TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REVIEW REPORT

MARCH 31, 2021 AND 2020

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REVIEW REPORT TRANSLATED FROM CHINESE

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

Introduction

We have reviewed the accompanying consolidated balance sheet of Taisun Int'l (Holding) Corp. and subsidiaries (the "Group") as at March 31, 2021, and the related consolidated statement of comprehensive income, of changes in equity and of cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these 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" as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of review

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity" in the Republic of China. 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 causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the three-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

Other matter – Scope of the audit

The consolidated financial statements of the Group as of and for the three-month period ended March 31, 2020, were reviewed by other auditors who expressed an unmodified conclusion on those statements on May 6, 2020.

Lai, Chung-Hsi Wang, Kuo-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

May 6, 2021

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

	Assets	Notes	March 31, 2021 AMOUNT	December 31, 2020 AMOUNT	March 31, 2020 AMOUNT
	Current assets				
1100	Cash and cash equivalents	6(1)	$ 107,801	$ 415,500	$ 139,822
1136	Current financial assets at amortised cost	6(2)	1,745,484	1,473,360	1,084,053
1150	Notes receivable, net	6(3)	-	-	12
1170	Accounts receivable, net	6(3)	43,717	49,123	85,668
1200	Other receivables		39,626	35,622	40,385
130X	Current inventories	6(4)	398,168	391,517	300,643
1479	Other current assets, others	6(5)	60,428	45,005	45,607
11XX	**Current assets**		2,395,224	2,410,127	1,696,190
	Non-current assets				
1535	Non-current financial assets at amortised cost	6(2)	-	-	325,200
1600	Property, plant and equipment	6(6)	405,588	409,383	477,919
1755	Right-of-use assets	6(7)	247,220	130,000	142,424
1780	Intangible assets		840	961	444
1840	Deferred tax assets		6,275	7,240	7,142
1990	Other non-current assets, others		15,538	37,097	28,240
15XX	**Non-current assets**		675,461	584,681	981,369
1XXX	**Current tax assets**		$ 3,070,685	$ 2,994,808	$ 2,677,559

(Continued)

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2021, DECEMBER 31, 2020 AND MARCH 31, 2020
(Expressed in thousands of New Taiwan dollars)
(The balance sheets as of March 31, 2021 and 2020 are reviewed, not audited)

	Liabilities and Equity	Notes	March 31, 2021 AMOUNT	December 31, 2020 AMOUNT	March 31, 2020 AMOUNT
	Current liabilities				
2100	Current borrowings	6(8)	$ 970,651	$ 989,281	$ 626,629
2130	Current contract liabilities	6(14)	13,545	5,287	13,994
2170	Accounts payable		113,718	118,348	118,952
2200	Other payables	6(9)	63,788	69,003	68,601
2230	Current tax liabilities		12,311	8,729	11,374
2280	Current lease liabilities		4,959	5,051	5,438
2300	Other current liabilities		4,200	4,637	3,873
21XX	**Current liabilities**		1,183,172	1,200,336	848,861
	Non-current liabilities				
2570	Deferred tax liabilities		-	1	1
2580	Non-current lease liabilities		417	1,655	5,511
2645	Guarantee deposits received		1,125	1,122	1,185
25XX	**Non-current liabilities**		1,542	2,778	6,697
2XXX	**Liabilities**		1,184,714	1,203,114	855,558
	Equity				
	Equity attributable to owners of parent				
	Share capital	6(11)			
3110	Ordinary share		392,700	392,700	392,700
	Capital surplus	6(12)			
3200	Capital surplus		653,216	653,216	653,216
	Retained earnings	6(13)			
3310	Legal reserve		118,562	118,562	84,046
3320	Special reserve		130,284	130,284	91,193
3350	Unappropriated retained earnings		803,736	713,912	743,458
	Other equity interest				
3400	Other equity interest		(212,527)	(216,980)	(142,612)
31XX	**Equity attributable to owners of parent**		1,885,971	1,791,694	1,822,001
3XXX	**Equity**		1,885,971	1,791,694	1,822,001
	Significant contingent liabilities and unrecognised contract commitments	9			
	Significant events after the balance sheet date	11			
3X2X	**Total liabilities and equity**		$ 3,070,685	$ 2,994,808	$ 2,677,559

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

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for earnings per share)
(REVIEWED, NOT AUDITED)

	Items	Notes	Three months ended March 31 2021 AMOUNT	Three months ended March 31 2020 AMOUNT
4000	Operating revenue	6(14)	$ 448,035	$ 498,677
5000	Operating costs		(288,851)	(311,371)
5900	Gross profit from operations		159,184	187,306
	Operating expenses			
6100	Selling expenses	6(19)(20)	(52,461)	(59,552)
6200	Administrative expenses	6(19)(20)	(20,743)	(25,312)
6300	Research and development expenses		(4,210)	(4,717)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	(319)	-
6000	Operating expenses		(77,733)	(89,581)
6900	Net operating income		81,451	97,725
	Non-operating income and expenses			
7100	Interest income	6(15)	22,913	24,943
7010	Other income	6(16)	113	91
7020	Other gains and losses	6(17)	2,426	(3,566)
7050	Finance costs	6(18)	(3,342)	(4,537)
7000	Non-operating income and expenses		22,110	16,931
7900	**Acquisition-date fair value of total consideration transferred**		103,561	114,656
7950	Income tax expense	6(21)	(13,015)	(10,896)
8200	**Profit**		$ 90,546	$ 103,760
	Other comprehensive income			
	Components of other comprehensive income that will not be reclassified to profit or loss			
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		$ -	($ 3,978)
	Components of other comprehensive income that will be reclassified to profit or loss			
8361	Exchange differences on translation		3,731	(12,846)
8500	**Total comprehensive income**		$ 94,277	$ 86,936
	Profit, attributable to:			
8610	Owners of parent		$ 90,546	$ 103,760
	Comprehensive income, attributable to:			
8710	Owners of parent		$ 94,277	$ 86,936
	Basic earnings per share	6(22)		
9750	Basic earnings per share		$ 2.31	$ 2.64
	Diluted earnings per share	6(22)		
9850	Diluted earnings per share		$ 2.30	$ 2.64

