Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Financial Statements
With Independent Auditors' Report
For the Six Months Ended June 30, 2021 and 2020
(Stock Code: 9802)
(The financial statements as of June 30, 2020 reviewed only)

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Independent Auditors' Report

To the Board of Fulgent Sun International (Holding) Co., Ltd.:

Opinion

We have audited the consolidated balance sheets of Fulgent Sun International (Holding) Co., Ltd. and its subsidiaries (the "Group") as of June 30, 2021, the consolidated statements of comprehensive income for three months and six months ended June 30, 2021, the consolidated changes in equity, and cash flows for the six months then ended, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of the six months ended June 30, 2021, and its consolidated financial performance and consolidated cash flows for the three months and six months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34"Interim Financial Reporting" endorsed and issued into effect by Financial Supervisory Commission of the Republic of China.

Basis of Opinion

We have conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section below. We are independent of the Group in accordance with the Norms of Professional Ethics for Certified Public Accountants in 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 first half of the year ended 2021. These matters were addressed in the content 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 those matters.

Key audit matters for the Group's consolidated financial statements for the first half of the year ended 2021, are stated as follows:

Sales Revenue Recognition

<u>Description</u>

Please refer to the consolidated financial statements (Note 4) for the accounting policy on sales revenue. The revenue of the Group the six months ended June 30, 2021, was NT$6,896,217 thousand.

The Group is engaged in the production and sale of sports and leisure outdoor shoes. In terms of the trading conditions of sales revenue, control over the goods is transferred when the exporting goods are delivered to the forwarders designated by the customers, and the sales revenue is recognized on the day the goods are delivered.

Since the Group is based on the product delivery day as the sales revenue recognition date, the revenue recognition process involves manual control and may not properly recognize revenue in the correct period; therefore, we believe that the cut-off point for recognizing sales revenue is one of this year's key audit matters.

Corresponding Audit Procedures

Our audit procedures for the specific aspects described in the key audit matter above are summarized as follows:

1. We understood and evaluated the operating procedures and internal controls for the sale of goods, so as to evaluate the effectiveness of management’s control over the recognition of sales revenue.
2. We verified whether the sales revenue in a certain period before and after the balance sheet date were recognized in the correct period and the changes in the inventory quantity and carry-over of cost of goods sold were recorded in an appropriate period, so as to evaluate the rationality of the revenue recognition time.

Allowance for Inventory Valuation Losses

Description

Please refer to the consolidated financial statements for the accounting policy on inventory evaluation (Note 4), the uncertainty of accounting estimates and assumptions on inventory evaluation (Note 5), and the description of the allowance for inventory valuation losses (Note 6(4)). As of June 30, 2021, the inventory balance of the Group was NT$3,658,468 thousand, and the allowance for inventory valuation losses was NT$116,224 thousand.

The Group measures inventories that are aged over a certain period of time and individually identified with impairment at the lower of cost or net realizable value. The net realizable value used in the evaluation of such inventories often involves subjective judgment. Considering that the Group’s allowance for inventory valuation losses has a significant impact on the financial statements, we classify the allowance for inventory valuation losses as one of this year's key audit matters.

Corresponding Audit Procedures

Our audit procedures for the specific aspects described in the key audit matter above are summarized as follows:

1. We understood and evaluated the reasonableness of the Group’s subsequent inventory evaluation and provision of obsolescence losses.
2. We reviewed the Group's annual inventory plans and participated in the annual inventory checks to assess the effectiveness of management’s differentiation and control over obsolete inventory.
3. We obtained the inventory aging report and checked it against the relevant supporting documents of the inventory change date, and verified whether the aging range of the inventory was correctly classified and consistent with the accounting policy.
4. We obtained the net realizable value report of various inventories to verify whether the calculation logic was used consistently; we also tested the reference data of the estimated net realizable value of the inventory, including checking the supporting documents such as sales prices and purchase prices, and recalculated and evaluated the rationality of the allowance for inventory valuation losses.

Other Matter-The financial statements as of June 30, 2020 reviewed only

We had been reviewed the Group's financial statements as of June 30, 2020, on which we have issued an unqualified opinion on August 6, 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 applicable IFRS, IAS, IFRIC, and SIC endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management deems necessary to enable the preparation of the consolidated financial statements to be free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group as a going concern, disclosing, as applicable, matters related to the going concern, and using the going concern basis of accounting unless management either intends to liquidate or to suspend the business of the Group if there are no other practical options.

Those in charge of governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's report. Reasonable assurance means a high degree of assurance, but it is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted 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 the consolidated financial statements.

When conducting the audit work per the auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism. We also:

1. Identified and assessed the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures in response to the risks, and obtained evidence sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Understood the internal control related to the audit in order to design the appropriate audit procedures in the circumstances, but not to express an opinion on the effectiveness of the Group's internal control.
3. Evaluated the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by management.

4. Concluded, based on the audit evidence obtained, whether management’s use of the going concern basis of accounting was appropriate and whether there were significant uncertainties in the events or circumstances that could cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions were based on the audit evidence obtained up to the date of the auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluated the overall presentation, structure, and content of the consolidated statements, including related notes, and whether the consolidated statements represented the underlying transactions and events in a matter that achieved fair presentation.
6. Obtained sufficient and appropriate audit evidence on the financial information of business entities within the Group in order to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and implementing the audit of the Group, and for expressing an opinion on the audit of the Group.

We communicated with those in charge of 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 identified during our audit).

We provided those in charge of governance a statement that we have complied with relevant ethical requirements for independence under the Norms of Professional Ethics for Certified Public Accountants in the Republic of China. We also communicated with them regarding all relationships and other matters (including relevant protection measures) that could reasonably be thought to bear on our independence.

From the matters communicated with those in charge of governance, we determined those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020, and were therefore the key audit matters. We described these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the reviews resulting in this independent auditors' review report are Hua-Ling Liang and Yu-Chuan Wang.

PricewaterhouseCoopers
Taipei, Taiwan
Republic of China

August 11, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
As of June 30, 2020 reviewed only, not audited in accordance with the generally accepted auditing standards

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
June 30, 2021, December 31, 2020, and June 30, 2020
(Expressed in Thousands of New Taiwan Dollars)

			June 30, 2021		December 31, 2020		June 30, 2020	
	Assets	Note	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6 (1)	$ 1,381,709	8	$ 1,567,828	11	$ 1,423,462	10
1170	Accounts receivable, net	6 (3)	2,592,888	16	2,270,550	16	2,255,326	17
1200	Other receivables		145,395	1	184,911	1	137,176	1
130X	Inventories	6 (4)	3,658,468	23	2,730,221	19	2,399,974	18
1410	Prepayments		181,779	1	128,846	1	87,912	1
1470	Other current assets	6 (7) and 8	138,715	1	164,384	1	100,041	1
11XX	**Total current assets**		8,098,954	50	7,046,740	49	6,403,891	48
	Non-current assets							
1510	Non-current financial assets at fair value through profit or loss	6 (2)	6,208	-	9,289	-	3,808	-
1600	Property, plant and equipment	6 (5) and 8	6,734,211	41	5,920,768	41	5,815,994	43
1755	Right-of-use assets	6 (6)	910,205	6	946,346	7	889,091	7
1780	Intangible assets		12,714	-	13,637	-	15,050	-
1840	Deferred tax assets	6 (23)	89,495	1	69,738	1	57,909	-
1900	Other non-current assets	6 (7) and 8	379,750	2	343,539	2	215,300	2
15XX	**Total non-current assets**		8,132,583	50	7,303,317	51	6,997,152	52
1XXX	**Total assets**		$ 16,231,537	100	$ 14,350,057	100	$ 13,401,043	100

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
As of June 30, 2020 reviewed only, not audited in accordance with the generally accepted auditing standards
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
June 30, 2021, December 31, 2020, and June 30, 2020
(Expressed in Thousands of New Taiwan Dollars)

			June 30, 2021		December 31, 2020		June 30, 2020	
	Liabilities and Equity	Note	Amount	%	Amount	%	Amount	%
	Current liabilities							
2100	Current borrowings	6 (8) and 8	$ 2,529,460	16	$ 1,322,960	9	$ 1,745,570	13
2110	Short-term notes payable		-	-	-	-	69,995	1
2130	Current contract liabilities	6 (17)	10,331	-	52,618	1	21,162	-
2150	Notes payable		4,785	-	-	-	3,963	-
2170	Accounts payable		2,247,119	14	1,666,662	12	1,358,920	10
2200	Other payables	6 (9)	1,442,538	9	1,391,483	10	1,754,420	13
2230	Current tax liabilities		204,523	1	160,141	1	67,066	1
2280	Current lease liabilities		12,590	-	40,864	-	49,890	-
2300	Other current liabilities		15,023	-	16,256	-	13,910	-
21XX	**Total current liabilities**		6,466,369	40	4,650,984	33	5,084,896	38
	Non-Current liabilities:							
2500	Non-current financial liabilities at fair value through profit or loss	6 (2)	50	-	250	-	-	-
2530	Bonds payable	6 (10)	486,853	3	483,820	3	49,629	-
2540	Long-term loans	6 (11)	100,000	1	-	-	-	-
2570	Deferred tax liabilities	6 (23)	748	-	786	-	2,615	-
2580	Non-current lease liabilities		476,080	3	486,855	3	430,459	3
2600	Other non-current liabilities	6 (12)	208,240	1	212,045	2	205,232	2
25XX	**Total non-current liabilities**		1,271,971	8	1,183,756	8	687,935	5
2XXX	**Total liabilities**		7,738,340	48	5,834,740	41	5,772,831	43
	Equity attributable to owners of the parent company							
	Share capital	6 (14)						
3110	Ordinary share		1,861,950	11	1,861,950	13	1,751,620	13
	Capital surplus	6 (15)						
3200	Capital surplus		5,256,344	32	5,256,344	36	4,476,052	33
	Retained earnings	6 (16)						
3310	Legal reserve		638,832	4	601,681	4	549,075	4
3320	Special reserve		837,187	5	852,629	6	683,175	5
3350	Unappropriated retained earnings		913,822	6	795,740	6	1,035,914	8
	Other equity							
3400	Other equity interest		(975,266)	(6)	(837,187)	(6)	(852,629)	(6)
3500	**Treasury shares**	6 (14)	(57,583)	-	(57,583)	-	(57,583)	-
31XX	**Total equity attributable to owners of the parent company**		8,475,286	52	8,473,574	59	7,585,624	57
36XX	**Non-controlling interests**		17,911	-	41,743	-	42,588	-
3XXX	**Total Equity**		8,493,197	52	8,515,317	59	7,628,212	57
	Significant Contingent Liabilities and Unrecognized Contractual Commitments	9						
3X2X	**Liabilities and total equity**		$ 16,231,537	100	$ 14,350,057	100	$ 13,401,043	100

The attached annex to the consolidated financial statements is part of this consolidated financial report. Please refer to it.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
As of June 30, 2020 reviewed only, not audited in accordance with the generally accepted auditing standards
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Six Months ended June 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, except for Earnings Per Common Share)

			From April 1 to June 30, 2021		From April 1 to June 30, 2020		From January 1 to June 30, 2021		From January 1 to June 30, 2020	
	Item	Note	Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenue**	6(17)	$ 3,479,368	100	$ 2,376,331	100	$ 6,896,217	100	$ 5,149,195	100
5000	**Operating costs**	6(4)	(2,978,517)	(85)	(1,903,177)	(80)	(5,691,762)	(83)	(4,015,633)	(78)
5950	**Net gross profit from operations**		500,851	15	473,154	20	1,204,455	17	1,133,562	22
	Operating expenses	6(22)								
6100	Selling expenses		(79,753)	(2)	(46,218)	(2)	(149,695)	(2)	(112,137)	(2)
6200	Administrative expenses		(203,062)	(6)	(152,190)	(6)	(408,561)	(6)	(349,736)	(7)
6300	Research & Development expenses		(51,452)	(2)	(42,336)	(2)	(97,659)	(1)	(82,901)	(1)
6000	**Total operating expenses**		(334,267)	(10)	(240,744)	(10)	(655,915)	(9)	(544,774)	(10)
6900	**Operating income**		166,584	5	232,410	10	548,540	8	588,788	12
	Non-operating income and expenses									
7100	Interest income	6(18)	2,328	-	2,325	-	4,692	-	5,046	-
7010	Other income	6(19)	36,161	1	14,330	1	54,003	1	30,384	-
7020	Other gains and losses	6(20)	(70,851)	(2)	(35,456)	(2)	(79,059)	(1)	1,288	-
7050	Finance costs	6(21)	(7,295)	-	(7,139)	-	(13,141)	-	(14,382)	-
7000	**Total non-operating income and expenses**		(39,657)	(1)	(25,940)	(1)	(33,505)	-	22,336	-
7900	**Profit before tax**		126,927	4	206,470	9	515,035	8	611,124	12
7950	Tax (expense) income	6(23)	2,590	-	(35,060)	(2)	(60,142)	(1)	(86,094)	(2)
8200	**Profit**		$ 129,517	4	$ 171,410	7	$ 454,893	7	$ 525,030	10
	Other comprehensive income (net)									
	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on translation of foreign operations		($ 145,625)	(4)	($ 109,840)	(4)	($ 139,040)	(2)	($ 170,320)	(3)
8300	**Other comprehensive income (loss), net**		($ 145,625)	(4)	($ 109,840)	(4)	($ 139,040)	(2)	($ 170,320)	(3)
8500	**Total comprehensive income(loss)**		($ 16,108)	-	$ 61,570	3	$ 315,853	5	$ 354,710	7
	Net income(loss) attributable to:									
8610	Shareholders of the parent company		$ 129,710	4	$ 171,923	7	$ 455,201	7	$ 526,066	10
8620	Non-controlling interests		($ 193)	-	($ 513)	-	($ 308)	-	($ 1,036)	-
	Total comprehensive income(loss) attributable to:									
8710	Shareholders of the parent company		($ 14,956)	-	$ 62,832	3	$ 317,122	5	$ 356,612	7
8720	Non-controlling interests		($ 1,152)	-	($ 1,262)	-	($ 1,269)	-	($ 1,902)	-
	Basic Earnings per share	6(24)								
9750	**Basic earnings per share total**		$ 0.70		$ 0.99		$ 2.45		$ 3.01	
	Diluted earnings per share									
9850	**Diluted earnings per share total**		$ 0.69		$ 0.98		$ 2.41		$ 2.99	

