# TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

## CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

## FOR THE SIX MONTHS ENDED JUNE 30, 2021 AND 2020

## (STOCK CODE: 8480)

## (THE FINANCIAL STATEMENTS AS OF JUNE 30, 2020 WERE REVIEWED)

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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' REPORT TRANSLATED FROM CHINESE

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

## Opinion

We have audited the accompanying consolidated balance sheet of Taisun Int'l (Holding) Corp. and subsidiaries (the "Group") as at June 30, 2021, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2021, and its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

## *Basis for opinion*

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the consolidated financial statements for the six months ended June 30,2021 are stated as follows:

## *Occurrence of Domestic Sales*

Description

Refer to Note 4(23) for the accounting policy on operating revenue, and Note 6(14) for details of operating revenue .

The Group actively expanded its domestic sales market in Vietnam , and its sales channels included distributors, supermarkets and e-commerce. The sales revenue of Vietnam domestic sales channel accounted for 49% of the total consolidated revenue, and the occurrence of domestic sale revenue is significant to the consolidated financial statements, Therefore, the occurrence of domestic sales is regarded as a key audit matter.

How our audit addressed the matter

We have performed the principal procedures in respect of the specific aspect described in the key audit matter as follows:

1. Understood and evaluate the internal control process of sales revenue, evaluate and test the related internal control, and confirm the effective implementation of the internal control of sales revenue.
2. Obtained the sales details of domestic customers, checking contracts, sales invoices, customer orders and shipping receipts and other evidences.
3. Examined whether there are significant sales return and discounts after balance sheet date on internal sales transactions.

## *Other matter – Prior period financial statements were reviewed by predecessor auditor*

The consolidated financial statements of the Group for the six months ended June 30, 2020, were reviewed by other auditors who expressed an unmodified conclusion on those statements dated August 5, 2020.

## *Responsibilities of management and those charged with governance for the consolidated financial statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### *Auditors' responsibilities for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the generally accepted auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures

that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Lai, Chung-Hsi Wang, Kuo-Hua

For and on behalf of PricewaterhouseCoopers, Taiwan

August 26, 2021

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TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
(Expressed in thousands of New Taiwan dollars)
(THE CONSOLIDATED BALANCE SHEET FOR THE SIX MONTHS ENDED JUNE 30, 2020 WAS REVIEWED, NOT AUDITED)

| | Assets | Notes | June 30, 2021 AMOUNT | December 31, 2020 AMOUNT | June 30, 2020 AMOUNT |
|---|---|---|---|---|---|
| | **Current assets** | | | | |
| 1100 | Cash and cash equivalents | 6(1) | $ 78,913 | $ 415,500 | $ 71,903 |
| 1136 | Current financial assets at amortised cost | 6(2) | 1,846,001 | 1,473,360 | 1,461,613 |
| 1170 | Accounts receivable, net | 6(3) | 48,697 | 49,123 | 58,515 |
| 1200 | Other receivables | | 37,328 | 35,622 | 36,193 |
| 130X | Current inventories | 6(4) | 333,357 | 391,517 | 350,536 |
| 1479 | Other current assets, others | 6(5) | 48,547 | 45,005 | 40,452 |
| 11XX | **Current assets** | | 2,392,843 | 2,410,127 | 2,019,212 |
| | **Non-current assets** | | | | |
| 1535 | Non-current financial assets at amortised cost | 6(2) | - | - | 29,748 |
| 1600 | Property, plant and equipment | 6(6) | 403,608 | 409,383 | 454,413 |
| 1755 | Right-of-use assets | 6(7) | 256,922 | 130,000 | 138,858 |
| 1780 | Intangible assets | | 736 | 961 | 321 |
| 1840 | Deferred tax assets | | 7,558 | 7,240 | 6,645 |
| 1990 | Other non-current assets, others | | 39,155 | 37,097 | 30,667 |
| 15XX | **Non-current assets** | | 707,979 | 584,681 | 660,652 |
| 1XXX | **Current tax assets** | | $ 3,100,822 | $ 2,994,808 | $ 2,679,864 |

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TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020
(Expressed in thousands of New Taiwan dollars)
(THE CONSOLIDATED BALANCE SHEET FOR THE SIX MONTHS ENDED JUNE 30, 2020 WAS REVIEWED, NOT AUDITED)