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

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

		Equity attributable to owners of the parent							
				Retained earnings			Other equity interest		
	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Three months ended March 31, 2020									
At January 1, 2020		$ 392,700	$ 653,216	$ 84,046	$ 91,193	$ 644,195	($ 129,221)	($ 1,064)	$ 1,735,065
Profit for the period		-	-	-	-	103,760	-	-	103,760
Other comprehensive loss for the period		-	-	-	-	-	(12,846)	(3,978)	(16,824)
Total comprehensive income (loss) for the period		-	-	-	-	103,760	(12,846)	(3,978)	86,936
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	(4,497)	-	4,497	-
At March 31, 2020		$ 392,700	$ 653,216	$ 84,046	$ 91,193	$ 743,458	($ 142,067)	($ 545)	$ 1,822,001
Three months ended March 31, 2021									
At January 1, 2021		$ 392,700	$ 653,216	$ 118,562	$ 130,284	$ 713,912	($ 216,258)	($ 722)	$ 1,791,694
Profit for the period		-	-	-	-	90,546	-	-	90,546
Other comprehensive income for the period		-	-	-	-	-	3,731	-	3,731
Total comprehensive income		-	-	-	-	90,546	3,731	-	94,277
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	(722)	-	722	-
At March 31, 2021		$ 392,700	$ 653,216	$ 118,562	$ 130,284	$ 803,736	($ 212,527)	$ -	$ 1,885,971

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

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(REVIEWED, NOT AUDITED)

	Notes	Three months ended March 31 2021	Three months ended March 31 2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 103,561	$ 114,656
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(19)	23,450	25,534
Amortization expense	6(19)	122	128
Interest expense	6(18)	3,342	4,537
Interest income	6(15)	(22,913)	(24,943)
Dividend income	6(16)	-	(91)
Expected credit losses		319	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		-	241
Accounts receivable		8,934	(10,718)
Other receivables		-	(120)
Inventories		(3,508)	(49,374)
Other current assets		(3,404)	21,917
Changes in operating liabilities			
Current contract liabilities		8,199	8,189
Accounts payable		(4,630)	3,432
Other payables		(5,224)	(4,606)
Other current liabilities		(434)	(1,355)
Cash inflow generated from operations		107,814	87,427
Interest paid		(3,248)	(3,510)
Income taxes paid		(8,435)	(7,132)
Net cash flows from operating activities		96,131	76,785
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through other comprehensive income		-	20,221
Acquisition of financial assets at amortised cost		(359,093)	(120,062)
Proceeds from disposal of financial assets at amortised cost		92,309	-
Acquisition of property, plant and equipment	6(6)(23)	(13,294)	(16,824)
Acquisition of right-of-use assets	6(7)	(119,438)	-
Decrease (increase) in other non-current assets		372	(90)
Decrease (increase) in prepayments for business facilities		5,783	(361)
Interest received		19,017	19,628
Dividend received		-	91
Net cash flows used in investing activities		(374,344)	(97,397)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		177,733	17,371
Decrease in short-term borrowings		(196,965)	-
Repayment of the principal portion of lease liabilities		(1,392)	(1,575)
Net cash flows (used in) from financing activities		(20,624)	15,796
Effect of exchange rate changes on cash and cash equivalents		(8,862)	(17,307)
Net decrease in cash and cash equivalents		(307,699)	(22,123)
Cash and cash equivalents at beginning of period		415,500	161,945
Cash and cash equivalents at end of period		$ 107,801	$ 139,822

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

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)
(REVIEWED, NOT UNAUDITED)

1. HISTORY AND ORGANISATION

Taisun Int'l (Holding) Corp. (the "Company") was established in British Cayman Islands in February 2014. The Company was established as part of an organisational restructuring as a result of applying for initial public offering and listing on the Taiwan Stock Exchange. On December 31, 2014, the Company completed the reorganisation through a share swap contract. The Company became a holding company of all consolidated entities after the reorganisation. The Company and subsidiaries (collectively referred herein as the "Group") were primarily engaged in the manufacture and sales of baby training pants, baby diapers, adult incontinence products, feminine sanitary pads, wet wipes and face masks. Everlink Overseas Inc. holds 43.05% equity interest in the Company. Everlink Overseas Inc. is the Group's ultimate parent company.

The Company was listed on the Taiwan Stock Exchange starting from January 2017.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were reported to the Board of Directors on May 6, 2021.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ' Interest Rate Benchmark Reform— Phase 2'	January 1, 2021
Amendment to IFRS 16, 'Covid-19-related rent concessions beyond 30 June 2021'	April 1, 2021(Note)

Note：Earlier application from January 1, 2021 is allowed by FSC.

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

None.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 16, 'Property, plant and equipment:proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Accounting Standard 34, 'Interim financial reporting' as endorsed by the FSC.

