>3,136</u>	<u>102</u>	<u>-</u>	<u>10,332</u>	<u>333</u>	<u>1</u>	<u>9,384</u>	<u>314</u>	<u>-</u>
Total operating expenses	<u>76,738</u>	<u>2,462</u>	<u>15</u>	<u>57,054</u>	<u>1,858</u>	<u>12</u>	<u>213,108</u>	<u>6,863</u>	<u>15</u>	<u>171,120</u>	<u>5,720</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>89,052</u>	<u>2,857</u>	<u>18</u>	<u>70,079</u>	<u>2,281</u>	<u>16</u>	<u>212,687</u>	<u>6,848</u>	<u>15</u>	<u>211,601</u>	<u>7,073</u>	<u>17</u>
NON-OPERATING INCOME AND EXPENSES												
Other income (Note 21)	20,856	670	4	12,962	424	3	52,612	1,694	4	35,301	1,180	3
Other gains and losses (Note 21)	1,840	60	1	(2,171)	(75)	(1)	2,486	81	-	3,592	120	-
Finance costs (Note 21)	<u>(3,667)</u>	<u>(117)</u>	<u>(1)</u>	<u>(768)</u>	<u>(25)</u>	<u>-</u>	<u>(8,083)</u>	<u>(260)</u>	<u>(1)</u>	<u>(1,537)</u>	<u>(51)</u>	<u>-</u>
Total non-operating income and expenses	<u>19,029</u>	<u>613</u>	<u>4</u>	<u>10,023</u>	<u>324</u>	<u>2</u>	<u>47,015</u>	<u>1,515</u>	<u>3</u>	<u>37,356</u>	<u>1,249</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	108,081	3,470	22	80,102	2,605	18	259,702	8,363	18	248,957	8,322	20
INCOME TAX EXPENSE (Note 22)	<u>9,996</u>	<u>321</u>	<u>2</u>	<u>3,980</u>	<u>122</u>	<u>1</u>	<u>23,947</u>	<u>771</u>	<u>1</u>	<u>30,446</u>	<u>1,018</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>98,085</u>	<u>3,149</u>	<u>20</u>	<u>76,122</u>	<u>2,483</u>	<u>17</u>	<u>235,755</u>	<u>7,592</u>	<u>17</u>	<u>218,511</u>	<u>7,304</u>	<u>17</u>
OTHER COMPREHENSIVE LOSS												
Items that will not be reclassified subsequently to profit or loss:												
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(1,279)	(41)	-	320	11	-	1,069	34	-	(1,277)	(43)	-
Exchange differences arising on translation to the presentation currency	582	-	-	2,685	-	-	19,299	-	1	40,744	-	3
Items that maybe reclassified subsequently to profit or loss:												
Exchange differences on translating the financial statements of foreign operations	<u>5,758</u>	<u>185</u>	<u>1</u>	<u>(18,954)</u>	<u>(627)</u>	<u>(4)</u>	<u>149</u>	<u>5</u>	<u>-</u>	<u>(33,658)</u>	<u>(1,125)</u>	<u>(2)</u>
Other comprehensive loss for the period, net of income tax	<u>5,061</u>	<u>144</u>	<u>1</u>	<u>(15,949)</u>	<u>(616)</u>	<u>(4)</u>	<u>20,517</u>	<u>39</u>	<u>1</u>	<u>5,809</u>	<u>(1,168)</u>	<u>1</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 103,146</u>	<u>\$ 3,293</u>	<u>21</u>	<u>\$ 60,173</u>	<u>\$ 1,867</u>	<u>13</u>	<u>\$ 256,272</u>	<u>\$ 7,631</u>	<u>18</u>	<u>\$ 224,320</u>	<u>\$ 6,136</u>	<u>18</u>
NET PROFIT ATTRIBUTABLE TO: Owners of the Company	<u>\$ 98,085</u>	<u>\$ 3,149</u>	<u>20</u>	<u>\$ 76,122</u>	<u>\$ 2,483</u>	<u>17</u>	<u>\$ 235,755</u>	<u>\$ 7,592</u>	<u>17</u>	<u>\$ 218,511</u>	<u>\$ 7,304</u>	<u>17</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: Owners of the Company	<u>\$ 103,146</u>	<u>\$ 3,293</u>	<u>21</u>	<u>\$ 60,173</u>	<u>\$ 1,867</u>	<u>13</u>	<u>\$ 256,272</u>	<u>\$ 7,631</u>	<u>18</u>	<u>\$ 224,320</u>	<u>\$ 6,136</u>	<u>18</u>
EARNINGS PER SHARE (Note 23)												
Basic	<u>\$2.49</u>	<u>\$0.08</u>		<u>\$1.94</u>	<u>\$0.06</u>		<u>\$6.00</u>	<u>\$0.19</u>		<u>\$5.56</u>	<u>\$0.19</u>	
Diluted	<u>\$2.49</u>	<u>\$0.08</u>		<u>\$1.94</u>	<u>\$0.06</u>		<u>\$5.99</u>	<u>\$0.19</u>		<u>\$5.56</u>	<u>\$0.19</u>	

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 NTS31.054:US\$1 and NTS29.915:US\$1 for the nine months ended September 30, 2019 and 2018, respectively. Since the par value of shares is NTS10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate shares.

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

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	Ordinary Shares (Note 19)		Retained Earnings (Note 19)			Other				
	Shares (In Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating the Financial Statements of Foreign Operations	Total Equity
BALANCE AT JANUARY 1, 2018	35,700	\$ 357,000	\$ 653,216	\$ 28,792	\$ 1,346	\$ 531,919	\$ 1,064	\$ -	\$ (113,088)	\$ 1,460,249
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	(1,064)	1,064	-	-
BALANCE AT JANUARY 1, 2018 AS RESTATED	35,700	357,000	653,216	28,792	1,346	531,919	-	1,064	(113,088)	1,460,249
Appropriation of 2017 earnings	-	-	-	-	-	-	-	-	-	-
Legal reserve	-	-	-	25,385	-	(25,385)	-	-	-	-
Special reserve	-	-	-	-	110,678	(110,678)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(142,800)	-	-	-	(142,800)
Share dividends to be distributed	3,570	35,700	-	-	-	(35,700)	-	-	-	-
Net profit for the nine months ended September 30, 2018	-	-	-	-	-	218,511	-	-	-	218,511
Other comprehensive income (loss) for the nine months ended September 30, 2018, net of income tax	-	-	-	-	-	-	-	(1,277)	7,086	5,809
Total comprehensive income (loss) for the nine months ended September 30, 2018	-	-	-	-	-	-	-	(1,277)	7,086	224,320
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	206	-	-	-	206
BALANCE AT SEPTEMBER 30, 2018	39,270	\$ 392,700	\$ 653,216	\$ 54,177	\$ 112,024	\$ 436,073	\$ -	\$ (213)	\$ (106,002)	\$ 1,541,975
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)	-	-	-	-
Special reserve	-	-	-	-	(20,833)	20,833	-	-	-	(208,131)
Cash dividends distributed by the Company	-	-	-	-	-	(208,131)	-	-	-	-
Net profit for the nine months ended September 30, 2019	-	-	-	-	-	235,755	-	-	-	235,755
Other comprehensive loss for the nine months ended September 30, 2019, net of income tax	-	-	-	-	-	-	-	1,069	19,448	20,517
Total comprehensive income (loss) for the nine months ended September 30, 2019	-	-	-	-	-	-	-	1,069	19,448	256,272
Disposals 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

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

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of U.S. Dollars)

(Reviewed, Not Audited)

	Ordinary Shares (Note 19)		Capital Surplus		Retained Earnings (Note 19)			Unrealized Gain (Loss) on Available-for-sale Financial Assets	Other Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translations of Foreign Operations	Total Equity
	Shares (In Thousands)	Share Capital			Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2018	35,700	\$ 11,493	\$ 21,364	\$ 959	\$ 45	\$ 16,638	\$ 35	\$ -	\$ -	\$ (1,466)	\$ 49,068
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	(35)	35	-	-
BALANCE AT JANUARY 1, 2018 AS RESTATED	35,700	11,493	21,364	959	45	16,638	-	-	35	(1,466)	49,068
Appropriation of 2017 earnings	-	-	-	835	-	(835)	-	-	-	-	-
Legal reserve	-	-	-	-	-	(3,639)	-	-	-	-	-
Special reserve	-	-	-	-	3,639	(4,696)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,174)	-	-	-	-	(4,696)
Share dividends to be distributed	3,570	1,174	-	-	-	-	-	-	-	-	-
Net profit for the nine months ended September 30, 2018	-	-	-	-	-	-	7,304	-	-	-	7,304
Other comprehensive loss for the nine months ended September 30, 2018, net of income tax	-	-	-	-	-	-	-	-	(43)	(1,125)	(1,168)
Total comprehensive income (loss) for the nine months ended September 30, 2018	-	-	-	-	-	-	7,304	-	(43)	(1,125)	6,136
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	7	-	-	-	7
BALANCE AT SEPTEMBER 30, 2018	39,270	\$ 12,667	\$ 21,364	\$ 1,794	\$ 3,684	\$ 13,605	-	\$ -	\$ (8)	\$ (2,591)	\$ 50,515
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	-	-	-	962	-	(962)	-	-	-	-	-
Legal reserve	-	-	-	-	(671)	671	-	-	-	-	-
Special reserve	-	-	-	-	-	(6,638)	-	-	-	-	(6,638)
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	-
Net profit for the nine months ended September 30, 2019	-	-	-	-	-	-	7,592	-	-	-	7,592
Other comprehensive loss 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
Disposals 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