| | Liabilities and Equity | Notes | June 30, 2021 AMOUNT | December 31, 2020 AMOUNT | June 30, 2020 AMOUNT |
|---|---|---|---|---|---|
| | **Current liabilities** | | | | |
| 2100 | Current borrowings | 6(8) | $ 1,004,227 | $ 989,281 | $ 566,365 |
| 2130 | Current contract liabilities | 6(14) | 14,955 | 5,287 | 16,282 |
| 2170 | Accounts payable | | 65,453 | 118,348 | 92,011 |
| 2200 | Other payables | 6(9) | 307,203 | 69,003 | 309,272 |
| 2230 | Current tax liabilities | | 11,353 | 8,729 | 23,077 |
| 2280 | Current lease liabilities | | 17,025 | 5,051 | 5,270 |
| 2300 | Other current liabilities | | 7,049 | 4,637 | 3,970 |
| 21XX | **Current liabilities** | | 1,427,265 | 1,200,336 | 1,016,247 |
| | **Non-current liabilities** | | | | |
| 2570 | Deferred tax liabilities | | 45 | 1 | 1 |
| 2580 | Non-current lease liabilities | | 4,757 | 1,655 | 4,248 |
| 2645 | Guarantee deposits received | | 1,099 | 1,122 | 1,166 |
| 25XX | **Non-current liabilities** | | 5,901 | 2,778 | 5,415 |
| 2XXX | **Liabilities** | | 1,433,166 | 1,203,114 | 1,021,662 |
| | **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 | 118,562 |
| 3320 | Special reserve | | 130,284 | 130,284 | 130,284 |
| 3350 | Unappropriated retained earnings | | 626,486 | 713,912 | 517,813 |
| | Other equity interest | | | | |
| 3400 | Other equity interest | | ( 253,592) | ( 216,980) | ( 154,373) |
| 31XX | **Equity attributable to owners of parent** | | 1,667,656 | 1,791,694 | 1,658,202 |
| 3XXX | **Equity** | | 1,667,656 | 1,791,694 | 1,658,202 |
| | Significant contingent liabilities and unrecognised contract commitments | 9 | | | |
| | Significant event after the balance sheet date | 11 | | | |
| 3X2X | **Total liabilities and equity** | | $ 3,100,822 | $ 2,994,808 | $ 2,679,864 |

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 AND SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2020 WAS REVIEWED, NOT AUDITED)

| | | | Three months ended June 30 | | Six months ended June 30 | |
|---|---|---|---|---|---|---|
| | | | 2021 | 2020 | 2021 | 2020 |
| | Items | Notes | AMOUNT | AMOUNT | AMOUNT | AMOUNT |
| 4000 | Operating revenue | 6(14) | $ 421,313 | $ 428,165 | $ 869,348 | $ 926,842 |
| 5000 | Operating costs | | ( 288,801) | ( 274,650) | ( 577,652) | ( 586,021) |
| 5900 | Gross profit from operations | | 132,512 | 153,515 | 291,696 | 340,821 |
| | Operating expenses | | | | | |
| 6100 | Selling expenses | 6(19)(20) | ( 58,649) | ( 49,453) | ( 111,110) | ( 109,005) |
| 6200 | Administrative expenses | 6(19)(20) | ( 22,051) | ( 22,610) | ( 42,550) | ( 47,922) |
| 6300 | Research and development expenses | | ( 3,958) | ( 3,385) | ( 8,412) | ( 8,102) |
| 6450 | Impairment loss | 12(2) | ( 395) | ( 450) | ( 714) | ( 450) |
| 6000 | Operating expenses | | ( 85,053) | ( 75,898) | ( 162,786) | ( 165,479) |
| 6900 | Net operating income | | 47,459 | 77,617 | 128,910 | 175,342 |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(15) | 23,541 | 25,689 | 46,454 | 50,632 |
| 7010 | Other income | 6(16) | 9 | 342 | 122 | 433 |
| 7020 | Other gains and losses | 6(17) | 1,584 | 4,029 | 4,010 | 463 |
| 7050 | Finance costs | 6(18) | ( 3,338) | ( 3,988) | ( 6,680) | ( 8,525) |
| 7000 | Non-operating income and expenses | | 21,796 | 26,072 | 43,906 | 43,003 |
| 7900 | **Profit before tax** | | 69,255 | 103,689 | 172,816 | 218,345 |
| 7950 | Income tax expense | 6(21) | ( 10,885) | ( 12,306) | ( 23,900) | ( 23,202) |
| 8200 | **Profit** | | $ 58,370 | $ 91,383 | $ 148,916 | $ 195,143 |
| | **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 | | $ - | ($ 14) | $ - | ($ 3,992) |
| | **Components of other comprehensive income that will be reclassified to profit or loss** | | | | | |
| 8361 | Exchange differences on translation | | ( 41,065) | ( 11,694) | ( 37,334) | ( 24,540) |
| 8500 | **Total comprehensive income** | | $ 17,305 | $ 79,675 | $ 111,582 | $ 166,611 |
| | Profit , attributable to: | | | | | |
| 8610 | Owners of parent | | $ 58,370 | $ 91,383 | $ 148,916 | $ 195,143 |
| | Comprehensive income attributable to: | | | | | |
| 8710 | Owners of parent | | $ 17,305 | $ 79,675 | $ 111,582 | $ 166,611 |
| | Basic earnings per share | 6(22) | | | | |
| 9750 | Basic earnings per share | | $ 1.49 | $ 2.33 | $ 3.79 | $ 4.97 |
| | Diluted earnings per share | 6(22) | | | | |
| 9850 | Diluted earnings per share | | $ 1.49 | $ 2.32 | $ 3.78 | $ 4.96 |