(2) Basis of preparation

A. The financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Unrealised gains or loss and balances on transactions between the Company and its subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership(%)			
Investor	Name of subsidiary	Main business activities	March 31 2021	March 31 2020	March 31 2020	Description
The Company	Taisun Vietnam Co., Ltd (VN)	Manufacture and sales of baby diapers, baby training pants, adult incontinence products, feminine sanitary pads, wet wipes and face masks.	100%	100%	100%	(1)
The Company	Taipoly (Far East) Corporation (Mauritius)	Trading	100%	100%	100%	(2)
The Company	Winsun (Cambodia) Co., Ltd. (Cambodia)	Manufacture and sales of baby diapers, baby training pants, adult incontinence products, feminine sanitary pads, wet wipes and face masks.	100%	100%	100%	(3)
The Company	AB Care (Singapore) Pte. Ltd.	Trading and investment	100%	100%	100%	(4)
Winsun (Cambodia) Co., Ltd. (Cambodia)	Winsun Trade Company limited (VN)	Trading	100%	100%	100%	(5)
AB Care (Singapore) Pte. Ltd.	CHAOMED Green Technology Co., Ltd. (VN)	Manufacture and sales of materials of baby diapers, baby training pants, adult incontinence products, feminine sanitary pads, wet wipes and face masks.	100%	-	-	(6)

The information on establishment of subsidiaries is provided as follows:

(a) Taisun Vietnam Co., Ltd (VN) was approved to be established in Vietnam in 2001.

(b) Taipoly (Far East) Corporation (Mauritius) was approved to be established in Mauritius in 2006.

(c) Winsun (Cambodia) Co., Ltd.(Cambodia) was approved to be established in Cambodia in 2015.

(d) AB Care (Singapore) Pte. Ltd. was approved to be established in Singapore in April 2019 (formerly: Taipoly International Pte. Ltd.). In September and November 2020, the Company increased its investment by cash in the amounts of USD 3,000 thousand and USD 7,000 thousand in AB CARE (SINGAPORE) PTE. LTD., respectively. The registration for the changes was completed in November 2020.

(e) Winsun Trade Company Limited (VN) was approved to be established in Vietnam in December 2017.

(f) Chaomed Green Technology Co., Ltd. (VN) was approved to be established in Vietnam in January 2021.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

(4) Currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is United States dollars; however, since the Company's shares were listed in the Taiwan Stock Exchange, the consolidated financial statements are presented in New Taiwan dollars.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(c) The average exchange rate of the financial statements for the three months ended March 31, 2021 and 2020 expressed in New Taiwan Dollars are US$1:NT$28.3660 and US$1:NT$ 30.1060, respectively. On March 31, 2021, December 31, 2020 and March 31, 2020, the closing rate on balance sheet date were US$1:NT$28.5350, US$1:NT$28.4800 and US$1=NT$30.2250, respectively.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash or cash equivalents, excluding cash and cash equivalents that are restricted from being exchanged or used to settle liabilities for at least twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months after the balance sheet date (even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the date that the financial reports are authorized for issuance, they are current liabilities);

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(11) Inventories

Inventories including raw materials, supplies and finished goods. Inventories are stated at the lower of cost and net realisable value. Except for the same type of inventories, the comparison of cost and net realisable value was based on an item by item approach. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and sales. Cost of inventories is determined using the weighted-average method.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. When derecognising property, plant and equipment, the difference between net disposal proceeds and the carrying amount of the assets was recognised in profit or loss.

E. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Structures	
Main building of plant	20～50 years
Engineering system	14～15 years
Others	5～7 years
Machinery equipment	2～10 years
Transportation equipment	3～8 years
Office equipment	2～6 years
Other equipment	3～10 years

(13) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset subsequently measured at cost model and shall be depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(14) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(15) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(16) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(17) Derecognition of financial liabilities

A. A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

B. When derecognising financial liabilities, the difference between their carrying amount and the price paid (including any non-cash assets or liabilities transferred) was recognised in profit or loss.

(18) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(19) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognised as expenses in the period in which the employees render service.

B. Pensions

Defined contribution plan

For the defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors'remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(20) Income taxes

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. The interim period income tax expense is recognised based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(21) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(22) Dividends

Dividends are recorded in the Company’s financial statements in the period in which they are approved by the Company’s shareholders. Cash dividends are recorded as liabilities.

(23) Revenue recognition

Sales of goods

A. The Group manufactures and sells baby training pants, diapers, feminine sanitary pads and face masks. Sales are recognised when control of the products has transferred, being when the products are delivered to the sales channel, the sales channel has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the sales channel acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the sales channel, and either the sales channel has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue was measured based on the fair value of the consideration received or receivable, less estimated sales returns, discount and other similar discount and allowance. The Group estimated sales returns and allowance which probably occur based on the historical experience and different contract condition to recognise refund liabilities.

(24) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors.

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	March 31, 2021	December 31, 2020	March 31, 2020
Cash on hand and revolving funds	$ 396	$ 301	$ 310
Checking accounts and demand deposits	29,446	108,375	40,178
Time deposits (maturity over three months)	77,959	306,824	99,334
Total	$ 107,801	$ 415,500	$ 139,822

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

Items	March 31, 2021	December 31, 2020	March 31, 2020
Current items:			
Time deposits with maturity over three months	$ 1,380,375	$ 1,205,395	$ 1,084,053
Time deposits pledged	365,109	267,965	-
Total	$ 1,745,484	$ 1,473,360	$ 1,084,053
Non-current items:			
Time deposits with maturity over one year	$ -	$ -	$ 325,200

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Three months ended March 31	
	2021	2020
Interest income	$ 22,749	$ 24,428

B. As at March 31, 2021, December 31, 2020 and March 31, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $1,745,484, $1,473,360 and $1,409,253, respectively.