The attached annex to the consolidated financial statements is part of this consolidated financial report. Please refer to it.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

As of June 30, 2020 reviewed only, not audited in accordance with the generally accepted auditing standards

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Six Months ended June 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of Parent									
				Retained earnings							
	Note	Ordinary share	Capital surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Treasury shares	Total	Non-controlling interests	Total Equity
Balance at January 1, 2020		$1,747,566	$4,459,672	$421,155	$420,541	$1,863,461	($ 683,175)	$ -	$8,229,220	$ 44,490	$ 8,273,710
Profit for the period		-	-	-	-	526,066	-	-	526,066	(1,036)	525,030
Other comprehensive income		-	-	-	-	-	(169,454)	-	(169,454)	(866)	(170,320)
Total comprehensive income		-	-	-	-	526,066	(169,454)	-	356,612	(1,902)	354,710
Distribution of earnings for 2019	6(16)										
Legal capital reserve		-	-	127,920	-	(127,920)	-	-	-	-	-
Special capital reserve		-	-	-	262,634	(262,634)	-	-	-	-	-
Cash dividends to shareholders		-	-	-	-	(963,059)	-	-	(963,059)	-	(963,059)
Conversion of convertible bonds	6(15)(25)	4,054	16,380	-	-	-	-	-	20,434	-	20,434
Purchase of treasury shares	6(14)	-	-	-	-	-	-	(57,583)	(57,583)	-	(57,583)
Balance at June 30, 2020		$1,751,620	$4,476,052	$549,075	$683,175	$1,035,914	($ 852,629)	($57,583)	$7,585,624	$ 42,588	$ 7,628,212
Balance at January 1, 2021		$1,861,950	$5,256,344	$601,681	$852,629	$795,740	($ 837,187)	($57,583)	$8,473,574	$ 41,743	$ 8,515,317
Profit for the period		-	-	-	-	455,201	-	-	455,201	(308)	454,893
Other comprehensive income		-	-	-	-	-	(138,079)	-	(138,079)	(961)	(139,040)
Total comprehensive income(loss)		-	-	-	-	455,201	(138,079)	-	317,122	(1,269)	315,853
Distribution of earnings for the second half year of 2020	6(16)										
Legal capital reserve		-	-	37,151	-	(37,151)	-	-	-	-	-
Special capital reserve		-	-	-	(15,442)	15,442	-	-	-	-	-
Cash dividends to shareholders		-	-	-	-	(315,410)	-	-	(315,410)	-	(315,410)
Changes in non-controlling interests		-	-	-	-	-	-	-	-	(22,563)	(22,563)
Balance at June 30, 2021		$1,861,950	$5,256,344	$638,832	$837,187	$ 913,822	($ 975,266)	($57,583)	$8,475,286	$ 17,911	$ 8,493,197

The attached annex to the consolidated financial statements is part of this consolidated financial report. Please refer to it.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
For the Six Months ended June 30, 2020 reviewed only, not audited in accordance with the generally accepted auditing standards

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months ended June 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Note	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Cash flows from operating activities			
Profit before tax		$ 515,035	$ 611,124
Adjustments			
Adjustments to reconcile profit and loss			
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(20)	2,881	830
Depreciation expense	6(5)(6)(22)	370,382	332,051
Amortization expense	6(22)	9,170	23,767
Expected credit loss	12(2)	11,647	5,073
Loss on disposal of property, plant, and equipment	6(20)	3,903	6,751
Interest income	6(18)	(4,692)	(5,046)
Interest expenses	6(21)	13,141	14,382
Changes in operating assets and liabilities			
Net changes in operating assets			
Accounts receivable		(436,306)	38,012
Other receivables		37,342	81,295
Inventories		(1,007,003)	(291,699)
Prepayments		(55,866)	14,295
Other current assets		(12,068)	(3,991)
Changes in operating liabilities			
Contract liability		9,820	(7,004)
Notes payable		4,838	3,963
Accounts payable		612,990	(6,302)
Other payables		(13,538)	(68,603)
Other current liabilities		(985)	1,716
Other non-current liabilities		(1,545)	(1,487)
Cash flows generated from operating		59,146	749,127
Interest received		4,455	4,882
Interest paid		(7,225)	(11,561)
Income tax paid		(39,917)	(104,929)
Net cash flows from operating activities		16,459	637,519

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(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
For the Six Months ended June 30, 2020 reviewed only, not audited in accordance with the generally accepted auditing standards
Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months ended June 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Note	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Cash flows from investing activities			
Acquisition of financial assets at amortized cost		$ 37,359	$ 637
Acquisition of property, plant, and equipment	6(25)	(1,119,508)	(633,383)
Proceeds from disposal of property, plant and equipment		1,428	758
Acquisition of intangible assets		(868)	(768)
Increase in other non-current assets		(50,755)	(27,392)
Increase in refundable deposits		(320)	(185)
Net cash flows used in investing activities		(1,132,664)	(660,333)
Cash flows from financing activities			
Increase in short-term loans	6(26)	1,248,762	96,449
Increase in short-term notes payable	6(26)	-	69,995
Proceeds from long-term loans	6(26)	101,090	-
Payments of lease liabilities	6(6) (26)	(34,193)	(25,681)
Cash dividends paid	6(16) (26)	(389,623)	-
Payments to acquire treasury shares	6(14)	-	(57,583)
Changes in non-controlling interests		(22,563)	-
Net cash flows from financing activities		903,473	83,180
Effects of exchange rate changes		26,613	(10,378)
Net (decrease) increase in cash and cash equivalents		(186,119)	49,988
Cash and cash equivalents at beginning of period		1,567,828	1,373,474
Cash and cash equivalents at end of period		$ 1,381,709	$ 1,423,462

The attached annex to the consolidated financial statements is part of this consolidated financial report. Please refer to it.

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

Fulgent Sun International (Holding) Co., Ltd. (the "Company") was established in November 2009 in British Cayman Islands. The office is located at No. 76, Section 3, Yunlin Road, Douliu City, Yunlin County. The main business activities of the Company and its subsidiaries (the "Group") are the production and sale of sports and leisure outdoor footwear.

2. Approval Date and Procedures of the Consolidated Financial Statements

The consolidated financial statements were approved by the Board of Directors and published on August 11, 2021.

3. New Standards, Amendments and Interpretations Adopted

(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 FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective Date Set by the IASB
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 Set by the IASB
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
Amendment 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 Set by the IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, '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 significant accounting policies are the same as Note 4 of the 2020 consolidated financial statements except for the statement of compliance, basis of preparation, basis of consolidation and newly added parts are explained below. These policies apply consistently during all reporting periods, unless otherwise specified.

(1) Statement of Compliance

A. These consolidated financial statements have been prepared in accordance with the revised Regulations Governing the Preparation of Financial Reports by Securities Issuers in the Republic of China, and guideline of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC.

B. The consolidated financial statements should be read with 2020 consolidated financial statements.

(2) Basis of preparation

A. Except for the following important items, this consolidated financial report is prepared based on historical cost:

Fair value measurement through profit or loss, and financial assets and liabilities measured at fair value.

B. The preparation of financial reports conforming to the International Financial Reporting Standards, International Accounting Standards (IAS), IFRICs Interpretations and SICs Interpretations (hereinafter referred to "IFRSs") recognized by the Financial Supervisory Commission (FSC), requires the use of some important accounting estimates. In the application of the Group's accounting policies, it is also necessary for the management to use their judgments, and involvement of items which requires profound judgment or complexity, or major assumptions and estimates with regards to consolidated financial statements. Please to note 5 for details.

(3) <u>Basis of Consolidation</u>

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured 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) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group 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. List of subsidiaries included in the consolidated financial statements:

			Percentage of ownership			
Name of Investor	Name of Subsidiary	Nature of business	June 30, 2021	December 31, 2020	June 30, 2020	Note
The Company	Capital Concord Enterprises Limited (Capital Concord Enterprises Limited H.K.)	Holding company; Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Fujian Laya Outdoor Products Co., Ltd. (Fujian Laya Co., Ltd.)	Distribution Agent and Import and Export Trade	100	100	100	
Capital Concord Enterprises Limited H.K.	Laya Max Trading Co., Ltd. (Taiwan Laya)	Distribution Agent and Import and Export Trade	100	100	100	
Capital Concord Enterprises Limited H.K.	Hong Kong Laya Outdoor Products (Hong Kong Laya)	Holding company	100	100	100	
Capital Concord Enterprises Limited H.K.	Fujian Sunshine Footwear Co., Ltd. (Sunshine)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Sunny Footwear Co., Ltd. (Sunny)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Hubei Sunsmile Footwear Co., Ltd. (Sunsmile)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Fulgent Sun Footwear Co., Ltd. (Fulgent Sun)	Sports Leisure Outdoor Footwear Production	100	100	100	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunbow Enterprises Co., Ltd. (Sunbow)	Sports Leisure Outdoor Footwear Production and Sales	100	100	100	
Capital Concord Enterprises Limited H.K.	Lin Wen Chih Sunstone Garment Enterprises Co., Ltd. (Sunstone)	Processing and Sale of Clothing	91.27	91.27	91.27	
Capital Concord Enterprises Limited H.K.	NGOC Hung Footwear Co., Ltd. (NGOC HUNG)	Sports Leisure Outdoor Footwear Production	100	100	100	
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd. (Sunlit)	Land lease	100	100	100	
Hong Kong Laya Outdoor Products	Fujian La Sportiva Co., Ltd. (La Sportiva)	Distribution Agent and Import and Export Trade	-	60	60	Note

Note: Liquidated in May 2021.

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

D. Subsidiaries' different adjustment and treatment during accounting period: None.

E. Major Restrictors: None.

F. Subsidiaries with significant non-controlling interests in the Group: None.

(4) Accounting Policies Of Key Audit Matters

A. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

B. Recognition of revenue

(a) Product sales

(1) The Group is engaged in the production and sale of sports and leisure outdoor shoes. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's 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 wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(2) Part of the Group's sales income from the sale of sports and leisure outdoor shoes is recognized at the contract price net of the estimated sales discount. The sales discount offered to customers is usually calculated on the basis of cumulative sales over 12 months. The Group estimates the sales discount based on historical experience. The income recognition amount is limited to the part that is most unlikely to undergo a significant reverse in the future and the amount is to be updated on each balance sheet date. The estimated sales discount payable to customers as of the balance sheet date is recognized as a refund liability. The payment terms for sales transactions are due within 30~120 days after the shipment date, which is consistent with market practice. Therefore, it is concluded that the contract does not include significant financial components.

(3) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Financial components

The Group has contracts signed with customers to have the promised commodity or service delivered and the payment made within one year or shorter; therefore, the Group has not adjusted the transaction price to reflect the time value of money.

(5) Income Tax

A. 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.

B. If a change in tax rate is enacted or substantively enacted in an interim period, recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. Major Sources of Uncertainty in Major Accounting Judgments, Estimates and Assumptions

The preparation of these consolidated financial statements requires management to make critical judgments 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. Except for the following explanations about major accounting judgments, estimates and assumptions of the key audit matters please refer to Note 5 of 2020.

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. Explanation of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2021	December 31, 2020	June 30,2020
Cash on hand and revolving funds	$ 9,033	$ 4,906	$ 6,046
Checking deposits & demand deposits	1,007,607	1,117,222	999,747
Time deposits	365,069	445,700	417,669
Total	$ 1,381,709	$ 1,567,828	$ 1,423,462

A. The financial institutions of the Group have good credit quality, and the Group has dealings with several financial institutions to distract credit risk; so the possibility of default is very unlikely.