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
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(THE CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2020 WAS 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 |
| Six months ended June 30,2020 | | | | | | | | | |
| 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 | | - | - | - | - | 195,143 | - | - | 195,143 |
| Other comprehensive loss for the period | | - | - | - | - | - | ( 24,540 ) | ( 3,992 ) | ( 28,532 ) |
| Total comprehensive income (loss) | | - | - | - | - | 195,143 | ( 24,540 ) | ( 3,992 ) | 166,611 |
| Appropriation of 2019 earnings | 6(13) | | | | | | | | |
| Legal reserve | | - | - | 34,516 | - | ( 34,516 ) | - | - | - |
| Special reserve | | - | - | - | 39,091 | ( 39,091 ) | - | - | - |
| Cash dividends | | - | - | - | - | ( 243,474 ) | - | - | ( 243,474 ) |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | | - | - | - | - | ( 4,444 ) | - | 4,444 | - |
| At June 30,2020 | | $ 392,700 | $ 653,216 | $ 118,562 | $ 130,284 | $ 517,813 | ($ 153,761 ) | ($ 612 ) | $ 1,658,202 |
| Six months ended June 30,2021 | | | | | | | | | |
| At January 1,2021 | | $ 392,700 | $ 653,216 | $ 118,562 | $ 130,284 | $ 713,912 | ($ 216,258 ) | ($ 722 ) | $ 1,791,694 |
| profit for the period | | - | - | - | - | 148,916 | - | - | 148,916 |
| Other comprehensive loss for the period | | - | - | - | - | - | ( 37,334 ) | - | ( 37,334 ) |
| Total comprehensive income (loss) | | - | - | - | - | 148,916 | ( 37,334 ) | - | 111,582 |
| Appropriation of 2020 earnings | 6(13) | | | | | | | | |
| Cash dividends | | - | - | - | - | ( 235,620 ) | - | - | ( 235,620 ) |
| Disposal of investments in equity instruments designated at fair value through other comprehensive income | | - | - | - | - | ( 722 ) | - | 722 | - |
| At June 30,2021 | | $ 392,700 | $ 653,216 | $ 118,562 | $ 130,284 | $ 626,486 | ($ 253,592 ) | $ - | $ 1,667,656 |

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

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)
(THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2020 WAS REVIEWED, NOT AUDITED)

| | Notes | Six months ended June 30 2021 | 2020 |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before tax | | $ 172,816 | $ 218,345 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation expense | 6(19) | 47,114 | 50,341 |
| Amortization expense | 6(19) | 210 | 256 |
| Interest expense | 6(18) | 6,680 | 8,525 |
| Interest income | 6(15) | ( 46,454 ) | ( 50,632 ) |
| Dividend income | 6(16) | - | ( 91 ) |
| Expected credit loss | 12(2) | 714 | 450 |
| Loss for market value and obsolete and slow-moving inventories | 6(4) | 1,127 | 1,830 |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | - | 240 |
| Accounts receivable | | ( 1,222 ) | 14,640 |
| Other receivables | | 1,706 | ( 690 ) |
| Inventories | | 51,145 | ( 107,554 ) |
| Other current assets | | ( 23,367 ) | 26,131 |
| Changes in operating liabilities | | | |
| Current contract liabilities | | 12,115 | 10,166 |
| Accounts payable | | ( 51,155 ) | ( 21,511 ) |
| Other payables | | ( 2,534 ) | ( 5,910 ) |
| Other current liabilities | | 281 | ( 476 ) |
| Cash inflow generated from operations | | 169,176 | 144,060 |
| Interest paid | | ( 6,213 ) | ( 7,625 ) |
| Income taxes paid | | ( 21,404 ) | ( 7,001 ) |
| Net cash flows from operating activities | | 141,559 | 129,434 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from disposal of financial assets at fair value through other comprehensive income | | - | 20,000 |
| Acquisition of financial assets at amortised cost | | ( 802,873 ) | ( 230,888 ) |
| Procceds from disposal of financial assets at amortised cost | | 392,887 | - |
| Acquistion of property,plant and equipment | 6(23) | ( 41,881 ) | ( 19,801 ) |
| Acquisition of right-of-use assets | | ( 119,438 ) | - |
| Decrease (increase) in other non-current assets | | 32,202 | ( 1,380 ) |
| Increase in prepayments for business facilities | | ( 16,099 ) | ( 2,160 ) |
| Interest received | | 44,012 | 49,365 |
| Dividend received | | - | 91 |
| Net cash flows used in investing activities | | ( 511,190 ) | ( 184,773 ) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Increase in short-term borrowings | | 548,422 | - |
| Decrease in short-term borrowings | | ( 512,690 ) | ( 31,201 ) |
| Repayment of the principal portion of lease liabilities | | ( 2,904 ) | ( 2,986 ) |
| Net cash flows from (used in) financing activities | | 32,828 | ( 34,187 ) |
| Effect of exchange rate changes on cash and cash equivalents | | 216 | ( 516 ) |
| Net decrease in cash and cash equivalents | | ( 336,587 ) | ( 90,042 ) |
| Cash and cash equivalents at beginning of period | | 415,500 | 161,945 |
| Cash and cash equivalents at end of period | | $ 78,913 | $ 71,903 |

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
SIX MONTHS ENDED JUNE 30, 2021 AND 2020
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)
(FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED JUNE 30, 2020 WAS REVIEWED, NOT AUDITED)

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 authorised for issuance by the Board of Directors on August 26, 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

New standards, interpretations and amendments endorsed by the FSC effective from 2022 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 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.