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(3) Notes and accounts receivable

	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable	$ -	$ -	$ 12
Less: Loss allowance	-	-	-
	$ -	$ -	$ 12
Accounts receivable	$ 44,733	$ 49,835	$ 85,818
Less: Loss allowance	(1,016)	(712)	(150)
	$ 43,717	$ 49,123	$ 85,668

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
	Accounts receivable	Accounts receivable	Accounts receivable
1 to 90 days	$ 40,397	$ 46,563	$ 78,422
91 to 180 days	2,275	2,169	4,959
181 to 360 days	1,785	827	2,437
Over 361 days	276	276	-
	$ 44,733	$ 49,835	$ 85,818

The above ageing analysis was based on invoice date.

B. As of March 31, 2021, December 31, 2020 and March 31, 2020, accounts receivable were all from contracts with customers. As of January 1, 2020, the balance of receivables from contracts with customers amounted to $74,527.

C. As at March 31, 2021, December 31, 2020 and March 31, 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was $0, $0 and $12; $43,717, $49,123 and $85,668, respectively.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Inventories

	March 31, 2021	December 31, 2020	March 31, 2020
Merchandise inventory	$ 8,789	$ 6,710	$ 6,397
Finished goods	116,101	124,934	117,861
Raw materials	218,897	212,801	125,755
Inventory in transit	54,381	47,072	50,630
	$ 398,168	$ 391,517	$ 300,643

For the three months ended March 31, 2021 and 2020, the amounts of cost of goods sold which was related with inventories were $288,851 and $311,371, including loss on decline in market value and gain on reversal of decline in market value were ($1,281) and $148, respectively. Gain on reversal of decline in market value was generated from the disposal of obsolete inventories.

(5) Other current assets

Current	March 31, 2021	December 31, 2020	March 31, 2020
Prepayment for purchases	$ 4,539	$ 10,667	$ 11,135
Excess business tax paid	38,725	22,860	21,031
Others	17,164	11,478	13,441
Total	$ 60,428	$ 45,005	$ 45,607

(6) Property, plant and equipment

	2021							
	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished Construction	Total
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied		
At January 1								
Cost	$ 149,291	$ 625,125	$ 35,270	$ 33,309	$ 11,232	$ 167	$ 55,368	$ 909,762
Accumulated depreciation and impairment	(44,525)	(404,558)	(24,595)	(16,178)	(10,356)	(167)	-	(500,379)
	$ 104,766	$ 220,567	$ 10,675	$ 17,131	$ 876	$ -	$ 55,368	$ 409,383
At January 1	$ 104,766	$ 220,567	$ 10,675	$ 17,131	$ 876	$ -	$ 55,368	$ 409,383
Additions	2,226	1,235	-	1,996	-	-	7,857	13,314
Reclassifications	1,484	-	-	-	-	-	1,075	2,559
Depreciation expense	(2,367)	(16,607)	(674)	(1,085)	(212)	-	-	(20,945)
Net exchange differences	234	836	28	32	2	-	145	1,277
At March 31	$ 106,343	$ 206,031	$ 10,029	$ 18,074	$ 666	$ -	$ 64,445	$ 405,588
At March 31								
Cost	$ 153,346	$ 629,142	$ 35,361	$ 35,371	$ 11,261	$ 167	$ 64,445	$ 929,093
Accumulated depreciation and impairment	(47,003)	(423,111)	(25,332)	(17,297)	(10,595)	(167)	-	(523,505)
	$ 106,343	$ 206,031	$ 10,029	$ 18,074	$ 666	$ -	$ 64,445	$ 405,588

	2020							
	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished Construction	Total
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied		
At January 1								
Cost	$ 156,364	$ 653,181	$ 36,256	$ 34,717	$ 11,836	$ 167	$ 27,960	$ 920,481
Accumulated depreciation and impairment	(37,165)	(351,615)	(22,026)	(11,948)	(9,898)	(167)	-	(432,819)
	$ 119,199	$ 301,566	$ 14,230	$ 22,769	$ 1,938	$ -	$ 27,960	$ 487,662
At January 1	$ 119,199	$ 301,566	$ 14,230	$ 22,769	$ 1,938	$ -	$ 27,960	$ 487,662
Additions	-	1,582	-	-	-	-	15,242	16,824
Reclassifications	-	345	-	-	-	-	(345)	-
Depreciation expense	(2,406)	(18,027)	(1,231)	(1,273)	(280)	-	-	(23,217)
Net exchange differences	(46)	(2,888)	(103)	187	(19)	-	(481)	(3,350)
At March 31	$ 116,747	$ 282,578	$ 12,896	$ 21,683	$ 1,639	$ -	$ 42,376	$ 477,919
At March 31								
Cost	$ 155,985	$ 649,732	$ 35,918	$ 34,950	$ 11,704	$ 167	$ 42,376	$ 930,832
Accumulated depreciation and impairment	(39,238)	(367,154)	(23,022)	(13,267)	(10,065)	(167)	-	(452,913)
	$ 116,747	$ 282,578	$ 12,896	$ 21,683	$ 1,639	$ -	$ 42,376	$ 477,919

(7) Lease transactions－lessee

A. The Group leased several buildings as office premises and the lease period was 2~3 years. When the lease period ends, the Group has no bargain purchase option on leased buildings. The Group leased land for its factories in Vietnam and Cambodia and the lease period was 34~50 years. Additionally, the land leases in Cambodia could be renewed for 50 years when the lease period ends. The lease payment was paid in lump sum when the lease contracts were entered into. The Group has no bargain purchase option when the period of land use right ends.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
	Carrying amount	Depreciation charge	Carrying amount
Land	$ 241,464	$ 123,072	$ 131,430
Buildings	5,756	6,928	10,994
	$ 247,220	$ 130,000	$ 142,424