B. The Group presents time deposits with an original maturity of more than 3 months and not meeting short-term cash commitments under "Other Current Assets". Amounts of June 30, 2021, December 31, 2020 and June 30, 2020 are $43,150, $43,617 and $41,910, respectively.

C. Restricted Bank deposits of the Group. Please to note 6 (7) for details.

(2) Financial assets (liabilities) at fair value through profit or loss

Item	June 30,2021	December 31,2020	June 30, 2020
Non-current items:			
Financial assets mandatorily measured at fair value through profit or loss			
- Listed company stock	$ 6,208	$ 9,289	$ 3,672
Financial assets designated at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	-	-	136
Total	$ 6,208	$ 9,289	$ 3,808

Item	June 30, 2021	December 31,2020	June 30, 2020
Non-current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
- Convertible corporate bond redemption and sale rights	($ 50)	($ 250)	$ -

A. The convertible corporate bonds the Group held the right to redeem and sell for the three months ended June 30, 2021 and 2020, with recognized gains and (losses) were $400 and ($47), respectively. For the six months ended June 30, 2021 and 2020, with recognized gains were $200 and $124, respectively.

B. The shares of listed OTC companies the Group held for the three months ended June 30, 2021 and 2020, with recognized gains and (losses) were ($2,017) and $564, respectively. For the six months ended June 30, 2021 and 2020, with recognized (losses) were ($3,081) and ($954), respectively.

C. The Group has not pledged financial assets to be measured at fair value through gains and losses

(3) Accounts receivable, net

	June 30, 2021	December 31, 2020	June 30, 2020
Accounts receivable	$ 2,609,146	$ 2,275,370	$ 2,268,855
Less: Allowance for impairment	(16,258)	(4,820)	(13,529)
	$ 2,592,888	$ 2,270,550	$ 2,255,326

A. The age analysis of notes and accounts receivable is as follows:

	June 30, 2021	December 31, 2020	June 30,2020
Current	$ 2,489,958	$ 2,209,713	$ 1,818,330
Overdue 0 to 90 days	96,156	55,215	387,649
Overdue 91 to 180 days	2,484	3,632	54,071
Overdue 181 to 365 days	19,375	3,650	1,564
Over 365 days past due	1,173	3,160	7,241
	$ 2,609,146	$ 2,275,370	$ 2,268,855

The above-mentioned information is based on the number of overdue days as the basis for the aging analysis.

B. The balance of accounts receivable and notes receivable of June 30, 2021, December 31, 2020 and June 30, 2020 were generated by the customer contract. The balance of accounts receivable from the customer contract as of January 1, 2020 was $2,329,423.

C. The Group's notes and accounts receivables are best represented on June 30, 2021, December 31, 2020 and June 30, 2020 regardless of the collateral or other credit enhancements held. The risk exposure amount of the maximum credit risk is the book value of each type of notes and accounts receivables.

D. For relevant credit risk information, please refer to Note 12(2).

(4) Inventories

	June 30, 2021		
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
Merchandise inventory	$ 437	$ -	$ 437
Raw material	1,187,929	(39,963)	1,147,966
Work in process	952,615	(29,083)	923,532
Finished goods	1,060,746	(47,178)	1,013,568
Inventory in-transit	572,965	-	572,965
Total	$ 3,774,692	($ 116,224)	$ 3,658,468

	December 31, 2020		
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
Merchandise inventory	$ 9,152	($ 2,192)	$ 6,960
Raw material	503,558	(38,320)	465,238
Work in process	673,418	(11,234)	662,184
Finished goods	1,086,168	(42,178)	1,043,990
Inventory in-transit	551,849	-	551,849
Total	$ 2,824,145	($ 93,924)	$ 2,730,221

	June 30, 2020		
	Cost	Allowance for inventory market decline and obsolescence	Carrying amounts
Merchandise inventory	$ 66,731	($ 13,106)	$ 53,625
Raw material	686,327	(47,368)	638,959
Work in process	544,420	(12,069)	532,351
Finished goods	967,226	(19,290)	947,936
Inventory in-transit	227,103	-	227,103
Total	$ 2,491,807	($ 91,833)	$ 2,399,974

The cost of inventories recognized by the Group as expenses in the current period:

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Cost of inventories sold	$ 2,944,597	$ 1,901,451
Inventory valuation loss (gain from price recovery)	31,419	(694)
Inventory scrap loss	4,022	69
Stock gain	(3,162)	(1,537)
Recognized as expenses	(442)	(775)
Effect of exchange rate changes	2,083	4,663
	$ 2,978,517	$ 1,903,177

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Cost of inventories sold	$ 5,666,443	$ 4,011,833
Inventory valuation loss	22,300	7,162
Inventory scrap loss	4,461	69
Stock gain	(2,717)	(3,837)
Recognized as expenses	(760)	(1,325)
Effect of exchange rate changes	2,035	1,731
	$ 5,691,762	$ 4,015,633

The Group recognized a reduction in the cost of goods sold due to a rebound in the net realizable value of inventory due to the degraded part of the inventory that had been listed as loss of price for the three months ended June 30, 2021.

(5) Property, Plant and Equipment

Cost	For the Six Months Ended June 30, 2021					
	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	$ 283,615	$ -	$ -	$ 6,799	($ 6,248)	$ 284,166
Buildings	4,051,113	26,506	(9,803)	56,648	(66,085)	4,058,379
Machinery equipment	3,304,171	369,215	(22,450)	72,834	(55,920)	3,667,850
Transport equipment	76,776	8,566	(2,547)	-	(1,241)	81,554
Office equipment	41,854	2,425	(528)	126	(654)	43,223
Others	1,441,162	147,114	(39,418)	17,283	(26,597)	1,539,544
Construction in progress and to-be-inspected equipment	396,630	653,255	-	(81,130)	(12,779)	955,976
	$ 9,595,321	$ 1,207,081	($ 74,746)	$ 72,560	($ 169,524)	$ 10,630,692

Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	($ 1,152,227)	($ 90,037)	$ 7,446	$ -	$ 16,155	($ 1,218 663)
Machinery equipment	(1,462,164)	(135,909)	19,601	-	21,255	(1,557,217)
Transport equipment	(51,290)	(4,001)	2,547	-	765	(51,979)
Office equipment	(34,655)	(1,687)	527	-	513	(35,302)
Others	(974,217)	(116,011)	39,294	-	17,614	(1,033,320)
	($ 3,674,553)	($ 347,645)	$ 69,415	$ -	$ 56,302	($ 3,896,481)
	$ 5,920,768					$ 6,734,211

	For the Six Months Ended June 30, 2020					
Cost	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Land	$ 294,826	$ 622	$ -	$ 3,061	($ 3,442)	$ 295,067
Buildings	3,536,434	101,586	(17,987)	421,353	(65,188)	3,976,198
Machinery equipment	3,066,318	128,520	(69,794)	97,713	(55,614)	3,167,143
Transport equipment	98,181	10,787	-	(25,912)	(1,616)	81,440
Office equipment	41,732	2,066	(3,829)	1,000	(858)	40,111
Others	1,315,524	94,007	(52,661)	63,742	(22,375)	1,398,237
Construction in progress and to-be-inspected equipment	630,715	71,640	-	(479,205)	(7,891)	215,259
	$ 8,983,730	$ 409,228	($ 144,271)	$ 81,752	($ 156,984)	$ 9,173,455

Accumulated depreciation	Opening Balance	Increase in the period	Decrease in the period	Transfer in the period	Effect of exchange rate changes	Ending Balance
Buildings	($ 1,002,398)	($ 81,139)	$ 14,329	$ -	$ 23,554	($ 1,045,654)
Machinery equipment	(1,328,739)	(121,108)	68,187	-	30,800	(1,350,860)
Transport equipment	(59,332)	(3,093)	-	9,888	1,097	(51,440)
Office equipment	(35,106)	(1,394)	3,810	-	787	(31,903)
Others	(830,799)	(103,944)	50,436	(9,888)	16,591	(877,604)
	($ 3,256,374)	($ 310,678)	$ 136,762	$ -	$ 72,829	($ 3,357,461)
	$ 5,727,356					$ 5,815,994

A. On June 30, 2021, December 31, 2020 and June 30, 2020 the Group provides guarantees information with property, plant and equipment, please refer to Note 8.

B. For the three months and six months ended June 30, 2021 and 2020 the Group no interest capitalized.

(6) Lease Arrangements

A. The Group's leased assets include land, houses and buildings, and official vehicles. The lease contract usually lasts from 1 to 50 years. The lease contract is negotiated individually and contains various terms and conditions. There are no restrictions except that the leased assets may not be used as loan guarantees.

B. The book value of the right-of-use assets and the depreciation charges recognized are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
	Carrying amount	Carrying amount	Carrying amount
Land	$ 575,046	$ 595,584	$ 519,535
Buildings	334,956	350,762	369,556
Transportation equipment (company car)	203	-	-
	$ 910,205	$ 946,346	$ 889,091

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
	Depreciation	Depreciation
Land	$ 5,767	$ 4,776
Buildings	5,546	5,499
Transportation Equipment (company car)	29	-
	$ 11,342	$ 10,275

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
	Depreciation	Depreciation
Land	$ 11,609	$ 12,207
Buildings	11,099	9,125
Transportation Equipment (company car)	29	41
	$ 22,737	$ 21,373

C. The Group’s right-of-use assets for the three months ended June 30, 2021 and 2020 increased to $1,210 and $176,785, respectively. For the six months ended June 30, 2021 and 2020 increased to $1,210 and $182,650, respectively.

D. The profit and loss item related to the lease contract is as follows:

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Items affecting current profit and loss:		
Interest expense on lease liability	$ 1,206	$ 1,108
Cost relates to short-term lease contract	2,850	266

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Items affecting current profit and loss:		
Interest expense on lease liability	$ 2,431	$ 1,986
Cost relates to short-term lease contract	4,034	509

E. The Group's lease cash outflow for the six months ended June 30, 2021 and 2020 totaled $38,227 and $26,190, respectively.

(7) Other Current Assets and Other Non-Current Assets

Item	June 30, 2021	December 31, 2020	June 30, 2020
Current:			
Financial assets at amortized cost - Restricted bank deposits	$ 378	$ 39,106	$ 19,574
Financial assets at amortized cost – Time deposits	43,150	43,617	41,910
Others	95,187	81,661	38,557
Total	$ 138,715	$ 164,384	$ 100,041

Item	June 30, 2021	December 31, 2020	June 30, 2020
Non-current:			
Prepaid for land and equipment	$ 317,005	$ 328,604	$ 182,836
Refundable deposits	3,143	2,884	4,916
Others	59,602	12,051	27,548
Total	$ 379,750	$ 343,539	$ 215,300

Note: On June 30, 2021, December 31, 2020 and June 30, 2020 the group provides the guarantee for the other non-current assets, please refer to Note 8.

(8) Current Borrowings

Loan Type	June 30, 2021	Interest rate range	Collateral
Credit loans	$ 2,529,460	0.440%~0.736%	Note

Loan Type	December 31, 2020	Interest rate range	Collateral
Credit loans	$ 1,322,960	0.597%~0.736%	Note

Loan Type	June 30, 2020	Interest rate range	Collateral
Credit loans	$ 1,745,570	0.599%~1.800%	Note

Note: For the information on the security of property, plant and equipment provided by the Group, please refer to Note 8.

(9) Other Payables

	June 30, 2021	December 31, 2020	June 30, 2020
Accrued salaries	$ 487,393	$ 523,900	$ 385,901
Dividends	315,410	389,623	963,059
Payables on equipment	486,157	337,623	253,635
Others	153,578	140,337	151,825
Total	$ 1,442,538	$ 1,391,483	$ 1,754,420

(10) Bonds Payable

	June 30, 2021	December 31, 2020	June 30, 2020
Domestic fourth unsecured convertible corporate bonds	$ -	$ -	$ 50,300
Domestic fifth unsecured convertible corporate bonds	500,000	500,000	-
Less: Discount on corporate bonds payable	(13,147)	(16,180)	(671)
Total	$ 486,853	$ 483,820	$ 49,629

A. The fourth unsecured convertible corporate bonds in the Republic of China, issued by the Board of Directors of the Company on August 6, 2018, were as follows:

(A) The conditions for issuing the fourth unsecured convertible corporate bonds of the Company were as follows:

a. With the approval of the competent authority, the Company raised and issued the 4th unsecured convertible corporate bonds in Taiwan, totaling NT$1,000,000, with a par value of NT$100,000 and a coupon interest rate of 0%. The convertible corporate bond was issued for 3 years and circulated from October 2, 2018 to October 2, 2021. When the convertible corporate bond matures, it will be repaid in cash at the face value of the bond. The convertible corporate bond was listed at Gre Tai Securities Market Exchange on October 2, 2018.

b. The convertible corporate bondholder may at any time request the Company for conversion to its common stock from the next 3 months after the issuance of the bond to the expiration date, except for the period of suspension of the transfer according to the regulations or decrees. The rights and obligations of the convertible corporate bondholder are the same as those of the original common stock.

c. The conversion price of the convertible corporate bond is set at NT$54.5 per share at the time of issue, and the conversion price of the convertible corporate bond is determined according to the prescribed model stipulated in the conversion method, and the conversion price will be in case of the Company's anti-dilution clause. It will be adjusted according to the model set out in the conversion method.

d. Within 40 days before the convertible corporate bond is issued 2 full years, the bondholder may require the Company to redeem the convertible corporate bond in cash at 101.0025% of the face value of the bond.

e. When the convertible corporate bond is issued 3 months from the next day to the first 40 days after the expiration of the issuance period, the 30 consecutive business days of the closing price of the common stock of the Company will exceed 30% of the conversion price at that time; the Company will notify the creditors within 30 business days thereafter and withdraw the outstanding bonds in cash on the basis of the day of recovery based on the bond value. When the convertible corporate bond is issued 3 months, When the balance of the convertible corporate bond is less than 10% of the total issued in the first 40 days before the expiration of the issuance period, the Company will have to withdraw all its bonds in cash at any time thereafter based on the denomination of the bonds.

f. As per the conversion method, all of the Company's recovered (including purchased from the Securities Merchants Business Offices), repaid or converted convertible corporate bond will be revoked, no longer be sold or issued, and the attached conversion rights will be revoked accordingly.

