

**TAISUN ENTERPRISE CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2021 and 2020**

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The independent auditors' review 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' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Taisun Enterprise Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Taisun Enterprise Co., Ltd. and its subsidiaries as of March 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$181,489 thousand and \$192,509 thousand, constituting 1.95% and 2.24% of consolidated total assets as of March 31, 2021 and 2020, respectively, total liabilities amounting to \$69,974 thousand and \$71,411 thousand, constituting 3.34% and 3.81% of consolidated total liabilities as of March 31, 2021 and 2020, respectively, and total comprehensive income amounting to \$1,779 thousand and \$2,607 thousand, constituting 1.06% and 2.26% of consolidated total comprehensive income for the three months ended March 31, 2021 and 2020, respectively.

Furthermore, as stated in Note 6(h), the other equity accounted investments of Taisun Enterprise Co., Ltd. and its subsidiaries in its investee companies of \$293,455 thousand and \$267,127 thousand as of March 31, 2021 and 2020, respectively, and its equity in net earnings on these investee companies of \$16,455 thousand and \$7,063 thousand for the three months ended March 31, 2021 and 2020, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review reports of other auditors (please refer to Other Matters paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Taisun Enterprise Co., Ltd. and its subsidiaries as of March 31, 2021 and 2020, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matters

We did not review the financial statements of associates, which represented investments in other entities accounted for using the equity method. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for associates, is based solely on the review reports of other auditors. The investments in associates accounted for using the equity method amounting to \$3,162,111 thousand and \$3,010,650 thousand, constituting 34.03% and 35.03% of consolidated total assets as of March 31, 2021 and 2020, respectively, and the related share of profit of associates accounted for using the equity method amounting to \$71,511 thousand and \$63,774 thousand, constituting 38.74% and 44.92% of consolidated total profit before tax for the three months ended March 31, 2021 and 2020, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hsin-Ting Huang and Kuo-Yang Tseng.

KPMG

Taipei, Taiwan (Republic of China)
May 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’ review 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’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2021, December 31, 2020, and March 31, 2020