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

TAISUN INT'L (HOLDING) CORPORATION 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			
	2019		2018	
	NTD	USD	NTD	USD
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$ 259,702	\$ 8,363	\$ 248,957	\$ 8,322
Adjustments for:				
Depreciation expenses	66,929	2,154	41,263	1,380
Amortization expenses	397	13	352	13
Amortization of prepayments for leases	-	-	1,193	40
Loss on disposal of property, plant and equipment	556	18	-	-
Finance costs	8,083	260	1,537	51
Dividend income	(1,062)	(34)	-	-
Interest income	(51,550)	(1,660)	(35,301)	(1,180)
Gain on lease modification	(109)	(4)	-	-
Allowance for inventory valuation and obsolescence loss	-	-	179	6
Changes in operating assets and liabilities				
Notes receivable	248	8	(60)	(2)
Trade receivables	(27,607)	(889)	(11,338)	(379)
Other receivables	(279)	(9)	868	29
Inventories	37,265	1,200	(49,868)	(1,667)
Other current assets	(8,540)	(275)	(25,189)	(842)
Trade payables	18,850	607	24,889	832
Other payables	11,335	365	11,188	374
Other current liabilities	5,621	181	8,945	299
Cash generated from operations	319,839	10,298	217,615	7,276
Interest paid	(6,258)	(202)	(1,589)	(52)
Income tax paid	(23,791)	(766)	(30,566)	(1,022)
Net cash generated from operating activities	289,790	9,330	185,460	6,202
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of financial assets at fair value through other comprehensive income	(12,577)	(405)	(16,124)	(539)
Proceeds from sale of financial assets at fair value through other comprehensive income	3,973	128	5,450	178
Purchase of financial assets at amortized cost	(475,095)	(15,299)	(60,249)	(2,014)
Payments for property, plant and equipment	(36,879)	(1,186)	(35,246)	(1,179)
Payments for intangible assets	(149)	(5)	-	-
Increase in other non-current assets	(9,937)	(320)	(150)	(5)

(Continued)

TAISUN INT'L (HOLDING) CORPORATION 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			
	2019		2018	
	NTD	USD	NTD	USD
Increase in prepayments for equipment	\$ (46,550)	\$ (1,499)	\$ (65,125)	\$ (2,177)
Dividends received	1,062	34	-	-
Interest received	<u>44,958</u>	<u>1,448</u>	<u>39,377</u>	<u>1,316</u>
Net cash used in investing activities	<u>(531,194)</u>	<u>(17,104)</u>	<u>(132,067)</u>	<u>(4,420)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from short-term borrowings	315,167	10,149	23,394	782
Repayment of the principal portion of lease liabilities	(2,614)	(83)	-	-
Refunds of guarantee deposits received	(1,615)	(52)	(60)	(2)
Dividends paid to owners of the Company	<u>(208,131)</u>	<u>(6,638)</u>	<u>(142,800)</u>	<u>(4,696)</u>
Net cash generated from financing activities	<u>102,807</u>	<u>3,376</u>	<u>(119,466)</u>	<u>(3,916)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>7,207</u>	<u>38</u>	<u>(13,650)</u>	<u>(839)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(131,390)	(4,360)	(79,723)	(2,973)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>373,429</u>	<u>12,158</u>	<u>428,917</u>	<u>14,413</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 242,039</u>	<u>\$ 7,798</u>	<u>\$ 349,194</u>	<u>\$ 11,440</u>

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\$31.054:US\$1 and NT\$29.915:US\$1 for the nine months ended September 30, 2019 and 2018, respectively. Since the par value of shares is NT\$10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate shares.

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

(Concluded)

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019 AND 2018

(In Thousands of New Taiwan Dollars or U.S. Dollars, Unless Stated Otherwise)

(Reviewed, Not Audited)

1. GENERAL INFORMATION

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

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

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

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

The exchange rate of NT\$31.04:US\$1, NT\$30.715:US\$1 and NT\$30.53:US\$1 was used for balances as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively. Since the par value of shares is NT\$10, the historical exchange rate of the issue date in the Company's Articles of Incorporation is used to calculate shares.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on November 8, 2019.

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

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

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

1) IFRS 16 "Leases"

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

Definition of a lease

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

The Group as lessee

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

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

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

The Group also applies the following practical expedients:

- a) The Group applies a single discount rate to a portfolio of leases with reasonably similar characteristics to measure lease liabilities.
- b) The Group accounts for those leases for which the lease term ends on or before December 31, 2019 as short-term leases.

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

(In Thousands of New Taiwan Dollars)

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

(In Thousands of U.S. Dollars)

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

The Group as lessor

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

(In Thousands of New Taiwan Dollars)

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

(In Thousands of U.S. Dollars)

	Carrying Amount as of December 31, 2018	Adjustments Arising from Initial Application	Adjusted Carrying Amount as of January 1, 2019
Right-of-use assets - land	\$ -	\$ 3,140	\$ 3,140
Right-of-use assets - buildings	-	107	107
Prepayments for leases - current	53	(53)	-
Prepayments for leases - non-current	3,087	(3,087)	-
Lease liabilities - current	-	94	94
Lease liabilities - non-current	-	13	13

2) IFRIC 23 “Uncertainty Over Income Tax Treatments”

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

3) Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”

The amendments clarified that IFRS 9 shall be applied to account for other financial instruments in an associate or joint venture to which the equity method is not applied. These included long-term interests that, in substance, form part of the entity’s net investment in an associate or joint venture.

4) Amendments to IFRS 9 “Prepayment Features with Negative Compensation”

IFRS 9 stipulated that if a contractual term of a financial asset permits the issuer (i.e. the debtor) to prepay a debt instrument or permits the holder (i.e. the creditor) to put a debt instrument back to the issuer before maturity and the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination, the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The amendments further explain that reasonable compensation may be paid or received by either of the parties, i.e. a party may receive reasonable compensation when it chooses to terminate the contract early.

5) Annual Improvements to IFRSs 2015-2017 Cycle

Several standards, including IFRS 3, IFRS 11, IAS 12 and IAS 23 “Borrowing Costs”, were amended in this annual improvement. IAS 23 was amended to clarify that, if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

6) Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group will apply the above amendments prospectively.

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

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020 (Note 1)
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020 (Note 2)

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

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

- Amendments to IFRS 3 “Definition of a Business”

The amendments clarify that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process applied to the input that together significantly contribute to the ability to create outputs. The amendments narrow the definitions of outputs by focusing on goods and services provided to customers, and the reference to an ability to reduce costs is removed. Moreover, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. 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.

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

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 9, IAS 39 and IFRS 7 “Interest Rate Benchmark Reform”	January 1, 2020
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2021

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

- 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.

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 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, biological assets excluding bearer plants which are measured at fair value less costs to sell, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for 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

Principles for preparing consolidated financial statements

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

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.

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 significant accounting policies in 2018 consolidated financial report:

1) Leases

2019

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

The Group as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

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

2018

a) The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

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

Contingent rentals are recognized as expenses in the period in which they are incurred.

b) Leasehold land and building for own use

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

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

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and 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

The same critical accounting judgments and key sources of estimation uncertainty of consolidated financial statements have been followed in these consolidated financial statements as were applied in the preparation of the consolidated financial statements for the year ended December 31, 2018.

6. CASH AND CASH EQUIVALENTS

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
Cash on hand	\$ 236	\$ 817	\$ 639
Checking accounts and demand deposits	18,534	20,572	60,138
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	<u>223,269</u>	<u>352,040</u>	<u>288,417</u>
	<u>\$ 242,039</u>	<u>\$ 373,429</u>	<u>\$ 349,194</u>
<u>U.S. dollars</u>			
Cash on hand	\$ 9	\$ 27	\$ 21
Checking accounts and demand deposits	596	669	1,970
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	<u>7,193</u>	<u>11,462</u>	<u>9,449</u>
	<u>\$ 7,798</u>	<u>\$ 12,158</u>	<u>\$ 11,440</u>

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

	September 30, 2019	December 31, 2018	September 30, 2018
Demand deposits	0.10%-0.30%	0.10%-0.80%	0.10%-0.80%
Time deposits	1.55%-5.50%	1.40%-5.50%	0.90%-5.50%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
<u>Current</u>			
Investments in equity instruments at FVTOCI	<u>\$ 25,504</u>	<u>\$ 15,656</u>	<u>\$ 18,813</u>
<u>Current</u>			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Satitar Co., Ltd.	\$ 2,428	\$ 2,513	\$ 2,577
Ordinary shares - King's Town Bank	4,628	4,327	4,605
Ordinary shares - China Steel Corporation	<u>4,600</u>	<u>4,850</u>	<u>5,100</u>
	<u>11,656</u>	<u>11,690</u>	<u>12,282</u>
Foreign investments			
Listed shares and emerging market shares			
Ordinary shares - Bao Minh Insurance Corporation	-	822	957
Ordinary shares - VN-HSG Hoa Sen Group (HSG)	-	-	1,159
Ordinary shares - PetroVietnam Technical Services Corporation	-	114	2,125
Ordinary shares - TNG Investment and Trading JSC	-	-	2,290
Ordinary shares - Viet Nam Engine And Agricultural Machinery Corporation	3,692	1,017	-
Ordinary shares - Tu Liem Urban Development Joint-Stock Company	-	2,013	-
Ordinary shares - Pha Lai Thermal Power Joint Stock Company	4,452	-	-
Ordinary shares - PetroVietnam Power Nhon Trach 2 JSC	2,247	-	-
Ordinary shares - Vietnam Rubber Group - Joint Stock Company	<u>3,457</u>	<u>-</u>	<u>-</u>
	<u>13,848</u>	<u>3,966</u>	<u>6,531</u>
	<u>\$ 25,504</u>	<u>\$ 15,656</u>	<u>\$ 18,813</u>