(B) As of June 30, 2021, the convertible corporate bond of NT$100,000 was fully converted to 19,257 thousand shares of common stock. After the issuance of the convertible corporate bond, when the common stock issued by the Company has increased or the Company distributes cash dividends on the common stock, the Company should adjust the conversion price of this bond based on the ratio of current price per share on the ex-dividend date according to the prescribed formula. The convertible corporate bond was fully converted on October 6, 2020 and delisted on October 14, 2020.

(C) When issuing the convertible corporate bond, the Company will, in accordance with the International Accounting Standards No.32, separate the conversion rights of equity from the constituent elements of the liabilities, and account for the "capital surplus - stock options." The balance on June 30, 2021 was NT$0. The other is the right to buy back and sell back. According to the International Financial Reporting Standard No. 9, because of the economic characteristics of the goods that are in debt with the principal contract, the relationship between economic characteristics and risk is not closely related, so it is separated and list as the net account of "financial assets or financial liabilities at fair value through profit or loss." The effective interest rate of the principal contract obligation after separation is 1.066%.

B. The fifth unsecured convertible corporate bonds in the Republic of China, issued by the Board of Directors of the Company on April 30, 2020, were as follows:

(A) The conditions for issuing the fifth unsecured convertible corporate bonds of the Company were as follows:

a. With the approval of the competent authority, the Company raised and issued the 5th unsecured convertible corporate bonds in Taiwan, totaling NT$500,000, with a par value of NT$100,000 and a coupon interest rate of 0%. The convertible corporate bond was issued for 3 years and circulated from August 17, 2020 to August 17, 2023. When the convertible corporate bond matures, it will be repaid in cash at the face value of the bond. The convertible corporate bond was listed at Gre Tai Securities Market Exchange on August 17, 2020.

b. The convertible corporate bondholder may at any time request the Company for conversion to its common stock from the next 3 months after the issuance of the bond to the expiration date, except for the period of suspension of the transfer according to the regulations or decrees. The rights and obligations of the convertible corporate bondholder are the same as those of the original common stock.

c. The conversion price of the convertible corporate bond is set at NT$112 per share at the time of issue, and the conversion price of the convertible corporate bond is determined according to the prescribed model stipulated in the conversion method, and the conversion price will be in case of the Company's anti-dilution clause. It will be adjusted according to the model set out in the conversion method.

d. Within 40 days before the convertible corporate bond is issued 2 full years, the bondholder may require the Company to redeem the convertible corporate bond in cash at 101.0025% of the face value of the bond.

e. When the convertible corporate bond is issued 3 months from the next day to the first 40 days after the expiration of the issuance period, the 30 consecutive business days of the closing price of the common stock of the Company will exceed 30% of the conversion price at that time; the Company will notify the creditors within 30 business days thereafter and withdraw the outstanding bonds in cash on the basis of the day of recovery based on the bond value. When the convertible corporate bond is issued 3 months, When the balance of the convertible corporate bond is less than 10% of the total issued in the first 40 days before the expiration of the issuance period, the Company will have to withdraw all its bonds in cash at any time thereafter based on the denomination of the bonds.

f. As per the conversion method, all of the Company's recovered (including purchased from the Securities Merchants Business Offices), repaid or converted convertible corporate bond will be revoked, no longer be sold or issued, and the attached conversion rights will be revoked accordingly.

(B) As of June 30, 2021, the convertible corporate bond of NT$500,000 was not yet converted to the common stock. After the issuance of the convertible corporate bond, when the common stock issued by the Company has increased or the Company distributes cash dividends on the common stock, the Company should adjust the conversion price of this bond based on the ratio of current price per share on the ex-dividend date according to the prescribed formula. At present, the conversion price for the convertible corporate bond is NT$107.8 per share.

(C) When issuing the convertible corporate bond, the Company will, in accordance with the International Accounting Standards No.32, separate the conversion rights of equity from the constituent elements of the liabilities, and account for the “capital surplus - stock options.” The balance on June 30, 2021 was NT$48,201. The other is the right to buy back and sell back. According to the International Financial Reporting Standard No. 9, because of the economic characteristics of the goods that are in debt with the principal contract, the relationship between economic characteristics and risk is not closely related, so it is separated and list as the net account of “financial assets or financial liabilities at fair value through profit or loss.” The effective interest rate of the principal contract obligation after separation is 1.066%.

(11) Long-Term Loans

Loan Type	Loan period and repayment method	Interest rate range	Collateral	June 30,2021
Credit loans	From June 7, 2021 to June 7, 2023, with monthly interest payment, the principal can be paid at any time.	0.7366%	none	$ 100,000

As of December 31, 2020 and June 30, 2020 the Group has no long-term loan.

(12) Other Non-Current Liabilities

Item	June 30, 2021	December 31, 2020	June 30, 2020
Non-Current:			
Deferred government grant income	$ 117,705	$ 120,529	$ 117,298
Other non-current liabilities - Other	90,535	91,516	87,934
Total	$ 208,240	$ 212,045	$ 205,232

(13) Pension

A. Since July 1, 2005, the Group’s subsidiary Capital Concord Enterprises Limited H.K., Taiwan Branch, and Taiwan Laya have set up a defined retirement scheme according to the “Labor Pension Act,” which is applicable to employees of this nationality. The Group has paid the labor pension to 6% of the monthly salary of the labor pension system applicable to the employee's choice of the “Labor Pension Act,” the personal accounts of the Bureau of Labor Insurance, and the payment of employees' pensions are collected on the basis of the pensions of employees' personal pensions and the amount of accumulated income or by a pension. For the three months and six months ended June 30, 2021 and 2020, the pensions recognized by the Group in accordance with the above regulations were NT$1,726, NT$1,614, NT$3,374 and NT$3,292 respectively.

B. In accordance with the regulations of the People's Republic of China, the Group's second-tier subsidiaries in China set aside the pension monthly at 16%~20% of the total local staff’s salaries (Sunny and Sunshine: 16%~18%; Sunsmile: 16%~19%; Fujian Laya and La Sportiva: 16%~20%). Each employee's pension is managed and arranged by the government, and the Group is solely obliged to set aside the pension. For the three months and six months ended June 30, 2021 and 2020, the pensions recognized by the Group's second-tier subsidiaries in China in accordance with the above regulations were NT$21,743, NT$4,057, NT$42,021 and NT$11,906 respectively. The decrease of pension in the first half of 2020 in China area was due to COVID-19 local government provides preferential policy.

C. The Group's subsidiaries, Fulgent Sun Footwear (Vietnam) and NGOC HUNG Footwear (Vietnam), are subject to the relevant local regulations. According to the local government regulations, the pension fund for employees' retirement pension is payable monthly at a certain percentage of the total wage and paid to the relevant competent authorities. The Group has no further obligation except monthly payment. For the three months and six months ended June 30, 2021 and 2020, the pensions recognized by the Group in accordance with the above regulations were NT$34,954, NT$28,541, NT$67,411 and NT$56,966 respectively.

(14) Share Capital

A. On June 30, 2021, the Company's rated capital was $3,000,000, divided into 300 million shares, the paid in capital was $1,861,950, the denomination of $10 per share.

The adjustment made to the Company's outstanding common stock shares at the beginning and end of the period were as follows:

Unit: Thousand Shares

	2021	2020
January 1	185,535	174,757
Convertible bonds execution conversion	-	405
Shares recovery	-	(660)
June 30	185,535	174,502

B. Treasury Stock

(A) Reason and quantity of share recovery

		June 30, 2021	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	$ 57,583

		December 31, 2020	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	$ 57,583

		June 30, 2020	
Shareholder	Reason for Buyback	Number of Shares (in Thousands)	Carrying Amount
The Company	Transfer to employees	660	$ 57,583

(B) According to the Securities and Exchange Act, the number of shares bought back under shall not exceed 10% of the total number of issued and outstanding shares of the Company. The total amount of the shares bought back shall not exceed the amount of retained earnings plus premium on capital stock plus realized capital surplus.

(C) According to the Securities and Exchange Act, treasury stocks held by the Company shall not be pledged; before the transfer, the shareholder's rights shall not be enjoyed.

(D) According to the Securities and Exchange Act, the shares bought back by the Company shall be transferred to employees within 5 years from the date of buyback. The shares not transferred within the said time limit shall be deemed as not issued by the Company, and amendment registration shall be processed for cancellation. Where the buyback is required to maintain the company's credit and shareholders' rights and interests, amendment registration for cancellation shall be effected within six months from the date of buyback.

(15) Capital Surplus

A. According to the Company Act, the excess of the income from the issuance of shares in excess of the coupon amount and the capital surplus of the received gift shall, in addition to being used to make up for the loss, be issued to new shares or cash in proportion to the original shares of the shareholders when the Company has no accumulated losses. In accordance with the relevant provisions of the Securities and Exchange Act, the above capital surplus is limited to 10% of the total amount of paid-in-capital. The Company shall not use the capital surplus to make good its capital loss unless the surplus reserve is insufficient to make good such loss.

B. The changes in capital surplus are as follows:

	2021			
	Issue Premium	Stock Options	Others	Total
January 1 and June 30	$ 5,207,597	$ 48,201	$ 546	$ 5,256,344

	2020			
	Issue Premium	Stock Options	Others	Total
January 1	$ 4,457,016	$ 2,110	$ 546	$ 4,459,672
Convertible corporate bonds converted to common stocks	16,997	(617)	-	16,380
June 30	$ 4,474,013	$ 1,493	$ 546	$ 4,476,052

(16) Retained Earnings

A. In the shareholders' meeting held on June 12, 2020, the Company passed a resolution to amend the Articles of Incorporation, stipulating that the Company may, at the end of each semi-fiscal year, distribute earnings in the form of stock dividends upon supermajority resolution in the shareholders' meeting or in the form of cash dividends upon the Board of Directors' resolution. In accordance with the amended Articles of Incorporation, the Company shall (1) first make up the loss over the years, set aside a legal surplus reserve at 10% of the remaining earnings until the accumulated legal surplus reserve equals the Company's paid-in-capital; (2) set aside a special surplus reserve in accordance with the rules of the public offering company or at the request of the competent authority; and (3) may set aside less than 3% of the remaining earnings as directors' remuneration and less than 3% of the remaining profits as bonuses to the employees of the Company and subsidiaries.

B. When the Company's earnings are distributed, dividends distributed to shareholders should not be less than the balance of the remaining earnings net of 20% of the amounts in the preceding (1) (2), wherein the cash dividend issued should not be less than 20% of the dividends.

C. In accordance with the Articles of Incorporation, the Company shall not distribute dividends or assign dividends or other assignments in respect of the realized or unrealized benefits of the Company, the premium account for the issuance of shares, or other payments permitted by the Cayman Company Act; provided that the legal surplus reserve is more than 25% of paid-in-capital, only the legal surplus reserve shall be accumulated as the above allocation and shall be limited to the portion of the legal surplus reserve in excess of 25% of the paid-in-capital.

D. (A) When the Company distributes earnings, it should make special surplus reserve accumulated in respect of the debit balance of other equity on the balance sheet date in accordance with the provisions of the laws. When the debit balance of subsequent other equity is reversed, the amount reversed may be included in the earnings available for distribution

(B) Upon the first application of the IFRSs, a special surplus reserve set aside in letter No. 1010012865 issued by the FSC on April 6, 2012 is to be reversed when the Company subsequently uses, disposes of or reclassifies the related assets.

E. The appropriations of earnings for 2019 which have been resolved in the shareholders' meeting on June 12, 2020 and respectively, was as follows:

	2019	
	Amount	Dividends per share (NT$)
Legal capital reserve	$ 127,920	
Special capital reserve	262,634	
Cash dividends	963,059	$ 5.5

Regarding the dividends per share on the distribution of earnings for the year ended December 31, 2019, the Company converted the convertible corporate bonds and did not transfer the redeemed treasury stocks to employees, the Board of Directors resolved on June 12, 2020 to authorize the Chairman to adjust the dividend rate to NT$5.52 respectively.