(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 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 12, 'Deferred tax related to assets and liabilities arising from a single transaction' | January 1, 2023 |

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 | June 30 2021 | December 31 2020 | June 30 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 six months ended June 30, 2021 and 2020 expressed in New Taiwan Dollars are US$1:NT$28.1720 and US$1:NT$ 30.0010, respectively. On June 30, 2021, December 31, 2020 and June 30, 2020, the closing rate on balance sheet date were US$1:NT$27.8600, US$1:NT$28.4800 and US$1:NT$29.6300, 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 include 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 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

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Cash on hand and revolving funds | $ 342 | $ 301 | $ 354 |
| Checking accounts and demand deposits | 49,670 | 108,375 | 31,039 |
| Time deposits (maturity within three months) | 28,901 | 306,824 | 40,510 |
| Total | $ 78,913 | $ 415,500 | $ 71,903 |

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 | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Current items: | | | |
| Time deposits with maturity over three months | $ 1,488,623 | $ 1,205,395 | $ 1,461,613 |
| Time deposits pledged | 357,378 | 267,965 | - |
| Total | $ 1,846,001 | $ 1,473,360 | $ 1,461,613 |
| Non-current items: | | | |
| Time deposits with maturity over one year | $ - | $ - | $ 29,748 |

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

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Interest income | $ 23,343 | $ 25,473 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Interest income | $ 46,092 | $ 50,217 |

B. As at June 30, 2021, December 31, 2020 and June 30, 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 $1,846,001, $1,473,360 and $1,491,361, 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) Accounts receivable

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Notes receivable | $ 50,085 | $ 49,835 | $ 59,107 |
| Less: Loss allowance | ( 1,388) | ( 712) | ( 592) |
| | $ 48,697 | $ 49,123 | $ 58,515 |

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

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| | Accounts receivable | Accounts receivable | Accounts receivable |
| 1 to 90 days | $ 46,639 | $ 46,563 | $ 55,615 |
| 91 to 180 days | 1,143 | 2,169 | 2,584 |
| 181 to 360 days | 1,236 | 827 | 619 |
| Over 361 days | 1,067 | 276 | 289 |
| | $ 50,085 | $ 49,835 | $ 59,107 |

The above ageing analysis was based on invoice date.

B. As of June 30, 2021, December 31, 2020 and June 30, 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 June 30, 2021, December 31, 2020 and June 30, 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 accounts receivable was $48,697, $49,123 and $58,515, respectively.

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

(4) Inventories

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Merchandise inventory | $ 6,966 | $ 6,710 | $ 8,966 |
| Finished goods | 92,522 | 124,934 | 102,428 |
| Raw materials | 204,796 | 212,801 | 197,974 |
| Inventory in transit | 29,073 | 47,072 | 41,168 |
| | $ 333,357 | $ 391,517 | $ 350,536 |

For the three months and six months ended June 30, 2021 and 2020, the amounts of cost of goods sold which were related with inventories amounted to $288,801, $274,650, $577,652 and $586,021 respectively, including gain on reversal of decline in market value (loss on decline in market value) of $154, ($1,978), ($1,127) and ($1,830), respectively. Gain on reversal of decline in market value was generated from the sale of inventories which were previously provided with allowance.

(5) Other current assets

| Current | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Prepayment for purchases | $ 5,445 | $ 10,667 | $ 1,535 |
| Excess business tax paid | 38,104 | 22,860 | 28,283 |
| Others | 4,998 | 11,478 | 10,634 |
| Total | $ 48,547 | $ 45,005 | $ 40,452 |

(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 | 2,173 | 1,206 | 661 | 1,949 | - | - | 35,351 | 41,340 |
| Reclassifications | 54,259 | 8,727 | - | - | 3,479 | - | ( 64,684) | 1,781 |
| Depreciation expense | ( 5,251) | ( 32,566) | ( 1,359) | ( 2,130) | ( 536) | - | - | ( 41,842) |
| Net exchange differences | ( 2,083) | ( 3,389) | ( 191) | ( 346) | ( 11) | - | ( 1,034) | ( 7,054) |
| At June 30 | $ 153,864 | $ 194,545 | $ 9,786 | $ 16,604 | $ 3,808 | $ - | $ 25,001 | $ 403,608 |
| At June 30 | | | | | | | | |
| Cost | $ 202,732 | $ 624,299 | $ 35,264 | $ 34,552 | $ 14,502 | $ 167 | $ 25,001 | $ 936,517 |
| Accumulated depreciation and impairment | ( 48,868) | ( 429,754) | ( 25,478) | ( 17,948) | ( 10,694) | ( 167) | - | ( 532,909) |
| | $ 153,864 | $ 194,545 | $ 9,786 | $ 16,604 | $ 3,808 | $ - | $ 25,001 | $ 403,608 |

| | 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 | - | 1,576 | 760 | - | - | - | 17,465 | 19,801 |
| Reclassifications | - | 344 | - | - | - | - | ( 344) | - |
| Transferred from prepayments for business facilities | - | - | - | 76 | - | | - | 76 |
| Depreciation expense | ( 4,790) | ( 35,909) | ( 2,161) | ( 2,545) | ( 532) | - | - | ( 45,937) |
| Net exchange differences | ( 1,430) | ( 4,817) | ( 172) | ( 238) | ( 21) | - | ( 511) | ( 7,189) |
| At June 30 | $ 112,979 | $ 262,760 | $ 12,657 | $ 20,062 | $ 1,385 | $ - | $ 44,570 | $ 454,413 |
| At June 30 | | | | | | | | |
| Cost | $ 154,402 | $ 646,567 | $ 36,534 | $ 34,383 | $ 11,679 | $ 167 | $ 44,570 | $ 928,302 |
| Accumulated depreciation and impairment | ( 41,423) | ( 383,807) | ( 23,877) | ( 14,321) | ( 10,294) | ( 167) | - | ( 473,889) |
| | $ 112,979 | $ 262,760 | $ 12,657 | $ 20,062 | $ 1,385 | $ - | $ 44,570 | $ 454,413 |