(Continued)

	September 30, 2019	December 31, 2018	September 30, 2018
<u>U.S. dollars</u>			
<u>Current</u>			
Investments in equity instruments at FVTOCI	<u>\$ 822</u>	<u>\$ 510</u>	<u>\$ 616</u>
<u>Current</u>			
Domestic investments			
Listed shares and emerging market shares			
Ordinary shares - Satitar Co., Ltd.	\$ 78	\$ 82	\$ 84
Ordinary shares - King's Town Bank	149	140	151
Ordinary shares - China Steel Corporation	<u>148</u>	<u>158</u>	<u>167</u>
	<u>375</u>	<u>380</u>	<u>402</u>
Foreign investments			
Listed shares and emerging market shares			
Ordinary shares - Bao Minh Insurance Corporation	-	27	31
Ordinary shares - VN-HSG Hoa Sen Group (HSG)	-	-	38
Ordinary shares - PetroVietnam Technical Services Corporation	-	4	70
Ordinary shares - TNG Investment and Trading JSC	-	-	75
Ordinary shares - Viet Nam Engine And Agricultural Machinery Corporation	119	33	-
Ordinary shares - Tu Liem Urban Development Joint-Stock Company	-	66	-
Ordinary shares - Pha Lai Thermal Power Joint Stock Company	144	-	-
Ordinary shares - PetroVietnam Power Nhon Trach 2 JSC	73	-	-
Ordinary shares - Vietnam Rubber Group - Joint Stock Company	<u>111</u>	<u>-</u>	<u>-</u>
	<u>447</u>	<u>130</u>	<u>214</u>
	<u>\$ 822</u>	<u>\$ 510</u>	<u>\$ 616</u>
			(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 NT\$12,577 thousand (US\$405 thousand) for medium to long-term strategic purposes; at the end of the reporting period the management designated these investments as at FVTOCI.

The Group sold its part shares in order to manage credit concentration risk. The sold shares had a fair value of NT\$3,973 thousand (US\$128 thousand) and the Group transferred a gain of NT\$520 thousand (US\$17 thousand) from other equity to retained earnings.

Dividends of NT\$521 thousand (US\$17 thousand) and NT\$1,062 thousand (US\$34 thousand) were recognized during the three and the nine months ended September 30, 2019, respectively. Dividends related to investments derecognized during the three and the nine months ended September 30, 2019 were both NT\$334 thousand (US\$11 thousand) and those related to investments held as of September 30, 2019 were both NT\$728 thousand (US\$23 thousand).

8. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
<u>Current</u>			
Time deposits with original maturity of more than 3 months	<u>\$ 1,083,964</u>	<u>\$ 562,574</u>	<u>\$ 525,877</u>
<u>Non-current</u>			
Time deposits with original maturity of more than 1 years	<u>\$ -</u>	<u>\$ 40,147</u>	<u>\$ 59,698</u>
<u>U.S. dollars</u>			
<u>Current</u>			
Time deposits with original maturity of more than 3 months	<u>\$ 34,922</u>	<u>\$ 18,316</u>	<u>\$ 17,228</u>
<u>Non-current</u>			
Time deposits with original maturity of more than 1 years	<u>\$ -</u>	<u>\$ 1,307</u>	<u>\$ 1,956</u>

The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 5%-8%, 2.3%-7.3% and 6.30%-7.20% per annum as of September 30, 2019, December 31, 2018 and September 30, 2018, respectively.

9. TRADE RECEIVABLES

	September 30, 2019	December 31, 2018	September 30, 2018
<u>Trade receivables</u>			
<u>New Taiwan dollars</u>			
At amortized cost			
Gross carrying amount	\$ 84,374	\$ 56,172	\$ 41,767
Less: Allowance for impairment loss	<u>(776)</u>	<u>(768)</u>	<u>(763)</u>
	<u>\$ 83,598</u>	<u>\$ 55,404</u>	<u>\$ 41,004</u>

(Continued)

	September 30, 2019	December 31, 2018	September 30, 2018
<u>U.S. dollars</u>			
At amortized cost			
Gross carrying amount	\$ 2,718	\$ 1,829	\$ 1,368
Less: Allowance for impairment loss	<u>(25)</u>	<u>(25)</u>	<u>(25)</u>
	<u>\$ 2,693</u>	<u>\$ 1,804</u>	<u>\$ 1,343</u>
			(Concluded)

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

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

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

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

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)	<u>-</u>	<u>(13)</u>	<u>(33)</u>	<u>(730)</u>	<u>(776)</u>
Amortized cost	<u>\$ 76,212</u>	<u>\$ 5,237</u>	<u>\$ 2,149</u>	<u>\$ -</u>	<u>\$ 83,598</u>

(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)	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>(24)</u>	<u>(25)</u>
Amortized cost	<u>\$ 2,455</u>	<u>\$ 169</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ 2,693</u>

December 31, 2018

(In Thousands of New Taiwan Dollars)

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

(In Thousands of U.S. Dollars)

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

September 30, 2018

(In Thousands of New Taiwan Dollars)

	Posting Date Less Than 90 Days	Posting Date 91 to 180 Days	Posting Date 181 to 360 Days	Posting Date Over 360 Days	Total
Gross carrying amount	\$ 40,717	\$ 271	\$ 38	\$ 741	\$ 41,767
Loss allowance (Lifetime ECL)	<u>-</u>	<u>(2)</u>	<u>(20)</u>	<u>(741)</u>	<u>(763)</u>
Amortized cost	<u>\$ 40,717</u>	<u>\$ 269</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 41,004</u>

(In Thousands of U.S. Dollars)

	Posting Date Less Than 90 Days	Posting Date 91 to 180 Days	Posting Date 181 to 360 Days	Posting Date Over 360 Days	Total
Gross carrying amount	\$ 1,333	\$ 9	\$ 1	\$ 25	\$ 1,368
Loss allowance (Lifetime ECL)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25)</u>	<u>(25)</u>
Amortized cost	<u>\$ 1,333</u>	<u>\$ 9</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1,343</u>

The Group expected credit loss rate, 180 days of 1%; 180 days to 360 days of 30-50%; 1 year and above of 100%.

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

	For the Nine Months Ended September 30	
	2019	2018
<u>New Taiwan dollars</u>		
Balance at January 1	\$ 768	\$ 774
Add: Impairment loss	-	-
Foreign exchange gains and losses	<u>8</u>	<u>(11)</u>
Balance at September 30	<u>\$ 776</u>	<u>\$ 763</u>
<u>U.S. dollars</u>		
Balance at January 1	\$ 25	\$ 26
Add: Impairment loss	-	-
Foreign exchange gains and losses	<u>-</u>	<u>(1)</u>
Balance at September 30	<u>\$ 25</u>	<u>\$ 25</u>

10. INVENTORIES

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
Merchandise	\$ 2,930	\$ 2,847	\$ 2,419
Finished goods	91,255	105,671	91,526
Raw materials	115,508	144,751	123,644
Inventory in transit	<u>45,248</u>	<u>35,846</u>	<u>74,769</u>
	<u>\$ 254,941</u>	<u>\$ 289,115</u>	<u>\$ 292,358</u>

(Continued)

	September 30, 2019	December 31, 2018	September 30, 2018
<u>U.S. dollars</u>			
Merchandise	\$ 94	\$ 93	\$ 79
Finished goods	2,940	3,440	2,998
Raw materials	3,721	4,713	4,052
Inventory in transit	<u>1,458</u>	<u>1,167</u>	<u>2,449</u>
	<u>\$ 8,213</u>	<u>\$ 9,413</u>	<u>\$ 9,578</u>
			(Concluded)

The cost of inventories recognized as cost of goods sold for the three and the nine months ended September 30, 2019 and 2018 included NT\$333,019 thousand (US\$10,675 thousand), NT\$362,247 thousand (US\$10,671 thousand), NT\$996,542 thousand (US\$32,091 thousand) and NT\$876,091 thousand (US\$29,286 thousand), respectively.

11. SUBSIDIARIES

Subsidiary Included in Consolidated Financial Statements

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

Investor	Investee	Nature of Activities	Proportion of Ownership			Remark
			September 30, 2019	December 31, 2018	September 30, 2018	
Taisun Int'l (Holding) Corporation	Taisun Vietnam Co., Ltd. (VN)	Manufacture and sale of baby diapers, baby pants, adult diapers, sanitary napkins and wet wipes	100%	100%	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
Winsun (Cambodia) Co., Ltd. (Cambodia)	Taipoly International Pte. Ltd.	Trading	100%	-	-	e
	Winsun Trade Co., Ltd. (VN)	Trading	100%	100%	100%	d

- Taisun Vietnam Co., Ltd. (VN) was incorporated in 2001 in Vietnam.
- Taipoly (Far East) Corporation (Mauritius) was incorporated in 2006 in Mauritius.
- Winsun (Cambodia) Co., Ltd. (Cambodia) was incorporated in 2015 in Cambodia.
- Winsun Trade Co., Ltd. was incorporated in December 2017 in Vietnam.
- Taipoly International Pte. Ltd. was incorporated in April 2019 in Singapore.

12. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Machinery and Equipment	Transportati on Equipment	Office Equipment	Other Equipment	Equipment under Finance Leases	Property in Construction	Total
<u>New Taiwan dollars</u>								
<u>Cost</u>								
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)
Reclassification	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	<u>\$ 161,770</u>	<u>\$ 628,443</u>	<u>\$ 35,563</u>	<u>\$ 35,913</u>	<u>\$ 12,238</u>	<u>\$ 167</u>	<u>\$ 9,127</u>	<u>\$ 883,221</u>
<u>Accumulated depreciation and impairment</u>								
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	<u>\$ 35,966</u>	<u>\$ 345,083</u>	<u>\$ 21,972</u>	<u>\$ 10,687</u>	<u>\$ 9,944</u>	<u>\$ 167</u>	<u>\$ -</u>	<u>\$ 423,819</u>
Carrying amounts at September 30, 2019	<u>\$ 125,804</u>	<u>\$ 283,360</u>	<u>\$ 13,591</u>	<u>\$ 25,226</u>	<u>\$ 2,294</u>	<u>\$ -</u>	<u>\$ 9,127</u>	<u>\$ 459,402</u>
<u>U.S. dollars</u>								
<u>Cost</u>								
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)
Reclassification	555	408	-	-	9	-	(972)	-
Transfer from prepaid equipment	-	3,608	191	-	-	-	-	3799
Effect of foreign currency exchange differences	-	(1)	-	3	1	-	-	3
Balance at September 30, 2019	<u>\$ 5,212</u>	<u>\$ 20,246</u>	<u>\$ 1,146</u>	<u>\$ 1,157</u>	<u>\$ 394</u>	<u>\$ 5</u>	<u>\$ 294</u>	<u>\$ 28,454</u>
<u>Accumulated depreciation and impairment</u>								
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	-	41	-	-	-	(2)	-	39
Balance at September 30, 2019	<u>\$ 1,158</u>	<u>\$ 11,118</u>	<u>\$ 708</u>	<u>\$ 344</u>	<u>\$ 322</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 13,654</u>
Carrying amounts at September 30, 2019	<u>\$ 4,054</u>	<u>\$ 9,128</u>	<u>\$ 438</u>	<u>\$ 813</u>	<u>\$ 72</u>	<u>\$ 1</u>	<u>\$ 294</u>	<u>\$ 14,800</u>
<u>New Taiwan dollars</u>								
<u>Cost</u>								
Balance at January 1, 2018	\$ 66,909	\$ 449,173	\$ 24,088	\$ 3,054	\$ 11,440	\$ 167	\$ 58,382	\$ 613,213
Additions	1,157	8,356	1,466	2,052	-	-	22,215	35,246
Reclassification	58,337	-	-	12,145	78	-	(70,560)	-
Transfer from prepaid equipment	610	37,334	2,082	13,395	-	-	-	53,421
Effect of foreign currency exchange differences	955	(1,069)	(25)	550	(48)	1	313	677
Balance at September 30, 2018	<u>\$ 127,968</u>	<u>\$ 493,794</u>	<u>\$ 27,611</u>	<u>\$ 31,196</u>	<u>\$ 11,470</u>	<u>\$ 168</u>	<u>\$ 10,350</u>	<u>\$ 702,557</u>

(Continued)

	Buildings	Machinery and Equipment	Transportati on Equipment	Office Equipment	Other Equipment	Equipment under Finance Leases	Property in Construction	Total
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2018	\$ 22,532	\$ 271,596	\$ 15,183	\$ 1,799	\$ 8,044	\$ 58	\$ -	\$ 319,212
Depreciation expense	4,357	31,422	2,714	1,903	806	61	-	41,263
Effect of foreign currency exchange differences	(72)	227	(55)	26	(32)	3	-	97
Balance at September 30, 2018	<u>\$ 26,817</u>	<u>\$ 303,245</u>	<u>\$ 17,842</u>	<u>\$ 3,728</u>	<u>\$ 8,818</u>	<u>\$ 122</u>	<u>\$ -</u>	<u>\$ 360,572</u>
Carrying amounts at September 30, 2018	<u>\$ 101,151</u>	<u>\$ 190,549</u>	<u>\$ 9,769</u>	<u>\$ 27,468</u>	<u>\$ 2,652</u>	<u>\$ 46</u>	<u>\$ 10,350</u>	<u>\$ 341,985</u>
<u>U.S. dollars</u>								
<u>Cost</u>								
Balance at January 1, 2018	\$ 2,248	\$ 15,093	\$ 809	\$ 103	\$ 385	\$ 6	\$ 1,962	\$ 20,606
Additions	39	279	49	69	-	-	743	1,179
Reclassification	1,950	-	-	406	3	-	(2,359)	-
Transfer from prepaid equipment	20	1,248	70	448	-	-	-	1,786
Effect of foreign currency exchange differences	(65)	(442)	(23)	(4)	(14)	(1)	(7)	(556)
Balance at September 30, 2018	<u>\$ 4,192</u>	<u>\$ 16,178</u>	<u>\$ 905</u>	<u>\$ 1,022</u>	<u>\$ 374</u>	<u>\$ 5</u>	<u>\$ 339</u>	<u>\$ 23,015</u>
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2018	\$ 756	\$ 9,127	\$ 510	\$ 60	\$ 271	\$ 2	\$ -	\$ 10,726
Depreciation expense	146	1,050	91	64	27	2	-	1,380
Effect of foreign currency exchange differences	(24)	(243)	(16)	(2)	(10)	-	-	(295)
Balance at September 30, 2018	<u>\$ 878</u>	<u>\$ 9,934</u>	<u>\$ 585</u>	<u>\$ 122</u>	<u>\$ 288</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 11,811</u>
Carrying amounts at September 30, 2018	<u>\$ 3,314</u>	<u>\$ 6,244</u>	<u>\$ 320</u>	<u>\$ 900</u>	<u>\$ 86</u>	<u>\$ 1</u>	<u>\$ 339</u>	<u>\$ 11,204</u>
(Concluded)								

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

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

13. LEASE ARRANGEMENTS

a. Right-of-use assets - 2019

	September 30, 2019	
<u>Carrying amounts</u>		
<u>In thousands of New Taiwan dollars</u>		
Land		\$ 96,152
Buildings		<u>56,278</u>
		<u>\$ 152,430</u>
<u>In thousands of U.S. dollars</u>		
Land		\$ 3,098
Buildings		<u>1,813</u>
		<u>\$ 4,911</u>
	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2019
<u>In thousands of New Taiwan dollars</u>		
Additions to right-of-use assets	<u>\$ 41,588</u>	<u>\$ 58,257</u>
Depreciation charge for right-of-use assets		
Land	\$ 482	\$ 1,297
Buildings	<u>1,610</u>	<u>3,702</u>
	<u>\$ 2,092</u>	<u>\$ 4,999</u>
<u>In thousands of U.S. dollars</u>		
Additions to right-of-use assets	<u>\$ 1,338</u>	<u>\$ 1,876</u>
Depreciation charge for right-of-use assets		
Land	\$ 16	\$ 42
Buildings	<u>51</u>	<u>118</u>
	<u>\$ 67</u>	<u>\$ 160</u>

b. Lease liabilities - 2019

September 30,
2019

Carrying amounts

In thousands of New Taiwan dollars

Current	\$ 7,328
Non-current	\$ 8,353

In thousands of U.S. dollars

Current	\$ 236
Non-current	\$ 269

Range of discount rate for lease liabilities was as follows:

September 30,
2019

Buildings	1.41%-4.60%
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c. Material lease-in activities and terms

The Group leases certain buildings for the use of office 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 whole one lump sum at the time of contract, the Group does not have bargain purchase options to acquire the leasehold land at the end of the lease terms.

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

d. Other lease information

2019

For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2019
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New Taiwan dollars

Expenses relating to short-term leases	\$ 2,982	\$ 4,414
Total cash outflow for leases	\$ (3,675)	\$ (7,028)

(Continued)

	For the Three Months Ended September 30, 2019	For the Nine Months Ended September 30, 2019
<u>U.S. dollars</u>		
Expenses relating to short-term leases	\$ 96	\$ 142
Total cash outflow for leases	\$ (118)	\$ (225)
		(Concluded)

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

2018

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

	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>		
Not later than 1 year	\$ 3,815	\$ 2,442
Later than 1 year and not later than 5 years	399	1,038
Later than 5 years	-	-
	<u>\$ 4,214</u>	<u>\$ 3,480</u>
<u>U.S. dollars</u>		
Not later than 1 year	\$ 124	\$ 103
Later than 1 year and not later than 5 years	13	34
Later than 5 years	-	-
	<u>\$ 137</u>	<u>\$ 137</u>

14. PREPAYMENTS FOR LEASES

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
Current assets	\$ -	\$ 1,621	\$ 1,606
Non-current assets	-	<u>94,815</u>	<u>94,479</u>
	<u>\$ -</u>	<u>\$ 96,436</u>	<u>\$ 96,085</u>
			(Continued)

	September 30, 2019	December 31, 2018	September 30, 2018
<u>U.S. dollars</u>			
Current assets	\$ -	\$ 53	\$ 53
Non-current assets	<u>-</u>	<u>3,087</u>	<u>3,095</u>
	<u>\$ -</u>	<u>\$ 3,140</u>	<u>\$ 3,148</u>
			(Concluded)

The Group obtained land use rights certificates in Cambodia in 2016. The useful lives of the rights are 50 years, and they can be renewed for another 50 years upon the expiration date.