	Three months ended March 31	
	2021	2020
	Depreciation expense	Depreciation expense
Land	$ 1,320	$ 754
Buildings	1,185	1,563
	$ 2,505	$ 2,317

C. For the three months ended March 31, 2021 and 2020, the Group has additions of right-of-use assets in the amounts of $119,438 and $0, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Three months ended March 31	
	2021	2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 51	$ 95
Expense on short-term lease contracts	1,180	1,656

E. For the three months ended March 31, 2021 and 2020, the total cash outflow from lease was $2,623 and $3,231, respectively.

F. Extension and termination options

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(8) Short-term borrowings

Type of Borrowings	March 31, 2021	December 31, 2020	March 31, 2020
Bank borrowings			
Secured borrowings	$ 96,877	$ 180,921	$ -
Unsecured borrowings	873,774	808,360	626,629
	$ 970,651	$ 989,281	$ 626,629

A. On March 31, 2021, December 31, 2020 and March 31, 2020, the interest rates of bank borrowings were 0.95%~2.00%, 0.95%~2.12% and 1.2%~5.15%, respectively.

B. Please refer to Note 8 for details of aforementioned collaterals for bank secured borrowings.

(9) Other payables

	March 31, 2021	December 31, 2020	March 31, 2020
Salary and bonus payable	$ 14,229	$ 14,636	$ 15,903
Employees' compensation and directors' and supervisors' remuneration payable	4,618	10,021	4,213
Payables for machinery and equipment	10,516	10,496	11,139
Construction retainage received	3,757	3,563	3,397
Other payables, others	30,668	30,287	33,949
	$ 63,788	$ 69,003	$ 68,601

(10) Pensions

Defined contribution plan

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

B. The employees of the Group's subsidiaries, Taisun Vietnam Co., Ltd. (VN) and WINSUN (CAMBODIA) CO., LTD (Cambodia) in Vietnam and Cambodia, respectively, are members of a retirement benefit plan operated by the local government. The subsidiaries are required to contribute a specified proportion of salary costs to the retirement benefit plan to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions. Related expenses are included in the other employee benefits expense of each period.

(11) Share capital

Common share	March 31, 2021	December 31, 2020	March 31, 2020
No. of shares authorised (in thousands)	100,000	100,000	100,000
Authorised capital	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of shares issued and collected in full (in thousands)	39,270	39,270	39,270
Shares issued	$ 392,700	$ 392,700	$ 392,700

(12) Capital surplus

Capital surplus which is generated from the premium on issuance of shares may be used in offsetting deficits (including common shares issued in premium). Additionally, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, limited to a certain proportion of the Group's capital surplus every year.

(13) Retained earnings

A. Under the appropriation policies of earnings in the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset accumulated deficits, then 10% of the remaining amount shall be set aside as legal reserve. After setting aside or reversing a special reserve in accordance with related laws, the appropriation of the remaining earnings, along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders. Please refer to Note 6(20) for details of the appropriation policies of employees' compensation and directors' and supervisors' remuneration in the Company's Articles of Incorporation.

B. 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 ratio. The distribution of dividends to shareholders is made by the issuance of share dividends and the payment of cash dividends. However, cash dividends should not lower than 50% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The appropriation of 2020 earnings as approved by the Board of Directors on March 12, 2021 and the appropriation of 2019 earnings as resolved by the shareholders on June 29, 2020 are as follows:

	Year ended December 31			
	2020		2019	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 39,108		$ 34,516	
Provision of special reserve	86,696		39,091	
Cash dividend declared	235,620	$ 6.0	243,474	$ 6.2

As of May 6, 2021, the aforementioned proposal for 2020 earnings appropriation has not yet been resolved by the shareholders. Please refer to the website of "Market Observation Post System" for information about earnings appropriation which was approved by the Board of Directors and resolved by shareholders.

(14) Operating revenue

	Three months ended March 31	
	2021	2020
Revenue from contracts with customers	$ 448,035	$ 498,677

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major product lines and geographical regions:

Three months ended March 31, 2021	Vietnam	Cambodia	France	Thailand	Others	Total
Revenue from external customer contracts	$ 211,763	$ 135,662	$ 34,492	$ 35,136	$ 30,982	$ 448,035

Three months ended March 31, 2020	Vietnam	Cambodia	France	Thailand	Others	Total
Revenue from external customer contracts	$ 226,055	$ 167,013	$ 28,088	$ 34,743	$ 42,778	$ 498,677

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	March 31, 2021	December 31, 2020	March 31, 2020	January 1, 2020
Contract liabilities – sales of goods:	$ 13,545	$ 5,287	$ 13,994	$ 5,805

(15) Interest income

	Three months ended March 31	
	2021	2020
Interest income from bank deposits	$ 164	$ 515
Financial assets at amortised cost		
Interest income	22,749	24,428
	$ 22,913	$ 24,943

(16) Other income

	Three months ended March 31	
	2021	2020
Dividend income	-	$ 91
Others	113	-
	$ 113	$ 91

(17) Other gains and losses

	Three months ended March 31	
	2021	2020
Net currency exchange gains (losses)	$ 2,614	($ 3,450)
Miscellaneous disbursements	(188)	(116)
	$ 2,426	($ 3,566)

(18) Finance costs

	Three months ended March 31	
	2021	2020
Interest expense:		
Bank borrowings	$ 3,291	$ 4,442
Lease liability	51	95
	$ 3,342	$ 4,537

(19) Expenses by nature

	Three months ended March 31	
	2021	2020
Employee benefit expense	$ 47,525	$ 62,710
Depreciation charges on property, plant and equipment	20,945	23,217
Depreciation expense of right-of-use assets	2,505	2,317
Amortisation charges on intangible assets	122	128
	$ 71,097	$ 88,372

(20) Employee benefit expense

	Three months ended March 31	
	2021	2020
Employee benefits (including salary expense, insurance fee and post-employment benefits)	$ 47,525	$ 62,710

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees, compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 2% for directors' remuneration.