(7) <u>Lease transactions－lessee</u>

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:

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| | Carrying amount | Carrying amount | Carrying amount |
| Land | $ 252,454 | $ 123,072 | $ 129,226 |
| Buildings | 4,468 | 6,928 | 9,632 |
| | $ 256,922 | $ 130,000 | $ 138,858 |

| | Three months ended March 31 | |
|---|---|---|
| | 2021 | 2020 |
| | Depreciation expense | Depreciation expense |
| Land | $ 1,597 | $ 746 |
| Buildings | 1,170 | 1,341 |
| | $ 2,767 | $ 2,087 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| | Depreciation expense | Depreciation expense |
| Land | $ 2,917 | $ 1,500 |
| Buildings | 2,355 | 2,904 |
| | $ 5,272 | $ 4,404 |

C. For the three months and six months ended June 30, 2021 and 2020, the Group has additions of right-of-use assets in the amounts of $18,029 $0, $137,467 and $0, respectively.

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

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | $ 48 | $ 84 |
| Expense on short-term lease contracts | 1,486 | 998 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| <u>Items affecting profit or loss</u> | | |
| Interest expense on lease liabilities | $ 99 | $ 179 |
| Expense on short-term lease contracts | 2,666 | 2,654 |

E. For the three months and six months ended June 30, 2021 and 2020, the total cash outflow from lease was $3,046, $2,588, $5,669 and $5,819, 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 | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Bank borrowings | | | |
| Secured borrowings | $ 119,662 | $ 180,921 | $ - |
| Unsecured borrowings | 884,565 | 808,360 | 566,365 |
| | $ 1,004,227 | $ 989,281 | $ 566,365 |

A. On June 30, 2021, December 31, 2020 and June 30, 2020, the interest rates of bank borrowings were 0.94%~5.50%, 0.95%~2.12% and 0.95%~5.15%, respectively.

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

(9) Other payables

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Salary and bonus payable | $ 15,713 | $ 14,636 | $ 13,418 |
| Employees' compensation and directors' and supervisors' remuneration payable | 7,293 | 10,021 | 7,155 |
| Payables for machinery and equipment | 9,955 | 10,496 | 10,920 |
| Construction retainage received | 6,974 | 3,563 | 3,363 |
| Dividends payable | 235,620 | - | 243,474 |
| Other payables, others | 31,648 | 30,287 | 30,942 |
| | $ 307,203 | $ 69,003 | $ 309,272 |

(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 | June 30, 2021 | December 31, 2020 | June 30, 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 and 2019 earnings as approved by the shareholders on August 26, 2021 and 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 | |
| Special reserve | 86,696 | | 39,091 | |
| Cash dividend declared | 235,620 | $ 6.0 | 243,474 | $ 6.2 |

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 June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Revenue from contracts with customers | $ 421,313 | $ 428,165 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Revenue from contracts with customers | $ 869,348 | $ 926,842 |

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 sales regions:

| Three months ended June 30, 2021 | Vietnam | Cambodia | France | Thailand | Others | Total |
|---|---|---|---|---|---|---|
| Revenue from external customer contracts | $ 213,632 | $ 122,647 | $ 26,008 | $ 26,403 | $ 32,623 | $ 421,313 |

| Three months ended June 30, 2020 | Vietnam | Cambodia | France | Thailand | Others | Total |
|---|---|---|---|---|---|---|
| Revenue from external customer contracts | $ 197,506 | $ 114,619 | $ 34,292 | $ 32,097 | $ 49,651 | $ 428,165 |

| Six months ended June 30, 2021 | Vietnam | Cambodia | France | Thailand | Others | Total |
|---|---|---|---|---|---|---|
| Revenue from external customer contracts | $ 425,395 | $ 258,309 | $ 60,500 | $ 61,539 | $ 63,605 | $ 869,348 |

| Six months ended June 30, 2020 | Vietnam | Cambodia | France | Thailand | Others | Total |
|---|---|---|---|---|---|---|
| Revenue from external customer contracts | $ 423,561 | $ 281,632 | $ 62,380 | $ 66,840 | $ 92,429 | $ 926,842 |

B. Contract liabilities

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

| | June 30, 2021 | December 31, 2020 | June 30, 2020 | January 1, 2020 |
|---|---|---|---|---|
| Contract liabilities – sales of goods: | $ 14,955 | $ 5,287 | $ 16,282 | $ 5,805 |

(15) Interest income

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Interest income from bank deposits | $ 196 | $ 186 |
| Financial assets at amortised cost | | |
| Interest income | 23,343 | 25,473 |
| Others | 2 | 30 |
| | $ 23,541 | $ 25,689 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Interest income from bank deposits | $ 360 | $ 366 |
| Financial assets at amortised cost | | |
| Interest income | 46,092 | 50,217 |
| Others | 2 | 49 |
| | $ 46,454 | $ 50,632 |