As of September 30 and December 31 of 2018, the prepayments for leases are for the land use rights in Vietnam and Cambodia.

The above land use rights were originally accounted for in the prepaid lease payments. The information of the reclassification on January 1, 2019 and the information on September 30, 2019, please refer to Notes 3 and 13.

15. OTHER ASSETS

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
<u>Current</u>			
Prepayments	\$ 1,369	\$ 4,688	\$ 7,414
Business tax carry forward	44,236	34,333	8,917
Prepayments and others	<u>13,746</u>	<u>11,291</u>	<u>8,203</u>
	<u>\$ 59,351</u>	<u>\$ 50,312</u>	<u>\$ 24,534</u>
<u>Non-current</u>			
Refundable deposits	\$ 4,299	\$ 2,123	\$ 2,215
Prepayment for buildings and land	-	33,507	25,579
Others	<u>103</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,402</u>	<u>\$ 35,630</u>	<u>\$ 27,794</u>
			(Continued)

	September 30, 2019	December 31, 2018	September 30, 2018
<u>U.S. dollars</u>			
<u>Current</u>			
Prepayments	\$ 44	\$ 153	\$ 243
Business tax carry forward	1,425	1,118	292
Prepayments and others	<u>443</u>	<u>366</u>	<u>269</u>
	<u>\$ 1,912</u>	<u>\$ 1,637</u>	<u>\$ 804</u>
<u>Non-current</u>			
Refundable deposits	\$ 139	\$ 69	\$ 73
Prepayment for buildings and land	-	1,091	838
Others	<u>3</u>	<u>-</u>	<u>-</u>
	<u>\$ 142</u>	<u>\$ 1,160</u>	<u>\$ 911</u>
			(Concluded)

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

16. BORROWINGS

Short-term Borrowings

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
Unsecured borrowings			
Line of credit borrowings	<u>\$ 545,612</u>	<u>\$ 228,171</u>	<u>\$ 138,680</u>
<u>U.S. dollars</u>			
Unsecured borrowings			
Line of credit borrowings	<u>\$ 17,578</u>	<u>\$ 7,429</u>	<u>\$ 4,543</u>

The range of weighted average effective interest rates on bank loans was 1.25%-5.1%, 1.41%-4.50% and 1.41%-4.50% per annum as of September 30, 2019, December 31, 2018 and September 30, 2018.

The information of the Company and its subsidiaries provide guarantees for short-term loans, please refer to Note 26.

17. OTHER LIABILITIES

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
Other payables			
Payables for salaries or bonuses	\$ 15,152	\$ 14,140	\$ 12,601
Payables for bonuses for employees and directors	8,503	9,149	5,187
Payables for purchases of equipment	18,402	17,336	8,932
Payables for services	2,607	5,941	4,415
Payables for retention from construction	4,882	5,727	5,691
Others	<u>29,418</u>	<u>12,858</u>	<u>18,792</u>
	<u>\$ 78,964</u>	<u>\$ 65,151</u>	<u>\$ 55,618</u>
<u>U.S. dollars</u>			
Other payables			
Payables for salaries or bonuses	\$ 488	\$ 460	\$ 413
Payables for bonuses for employees and directors	274	298	170
Payables for purchases of equipment	593	564	293
Payables for services	84	193	145
Payables for retention from construction	157	186	186
Others	<u>948</u>	<u>420</u>	<u>615</u>
	<u>\$ 2,544</u>	<u>\$ 2,121</u>	<u>\$ 1,822</u>

18. RETIREMENT BENEFIT PLANS

Defined Contribution Plans

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

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

19. EQUITY

a. Share capital

Ordinary shares

	September 30, 2019	December 31, 2018	September 30, 2018
Numbers of shares authorized (in thousands)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>39,270</u>	<u>39,270</u>	<u>39,270</u>
Shares issued (in New Taiwan dollars)	<u>\$ 392,700</u>	<u>\$ 392,700</u>	<u>\$ 392,700</u>
Shares issued (in U.S. dollars)	<u>\$ 12,667</u>	<u>\$ 12,667</u>	<u>\$ 12,667</u>

Share dividend to be distributed

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

b. Capital surplus

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors and supervisors after the amendment, refer to employees' compensation and remuneration of directors and supervisors in Note 21-f.

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

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

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

	Appropriation of Earnings		Dividends Per Share	
	For the Year Ended December 31		For the Year Ended December 31	
	2018	2017	2018	2017
Cash dividends	\$ 208,131	\$ 142,800	\$ 5.3	\$ 4
Share dividend	-	35,700	-	1
Legal reserve	29,869	25,385	-	-
Special reserve (reversed) provided	(20,833)	110,678	-	-

d. Special reserve

	For the Nine Months Ended September 30	
	2019	2018
<u>New Taiwan dollars</u>		
Beginning at January 1	\$ 112,024	\$ 1,346
Appropriation in respect of: Debit to other equity items	<u>(20,833)</u>	<u>110,678</u>
Balance at September 30	<u>\$ 91,191</u>	<u>\$ 112,024</u>
<u>U.S. dollars</u>		
Beginning at January 1	\$ 3,684	\$ 45
Appropriation in respect of: Debit to other equity items	<u>(671)</u>	<u>3,639</u>
Balance at September 30	<u>\$ 3,013</u>	<u>\$ 3,684</u>

20. REVENUE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 498,809</u>	<u>\$ 453,380</u>	<u>\$ 1,422,337</u>	<u>\$ 1,258,812</u>
<u>U.S. dollars</u>				
Revenue from contracts with customers				
Revenue from sale of goods	<u>\$ 15,994</u>	<u>\$ 14,810</u>	<u>\$ 45,802</u>	<u>\$ 42,079</u>

a. Contract information

Revenue from sale of goods

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

b. Contract balances

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
Trade receivables (Note 9)	\$ 83,598	\$ 55,404	\$ 41,004
Contract liabilities			
Sale of goods	\$ 5,969	\$ 409	\$ 10,056
<u>U.S. dollars</u>			
Trade receivables (Note 9)	\$ 2,693	\$ 1,804	\$ 1,343
Contract liabilities			
Sale of goods	\$ 192	\$ 13	\$ 329

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

21. NET PROFIT AND OTHER COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Interest income				
Bank deposits	\$ 20,335	\$ 12,962	\$ 51,550	\$ 35,301
Dividends				
Investments in equity instruments at FVTOCI	521	-	1,062	-
	<u>\$ 20,856</u>	<u>\$ 12,962</u>	<u>\$ 52,612</u>	<u>\$ 35,301</u>
				(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>U.S. dollars</u>				
Interest income				
Bank deposits	\$ 653	\$ 424	\$ 1,660	\$ 1,180
Dividends				
Investments in equity instruments at FVTOCI	<u>17</u>	<u>-</u>	<u>34</u>	<u>-</u>
	<u>\$ 670</u>	<u>\$ 424</u>	<u>\$ 1,694</u>	<u>\$ 1,180</u> (Concluded)

b. Other gains and losses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Net foreign exchange gains	\$ 1,425	\$ (2,201)	\$ 2,561	\$ 2,047
Loss on disposal of property, plant and equipment	-	-	(556)	-
Other expenses	<u>415</u>	<u>30</u>	<u>481</u>	<u>1,545</u>
	<u>\$ 1,840</u>	<u>\$ (2,171)</u>	<u>\$ 2,486</u>	<u>\$ 3,592</u>
<u>U.S. dollars</u>				
Net foreign exchange gains	\$ 45	\$ (75)	\$ 82	\$ 69
Loss on disposal of property, plant and equipment	-	-	(18)	-
Other expenses	<u>15</u>	<u>-</u>	<u>17</u>	<u>51</u>
	<u>\$ 60</u>	<u>\$ (75)</u>	<u>\$ 81</u>	<u>\$ 120</u>

c. Finance costs

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Interest on bank loans	\$ 3,546	\$ 768	\$ 7,901	\$ 1,537
Interest on lease liabilities	<u>121</u>	<u>-</u>	<u>182</u>	<u>-</u>
	<u>\$ 3,667</u>	<u>\$ 768</u>	<u>\$ 8,083</u>	<u>\$ 1,537</u> (Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>U.S. dollars</u>				
Interest on bank loans	\$ 113	\$ 25	\$ 254	\$ 51
Interest on lease liabilities	<u>4</u>	<u>-</u>	<u>6</u>	<u>-</u>
	<u>\$ 117</u>	<u>\$ 25</u>	<u>\$ 260</u>	<u>\$ 51</u>
				(Concluded)

d. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Property, plant and equipment	\$ 22,300	\$ 16,732	\$ 61,930	\$ 41,263
Right-of-use assets	2,092	-	4,999	-
Intangible assets	133	118	397	352
Prepayments for leases	<u>-</u>	<u>404</u>	<u>-</u>	<u>1,193</u>
	<u>\$ 24,525</u>	<u>\$ 17,254</u>	<u>\$ 67,326</u>	<u>\$ 42,808</u>
<u>U.S. dollars</u>				
Property, plant and equipment	\$ 714	\$ 550	\$ 1,994	\$ 1,380
Right-of-use assets	67	-	160	-
Intangible assets	4	4	13	13
Prepayments for leases	<u>-</u>	<u>13</u>	<u>-</u>	<u>40</u>
	<u>\$ 785</u>	<u>\$ 567</u>	<u>\$ 2,167</u>	<u>\$ 1,433</u>
<u>New Taiwan dollars</u>				
An analysis of depreciation by function				
Operating costs	\$ 21,178	\$ 15,707	\$ 58,548	\$ 39,725
Operating expenses	<u>3,214</u>	<u>1,025</u>	<u>8,381</u>	<u>1,538</u>
	<u>\$ 24,392</u>	<u>\$ 16,732</u>	<u>\$ 66,929</u>	<u>\$ 41,263</u>
				(Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>U.S. dollars</u>				
An analysis of depreciation by function				
Operating costs	\$ 679	\$ 517	\$ 1,885	\$ 1,329
Operating expenses	<u>102</u>	<u>33</u>	<u>269</u>	<u>51</u>
	<u>\$ 781</u>	<u>\$ 550</u>	<u>\$ 2,154</u>	<u>\$ 1,380</u>

New Taiwan dollars

An analysis of amortization by function				
Operating expenses	<u>\$ 133</u>	<u>\$ 522</u>	<u>\$ 397</u>	<u>\$ 1,545</u>
<u>U.S. dollars</u>				
An analysis of amortization by function				
Operating expenses	<u>\$ 4</u>	<u>\$ 17</u>	<u>\$ 13</u>	<u>\$ 53</u> (Concluded)

e. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Other employee benefits (including post-employment benefits, see Note 18)	<u>\$ 53,590</u>	<u>\$ 45,172</u>	<u>\$ 157,630</u>	<u>\$ 134,287</u>
<u>U.S. dollars</u>				
Other employee benefits (including post-employment benefits, see Note 18)	<u>\$ 1,718</u>	<u>\$ 1,472</u>	<u>\$ 5,076</u>	<u>\$ 4,489</u> (Continued)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
An analysis of employee benefits expense by function				
Operating costs	\$ 21,277	\$ 18,383	\$ 64,157	\$ 54,714
Operating expenses	<u>32,313</u>	<u>26,789</u>	<u>93,473</u>	<u>79,573</u>
	<u>\$ 53,590</u>	<u>\$ 45,172</u>	<u>\$ 157,630</u>	<u>\$ 134,287</u>
<u>U.S. dollars</u>				
An analysis of employee benefits expense by function				
Operating costs	\$ 682	\$ 599	\$ 2,066	\$ 1,829
Operating expenses	<u>1,036</u>	<u>873</u>	<u>3,010</u>	<u>2,660</u>
	<u>\$ 1,718</u>	<u>\$ 1,472</u>	<u>\$ 5,076</u>	<u>\$ 4,489</u>
				(Concluded)

f. Employees' compensation and remuneration of directors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at rates of no less than 2% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the nine months ended September 30, 2019 and 2018, the employees' compensation and the remuneration of directors were as follows:

Accrual rate

	For the Nine Months Ended September 30	
	2019	2018
Employees' compensation	3.5%	2.0%
Remuneration of directors	-	-

Amount

	For the Three Months Ended September 30			
	2019		2018	
	Cash	Shares	Cash	Shares
<u>New Taiwan dollars</u>				
Employees' compensation	\$ 2,820	\$ -	\$ 1,612	\$ -
Remuneration of directors	-	-	-	-
<u>U.S. dollars</u>				
Employees' compensation	91	-	53	-
Remuneration of directors	-	-	-	-

	For the Nine Months Ended September 30			
	2019		2018	
	Cash	Shares	Cash	Shares
<u>New Taiwan dollars</u>				
Employees' compensation	\$ 8,410	\$ -	\$ 5,187	\$ -
Remuneration of directors	-	-	-	-
<u>U.S. dollars</u>				
Employees' compensation	271	-	170	-
Remuneration of directors	-	-	-	-

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

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

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

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

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

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors in 2019 and 2018 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit and loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Current tax				
In respect of the current period	\$ 12,242	\$ 4,700	\$ 27,059	\$ 30,658
Deferred tax				
In respect of the current period	<u>(2,246)</u>	<u>(720)</u>	<u>(3,112)</u>	<u>(212)</u>
Income tax expense recognized in profit or loss	<u>\$ 9,996</u>	<u>\$ 3,980</u>	<u>\$ 23,947</u>	<u>\$ 30,446</u>
<u>U.S. dollars</u>				
Current tax				
In respect of the current period	\$ 393	\$ 146	\$ 871	\$ 1,025
Deferred tax				
In respect of the current period	<u>(72)</u>	<u>(24)</u>	<u>(100)</u>	<u>(7)</u>
Income tax expense recognized in profit or loss	<u>\$ 321</u>	<u>\$ 122</u>	<u>\$ 771</u>	<u>\$ 1,018</u>

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.

23. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Basic earnings per share	<u>\$ 2.49</u>	<u>\$ 1.94</u>	<u>\$ 6.00</u>	<u>\$ 5.56</u>
Diluted earnings per share	<u>\$ 2.49</u>	<u>\$ 1.94</u>	<u>\$ 5.99</u>	<u>\$ 5.56</u>

Unit: US\$ Per Share

	Fr the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
Basic earnings per share	<u>\$ 0.08</u>	<u>\$ 0.06</u>	<u>\$ 0.19</u>	<u>\$ 0.19</u>
Diluted earnings per share	<u>\$ 0.08</u>	<u>\$ 0.06</u>	<u>\$ 0.19</u>	<u>\$ 0.19</u>

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

Net profit for the period is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Profit for the period attributable to owners of the Company	<u>\$ 98,085</u>	<u>\$ 76,122</u>	<u>\$ 235,755</u>	<u>\$ 218,511</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 98,085</u>	<u>\$ 76,122</u>	<u>\$ 235,755</u>	<u>\$ 218,511</u>

U.S. dollars

Profit for the period attributable to owners of the Company	<u>\$ 3,149</u>	<u>\$ 2,483</u>	<u>\$ 7,592</u>	<u>\$ 7,304</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 3,149</u>	<u>\$ 2,483</u>	<u>\$ 7,592</u>	<u>\$ 7,304</u>

Weighted average number of ordinary shares outstanding (in thousand shares) is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2019	2018	2019	2018
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	<u>67</u>	<u>84</u>	<u>39</u>	<u>54</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>39,337</u>	<u>39,354</u>	<u>39,309</u>	<u>39,324</u>

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

24. CAPITAL MANAGEMENT

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

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

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

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

25. FINANCIAL INSTRUMENTS

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

Fair value hierarchy

September 30, 2019

	Level 1	Level 2	Level 3	Total
<u>New Taiwan dollars</u>				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	\$ 11,656	\$ -	\$ -	\$ 11,656
Foreign listed shares and emerging market shares	<u>13,848</u>	<u>-</u>	<u>-</u>	<u>13,848</u>
	<u>\$ 25,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,504</u>
<u>U.S. dollars</u>				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	\$ 375	\$ -	\$ -	\$ 375
Foreign listed shares and emerging market shares	<u>447</u>	<u>-</u>	<u>-</u>	<u>447</u>
	<u>\$ 822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 822</u>

December 31, 2018

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

September 30, 2018

	Level 1	Level 2	Level 3	Total
<u>New Taiwan dollars</u>				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	\$ 12,282	\$ -	\$ -	\$ 12,282
Foreign listed shares and emerging market shares	<u>6,531</u>	<u>-</u>	<u>-</u>	<u>6,531</u>
	<u>\$ 18,813</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,813</u>
<u>U.S. dollars</u>				
Financial assets at FVTOCI				
Equity instruments				
Domestic listed shares and emerging market shares	\$ 402	\$ -	\$ -	\$ 402
Foreign listed shares and emerging market shares	<u>214</u>	<u>-</u>	<u>-</u>	<u>214</u>
	<u>\$ 616</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 616</u>

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

b. Categories of financial instruments

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 1,438,420	\$ 1,053,551	\$ 989,728
Financial assets at FVTOCI			
Equity instruments	25,504	15,656	18,813
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	760,119	393,293	324,379
<u>U.S. dollars</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	46,342	34,301	32,424
Financial assets at FVTOCI			
Equity instruments	822	510	616
<u>Financial liabilities</u>			
Financial liabilities at amortized cost (2)	24,489	12,805	10,627

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents and notes, trade and other receivables.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term loans, trade and other payables and lease liabilities.

c. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, 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 by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The corporate treasury function reported 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 dollar and RMB dollar.