B. For the three months ended March 31, 2021 and 2020, employees' compensation was accrued at $3,438 and $2,916, respectively; directors' remuneration was accrued at $1,224 and $997, respectively. The aforementioned amounts were recognised in salary expenses.

For the three months ended March 31, 2021, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 3.32% and 1.18% of distributable profit of current year as of the end of reporting period.

The amounts of employees' compensation and directors' remuneration which were recognised in the financial statements were $8,800 and $940, respectively. The difference of $2,110 between the amounts of employees' compensation and directors' remuneration as resolved by the Board of Directors in the amounts of $10,970 and $880 and the amount recognised in the 2020 financial statements had been adjusted in the profit or loss of 2021.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(21) Income taxes

A. Income tax expense

Components of income tax expense:

	Three months ended March 31	
	2021	2020
Current tax:		
Current tax on profits for the period	$ 12,744	$ 11,566
Income tax adjustment	(215)	(639)
Total current tax	12,529	10,927
Deferred tax:		
Origination and reversal of temporary differences	486	(31)
Total deferred tax	486	(31)
Income tax expense	$ 13,015	$ 10,896

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

(22) Earnings per share

	Three months ended March 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 90,546	39,270	$ 2.31
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	90,546	39,270	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	85	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 90,546	39,355	$ 2.30

	Three months ended March 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 103,760	39,270	$ 2.64
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	103,760	39,270	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	76	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 103,760	39,346	$ 2.64

(23) Supplemental cash flow information

Investing activities with partial cash payments：

	Three months ended March 31	
	2021	2020
Purchase of property, plant and equipment	$ 13,314	$ 16,824
Add: Opening balance of payable on equipment	10,496	11,049
Less: Ending balance of payable on equipment	(10,516)	(11,139)
Cash paid during the period	$ 13,294	$ 16,734

(24) Changes in liabilities from financing activities

	2021			
	Short-term borrowings	Guarantee deposits received	Lease liability	Liabilities from financing activities-gross
At January 1	$ 989,281	$ 1,122	$ 6,706	$ 997,109
Changes in cash flow from financing activities	(19,232)	-	(1,392)	(20,624)
Impact of changes in foreign exchange rate	602	3	62	667
At March 31	$ 970,651	$ 1,125	$ 5,376	$ 977,152

	2020			
	Short-term borrowings	Guarantee deposits received	Lease liability	Liabilities from financing activities-gross
At January 1	$ 604,254	$ 1,181	$ 12,644	$ 618,079
Changes in cash flow from financing activities	17,371	-	(1,575)	15,796
Impact of changes in foreign exchange rate	5,004	4	(120)	4,888
At March 31	$ 626,629	$ 1,185	$ 10,949	$ 638,763

7. Related party transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
戴朝榮	Key management personnel (the Company's Chairman)
陳玉雪	Other related parties (the spouse of the Company's Chairman)

(2) Significant related party transactions

Endorsements and guarantees provided to related parties:

On March 31, 2021, December 31, 2020 and March 31, 2020, the bank borrowings of the Company and subsidiaries were jointly guaranteed by the Chairman and his spouse.

(3) Key management compensation

	Three months ended March 31	
	2021	2020
Salaries and other short-term employee benefits	$ 6,400	$ 9,222

The salary and remuneration of directors and other key management were decided by the salary and remuneration committee based on individual performance and market trend.

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value March 31, 2021	Book value December 31, 2020	Book value March 31, 2020	Purpose
Time deposits (shown as financial assets at amortised cost)	$ 365,109	$ 267,965	$ -	Collaterals for borrowings

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

As of March 31, 2021, the Group has capital expenditure contracted but not yet incurred in the amount of $2,579.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On April 20, 2021, the Group entered into a construction contract with China Construction (S.E.A) Corporation Ltd. to build a plant, the amount of outsourcing did not exceed VND 137.5 billion (about NTD 167 million).

12. Others

(1) Capital management

The Group manages capital to ensure each entity of the Group can continuously operate and minimise the balance of debt and equity in order to maximise the shareholders' return.

The Group's capital structure was composed of the Group's net debt (borrowings, net of cash and cash equivalents) and equity attributable to the Company's owner (capital, capital surplus, retained earnings and other equity).

External capital regulations are not applicable to the Group.

The Group's key management reviews the Group's capital structure on a quarterly basis, the review includes the cost of each type of capital and related risk. The Group balances its capital structure by paying dividends, issuing new shares, repurchasing shares and issuing new debts or repaying prior debts based on the advice of management.