(16) Other income

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Dividend income | $ - | $ - |
| Others | 9 | 342 |
| | $ 9 | $ 342 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Dividend income | $ - | $ 91 |
| Others | 122 | 342 |
| | $ 122 | $ 433 |

(17) Other gains and losses

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Net currency exchange gains | $ 1,767 | $ 4,619 |
| Miscellaneous disbursements | ( 183) | ( 590) |
| | $ 1,584 | $ 4,029 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Net currency exchange gains | $ 4,381 | $ 1,169 |
| Miscellaneous disbursements | ( 371) | ( 706) |
| | $ 4,010 | $ 463 |

(18) Finance costs

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Interest expense: | | |
| Bank borrowings | $ 3,290 | $ 3,904 |
| Lease liability | 48 | 84 |
| | $ 3,338 | $ 3,988 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Interest expense: | | |
| Bank borrowings | $ 6,581 | $ 8,346 |
| Lease liability | 99 | 179 |
| | $ 6,680 | $ 8,525 |

(19) Expenses by nature

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Employee benefit expense | $ 60,664 | $ 51,713 |
| Depreciation charges on property, plant and equipment | 20,897 | 22,720 |
| Depreciation expense of right-of-use assets | 2,767 | 2,087 |
| Amortisation charges on intangible assets | 88 | 128 |
| | $ 84,416 | $ 76,648 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Employee benefit expense | $ 108,189 | $ 114,423 |
| Depreciation charges on property, plant and equipment | 41,842 | 45,937 |
| Depreciation expense of right-of-use assets | 5,272 | 4,404 |
| Amortisation charges on intangible assets | 210 | 256 |
| | $ 155,513 | $ 165,020 |

(20) Employee benefit expense

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Salary expense | $ 54,747 | $ 45,438 |
| Labor and health insurance expense | 5,114 | 5,342 |
| Other personnel expenses | 803 | 933 |
| | $ 60,664 | $ 51,713 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Salary expense | $ 96,141 | $ 101,289 |
| Labor and health insurance expense | 10,183 | 10,994 |
| Other personnel expenses | 1,865 | 2,140 |
| | $ 108,189 | $ 114,423 |

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 and six months ended June 30, 2021 and 2020, employees' compensation was accrued at $3,357, $2,968, $6,795 and $5,884, respectively; directors' remuneration was accrued at $0, $0, $1,224 and $997, respectively. The aforementioned amounts were recognised in salary expenses.

For the six months ended June 30, 2021, the employees' compensation and directors' remuneration were estimated and accrued based on 3.93% and 0.71% 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 June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Current tax: | | |
| Current tax on profits for the period | $ 11,783 | $ 12,786 |
| Income tax adjustment | 1 | 3 |
| Total current tax | 11,784 | 12,789 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | ( 899) | ( 483) |
| Total deferred tax | ( 899) | ( 483) |
| Income tax expense | $ 10,885 | $ 12,306 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Current tax: | | |
| Current tax on profits for the period | $ 24,527 | $ 24,352 |
| Income tax adjustment | ( 214) | ( 636) |
| Total current tax | 24,313 | 23,716 |
| Deferred tax: | | |
| Origination and reversal of temporary differences | ( 413) | ( 514) |
| Total deferred tax | ( 413) | ( 514) |
| Income tax expense | $ 23,900 | $ 23,202 |

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

| | Six months ended June 30, 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 | $ 58,370 | 39,270 | $ 1.49 |
| Diluted earnings per share | | | |
| Profit attributable to ordinary shareholders of the parent | 58,370 | 39,270 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 29 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | $ 58,370 | 39,299 | $ 1.49 |

| | Six months ended June 30, 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 | $ 91,383 | 39,270 | $ 2.33 |
| Diluted earnings per share | | | |
| Profit attributable to ordinary shareholders of the parent | 91,383 | 39,270 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 23 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | $ 91,383 | 39,293 | $ 2.32 |

| | Six months ended June 30, 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 | $ 148,916 | 39,270 | $ 3.79 |
| Diluted earnings per share | | | |
| Profit attributable to ordinary shareholders of the parent | 148,916 | 39,270 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 87 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | $ 148,916 | 39,357 | $ 3.78 |

| | Six months ended June 30, 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 | $ 195,143 | 39,270 | $ 4.97 |
| Diluted earnings per share | | | |
| Profit attributable to ordinary shareholders of the parent | 195,143 | 39,270 | |
| Assumed conversion of all dilutive potential ordinary shares | | | |
| Employees' compensation | - | 67 | |
| Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares | $ 195,143 | 39,337 | $ 4.96 |

(23) Supplemental cash flow information

A. Investing activities with partial cash payments：

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Purchase of property, plant and equipment | $ 41,340 | $ 19,801 |
| Add: Opening balance of payable on equipment | 10,496 | 11,049 |
| Less: Ending balance of payable on equipment | ( 9,955) | ( 10,920) |
| Cash paid during the period | $ 41,881 | $ 19,930 |

B. Financing activities with no cash flow effects：

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Cash dividends declared but yet to be paid | $ 235,620 | $ 243,474 |