F. As of May 25, 2021, the appropriations of interim earnings for 2020 which have been resolved by the shareholders' meeting with electronic voting, were as follows:

	For the second half year of 2020		For the first half year of 2020	
Board resolution date	February 26, 2021		December 28, 2020	
Legal surplus reserve	$	37,151	$	52,606
Special surplus reserve	($	15,442)	$	169,454
Cash dividends	$	315,410	$	389,623
Dividends per share (NT$)	$	1.70	$	2.10

In accordance with the FSC Letter No.1010012865 dated April 6, 2012, for the net deduction to other shareholders' equity, the special surplus reserve of the same amount that is set aside from profit or loss and undistributed earnings should not be distributed; however, the Company has set aside special surplus reserve upon the first application of the IFRSs, and should therefore set aside a special surplus reserve to make up the difference between the amount already set aside and the net deduction to other shareholders' equity.

Before the record date of the appropriations of interim earnings for the second half year of 2020, if the number of outstanding shares is affected by the conversion of convertible corporate bonds, the issuance of restricted stock for employees, or other factors, resulting in a change in shareholders' dividends and a need for modification, it should be reported to the Board of Directors, which should authorize the Chairman to act at his/her own discretion.

For more information on the distribution of earnings proposed by the Board of Directors and resolved in the shareholders' meeting, refer to the "Market Observation Post System" of Taiwan Stock Exchange Corporation.

(17) Operating Revenue

	For the Three Months Ended June 30, 2021		For the Three Months Ended June 30, 2020	
Revenue from Contracts with Customers	$	3,479,368	$	2,376,331

	For the Six Months Ended June 30, 2021		For the Six Months Ended June 30, 2020	
Revenue from Contracts with Customers	$	6,896,217	$	5,149,195

A. Breakdown of Customer Contract Income

The income of the Group originates from the transfer of goods at a certain point. Income can be broken down according to the type of business. For relevant information, refer to Note 14(2).

B. Contract liability

The contract liabilities related to customer contract income recognized by the Group were as follows:

	June 30, 2021		December 31, 2020		June 30, 2020		January 1, 2020	
Contract liability								
- Advance sales receipts	$	10,331	$	52,618	$	21,162	$	28,538

Contract liability opening recognized income in current period

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Contract liability opening balance recognized income in current period –Advance sales receipts	$ 31,668	$ 3,259

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Contract liability opening balance recognized income in current period –Advance sales receipts	$ 51,423	$ 24,977

(18) Interest revenue

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Interest on bank deposits	$ 2,328	$ 2,325

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Interest on bank deposits	$ 4,692	$ 5,046

(19) Other Income

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Government subsidy income	$ 25,428	$ 3,449
Other income - others	10,733	10,881
	$ 36,161	$ 14,330

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Government subsidy income	$ 34,209	$ 4,857
Other income - others	19,794	25,527
	$ 54,003	$ 30,384

(20) Other Gains and Losses

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Disposal of property, plant and equipment losses	($ 1,533)	($ 5,921)
Foreign exchange loss	(61,744)	(28,714)
Loss on financial assets and liabilities measured at fair value through profit and loss	(1,617)	517
Other losses	(5,957)	(1,338)
	($ 70,851)	($ 35,456)

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Disposal of property, plant and equipment losses	($ 3,903)	($ 6,751)
Foreign exchange (loss) gain	(60,806)	19,235
Losses on financial assets and liabilities measured at fair value through loss	(2,881)	(830)
Other losses	(11,469)	(10,366)
	($ 79,059)	$ 1,288

(21) Finance Costs

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Bank borrowing	$ 4,562	$ 5,893
Convertible bonds	1,527	138
Lease liabilities	1,206	1,108
	$ 7,295	$ 7,139

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Bank borrowing	$ 7,677	$ 12,096
Convertible bonds	3,033	300
Lease liabilities	2,431	1,986
	$ 13,141	$ 14,382

(22) Expenses Expressed by Nature

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Employee benefits		
Salary	$ 1,143,976	$ 785,995
Labor and health insurance	37,429	20,901
Pension	58,423	34,212
Others	23,179	17,871
	1,263,007	858,979
Depreciation	188,566	169,065
Amortization	5,055	10,591
	$ 1,456,628	$ 1,038,635

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Employee benefits		
Salary	$ 2,192,686	$ 1,662,327
Labor and health insurance	73,046	46,294
Pension	112,806	72,164
Others	42,880	33,512
	2,421,418	1,814,297
Depreciation	370,382	332,051
Amortization	9,170	23,767
	$ 2,800,970	$ 2,170,115

A. According to the Articles of Incorporation, the Company may allocate a surplus not exceeding 3% of the remaining surplus as the directors' remuneration and 3% of the remaining profits as employees' bonuses for the employees of the Company and subsidiaries.

B. The employee bonus estimates of the Company for the three months and six minths ended June 30, 2021 and 2020 were both $2,500 and $5,000, and the director remuneration estimates were $2,500 and $5,000. The above amounts were accounted for as operating expenses. The above employees’ bonuses and directors' remuneration are assessed on the basis of the ratio set out in the Articles of Incorporation, taking into account such factors as net income as of the current period after consideration of the legal surplus reserve.

The employees' bonuses and directors' remuneration for the year ended December 31, 2020 approved by the Board of Directors are consistent with those recognized in the financial statements for the year ended December 31, 2020.

Information on employees’ bonuses and directors' remuneration approved by the Board of Directors is available on the MOPS.

(23) Tax (expense) income

(A) Tax (expense) income

Components of income tax expense:

	For the Three Months Ended June, 2021	For the Three Months Ended June, 2020
Current income tax:		
Income tax on current income	$ 18,228	$ 33,346
Overestimated (Underestimated) income tax in prior periods	(4,315)	1,452
Total current income tax	13,913	34,798
Deferred income tax:		
The primitive generation and turn of temporary differences	(16,503)	262
Total deferred income tax	(16,503)	262
Tax (income) expense	($ 2,590)	$ 35,060

	For the Six Months Ended June, 2021	For the Six Months Ended June, 2020
Current income tax:		
Income tax on current income	$ 83,022	$ 86,743
Overestimated (Underestimated) income tax in prior periods	(3,085)	1,606
Total current income tax	79,937	88,349
Deferred income tax:		
The primitive generation and turn of temporary differences	(19,795)	(2,255)
Total deferred income tax	(19,795)	(2,255)
Tax expenses	$ 60,142	$ 86,094

(B) Subsidiary-Capital Concord (H.K.) Taiwan Branch and Second-tier Subsidiary-Laya Max Trading Co., Ltd. for profit income tax settlement declaration, have been approved by the taxes reprioritizing authority to 2018and 2019.

(24) Earnings Per Share

	For the Three Months Ended June 30, 2021		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to equity holders of the Company	$ 129,710	185,535	$ 0.70
Diluted earnings per share			
Profit attributable to equity holders of the Company	129,710	185,535	
Effect of dilutive potential ordinary shares			
Convertible bonds	1,527	4,638	
Employee bonus	-	136	
Profit attributable to ordinary shareholders assuming the effect of potential ordinary shares	$ 131,237	190,309	$ 0.69

	For the Three Months Ended June 30, 2020		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to equity holders of the Company	$ 171,923	174,575	$ 0.99
Diluted earnings per share			
Profit attributable to equity holders of the Company	171,923	174,575	
Effect of dilutive potential ordinary shares			
Convertible bonds	138	1,018	
Employee bonus	-	127	
Profit attributable to ordinary shareholders assuming the effect of potential ordinary shares	$ 172,061	175,720	$ 0.98

	For the Six Months Ended June 30, 2021		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to equity holders of the Company	$ 455,201	185,535	$ 2.45
Diluted earnings per share			
Profit attributable to equity holders of the Company	455,201	185,535	
Effect of dilutive potential ordinary shares			
Convertible bonds	3,033	4,638	
Employee bonus	-	137	
Profit attributable to ordinary shareholders assuming the effect of potential ordinary shares	$ 458,234	190,310	$ 2.41

	For the Six Months Ended June 30, 2020		
	After-tax amount	Weighted average number of shares in circulation (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to equity holders of the Company	$ 526,066	174,790	$ 3.01
Diluted earnings per share			
Profit attributable to equity holders of the Company	526,066	174,790	
Effect of dilutive potential ordinary shares			
Convertible bonds	300	1,078	
Employee bonus	-	138	
Profit attributable to ordinary shareholders assuming the effect of potential ordinary shares	$ 526,366	176,006	$ 2.99

(25) Supplementary Information on Cash Flow

A. Investing activities with partial cash payments:

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Additions to property, plant and equipment	$ 1,279,641	$ 490,980
Less: Prepayments for land and equipment at the beginning of the period	(328,604)	(57,686)
Add: Prepayments for land and equipment at the end of the period	317,005	182,836
Add: Payables for equipment at the beginning of the period	337,623	270,888
Less: Payables for equipment at the end of the period	(486,157)	(253,635)
Cash paid in the period	$ 1,119,508	$ 633,383

B. Financing activities that do not affect cash flow:

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Share capital converted from convertible bonds	$ -	$ 4,054
Declared cash dividends not yet paid	$ 315,410	$ 963,059

(26) Changes in Liabilities Arising from Financing Activities

	Short-term loans and Long-term loans	Lease liabilities	Dividend payable	Total liabilities from financing activities
January 1, 2021	$ 1,322,960	$ 527,719	$ 389,623	$ 2,240,302
Changes in cash flows from financing	1,349,852	(34,193)	(389,623)	926,036
Other non-cash flows	-	3,640	315,410	319,050
Effects of exchange rate changes	(43,352)	(8,496)	-	(51,848)
June 30, 2021	$ 2,629,460	$ 488,670	$ 315,410	$ 3,433,540

	Short term loans and short-term notes	Lease liabilities	Dividend payable	Total liabilities from financing activities
January 1, 2020	$ 1,669,050	$ 362,261	$ -	$ 2,031,311
Changes in cash flows from financing	166,444	(25,681)	-	140,763
Other non-cash flows	-	148,413	963,059	1,111,472
Effects of exchange rate changes	(19,929)	(4,644)	-	(24,573)
June 30, 2020	$ 1,815,565	$ 480,349	$ 963,059	$ 3,308,602

7. Related-Party Transactions

Key Management Compensation

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Short-term employee benefits	$ 15,694	$ 12,694

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Short-term employee benefits	$ 42,981	$ 25,974

8. Pledged Assets

Assets	Carrying amounts June 30, 2021	Carrying amounts December 31, 2020	Carrying amounts June 30, 2020	Guarantee use
Land	$ 99,602	$ 101,818	$ 105,930	Current borrowings
Buildings	148,632	154,051	162,469	Current borrowings
Financial assets at amortized cost (recognized in other current assets and other non-current assets)	2,531	40,850	19,972	Performance bond for power supply contract
Refundable deposits (recognized in other non-current assets)	3,143	2,884	4,916	Deposits for leased land and other
	$ 253,908	$ 299,603	$ 293,287	

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Commitments

(1) Capital expenditure contracted but not yet incurred:

	Contract Price June 30, 2021	Contract Price December 31, 2020	Contract Price June 30, 2020
Property, plant and equipment	$ 1,305,042	$ 1,158,583	$ 600,357

	Unpaid Price June 30, 2021	Unpaid Price December 31, 2020	Unpaid Price June 30, 2020
Property, plant and equipment	$ 482,686	$ 630,024	$ 324,766

(2) Outstanding letter of credit amount:

	June 30, 2021	December 31, 2020	June 30, 2020
Outstanding letter of credit	$ -	$ 35,485	$ 16,347

10. Significant Disaster Losses

None.

11. Significant Events After The Reporting Period

None.

12. Others

(1) Capital Management

There are no significant changes in this period, please refer to Note 12 consolidated financial statements in 2020.

(2) Financial Instruments

A. Categories of financial instruments

	June 30, 2021	December 31, 2019	June 30, 2020
Financial Assets			
Financial assets at fair value through profit and loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 6,208	$ 9,289	$ 3,808
Financial assets/loans and receivables measured at amortized cost			
Cash and cash equivalents	$ 1,381,709	$ 1,567,828	$ 1,423,462
Accounts receivable	2,592,888	2,270,550	2,255,326
Other receivables	145,395	184,911	137,176
Financial assets at amortized cost - current	43,528	82,723	61,484
Refundable deposits	3,143	2,884	4,916
Financial assets at amortized cost - non-current	2,153	1,744	-
	$ 4,168,816	$ 4,110,640	$ 3,882,364
Financial Liabilities			
Financial liabilities at fair value through profit and loss			
Financial liabilities designated at fair value through profit or loss	$ 50	$ 250	$ -
Financial liabilities measured at amortized cost			
Current borrowings	$ 2,529,460	$ 1,322,960	$ 1,745,570
Short-term notes payable	-	-	69,995
Notes payable	4,785	-	3,963
Accounts payable	2,247,119	1,666,662	1,358,920
Other payables	1,442,538	1,391,483	1,754,420
Long-term loans	100,000	-	-
Corporate bonds payable	486,853	483,820	49,629
	$ 6,810,755	$ 4,864,925	$ 4,982,497
Lease liabilities (current and non-current)	$ 488,670	$ 527,719	$ 480,349

B. Risk Management Policy

(A) The Group’s financial risk management objectives are to manage exchange rate risk, price risk, interest rate risk, credit risk and liquidity risk related to its operating activities. In order to minimize the relevant financial risks, the Group strives to identify, assess, and avoid market uncertainties, so as to minimize the potential adverse effects on the financial performance of the Company.