(2) Financial instruments

A. Financial instruments by category

	March 31, 2021	December 31, 2020	March 31, 2020
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	$ 107,801	$ 415,500	$ 139,822
Financial assets at amortised cost	1,745,484	1,473,360	1,409,253
Notes receivable	-	-	12
Accounts receivable	43,717	49,123	85,668
Other receivables	39,626	35,622	40,385
Guarantee deposits paid	2,085	17,489	4,151
	$ 1,938,713	$ 1,991,094	$ 1,679,291

	March 31, 2021	December 31, 2020	March 31, 2020
Financial liabilities			
Financial liabilities at amortised cost			
Short-term borrowings	$ 970,651	$ 989,281	$ 626,629
Accounts payable	113,718	118,348	118,952
Other payables	63,788	69,003	68,601
Guarantee deposits received	1,125	1,122	1,185
	$ 1,149,282	$ 1,177,754	$ 815,367
Lease liability	$ 5,376	$ 6,706	$ 10,949

B. Management objective and policy for financial risk

The Group's primary financial instruments include equity instrument investments, notes receivable, accounts receivable, other receivables, accounts payable, other payables, borrowings and lease liabilities. The Group's treasury department provides services to each business unit and coordinates to operate in domestic and international financial markets, and supervises and manages the financial risks in relation to operations based on the internal risk report which analyses risk exposure according to the degree and extent of risk. Such risks including market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

Treasury department quarterly reports to the Group's Board of Directors who are responsible for decreasing exposed risk by supervising risks and implement policies.

(a) Market risk

Exchange rate risk

i. The Group operates internationally. The Group's subsidiaries were engaged in sale and purchase transactions with foreign currency, and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Group’s businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	March 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:VND	$ 1,029	$ 23,078	$ 29,352
Financial liabilities			
Monetary items			
USD:VND	$ 9,670	$ 23,078	$ 275,934

	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:VND	$ 1,386	$ 23,236	$ 39,472
Financial liabilities			
Monetary items			
USD:VND	$ 10,008	$ 23,236	$ 285,025

	March 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:VND	$ 2,113	$ 23,624	$ 65,853
Financial liabilities			
Monetary items			
USD:VND	$ 8,549	$ 23,624	$ 258,377

iii. For the three months ended March 31, 2021 and 2020, the Group's monetary items have recognised any exchange gain (loss) (including realised and unrealised) due to the significant influence from the fluctuations of exchange rate in the amounts of $2,614 and ($3,450), respectively.

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Three months ended March 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:VND	5%	$ 1,468	$ -
Financial liabilities			
Monetary items			
USD:VND	5%	$ 13,797	$ -

	Three months ended March 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:VND	5%	$ 3,293	$ -
Financial liabilities			
Monetary items			
USD:VND	5%	$ 12,919	$ -

Interest rate risk

i. The Group's main interest rate risk arises from short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The Group's policy is to manage interest rate risk through interest rate swaps and forward interest rate contract if necessary.

ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the three months ended March 31, 2021 and 2020 would have decreased/increased by $625 and $367, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.

ii. The Group adopted a policy of only dealing with credit worthy counterparties and continuously monitored such transactions to ensure that the total transactions amount is separated amongst qualified counterparties. Credit exposure is controlled by counterparty limits that are reviewed periodically and approved.

iii. The Group adopts credit risk management procedures and the default occurs when the contract payments are past due over 180 days.

iv. The Group adopts the assumptions under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using provision matrix and loss rate methodology to estimate expected credit loss under the provision matrix basis.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On March 31, 2021, December 31, 2020 and March 31, 2020, the Group had no written-off financial assets that are still under recourse procedures.

viii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, taking into consideration industry's prospects, the customers' historical default records and current financial conditions. As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group's expected credit losses of accounts receivable that were not past due were not significant.

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable were as follows:

	2021	2020
At January 1	$ 712	$ 150
Provision for impairment	319	-
Difference of foreign currency translation	(15)	-
At March 31	$ 1,016	$ 150

(c) Liquidity risk

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

ii. Surplus cash held by the operating entities over and above balance required for working capital management, Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities

March 31, 2021	Requiring to pay immediately or in one month	1-3 month(s)	Between 3 months and 1 year	Between 1 and 5 year(s)	Over 5 years
Short-term borrowings	$ 214,312	$ 138,212	$ 618,127	$ -	$ -
Accounts payable	101,153	793	11,772	-	-
Lease liability	401	1,212	3,346	417	-

December 31, 2020	Requiring to pay immediately or in one month	1-3 month(s)	Between 3 months and 1 year	Between 1 and 5 year(s)	Over 5 years
Short-term borrowings	$ 8,784	$ 94,698	$ 885,799	$ -	$ -
Accounts payable	87,770	19,453	11,125	-	-
Lease liability	397	1,199	3,455	1,655	-

March 31, 2020	Requiring to pay immediately or in one month	1-3 month(s)	Between 3 months and 1 year	Between 1 and 5 year(s)	Over 5 years
Short-term borrowings	$ 138,685	$ 209,565	$ 278,379	$ -	$ -
Accounts payable	89,483	11,181	18,288	-	-
Lease liability	508	1,268	3,662	5,511	-

Credit Line

	March 31, 2021	December 31, 2020	March 31, 2020
Amount drawn	$ 970,651	$ 989,281	$ 626,629
Undrawn borrowing facilities	787,993	1,100,406	741,576
	$ 1,758,644	$ 2,089,687	$ 1,368,205

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more:None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 1.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 2.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 3.