(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 | 35,732 | - | ( 2,904) | 32,828 |
| Changes in items with no cash flow effects | - | - | 18,258 | 18,258 |
| Impact of changes in foreign exchange rate | ( 20,786) | ( 23) | ( 278) | ( 21,087) |
| At June 30 | $ 1,004,227 | $ 1,099 | $ 21,782 | $ 1,027,108 |

| | 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 | ( 31,201) | - | ( 2,986) | ( 34,187) |
| Impact of changes in foreign exchange rate | ( 6,688) | ( 15) | ( 140) | ( 6,843) |
| At June 30 | $ 566,365 | $ 1,166 | $ 9,518 | $ 577,049 |

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 June 30, 2021, December 31, 2020 and June 30, 2020, the bank borrowings of the Group were jointly guaranteed by the Chairman and his spouse.

(3) Key management compensation

| | Three months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Salaries and other short-term employee benefits | $ 5,384 | $ 7,993 |

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Salaries and other short-term employee benefits | $ 11,784 | $ 17,215 |

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:

| | Book value | | | |
|---|---|---|---|---|
| Pledged asset | June 30, 2021 | December 31, 2020 | June 30, 2020 | Purpose |
| Time deposits (shown as financial assets at amortised cost) | $ 357,377 | $ 267,965 | $ - | Collaterals for borrowings |

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditure contracted but not yet incurred is as follows:

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Property, plant and equipment | $ 145,803 | $ - | $ - |

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The appropriation of 2020 retained earnings had been resolved by the shareholders on August 26, 2021, and information on the appropriation of earnings is provided in Note 6(13).

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

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Financial assets | | | |
| Financial assets at amortised cost | | | |
| Cash and cash equivalents | $ 78,913 | $ 415,500 | $ 71,903 |
| Financial assets at amortised cost | 1,846,001 | 1,473,360 | 1,491,361 |
| Accounts receivable | 48,697 | 49,123 | 58,515 |
| Other receivables | 37,328 | 35,622 | 36,193 |
| Guarantee deposits paid | 4,755 | 17,489 | 4,111 |
| | $ 2,015,694 | $ 1,991,094 | $ 1,662,083 |

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Financial liabilities | | | |
| Financial liabilities at amortised cost | | | |
| Short-term borrowings | $ 1,004,227 | $ 989,281 | $ 566,365 |
| Accounts payable | 65,453 | 118,348 | 92,011 |
| Other payables | 307,203 | 69,003 | 309,272 |
| Guarantee deposits received | 1,099 | 1,122 | 1,166 |
| | $ 1,377,982 | $ 1,177,754 | $ 968,814 |
| Lease liability | $ 21,782 | $ 6,706 | $ 9,518 |

B. Management objective and policy for financial risk

The Group's primary financial instruments include 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:

| | June 30, 2021 | | |
|---|---|---|---|
| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:VND | $ 1,197 | $ 23,022 | $ 33,360 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:VND | $ 8,577 | $ 23,022 | $ 238,947 |

| | 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 |

| | June 30, 2020 | | |
|---|---|---|---|
| | Foreign currency amount (In thousands) | Exchange rate | Book value (NTD) |
| (Foreign currency: functional currency) | | | |
| Financial assets | | | |
| Monetary items | | | |
| USD:VND | $ 1,119 | $ 23,207 | $ 33,162 |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:VND | $ 7,642 | $ 23,207 | $ 226,423 |

iii. For the three months and six months ended June 30, 2021 and 2020, the Group's monetary items have recognised any exchange gain (including realised and unrealised) due to the significant influence from the fluctuations of exchange rate in the amounts of $1,767, $4,619, $4,381 and $1,169, respectively.

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

| | Six months ended June 30, 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% | $ 1,668 | $ - |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:VND | 5% | $ 11,947 | $ - |

| | Six months ended June 30, 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% | $ 1,658 | $ - |
| Financial liabilities | | | |
| Monetary items | | | |
| USD:VND | 5% | $ 11,321 | $ - |

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 six months ended June 30, 2021 and 2020 would have decreased/increased by $1,255 and $671, 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 June 30, 2021, December 31, 2020 and June 30, 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 June 30, 2021, December 31, 2020 and June 30, 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 | 714 | 450 |
| Effect of exchange rate changes | ( 38) | ( 8) |
| At June 30 | $ 1,388 | $ 592 |

(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. For surplus cash held by the operating entities over and above the balance required for working capital management, the Group treasury invests such 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.

Non-derivative financial liabilities

| June 30, 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 (excluding accrued interest) | $ 28,747 | $ 135,368 | $ 840,112 | $ - | $ - |
| Accounts payable | 55,419 | 141 | 9,893 | - | - |
| Lease liability | 397 | 1,196 | 2,463 | 499 | 17,227 |

| 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 (excluding accrued interest) | $ 8,784 | $ 94,698 | $ 885,799 | $ - | $ - |
| Accounts payable | 87,770 | 19,453 | 11,125 | - | - |
| Lease liability | 397 | 1,199 | 3,455 | 1,655 | - |

| June 30, 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 (excluding accrued interest) | $ 38,647 | $ 85,438 | $ 442,280 | $ - | $ - |
| Accounts payable | 63,287 | 10,595 | 18,129 | - | - |
| Lease liability | 405 | 1,221 | 3,644 | 4,248 | - |