(B) The Group's important financial activities are reviewed by the Board of Directors and the Audit Committee according to relevant regulations and the internal control system. During the implementation of the financial plan, the Group must comply with the relevant financial operations procedures in relation to the overall financial risk management and segregation of duties.

C. Nature and Degree of Significant Financial Risks

(A) Market Risk

Exchange Rate Risk

a. The Group is a multinational operation and is exposed to exchange rate risk arising from transactions with different functional currencies by the Company and its subsidiaries, which are mainly the USD and RMB, and partially the Vietnamese Dong. The relevant exchange rate risk arises from future commercial transactions, recognized assets and liabilities, and net investments in foreign operations.

b. To avoid the decrease in foreign currency assets and future fluctuations in cash flows caused by exchange rate movements, the Group uses derivative financial instruments to hedge the exchange rate risk. This kind of derivative financial instrument can be used to assist the Group in reducing but not entirely eliminating the impact of foreign currency exchange rate movements.

c. The Group's business involves the use of various non-functional currencies (the Company and some subsidiaries' functional currency is NTD, whereas some subsidiaries' functional currencies are RMB, USD, and VND); as a consequence, it is subject to exchange rates fluctuation. Assets and liabilities that are denominated in foreign currencies and significantly affected by the exchange rates fluctuation and market risk were as follows:

(Foreign currency: functional currency)	June 30, 2021								
					Sensitivity Analysis				
		Foreign currency (in thousands)	Exchange rate		Carrying amount	Range of change		Impact on Profit and Loss		Impact on Other Comprehensive Income
Financial Assets										
Monetary items										
USD: RMB	$	13,223	6.4566	$	368,398	5%	$	18,420	$	-
RMB: USD		55,461	0.1549		239,313	5%		11,966		-
Financial Liabilities										
Monetary items										
USD: RMB	$	1,449	6.4566	$	40,376	5%	$	2,019	$	-
NTD: USD		1,068,223	0.0359		1,068,223	5%		53,411		-

(Foreign currency: functional currency)	December 31, 2020									
						Sensitivity Analysis				
		Foreign currency (in thousands)	Exchange rate		Carrying amount	Range of change		Impact on Profit and Loss		Impact on Other Comprehensive Income
Financial Assets										
Monetary items										
USD: RMB	$	13,649	6.5295	$	388,726	5%	$	19,436	$	-
RMB: USD		55,307	0.1532		241,236	5%		12,062		-
Financial Liabilities										
Monetary items										
USD: RMB	$	289	6.5295	$	8,220	5%	$	411	$	-
NTD: USD		1,049,304	0.0351		1,049,304	5%		52,465		-

(Foreign currency: functional currency)	June 30, 2020								
					Sensitivity Analysis				
	Foreign currency (in thousands)		Exchange rate	Carrying amount		Range of change	Impact on Profit and Loss		Impact on Other Comprehensive Income
Financial Assets									
Monetary items									
USD: RMB	$	3,057	7.0699	$	90,581	5%	$	4,529	$ -
RMB: USD		55,235	0.1414		231,488	5%		11,574	-
Financial Liabilities									
Monetary items									
USD: RMB	$	1,069	7.0699	$	31,668	5%	$	1,583	$ -
NTD: USD		806,200	0.0337		806,200	5%		40,310	-

d. The Group's monetary items were significantly impacted by the exchange rate changes, and the total exchange gains and (losses) (including realized and unrealized) for the three months ended June 30, 2021 and 2020 were (NT$61,744) and (NT$28,714), respectively. For the six months ended June 30, 2021 and 2020 were (NT$60,806) and NT$19,235, respectively.

Price Risk

a. The Group's equity instruments exposed to price risk are financial assets at fair value through profit or loss. To manage the price risk of investment in equity instruments, the Group diversifies its portfolio based on the limits set by the Group.

b. The Group's investments in equity instruments comprise domestic publicly quoted entities, and the prices of these equity instruments are affected by uncertainties in the future value of the investment targets. If the prices of these equity instruments were 5% higher or lower, with all other variables held constant, the Group's net income f for the six months ended June 30, 2021 and 2020 from gains or losses on equity instruments mandatorily measured at fair value through profit or loss would have increased or decreased NT$310 and NT$184 respectively.

Cash Flow and Fair Value Interest Rate Risk

a. The Group's interest rate risk arises primarily from the short-term loans, short-term notes payable, and long-term loans issued at floating rates, which exposes the Group to the cash flow interest rate risk. For the six months ended June 30, 2021 and 2020, the Group's loans issued at floating rates were mainly denominated in NTD and USD.

b. The Group's loans are measured at amortized cost and re-priced based on the contractual interest rates, which expose the Group to the risk of changes in future market interest rates.

c. If the loan interest rate increased or decreased 0.1%, with all other variables held constant, net income for the six months ended June 30, 2021 and 2020 would have decreased or increased NT$1,052 and NT$726 respectively, due to the changes in interest expenses caused by the loans issued at floating rates.

(B) Credit Risk

a. The Group's credit risk is primarily attributable to the Group's financial loss from customers' or financial instruments' counterparties' failure to fulfill contractual obligations. The main reason is that the counterparties are unable to settle the accounts receivable per payment terms.

b. The Group has established a management and credit risk analysis for each new customer, before making the payment and delivery of the Company's individual business within the stipulated payment and delivery of delivery policies according to the internal defined credit policy. The internal risk control is evaluated by considering its financial situation, past experience and other factors to assess the credit quality of customers. The limits of individual risks are formulated by the Board of Directors based on internal or external ratings, and the utilization of credit line is regularly monitored. The main credit risks come from cash and cash equivalents, derivative financial instruments, deposits at banks and financial institutions, as well as credit risks from customers, including uncollected accounts receivable. For banks and financial institutions, only institutions with good credit ratings will be accepted as trading partners.

c. The Group adopts the IFRS 9 to provide the following assumptions whether the credit risk of financial instruments has increased significantly since their initial recognition:

When the contract payments are overdue for more than 30 days according to the agreed payment terms, the credit risk is increased significantly since the financial assets are initially recognized.

d. When the investment target for the independent credit rating has been lower for two grades, the Group will determine that the credit risk of the investment target is increased significantly.

e. Based on the internally specified accounting policies of the Group, it is deemed as a breach of contract when the contractual payments are overdue for more than 365 days in accordance with stipulated payment terms.

f. The Group has classified customers' accounts receivable on the characteristics of customers' ratings and adopts a simplified approach to estimate expected credit losses based on the reserve matrix

g. After recourse procedures, the Group writes off the recoverable financial assets that cannot be reasonably expected; nonetheless, the Group will keep legal recourse to secure its creditor’s rights the Group had no creditors' rights that had been written off but still could be recourse as of June 30, 2021 and 2020.

h. The Group adjusts the loss rate established on the history of certain periods and current information for prospective considerations to estimate the loss allowance for accounts receivable. The reserve matrixes as of June 30, 2021, December 31, 2020 and June 30, 2020 were as follows:

June 30, 2021	Expected Loss Rate	Total Carrying Amount	Allowance for Loss
Current	0.00%	$ 2,489,958	$ -
Overdue 0 to 90 days	2.65%	96,156	2,552
Overdue 91 to 180 days	25.68%	2,484	638
Overdue 181 to 365 days	61.39%	19,375	11,895
Over 365 days past due	100.00%	1,173	1,173
Total		$ 2,609,146	$ 16,258

December 31, 2020	Expected Loss Rate	Total Carrying Amount	Allowance for Loss
Current	0.00%	$ 2,209,713	$ -
Overdue 0 to 90 days	0.85%	55,215	471
Overdue 91 to 180 days	5.95%	3,632	216
Overdue 181 to 365 days	26.66%	3,650	973
Over 365 days past due	100.00%	3,160	3,160
Total		$ 2,275,370	$ 4,820

June 30, 2020	Expected Loss Rate	Total Carrying Amount	Allowance for Loss
Current	0.00%	$ 1,818,330	$ -
Overdue 0 to 90 days	0.98%	387,649	3,810
Overdue 91 to 180 days	3.91%	54,071	2,115
Overdue 181 to 365 days	23.21%	1,564	363
Over 365 days past due	100.00%	7,241	7,241
Total		$ 2,268,855	$ 13,529

i. Changes in the loss allowance for accounts receivables using the simplified approach are stated as follows:

	2021
	Accounts receivable
January 1	$ 4,820
Allowance for Impairment loss	11,647
Effect of exchange rate changes	(209)
June 30	$ 16,258

	2020
	Accounts receivable
January 1	$ 8,715
Reversal for Impairment loss	5,073
Effect of exchange rate changes	(259)
June 30	$ 13,529

(C) Liquidity Risk

a. The cash flow forecast is performed by each operating entity of the Group and compiled by the Group's treasury. The Group's treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times

b. The Group's treasury invests surplus cash in interest-bearing demand deposits and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the aforementioned forecasts.

c. As of June 30, 2021, December 31, 2020 and June 30, 2020 the Group has unused borrowing facilities of $2,004,010, $3,776,320 and $3,095,945, respectively.

d. The following table is the Group's non-derivative financial liabilities, classified according to the relevant maturity date; the non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date; the derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date; the amounts of contractual cash flows disclosed in the following table are the undiscounted amount.

Non-derivative financial liabilities:

June 30, 2021	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowing	$ 2,120,869	$ 412,261	$ -	$ -	$ -
Notes payable	4,785	-	-	-	-
Accounts payable	2,247,119	-	-	-	-
Other payables	1,392,667	49,871	-	-	-
Long-term loans	-	-	101,427	-	-
Bonds payable	-	-	-	500,000	-
Lease liabilities	7,980	9,367	18,398	64,248	432,099

Non-derivative financial liabilities:

December 31, 2021	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowing	$ 1,143,613	$ 180,888	$ -	$ -	$ -
Accounts payable	1,666,662	-	-	-	-
Other payables	1,342,832	48,651	-	-	-
Bonds payable	-	-	-	500,000	-
Lease liabilities	13,864	14,165	19,110	57,289	455,181

Non-derivative financial liabilities:

June 30, 2020	Less than 6 Months	7 to 12 Months	1 to 2 years	2 to 5 years	More than 5 years
Short-term borrowing	$ 1,747,907	$ -	$ -	$ -	$ -
Short-term notes payable	70,005	-	-	-	-
Notes payable	3,963	-	-	-	-
Accounts payable	1,358,920	-	-	-	-
Other payables	1,689,430	64,990	-	-	-
Bonds payable	-	-	50,300	-	-
Lease liabilities	16,477	6,257	20,809	46,854	400,005

(3) Fair Value Information

A. The levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Direct or indirect observable input value of assets or liabilities, except for quotations in Level 1. The fair value of derivatives invested by the Group is at this level.

Level 3: Unobservable inputs value of assets or liabilities. Convertible corporate bonds invested by the Group are included in Level 3.

B. Financial instruments not measured at fair value

(A) The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term loans, short-term notes payable, notes payable, accounts payable, and other payables are a reasonable approximation of their fair values (except those stated in the following table). The interest rate of long-term loans (including those overdue within one year or one operating cycle) is close to the market interest rate; therefore, the carrying amount should be a reasonable basis for estimating fair value:

	June 30, 2021	
		Fair Value
	Carrying amount	Level 3
Bonds payable	$ 486,853	$ 489,812

	December 31, 2020	
		Fair Value
	Carrying amount	Level 3
Bonds payable	$ 483,820	$ 487,857

	June 30, 2020	
		Fair Value
	Carrying amount	Level 3
Bonds payable	$ 49,629	$ 49,924

(B) The methods and assumptions used to estimate fair value were as follows:

Convertible bonds payable: The coupon rate of convertible corporate bonds issued by the Group is similar to the market rate, so the fair value is measured at the discounted value of expected cash flows, which is equivalent to the carrying amount.