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

	VND Impact		RMB Impact	
	For the Nine Months Ended		For the Nine Months Ended	
	September 30		September 30	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Profit or loss	\$ (10,737)	\$ (4,381)	\$ -	\$ -
<u>U.S. dollars</u>				
Profit or loss	(346)	(144)	-	-

- i. This was mainly attributable to the exposure on outstanding VND receivables and payables that were not hedged at the end of the reporting period.
- ii. This was mainly attributable to the exposure on outstanding RMB payables that were not hedged at the end of the reporting period.

b) Interest rate risk

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

The carrying amount 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, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
Fair value interest rate risk			
Financial assets	\$ 1,307,233	\$ 954,761	\$ 873,992
Financial liabilities	-	-	-
Cash flow interest rate risk			
Financial assets	17,391	19,723	59,493
Financial liabilities	545,612	228,171	138,680
<u>U.S. dollars</u>			
Fair value interest rate risk			
Financial assets	42,115	31,085	28,633
Financial liabilities	-	-	-
Cash flow interest rate risk			
Financial assets	559	641	1,949
Financial liabilities	17,578	7,429	4,543

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/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2019 and 2018 would decrease by NT\$990 thousand (US\$32 thousand) and NT\$148 thousand (US\$5 thousand), respectively, which would be mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

2) Credit risk

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

The Group adopted a policy of only dealing with creditworthy counterparties and continuously monitored such transactions to ensure that the aggregate value of concluded transactions is spread amongst approved counterparties.

3) Liquidity risk

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

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

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

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

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

September 30, 2019

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>New Taiwan dollars</u>					
Trade payables	\$ 83,988	\$ 35,874	\$ -	\$ -	\$ -
Lease liabilities	519	1,566	5,243	8,353	-
Variable interest rate liabilities	<u>16,425</u>	<u>227,211</u>	<u>301,976</u>	<u>-</u>	<u>-</u>
	<u>\$ 100,932</u>	<u>\$ 264,651</u>	<u>\$ 307,219</u>	<u>\$ 8,353</u>	<u>\$ -</u>
<u>U.S. dollars</u>					
Trade payables	\$ 2,706	\$ 1,156	\$ -	\$ -	\$ -
Lease liabilities	17	50	169	269	-
Variable interest rate liabilities	<u>529</u>	<u>7,320</u>	<u>9,729</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,252</u>	<u>\$ 8,526</u>	<u>\$ 9,898</u>	<u>\$ 269</u>	<u>\$ -</u>

December 31, 2018

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

September 30, 2018

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>New Taiwan dollars</u>					
Trade payables	\$ 130,081	\$ -	\$ -	\$ -	\$ -
Variable interest rate liabilities	<u>79</u>	<u>104,434</u>	<u>34,167</u>	<u>-</u>	<u>-</u>
	<u>\$ 130,160</u>	<u>\$ 104,434</u>	<u>\$ 34,167</u>	<u>\$ -</u>	<u>\$ -</u>
<u>U.S. dollars</u>					
Trade payables	\$ 4,262	\$ -	\$ -	\$ -	\$ -
Variable interest rate liabilities	<u>3</u>	<u>3,452</u>	<u>1,088</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,265</u>	<u>\$ 3,452</u>	<u>\$ 1,088</u>	<u>\$ -</u>	<u>\$ -</u>

b) Financing facilities

	September 30, 2019	December 31, 2018	September 30, 2018
<u>New Taiwan dollars</u>			
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 545,612	\$ 228,171	\$ 93,680
Amount unused	<u>664,912</u>	<u>387,889</u>	<u>393,753</u>
	<u>\$ 1,210,524</u>	<u>\$ 616,060</u>	<u>\$ 487,433</u>
<u>U.S. dollars</u>			
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 17,578	\$ 7,429	\$ 3,069
Amount unused	<u>21,421</u>	<u>12,629</u>	<u>12,899</u>
	<u>\$ 38,999</u>	<u>\$ 20,058</u>	<u>\$ 15,968</u>

26. RELATED-PARTY TRANSACTIONS

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

a. Related party name and relationship

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

b. Endorsements and guarantees provided by related parties

Bank deposits of the Company and its subsidiaries are guaranteed by the chairman of the Company on September 30, 2019, December 31, 2018 and September 30, 2018.

c. Compensation of key management personnel

	<u>For the Three Months Ended September 30</u>		<u>For the Nine Months Ended September 30</u>	
	2019	2018	2019	2018
<u>New Taiwan dollars</u>				
Short-term benefits	<u>\$ 8,376</u>	<u>\$ 6,239</u>	<u>\$ 25,824</u>	<u>\$ 23,757</u>
<u>U.S. dollars</u>				
Short-term benefits	<u>\$ 270</u>	<u>\$ 203</u>	<u>\$ 832</u>	<u>\$ 778</u>

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

27. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

September 30, 2019

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

December 31, 2018

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>New Taiwan dollars</u>			
<u>Financial assets</u>			
Monetary items			
VND	\$ 1,342	23,198 (USD:VND)	\$ 41,211
RMB	1,117	0.1457 (RMB:USD)	4,998
			(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
VND	\$ 5,502	23,198 (USD:VND)	\$ 168,990
<u>U.S. dollars</u>			
<u>Financial assets</u>			
Monetary items			
VND	1,342	23,198 (USD:VND)	1,342
RMB	1,117	0.1457 (RMB:USD)	163
<u>Financial liabilities</u>			
Monetary items			
VND	5,502	23,198 (USD:VND)	5,502 (Concluded)
<u>September 30, 2018</u>			

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
<u>New Taiwan dollars</u>			
<u>Financial assets</u>			
Monetary items			
VND	\$ 2,018	23,332 (USD:VND)	\$ 61,613
RMB	-	0.1454 (RMB:USD)	8
<u>Financial liabilities</u>			
Monetary items			
VND	4,889	23,332 (USD:VND)	149,227
<u>U.S. dollars</u>			
<u>Financial assets</u>			
Monetary items			
VND	2,018	23,332 (USD:VND)	2,018
RMB	-	0.1454 (RMB:USD)	-
<u>Financial liabilities</u>			
Monetary items			
VND	4,889	23,332 (USD:VND)	4,889

For the three and the nine months ended September 30, 2019 and 2018, unrealized net foreign exchange gains were NT\$1,425 thousand (US\$45 thousand), NT\$(2,201) thousand (US\$(75) thousand), NT\$2,561 thousand (US\$82 thousand) and NT\$2,047 thousand (US\$69 thousand), respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

28. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisitions of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposals of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
- 9) Trading in derivative instruments (None)
- 10) Intercompany relationships and significant intercompany transactions (Table 4)
- 11) Information on investees (Table 5)

b. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (None)
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

- c) The amount of property transactions and the amount of the resultant gains or losses.
- d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
- e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
- f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

29. SEGMENT INFORMATION

a. Segment revenue and results

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

- 1) Whether operating units have similar long-term gross margins.
- 2) Whether the nature of products and production processes are similar.
- 3) Whether the delivery of products to customers is the same.

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

	Taisun Vietnam Co., Ltd. (VN)		Winsun (Cambodia) Co., Ltd. (Cambodia)		Other Subsidiaries		Internal Transfer Pricing		Total	
	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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<i>New Taiwan dollars</i>										
Revenue	\$ 1,147,963	\$ 1,164,311	\$ 270,462	\$ 48,843	\$ 36,326	\$ 68,808	\$ (32,414)	\$ (23,150)	\$ 1,422,337	\$ 1,258,812
Expenditures	(1,007,174)	(939,733)	(184,930)	(50,248)	(1,094,904)	(81,329)	1,077,358	24,099	(1,209,650)	(1,047,211)
Operating profit	140,789	224,578	85,532	(1,405)	(1,058,578)	(12,521)	1,044,944	949	212,687	211,601
Interest revenue	39,678	30,423	7,272	403	4,602	4,474	(2)	1	51,550	35,301
Financial costs	(4,030)	(832)	(1,761)	-	(2,292)	(705)	-	-	(8,083)	(1,537)
Other gains or losses	2,902	3,002	286	(409)	241,943	228,698	(241,583)	(227,699)	3,348	3,592
Profit before tax	\$ 179,339	\$ 257,171	\$ 91,329	\$ (1,411)	\$ (814,325)	\$ 219,946	\$ 803,359	\$ (226,749)	\$ 259,202	\$ 248,957
Recognizable assets										
Notes receivable	\$ -	\$ -	\$ -	\$ -	\$ 146	\$ 99	\$ -	\$ -	\$ 146	\$ 99
Trade receivables	79,352	36,795	-	8,898	7,639	2,390	(3,393)	(7,079)	83,598	41,004
Inventories	215,625	229,850	37,805	-	1,512	62,507	(1)	1	254,941	292,358
Property, plant and equipment	319,189	213,305	143,107	-	63	132,879	(2,957)	(4,199)	459,402	341,985
General assets	\$ 614,166	\$ 479,950	\$ 180,912	\$ 8,898	\$ 9,360	\$ 197,875	\$ (6,351)	\$ (11,277)	798,087	675,446
Total assets									\$ 2,420,118	\$ 1,887,891
Recognizable liabilities										
Short-term loans	\$ 226,984	\$ 33,680	\$ -	\$ -	\$ 287,588	\$ 105,000	\$ 31,040	\$ -	\$ 545,612	\$ 138,680
Accounts payable	107,028	115,595	12,772	5,712	3,412	15,853	(3,350)	(7,079)	119,862	130,081
General liabilities	\$ 334,012	\$ 149,275	\$ 12,772	\$ 5,712	\$ 291,000	\$ 120,853	\$ 27,690	\$ (7,079)	665,474	268,761
Total liabilities									\$ 785,354	\$ 345,916
Depreciation and amortization	\$ 50,437	\$ 37,672	\$ 16,797	\$ -	\$ 1,070	\$ 6,087	\$ (978)	\$ (951)	\$ 67,326	\$ 42,808
Capital expenditures (increase in fixed assets)	\$ 83,312	\$ 24,313	\$ 2,334	\$ -	\$ 54	\$ 21,790	\$ (2,271)	\$ 54,268	\$ 83,429	\$ 100,371