Credit Line

| | June 30, 2021 | December 31, 2020 | June 30, 2020 |
|---|---|---|---|
| Amount drawn | $ 1,004,227 | $ 989,281 | $ 566,365 |
| Undrawn borrowing facilities | 757,391 | 1,100,406 | 1,039,621 |
| | $ 1,761,618 | $ 2,089,687 | $ 1,605,986 |

(3) Others

In response to the Covid-19 pandemic, the Group adopted countermeasures accordingly and continually manages related affairs. The effects of the pandemic were taken into consideration when the Group assessed its operations. The Group's Vietnam subsidiary arranged employees' local accommodation and working arrangements in accordance with the prevention measures of the Vietnam government. In addition, the Cambodia subsidiary was temporarily shut down during the periods from April 12, 2021 to April 28, 2021 and from May1, 2021 to May 5, 2021 in accordance with the prevention measures of the Cambodia government. There was no significant effect on the operations of each entity in the Group as a result of the pandemic and the prevention measures which were imposed by the local governments.

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 production and sales 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:

| Six months ended June 30, 2021 | TAISUN VIETNAM CO., LTD | WINSUN (CAMBODIA) CO., LTD. (Cambodia) | Other entities | Adjustment | Total |
|---|---|---|---|---|---|
| Revenue from external customers | $ 699,583 | $ 144,217 | $ 25,548 | $ - | $ 869,348 |
| Inter-segment revenue | 15,908 | - | 33,428 | ( 49,336) | - |
| Total segment revenue | $ 715,491 | $ 144,217 | $ 58,976 | ($ 49,336) | $ 869,348 |
| Segment income | $ 106,372 | $ 24,786 | $ 1,566 | ($ 3,814) | $ 128,910 |

| Six months ended June 30, 2020 | TAISUN VIETNAM CO., LTD | WINSUN (CAMBODIA) CO., LTD. (Cambodia) | Other entities | Adjustment | Total |
|---|---|---|---|---|---|
| Revenue from external customers | $ 698,102 | $ 186,196 | $ 42,544 | $ - | $ 926,842 |
| Inter-segment revenue | 33,906 | - | 49,045 | ( 82,951) | - |
| Total segment revenue | $ 732,008 | $ 186,196 | $ 91,589 | ($ 82,951) | $ 926,842 |
| Segment income | $ 114,185 | $ 63,077 | $ 4,122 | ($ 6,042) | $ 175,342 |

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 six months ended June 30, 2021 and 2020 is provided as follows:

| | Six months ended June 30 | |
|---|---|---|
| | 2021 | 2020 |
| Reportable segments income | $ 132,724 | $ 181,384 |
| Adjustment and write-offs | ( 3,814) | ( 6,042) |
| Total segments | 128,910 | 175,342 |
| Interest income | 46,454 | 50,632 |
| Exchange gains | 4,381 | 1,169 |
| Finance costs | ( 6,680) | ( 8,525) |
| Others | ( 249) | ( 273) |
| Income before tax from continuing operations | $ 172,816 | $ 218,345 |

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

Significant inter-company transactions during the reporting periods

Six months ended June 30, 2021

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

| | | | | Transaction | | | |
|---|---|---|---|---|---|---|---|
| Number (Note 1) | Company name | Counterparty | Relationship (Note 2) | 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 | $ 14,873 | No significant difference from general customers | 1.71 |
| 2 | TAIPOLY (FAR EAST) CORPORATION (Mauritius) | WINSUN (CAMBODIA) CO., LTD. (Cambodia) | 3 | Sale | 33,428 | No significant difference from general customers | 3.85 |

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

Six months ended June 30, 2021

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

Table 2

| Investor | Investee (Notes 1 and 2) | Location | Main business activities | Initial investment amount: Balance as at six months ended June 30, 2021 | Initial investment amount: Balance as at December 31. 2020 | Shares held as at June 30, 2021: Number of shares | Shares held as at June 30, 2021: Ownership (%) | Shares held as at June 30, 2021: Book value | Net profit (loss) of the investee for the six months ended June 30, 2021 (Note 2(2)) | Investment income(loss) recognised by the Company six months ended June 30, 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 | $ 1,438,858 | $ 110,725 | $ 110,725 | Note 1 |
| | TAIPOLY (FAR EAST) CORPORATION (Mauritius) | Mauritius | Trading | 5,450 (USD 180) | 5,450 (USD 180) | - | 100.00 | 20,728 | 9,835 | 9,835 | 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 | 597,068 | 37,819 | 37,819 | Note 1 |
| | AB CARE (SINGAPORE) PTE. LTD. | Singapore | Trading | 299,040 (USD 10,500) | 15,208 (USD 507) | - | 100.00 | 293,533 | 1,776 | 1,776 | Note 1 |
| WINSUN (CAMBODIA) CO., LTD. (Cambodia) | WINSUN TRADE COMPANY LIMITED (VN) | Vietnam | Trading | 14,773 (USD 500) | 14,773 (USD 500) | - | 100.00 | 15,629 | 174 | 174 | 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 | 280,349 | 2,258 | 2,258 | 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 21 thousand.

TAISUN INT'L (HOLDING) CORP. AND SUBSIDIARIES

Major shareholders information

June 30, 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.