C. The Group categorizes financial and non-financial instruments measured at fair value on the basis of the nature, characteristics, risks, and fair value of the assets and liabilities. The related information is as follows:

June 30, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit and loss				
- Listed company stock	$ 6,208	$ -	$ -	$ 6,208
Liabilities				
Recurring fair value				
Financial liabilities at fair value through profit and loss				
- Redemption right of convertible corporate bonds	$ -	$ -	($ 50)	($ 50)

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit and loss				
- Listed company stock	$ 9,289	$ -	$ -	$ 9,289
Liabilities				
Recurring fair value				
Financial liabilities at fair value through profit and loss				
- Redemption right of convertible corporate bonds	$ -	$ -	($ 250)	($ 250)

June 30, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit and loss				
- Listed company stock	$ 3,672	$ -	$ -	$ 3,672
- Redemption right of convertible corporate bonds	-	-	136	136
	$ 3,672	$ -	$ 136	$ 3,808

D. The methods and assumptions the Group used to measure fair value were as below:

(A) For the Level 1 instruments which the Group uses market quoted prices as their fair values and which are listed stocks by characteristics, their closing prices are used as market quoted prices.

(B) The cash flow expected to be received by the corporate bonds payable according to the underlying assets are measured by the discounted present value of the market interest rate at the balance sheet date.

E. There was no transfer between Level 1 and Level 2 for the six month ended June 30, 2021 and 2020.

F. The following table shows the changes for the six month ended June 30, 2021 and 2020:

	2021	2020
	Non-derivative equity instruments	Non-derivative equity instruments
January 1	($ 250)	$ 28
Gains or losses recognized in profit or loss (Note)	200	124
Current conversion	-	(16)
June 30	($ 50)	$ 136

Note: Recognized in other gains and losses.

G. Evaluation process regarding fair value Level 3 is conducted by the Group's treasury, by which the independence of fair value of financial instruments is verified through use of independent data source in order that such valuation results are close to market conditions, and that the data source is independent, reliable, consistent with other resources, and representative of the exercisable price. In addition, multiple actions are regularly taken to ensure the reasonableness of the fair value valuation, e.g., calibrating the valuation model, conducting retrospective testing, updating the inputs and data for the valuation model, and making any necessary fair value adjustments.

H. Below states the quantitative information about the significant unobservable inputs of the valuation model used in the measurements categorized within Level 3 of the fair value hierarchy, as well as the sensitivity analysis of changes in significant unobservable inputs:

	Fair value as of June 30, 2021	Evaluation techniques	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Hybrid Instruments:					
Corporate bond redemption right	($ 50)	Binomial Tree Evaluation Model	Volatility	44.86%	The higher the volatility, the higher the fair value

	Fair value as of December 31, 2020	Evaluation techniques	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Hybrid Instruments:					
Corporate bond redemption right	($ 250)	Binomial Tree Evaluation Model	Volatility	51.07%	The higher the volatility, the higher the fair value

	Fair value as of June 30, 2020		Evaluation techniques	Significant unobservable input value	Interval (weighted average)	Relationship between input value and fair value
Hybrid Instruments:						
Corporate bond redemption right	$	136	Binomial Tree Evaluation Model	Volatility	50.27%	The higher the volatility, the higher the fair value

I. The evaluation models and parameters chosen by the Group after careful evaluation may lead to different results when different evaluation models or parameters are used. For financial assets and liabilities classified as Level 3, if the evaluation parameters change, the impact on current profits and losses were as follows:

			June 30, 2021	
			Recognized in Profit or Loss	
	Input value	Change	Favorable change	Unfavorable change
Financial Liabilities				
Hybrid instruments	Volatility	±5%	$ 100	($ 300)

			December 31, 2020	
			Recognized in Profit or Loss	
	Input value	Change	Favorable change	Unfavorable change
Financial Liabilities				
Hybrid instruments	Volatility	±5%	$ 150	($ 250)

			June 30, 2020	
			Recognized in Profit or Loss	
	Input value	Change	Favorable change	Unfavorable change
Financial Liabilities				
Hybrid instruments	Volatility	±5%	$ 30	($ 55)

(4) Other Matter

The COVID-19 has been prevalent since 2020. The Group has adopted corresponding measures and continues to manage related matters, and its impact has been taken into consideration in corporate operations. During the Chinese New Year in 2020, the Group's subsidiary adjusted the start date in response to the local competent authority’s anti-epidemic policy, and resumed work in February and early March. And in second quarter of 2021, the Group's subsidiary, Vietnam and Cambodia, suspended operations for 11 working days based on taking care of the health of all employees as the first priority.

In the first half 2021 greater Europe region sequentially ranked the highest at 48.0% of revenue. Greater America region continues to show growth over the years, reaching 39.7% of revenue over the period. Currently the group has almost 50 brand clients, with the top ten contributing 80% of sales in the first half. Novel brand clients are expected to join production lines consecutively in the second half of 2021.

Thanks to gradual lifting of pandemic regulations in Europe and the US, the group's major markets, consumption on outdoor leisure activities and related goods has been perking up. Demand for new shoe designs for the coming year and orders for the second half of 2021 from brand clients have shown a significant growth. After assessment the suspension of operations did not have a significant impact on the finance and business of the Group.

13. Supplementary Disclosures

(1) Information on Significant Transactions

A. Loans to Others: Refer to Appendix 1.

B. Provision of Endorsements and Guarantees to Others: None.

C. Holding of Marketable Securities (Not Including Subsidiaries, Associates, and Joint Ventures): Refer to Appendix 2.

D. Accumulated Acquisition or Disposal of the Same Securities Reaching NT$300 Million or 20% of Paid-in Capital or More: 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: Refer to Appendix 3.

H. Receivables from Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More: Refer to Appendix 4.

I. Derivatives transactions: None.

J. Parent-subsidiary and Subsidiary-subsidiary Business Relations and Significant Transactions and Amounts Thereof: Refer to Appendix 5.

(2) Information on reinvested business

Information on Invested Companies (Not Including Investee Companies in Mainland China): Refer to Appendix 6.

(3) Information on Investment in China

A Basic Information: Refer to Appendix 7.

B Significant Transactions with Investee Companies in Mainland China Directly or Indirectly through Entities in a Third Area: Refer to Note 13(1).

(4) Information on major shareholder

Information on Major Shareholders: Refer to Appendix 8.

14. Segment Information

(1) General Information

The principal business of the Company and its subsidiaries is the production and sales of sports and leisure outdoor shoes. The Group's Board of Directors is the operating decision maker, which allocates resources and assesses performance of the Group as a whole. The Group's management has identified the operating segments based on the reports reviewed by the Board of Directors that are used to make decisions.

The Group's company organization, basis of department segmentation and principles for measuring segment information for the period were not significantly changed.

(2) Department Information

The financial information of reportable segments provided to chief operating decision maker is as follows:

	For the Three Months Ended June 30, 2021			
	Production and sales of shoes	Retail business	Other businesses	Total
Revenue				
Revenue from external customers	$ 3,479,368	$ -	$ -	$ 3,479,368
Inter-segment revenue	2,493,828	401,550	458	2,895,836
Total revenue	$ 5,973,196	$ 401,550	$ 458	$ 6,375,204
Segment profit	$ 117,070	$ 16,212	$ 127,914	$ 261,196
Segment total assets (Note)	$ -	$ -	$ -	$ -
Segment total liabilities (Note)	$ -	$ -	$ -	$ -

	For the Three Months Ended June 30, 2020			
	Production and sales of shoes	Retail business	Other businesses	Total
Revenue				
Revenue from external customers	$ 2,369,338	$ 6,962	$ 31	$ 2,376,331
Inter-segment revenue	1,541,334	167,517	326	1,709,177
Total revenue	$ 3,910,672	$ 174,479	$ 357	$ 4,085,508
Segment profit	$ 173,632	$ 6,929	$ 170,626	$ 351,187
Segment total assets (Note)	$ -	$ -	$ -	$ -
Segment total liabilities (Note)	$ -	$ -	$ -	$ -

	For the Six Months Ended June 30, 2021			
	Production and sales of shoes	Retail business	Other businesses	Total
Revenue				
Revenue from external customers	$ 6,836,538	$ 59,679	$ -	$ 6,896,217
Inter-segment revenue	5,154,343	737,451	922	5,892,716
Total revenue	$ 11,990,881	$ 797,130	$ 922	$ 12,788,933
Segment profit	$ 475,264	$ 39,671	$ 454,223	$ 969,158
Segment total assets (Note)	$ -	$ -	$ -	$ -
Segment total liabilities (Note)	$ -	$ -	$ -	$ -

	For the Six Months Ended June 30, 2020			
	Production and sales of shoes	Retail business	Other businesses	Total
Revenue				
Revenue from external customers	$ 5,139,860	$ 9,303	$ 32	$ 5,149,195
Inter-segment revenue	3,604,587	475,662	655	4,080,904
Total revenue	$ 8,744,447	$ 484,965	$ 687	$ 9,230,099
Segment profit	$ 526,671	$ 32,012	$ 523,374	$ 1,082,057
Segment total assets (Note)	$ -	$ -	$ -	$ -
Segment total liabilities (Note)	$ -	$ -	$ -	$ -

Note: Since the Group has not provided the measured amount of assets and liabilities to the chief operating decision maker, the segment information of total assets and liabilities is not disclosed.

(3) Reconciliation of Segment Revenue and Profit or Loss

A. The total adjusted income for the current period is reconciled with the total income of the continuing business sector as follows:

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Revenue after adjustment from reportable operating segments	$ 6,374,746	$ 4,085,151
Revenue after adjustment from other operating segments	458	357
Total income before tax from operating segments	6,375,204	4,085,508
Elimination of intersegment revenue	(2,895,836)	(1,709,177)
Total consolidated operating revenue	$ 3,479,368	$ 2,376,331

	For the Six Months Ended June 30, 2021	For the Six Months Ended June 30, 2020
Revenue after adjustment from reportable operating segments	$ 12,788,011	$ 9,229,412
Revenue after adjustment from other operating segments	922	687
Total income before tax from operating segments	12,788,933	9,230,099
Elimination of intersegment revenue	(5,892,716)	(4,080,904)
Total consolidated operating revenue	$ 6,896,217	$ 5,149,195

B. Net operating profit after adjustment in the period and income before tax from continuing operations are adjusted below:

	For the Three Months Ended June 30, 2021	For the Three Months Ended June 30, 2020
Revenue after adjustment from reportable operating segments	$ 133,282	$ 180,561
Revenue after adjustment from other operating segments	127,914	170,626
Total income before tax from operating segments	261,196	351,187
Elimination of intersegment revenue	(134,269)	(144,717)
Total consolidated operating revenue	$ 126,927	$ 206,470

	For the six Months Ended June 30, 2021	For the six Months Ended June 30, 2020
Revenue after adjustment from reportable operating segments	$ 514,935	$ 558,683
Revenue after adjustment from other operating segments	454,223	523,374
Total income before tax from operating segments	969,158	1,082,057
Elimination of intersegment revenue	(454,123)	(470,933)
Total consolidated operating revenue	$ 515,035	$ 611,124

(Blank Below)

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Loans to others

For the Six Months Ended June 30, 2021

Appendix 1

In Thousands of New Taiwan Dollars

No. (Note 1)	Creditor	Borrower	General ledger account	Related Party	Maximum Balance for the period	Ending Balance (Note 4)	Amount Actually Drawn	Interest rate	Nature of loan	Transaction Amounts	Reason for short- term financing	Allowance for bad debt	Collateral Item	Collateral Value	Financing Limits for each borrowing company (Note 2)	Financing company's total financing Amount Limits (Note 3)	Note
1	Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Other receivables	Y	$ 441,587	$ 432,343	$ 432,343	1.80%	Short-term financing	$ -	Operating capital	$ -	None	$ -	$ 709,309	$ 886,636	Notes 4 and 5

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth.

Note 3: Loaning funds to others, provided that such financing amount shall not exceed 50 percent of the lender's net worth.

Note 4: In Q2 2021, the exchange rates for assets and profit or loss were USD: NTD=27.86 and USD:NTD=28.1636, respectively.