14. Segment Information

(1) General information

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

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

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

C. Whether the delivery of products to customers is the same.

(2) Segment Information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Three months ended March 31, 2021	TAISUN VIETNAM CO., LTD	WINSUN (CAMBODIA) CO., LTD. (Cambodia)	Other entities	Adjustment	Total
Revenue from external customers	$ 354,281	$ 80,539	$ 13,215	$ -	$ 448,035
Inter-segment revenue	6,648	-	22,998	(29,646)	-
Total segment revenue	$ 360,929	$ 80,539	$ 36,213	($ 29,646)	$ 448,035
Segment income	$ 61,481	$ 17,970	$ 4,330	($ 2,330)	$ 81,451

Three months ended March 31, 2020	TAISUN VIETNAM CO., LTD	WINSUN (CAMBODIA) CO., LTD. (Cambodia)	Other entities	Adjustment	Total
Revenue from external customers	$ 377,794	$ 103,479	$ -	$ -	$ 498,677
Inter-segment revenue	15,307	-	29,749	(45,056)	-
Total segment revenue	$ 393,101	$ 103,479	$ 29,749	($ 45,056)	$ 498,677
Segment income	$ 59,356	$ 35,982	$ 2,067	$ 320	$ 97,725

Segment revenue reported above were generated from external customers.

Segment profit represents the profit before tax earned by each segment without investment income (loss) accounted for using equity method, rental revenue, interest income, gains or losses on disposals of property, gains or losses on disposals of investment, foreign exchange gains or losses, gains or losses on valuation of financial instruments, finance costs and income tax expense. This was the measure amount reported to the chief operating decision-maker for the purpose of resource allocation and assessment of segment performance.

(3) Reconciliation for segment income (loss)

Sales between segments are carried out at arm’s length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income/(loss) before tax from continuing operations for the three months ended March 31, 2021 and 2020 is provided as follows:

	Three months ended March 31	
	2021	2020
Reportable segments income	$ 83,781	$ 97,405
Adjustment and write-offs	(2,330)	320
Total segments	81,451	97,725
Interest income	22,913	24,943
Exchange gains (losses)	2,614	(3,450)
Finance costs	(3,342)	(4,537)
Others	(75)	(25)
Income before tax from continuing operations	$ 103,561	$ 114,656

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Three months ended March 31, 2021

Table 1 (EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
1	TAISUN VIETNAM CO., LTD (VN)	Taisun Int'l (Holding) Corp.	2	Sale	$ 5,161	No significant difference from general customers	1.15
2	TAIPOLY (FAR EAST) CORPORATION (Mauritius)	WINSUN (CAMBODIA) CO., LTD. (Cambodia)	3	Sale	22,999	No significant difference from general customers	5.13

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is '0'.

(2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

Information on investees

Three months ended March 31, 2021

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

Table 2

				Initial investment amount		Shares held as at March 31, 2021					
Investor	Investee （Notes 1 and 2）	Location	Main business activities	Balance as at three months ended March 31, 2021	Balance as at December 31. 2020	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the three months ended March 31, 2021 （Note 2(2)）	Investment income(loss) recognised by the Company three months ended March 31, 2021 （Note 2(3)）	Footnote
Taisun Int'l (Holding) Corp.	TAISUN VIETNAM CO., LTD (VN)	Vietnam	Manufacture and sales of baby and adult diapers and feminine sanitary pad	$ 246,585 (USD 7,791)	$ 246,585 (USD 7,791)	-	100.00	$ 1,420,957	$ 62,649	$ 62,649	Note 1
	TAIPOLY (FAR EAST) CORPORATION (Mauritius)	Mauritius	Trading	5,450 (USD 180)	5,450 (USD 180)	-	100.00	36,297	6,947	7,848	Note 1, 2
	WINSUN (CAMBODIA) CO., LTD. (Cambodia)	Cambodia	Manufacture and sales of baby and adult diapers and feminine sanitary pad	365,343 (USD 11,690)	365,343 (USD 11,690)	-	100.00	599,749	24,390	24,390	Note 1
	AB CARE (SINGAPORE) PTE. LTD.	Singapore	Trading	299,040 (USD 10,500)	15,208 (USD 507)	-	100.00	299,132	1,003	1,003	Note 1
WINSUN (CAMBODIA) CO., LTD. (Cambodia)	WINSUN TRADE COMPANY LIMITED (VN)	Vietnam	Trading	14,773 (USD 500)	14,773 (USD 500)	-	100.00	15,931	140	140	Note 1
AB CARE (SINGAPORE) PTE. LTD.	CHAOMED GREEN TECHNOLOGY CO.,LTD	Vietnam	Manufacture and sales of materials of baby and adult diapers feminine sanitary pad and wet wipes	283,600 (USD 10,000)	-	-	100.00	285,627	1,490	1,490	Note 1

Note 1: Gains or losses on investment between consolidated entities has been written off and adjusted.
Note 2: The difference between side stream transaction of profit or loss of TAIPOLY (FAR EAST) CORPORATION (Mauritius) and Taisun Int'l (Holding) Corp. in this period was USD 32 thousand.

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

Major shareholders information

March 31, 2021

Table 3

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
EVERLINK OVERSEAS INC.	16,907,000	43.05
KT LOOK INT'L INC.	8,539,300	21.74

Note 1: The major shareholders information of this table comes from the data of TDCC on the final working day of every quarter, to calculate total common shares and preference shares which held by shareholders and completed the non-physical registration (including treasury shares) and exceeded 5%. The number of shares which recorded on the Company's financial report may differ from the number of actually completed non-physical registration due to the difference of calculation basis.

Note 2: For above data, if shareholders trusted shares, it will be disclosed in accordance with the segregate account of trustors of trustee's trust account. For the declaration of internal person who held over 10% equity interest by shareholders in accordance with Securities and Exchange Act, the shareholding including shares held on one's own plus the trusted shares and has determination on the trusted property. For the declaration of shareholding of internal person, please refer to Market Observation Post System.