(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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
U.S. dollars										
Revenue	\$ 36,967	\$ 38,921	\$ 8,709	\$ 1,633	\$ 1,169	\$ 2,300	\$ (1,043)	\$ (775)	\$ 45,802	\$ 42,079
Expenditures	(32,333)	(31,413)	(5,955)	(1,680)	(35,258)	(2,718)	34,692	805	(38,954)	(35,006)
Operating profit	4,534	7,508	2,754	(47)	(34,089)	(418)	33,649	30	6,848	7,073
Interest revenue	1,278	1,017	234	13	148	150	-	-	1,660	1,180
Financial costs	(130)	(28)	(57)	-	(74)	(24)	1	1	(260)	(51)
Other gains or losses	93	100	9	(14)	7,791	7,645	(7,778)	(7,611)	115	120
Profit before tax	\$ 5,775	\$ 8,597	\$ 2,940	\$ (48)	\$ (26,224)	\$ 7,353	\$ 25,872	\$ (7,580)	\$ 8,363	\$ 8,322
Recognizable assets										
Notes receivable	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ 3	\$ -	\$ -	\$ 5	\$ 3
Trade receivables	2,556	1,205	-	291	246	78	(109)	(231)	2,693	1,343
Inventories	6,947	7,530	1,218	-	49	2,047	(1)	1	8,213	9,578
Property, plant and equipment	10,283	6,988	4,610	-	2	4,153	(95)	(137)	14,800	11,204
General assets	\$ 19,786	\$ 15,723	\$ 5,828	\$ 291	\$ 302	\$ 6,481	\$ (205)	\$ (167)	25,711	22,128
Total assets									\$ 79,580	\$ 62,551
Recognizable liabilities										
Short-term loans	\$ 7,313	\$ 1,103	\$ -	\$ -	\$ 9,265	\$ 3,440	\$ 1000	\$ -	\$ 17,578	\$ 4,543
Accounts payable	3,448	3,787	411	187	110	519	(107)	(231)	3,862	4,262
General liabilities	\$ 10,761	\$ 4,890	\$ 411	\$ 187	\$ 9,375	\$ 3,959	\$ 893	\$ (231)	21,440	8,805
Total liabilities									\$ 25,303	\$ 15,077
Depreciation and amortization	\$ 1,624	\$ 1,259	\$ 541	\$ -	\$ 34	\$ 203	\$ (32)	\$ (29)	\$ 2,167	\$ 1,433
Capital expenditures (increase in fixed assets)	\$ 2,683	\$ 813	\$ 75	\$ -	\$ 2	\$ 714	\$ (75)	\$ 1,829	\$ 2,685	\$ 3,356

(Concluded)

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

Segment revenue reported above represents revenue generated from external customers.

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

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	Taisun Int'l (Holding) Corporation	Winsun (Cambodia) Co., Ltd. (Cambodia)	Other receivables	Yes	\$ 155,200 (US\$ 5,000)	\$ 155,200 (US\$ 5,000)	\$ 108,640 (US\$ 3,500)	2	The need for short-term financing	\$ -	Operating capital	\$ -	\$ -	\$ -	\$ 336,933 (US\$ 10,855)	\$ 673,906 (US\$ 21,711)	1

Note 1: The total amount for lending to a company for funding for a short-term period shall not exceed twenty percent 20% of the net worth of the Company, and the aggregate amount for lending purpose shall not exceed forty percent 40% of the net worth of the Company.

TABLE 2

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

SEPTEMBER 30, 2019

(In Thousands of New Taiwan Dollars or U.S. Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2019		
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)
Taisun Int'l (Holding) Corporation	Stock-listed company (domestic) Sanitar Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	68	\$ 2,428 (US\$ 78)	-
	King's Town Bank	None	Financial assets at fair value through other comprehensive income - current	150	4,628 (US\$ 149)	-
	China Steel Corporation	None	Financial assets at fair value through other comprehensive income - current	200	4,600 (US\$ 148)	-
Taisun Vietnam Co., Ltd. (VN)	Stock-listed company (foreign) Viet Nam Engine And Agricultural Machinery Corporation	None	Financial assets at fair value through other comprehensive income - current	50	3,692 (US\$ 119)	-
	Pha Lai Thermal Power Joint Stock Company	None	Financial assets at fair value through other comprehensive income - current	130	4,452 (US\$ 144)	-
	PetroVietnam Power Nhon Trach 2 JSC	None	Financial assets at fair value through other comprehensive income - current	70	2,247 (US\$ 73)	-
	Vietnam Rubber Group - Joint Stock Company	None	Financial assets at fair value through other comprehensive income - current	190	3,457 (US\$ 111)	-

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
SEPTEMBER 30, 2019

(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) Corporation	Winsun (Cambodia) Co., Ltd. (Cambodia)	Transactions from parent company to subsidiary	\$ 108,640 (US\$ 3,500)	Note	\$ -	-	\$ -	\$ -

Note: Financing provided from parent company to subsidiary, turnover rate is no need to be calculated.

TABLE 4

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

(In Thousands of New Taiwan Dollars or U.S. Dollars)

No. (Note 1)	Company Name	Counterparty	Natural of Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets (%) (Note 3)
				Financial Statement Account	Amount	Terms	
1	Taisun Vietnam Co., Ltd. (VN)	Taipoly (Far East) Corporation (Mauritius)	c	Sales	\$ 19,246 (US\$ 620)	No significant difference from those with third parties	1
				Trade receivables	1,664 (US\$ 54)	No significant difference from those with third parties	-
		Taisun Int'l (Holding) Corporation	b	Sales	11,847 (US\$ 382)	No significant difference from those with third parties	1
				Purchases	894 (US\$ 29)	No significant difference from those with third parties	-
2	Taisun Int'l (Holding) Corporation	Winsun (Cambodia) Co., Ltd. (Cambodia)	a	Other receivables	108,640 (US\$ 3,500)	Financing provided and the term of each loan for funding is one year.	4

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

- Parent company fills in 0.
- 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:

- Transactions from parent company to subsidiary.
- Transactions from subsidiary to parent company.
- 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, calculated by the ending balance accounts for the calculation of the combining total assets. If it belongs to income, calculated by the accumulated amount in the period accounts for the calculation of the combining total revenue.

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

TABLE 5

TAISUN INT'L (HOLDING) CORPORATION AND SUBSIDIARIES

INFORMATION OF INVESTEEES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

(In Thousands of New Taiwan Dollars or U.S. Dollars)

Investor Company	Investee Company (Notes 1 and 2)	Location	Main Businesses and Products	Original Investment Amount		Balance as of September 30, 2019		Net Income (Loss) of the Investee (Note 2.b)	Share of Profit (Loss) (Note 2.c)	Note
				September 30, 2019	December 31, 2018	Number of Shares (In Thousands)	Percentage Ownership (%)	Carrying Amount		
Taisun Int'l (Holding) Corporation	Taisun Vietnam Co., Ltd. (VN)	Vietnam	Manufacture and sale of baby diapers, adult diapers, feminine products and wipes Trading	\$ 246,585 (US\$ 7,791)	\$ 246,585 (US\$ 7,791)	-	100	\$ 1,326,705 (US\$ 42,742)	\$ 155,530 (US\$ 5,008)	
	Taipoly (Far East) Corporation (Mauritius)	Mauritius		5,450 (US\$ 180)	5,450 (US\$ 180)	-	100	35,899 (US\$ 1,157)	(5,845) (188)	Difference from side stream transactions of US\$21 thousand
	Winsun (Cambodia) Co., Ltd. (Cambodia)	Cambodia	Manufacture and sale of baby diapers, adult diapers, feminine products and wipes Trading	365,343 (US\$ 11,690)	365,343 (US\$ 11,690)	-	100	472,912 (US\$ 15,236)	91,329 (US\$ 2,941)	
	Taipoly International Pte. Ltd.	Singapore		225 (US\$ 7)	225 (US\$ 7)	-	100	255 (US\$ 7)	- (US\$ -)	
Winsun (Cambodia) Co., Ltd. (Cambodia)	Winsun Trade Co., Ltd. (VN)	Vietnam	Trading	14,773 (US\$ 500)	14,773 (US\$ 500)	-	100	16,077 (US\$ 518)	566 (US\$ 18)	

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:

- "Investee Company", "Location", "Main business items", "Original investment amount", "Percentage ownership at the end of the period" should filled in sequentially by the Company's investment situation and each directly or indirectly control of the accrued company's re-investment situation, and the remarks column indicates the relation of each invested company and the (public) company (such as the genus Subsidiary or grand company).
- In the column "Net income (loss) of the Investee", should filled in the amount of profit and loss of each investment company.
- In the column "Share of profit (loss)", it is only necessary to fill in the profit and loss amount of each of the investee company that the Company recognizes directly transferred to the investment and the investment company evaluated by the equity method. When filling the "recognition of the current profit and loss of each subsidiary of the direct investment", it should be confirmed that the profit and loss amount of each subsidiary has been included in the current period. Transfer of investment shall be recognized as investment profits.