Note 5: Offset in consolidated statements.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Holding of Marketable Securities (Not Including Subsidiaries, Associates, and Joint Ventures)

June 30, 2021

Appendix 2

Unit NTD thousand
(Unless Otherwise Specified)

Securities Held by	Marketable Securities (Note 1)	Relationship with the Securities Issuer	General Ledger Account	End of Period				Note
				Number of Shares	Book Value	Ratio of Shareholding	Fair Value	
Fulgent Sun International (Holding) Co., Ltd.	Stock – Tainan Enterprises (CAYMAN) Co., Ltd.	None	Financial Assets at Fair Value through Profit or Loss - Non-current	181,774	$ 6,208	0.61	$ 6,208	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates, and other related derivative marketable securities within the scope of IFRS 9: Financial Instruments.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Purchases or Sales of Goods from or to Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More

For the Six Months Ended June 30, 2021

Appendix 3

Unit NTD thousand
(Unless Otherwise Specified)

Purchaser/Seller	Name of the Counterparty	Relationship with the counterparty	Transaction Details				Unusual Trade Conditions and Its Reasons (Note)		Notes and Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	Percentage of Total Purchases (Sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	Subsidiaries	Purchase	$ 1,143,980	0.20	180 days after purchase	Note 1	Note 1	($ 1,433,376)	(0.64)	Notes 2 and 3
Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd	Subsidiaries	Purchase	211.466	0.04	180 days after purchase	Note 1	Note 1	(310,910)	(0.14)	Notes 2 and 3
Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	Subsidiaries	Purchase	502,047	0.09	90 days after purchase	Note 1	Note 1	(399,439)	(0.18)	Notes 2 and 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiaries	Purchase	1,511,072	0.27	120 days after purchase	Note 1	Note 1	(341,412)	(0.15)	Notes 2 and 3
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Subsidiaries	Purchase	1,073,005	0.19	120 days after billing	Note 1	Note 1	(28,373)	(0.01)	Notes 2 and 3
Capital Concord Enterprises Limited	NGOC Hung Footwear Co., Ltd. (Vietnam)	Subsidiaries	Purchase	330,605	0.06	120 days after billing	Note 1	Note 1	-	-	Notes 2 and 3
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiaries	Sales	(706,103)	(0.10)	135 days after Sales	Note 1	Note 1	-	-	Notes 2 and 3
Fujian Laya Outdoor Products Co., Ltd	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiaries	Sales	(235,401)	(0.03)	90 days after Sales	Note 1	Note 1	103,295	0.04	Notes 2 and 3
Capital Concord Enterprises Limited H.K., Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiaries	Sales	(147,641)	(0.02)	135 days after Sales	Note 1	Note 1	115,522	0.04	Notes 2 and 3

Note 1: Sales transactions between the Group and related parties are valuated based on reasonable profits; thus, selling prices to related parties and those to non-related parties are incomparable. In terms of payment terms, there was no significant difference between related parties and non-related parties.
Note 2: In Q2 2021, the exchange rates for assets and profit or loss were USD: NTD=27.86 and USD: NTD=28.1636, respectively.
Note 3: Offset in consolidated statements

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Receivables from Related Parties Reaching NT$100 Million or 20% of Paid-in Capital or More

June 30, 2021

Appendix 4

Unit NTD thousand
(Unless Otherwise Specified)

Creditor	Name of the Counterparty	Relationship with the Counterparty	Accounts Receivable Balance from Related Party	Turnover Rate	Overdue Receivable		Amount Collected Subsequent to the Reporting Period (Note 1)	Allowance for bad debt	Note
					Amount	Actions Taken			
Fujian Sunshine Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	$ 1,433,376	1.63	$ -	-	$ 319,747	$ -	Notes 2 and 3
Sunny Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	310,910	1.44	-	-	70,852	-	Notes 2 and 3
Fujian Laya Outdoor Products Co., Ltd.	Capital Concord Enterprises Limited	Parent company	399,439	2.43	-	-	138,925	-	Notes 2 and 3
Hubei Sunsmile Footwear Co., Ltd.	Capital Concord Enterprises Limited	Parent company	432,343	Note 4	-	-	-	-	Notes 2 and 3
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Capital Concord Enterprises Limited	Parent company	341,412	20.47	-	-	149,817	-	Notes 2 and 3
Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Subsidiaries	103,295	5.00	-	-	-	-	Notes 2 and 3
Capital Concord Enterprises Limited H.K., Taiwan Branch	Lin Wen Chih Sunbow Enterprises Co., Ltd	Subsidiaries	115,522	3.53	-	-	-	-	Notes 2 and 3

Note 1: The subsequent collections represent collections from the balance sheet date to August 11, 2021.
Note 2: In Q2 2021, the exchange rates for assets and profit or loss were USD: NTD=27.86 and USD: NTD=28.1636, respectively.
Note 3: Offset in consolidated statements.
Note 4: The amount of the fund loan does not intend to calculate the turnover rate.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Parent-subsidiary and Subsidiary-subsidiary Business Relations and Significant Transactions and Amounts Thereof

For the Six Months Ended June 30, 2021

Appendix 5

Unit NTD thousand
(Unless Otherwise Specified)

No. (Note 1)	Name of Trading Partner	Counterparty	Relationship (Note 2)	Transaction Status: General Ledger Account	Transaction Status: Amount (Note 5)	Transaction Status: Trade terms	Transaction Status: Percentage of consolidated total operating revenues or total assets (Note 3)
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Accounts payable	$ 1,433,376	Note 4	8.83%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Accounts payable	310,910	Note 4	1.92%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Accounts payable	399,439	Note 4	2.46%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Accounts payable	341,412	Note 4	2.10%
1	Capital Concord Enterprises Limited	Hubei Sunsmile Footwear Co., Ltd.	1	Other payables	432,343	Note 4	2.66%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Sale	706,103	Note 4	10.24%
1	Capital Concord Enterprises Limited	Fujian Sunshine Footwear Co., Ltd.	1	Purchase	1,143,980	Note 4	16.59%
1	Capital Concord Enterprises Limited	Sunny Footwear Co., Ltd.	1	Purchase	211,466	Note 4	3.07%
1	Capital Concord Enterprises Limited	Fujian Laya Outdoor Products Co., Ltd.	1	Purchase	502,047	Note 4	7.28%
1	Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	1	Purchase	1,511,072	Note 4	21.91%
1	Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	1	Purchase	1,073,005	Note 4	15.56%
1	Capital Concord Enterprises Limited	NGOC Hung Footwear Co., Ltd. (Vietnam)	1	Purchase	330,605	Note 4	4.79%
2	Fujian Laya Outdoor Products Co., Ltd.	Lin Wen Chih Sunbow Enterprises Co., Ltd.	3	Sale	235,401	Note 4	3.41%

Note 1: The numbers filled in for parent-subsidiary transactions are described as follows:
(1) The parent company is numbered "0." (2) The subsidiaries are numbered in order starting from "1."

Note 2: Relationships are categorized into the following three types. Please specify the type. (The same transaction shall not be disclosed repetitively. For example, if the transaction between the parent company and a subsidiary has been disclosed by the parent company, it need not be disclosed by the subsidiary.)
(1) Parent company to subsidiary. (2) Subsidiary to parent company. (3) Inter-subsidiary.

Note 3: Regarding the percentage of the transaction amount to consolidated total revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items, and on interim accumulated amount to consolidated total revenues for profit or loss items.

Note 4: Agreed on by both parties based on market conditions.

Note 5 In Q2 2021, the exchange rates for assets and profit or loss were USD: NTD=27.86 and USD: NTD=28.1636, respectively.

Note 6: The disclosure standard is more than $150 million for the transaction amount.

Note 7: Offset in consolidated statements.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Information on Investee Companies (Not Including Investee Companies in Mainland China)

For the Six Months Ended June 30, 2021

Appendix 6

Unit NTD thousand
(Unless Otherwise Specified)

Investee Company	Investor Company	Place of Registration	Main Businesses	Original Investment Amount (Note 2)		Shares Held as of year ended			Investee company current profit or loss (Note 3)	Investment gains and losses recognized in the current period (Note 3)	Note
				End of Period	End of Last Year	Number of Shares (Note 1)	Ratio	Book value (Note 3)			
Fulgent Sun International (Holding) Co., Ltd.	Capital Concord Enterprises Limited	Hong Kong	Production and sale of sports and outdoor shoes	$ 6,585,827	$ 6,585,827	1,733,000,000	100	$ 9,208,964	$ 465,939	$ 465,939	Subsidiaries
Capital Concord Enterprises Limited	Lin Wen Chih Sunbow Enterprises Co., Ltd.	Cambodia	Sports Leisure Outdoor Footwear Production and Sales	1,518,038	1,518,038	-	100	2,424,927	138,343	138,343	Subsidiaries
Capital Concord Enterprises Limited	Lin Wen Chih Sunstone Garment Enterprises Co., Ltd.	Cambodia	Processing and Sale of Clothing	427,675	427,675	-	91.27	187,256	(1,669)	(1,523)	Subsidiaries
Capital Concord Enterprises Limited	Fulgent Sun Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,663,986	1,378,493	-	100	1,833,939	133,414	133,414	Subsidiaries
Capital Concord Enterprises Limited	NGOC HUNG Footwear Co., Ltd.	Vietnam	Sports Leisure Outdoor Footwear Production	1,315,826	1,271,442	-	100	1,197,421	(18,479)	(18,479)	Subsidiaries
Capital Concord Enterprises Limited	Laya Outdoor Products Limited	Hong Kong	Holding company	7,017	40,449	10,618,000	100	-	(1,707)	(1,707)	Subsidiaries
Capital Concord Enterprises Limited	Laya Max Trading Co., Ltd.	Taiwan	Distribution Agent and Import and Export Trade	12,395	12,395	-	100	14,156	(2,045)	(2,101)	Subsidiaries
Lin Wen Chih Sunbow Enterprises Co., Ltd.	Lin Wen Chih Sunlit Enterprises Co., Ltd.	Cambodia	Land lease	184,611	184,611	-	100	174,112	302	302	Subsidiaries

Note 1: The companies with "-" in the blank had no shares issued.
Note 2: The historical exchange rate was adopted.
Note 3: In Q2 2021, the exchange rates for assets and profit or loss were USD: NTD=27.86 and USD:NTD=28.1636, respectively.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Subsidiaries Information on Investments in Mainland China

For the Six Months Ended June 30, 2021

Appendix 7

Unit NTD thousand
(Unless Otherwise Specified)

Investee Company in China	Main Businesses	Paid-in Capital (Note 3)	Investment Method (Note 2)	Accumulated Amount Remitted from Taiwan to Mainland China, as of beginning of period (Note 5)	Amount of investment remitted or recovered in current period (Note 5)		Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended (Note 5)	Net income (loss) of the investee in the current period	Ownership held by the Company	Investment income (loss) recognize in the current period (Note 6)	Book value of investments in Mainland China for the year ended (Note 4)	Accumulated amount of investment income remitted back to Taiwan for the year ended	Note
					Remitted to Mainland China	Remitted back to Taiwan							
Fujian Sunshine Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	$ 723,826	2	$ -	$ -	$ -	$ -	($ 1,401)	100	11,387	$ 2,072,482	$ -	Note 1
Hubei Sunsmile Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	1,825,033	2	-	-	-	-	(19,734)	100	(19,592)	1,772,472	-	
Sunny Footwear Co., Ltd.	Sports Leisure Outdoor Footwear Production and Sales	130,680	2	-	-	-	-	5,031	100	5,031	413,598	-	
Fujian Laya Outdoor Products Co., Ltd.	Distribution Agent and Import and Export Trade	40,656	2	-	-	-	-	34,370	100	36,042	277,313	-	
Fujian La Sportiva Co., Ltd.	Distribution Agent and Import and Export Trade	-	2	-	-	-	-	(404)	-	(243)	-	-	Note 7

Note 1: Fujian Sunshine Footwear Co., Ltd. had merged Hang Cheng Company and Yue Chen Company with the approval of the local competent authority on May 17, 2011. The initial investment amount included the original investment of US$4,000 thousand (equivalent to NT$120,000 thousand) in Hang Cheng Company and Yue Chen Company.

Note 2: Investment methods are classified into the following three categories (fill in the category number):

(1) Investment in Mainland China companies by remittance through a third region;

(2) Investment in Mainland China companies through a company established in a third region; or

(3) Investment in Mainland China companies through an existing investee company in a third region.

Note 3: The historical exchange rate was adopted.

Note 4: In Q2 2021, the exchange rates for assets and profit or loss were USD: NTD=27.86and USD:NTD=28.1636, respectively.

Note 5: The Company was established on the Cayman Islands, which is not subject to the limits on the principle limit in the “Principles for Conducting Investment or Technical Cooperation” of the Ministry of Economic Affairs. The Group has re-funded the investment in the amount of NT$2,605,976 thousand through re-investment in Hong Kong.

Note 6: Investment income (loss) recognized in current period is based on the financial statements reviewed by the parent company's CPAs

Note 7: Liquidated in May 2021.

Fulgent Sun International (Holding) Co., Ltd. and Subsidiaries

Information on Major Shareholders

June 30, 2021

Appendix 8

Name of Major Shareholder	Shares	
	Number of shares	Percentage of Ownership(%)
Custodial Account (LASPORTIVA INT'L CO., LTD.) Used by CTBC Bank	23,926,151	12.85
Custodial Account (MEINDL INT'L CO., LTD.) Used by CTBC Bank	21,496,465	11.54
Fubon Life Insurance Co., Ltd	15,473,964	8.31

Note: If the company applies to Taiwan Depository & Clearing Corporation for the information in the table, an explanation of the following may be made in the note:

(1) The table lists the shareholders holding more than 5% of the company's ordinary shares and preference shares delivered in non-physical form (including treasury shares) as of the last business day of the end of each quarter, as calculated by Taiwan Depository & Clearing Corporation. The share capital recorded in the company's financial statements and the company's shares delivered in non-physical form may vary due to different calculation bases.

(2) If shareholders have their shares in trust of the bank, a trustee's investment account should be indicated individually; for the declaration of an insider's equity exceeding 10% of the company's total equity in accordance with the Securities and Exchange Act, shareholding includes the shares held by a shareholder plus the shares in trust and with the right to decide on their use. For information on the declaration of an insider's equity, please refer to the Market Observation Post System.