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2021		December 31, 2020		March 31, 2020		Liabilities and Equity		March 31, 2021		December 31, 2020		March 31, 2020	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6(a))	\$ 640,331	7	772,454	9	745,725	9	2100	Short-term borrowings (Note 6(l))	\$ 40,753	-	148,027	2	511,067	6
1110	Current financial assets at fair value through profit or loss (Note 6(b))	86,841	1	82,776	1	71,793	1	2110	Short-term notes and bills payable (Note 6(m))	72,000	1	20,000	-	125,000	1
1150	Notes receivable, net (Note 6(d))	91,802	1	137,198	1	72,416	1	2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	127	-	853	-	691	-
1160	Notes receivable due from related parties, net (Notes 6(d) and 7)	-	-	2,700	-	2,500	-	2130	Current contract liabilities (Note 6(v))	36,686	-	39,800	-	45,953	1
1170	Accounts receivable, net (Note 6(d))	676,626	7	654,035	7	652,249	8	2150	Notes payable	1,345	-	1,857	-	2,944	-
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	423,939	5	367,324	4	295,510	3	2170	Accounts payable (Notes 6(n) and 7)	475,879	5	526,122	6	439,529	5
1200	Other receivables, net (Note 6(e))	6,249	-	6,970	-	5,521	-	2200	Other payables (Notes 6(s) and (w))	439,527	5	465,552	5	332,596	4
1220	Total current tax assets	1,502	-	1,502	-	-	-	2230	Current tax liabilities (Note 6(s))	49,272	1	29,772	-	47,913	1
1310	Inventories, manufacturing business (Note 6(f))	818,026	9	572,498	6	674,637	8	2280	Current lease liabilities (Note 6(q))	1,615	-	1,634	-	2,168	-
1400	Current biological assets	25,633	-	21,827	-	17,034	-	2399	Other current liabilities, others (Note 7)	141,272	2	141,629	2	133,312	2
1421	Prepayments to suppliers	123,029	1	287,762	3	56,849	1		Total current liabilities	1,258,476	14	1,375,246	15	1,641,173	20
1429	Other prepayments	23,439	-	32,495	-	20,958	-		Non-Current liabilities:						
1460	Non-current assets classified as held for sale, net (Note 6(g))	-	-	-	-	6,476	-	2540	Long-term borrowings (Note 6(o))	600,000	7	600,000	7	-	-
1476	Other current financial assets (Notes 6(a) and 8)	216,124	3	272,796	3	155,808	3	2570	Deferred tax liabilities (Note 6(s))	222,537	2	222,537	2	222,537	3
1479	Other current assets, others	6,051	-	6,334	-	14,797	-	2580	Non-current lease liabilities (Note 6(p))	376	-	-	-	1,120	-
	Total current assets	3,139,592	34	3,218,671	34	2,792,273	34	2640	Net defined benefit liability, non-current (Note 6(r))	5,343	-	5,576	-	2,768	-
	Non-current assets:							2670	Other non-current liabilities, others	5,498	-	5,304	-	6,327	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(c))	176,316	2	172,581	2	106,513	1		Total non-current liabilities	833,754	9	833,417	9	232,752	3
1550	Investments accounted for using equity method (Notes 6(h) and 8)	3,455,566	37	3,368,637	37	3,277,777	38		Total liabilities	2,092,230	23	2,208,663	24	1,873,925	23
1600	Property, plant and equipment (Note 6(i))	1,836,344	20	1,798,417	20	1,713,720	20		Equity attributable to owners of parent (Note 6(t)):						
1755	Right-of-use assets (Note 6(j))	13,316	-	13,091	-	14,818	-	3110	Ordinary share	4,999,990	54	4,999,990	54	4,999,990	58
1760	Investment property, net (Note 6(k))	616,328	7	616,818	7	617,357	7	3200	Capital surplus	974,083	10	974,083	11	961,786	11
1780	Intangible assets	3,775	-	4,411	-	6,180	-		Retained earnings:						
1830	Non-current biological assets	5,732	-	6,710	-	6,888	-	3310	Legal reserve	126,621	1	126,621	1	69,197	1
1840	Deferred tax assets (Note 6(s))	7,659	-	7,659	-	21,895	-	3320	Special reserve	240,776	3	240,776	3	240,776	3
1915	Prepayments for business facilities	3,081	-	-	-	742	-	3350	Unappropriated retained earnings	1,129,811	12	964,748	10	765,596	9
1975	Net defined benefit asset, non-current (Note 6(r))	22,449	-	21,760	-	25,820	-	3400	Other equity interest	(72,941)	(1)	(75,877)	(1)	(118,075)	(2)
1980	Other non-current financial assets	11,737	-	11,510	-	10,656	-	3500	Treasury shares	(203,876)	(2)	(203,876)	(2)	(203,876)	(3)
	Total non-current assets	6,152,303	66	6,021,594	66	5,802,366	66		Total equity attributable to owners of parent:	7,194,464	77	7,026,465	76	6,715,394	77
	Total assets	\$ 9,291,895	100	9,240,265	100	8,594,639	100	36XX	Non-controlling interests	5,201	-	5,137	-	5,320	-
									Total equity	7,199,665	77	7,031,602	76	6,720,714	77
									Total liabilities and equity	\$ 9,291,895	100	9,240,265	100	8,594,639	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 31			
		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Notes 6(v) and 7)	\$ 2,259,043	100	1,838,108	100
5000	Operating costs (Notes 6(f) and 7)	1,889,721	84	1,505,368	82
5910	Less: Unrealized profit (loss) from sales	1,134	-	746	-
5920	Add: Realized profit (loss) on from sales	702	-	721	-
	Gross profit from operations	<u>368,890</u>	<u>16</u>	<u>332,715</u>	<u>18</u>
	Operating expenses (Notes 6(d), (p), (r), (w) and 7):				
6100	Selling expenses	192,113	9	171,716	9
6200	Administrative expenses	99,320	4	84,579	5
6450	Expected credit gain	818	-	666	-
	Total operating expenses	<u>292,251</u>	<u>13</u>	<u>256,961</u>	<u>14</u>
	Net operating income	<u>76,639</u>	<u>3</u>	<u>75,754</u>	<u>4</u>
	Non-operating income and expenses:				
7020	Other gains and losses, net (Note 6(x))	21,258	1	(4,162)	-
7050	Finance costs, net (Note 6(x))	(2,378)	-	(6,071)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method, net (Note 6(h))	87,966	4	70,837	4
7100	Total interest income	1,126	-	5,600	-
	Total non-operating income and expenses	<u>107,972</u>	<u>5</u>	<u>66,204</u>	<u>4</u>
7900	Profit from continuing operations before tax	184,611	8	141,958	8
7950	Less: Income tax expenses ((Note 6(s))	19,500	1	15,400	1
8200	Profit	<u>165,111</u>	<u>7</u>	<u>126,558</u>	<u>7</u>
8300	Other comprehensive income (Note 6(t)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	3,718	-	(6,522)	-
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(605)	-	(4,466)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		<u>3,113</u>	<u>-</u>	<u>(10,988)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(161)	-	(29)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		<u>(161)</u>	<u>-</u>	<u>(29)</u>	<u>-</u>
8300	Other comprehensive income, net	<u>2,952</u>	<u>-</u>	<u>(11,017)</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 168,063</u>	<u>7</u>	<u>115,541</u>	<u>7</u>
	Profit, attributable to:				
8610	Owners of parent	\$ 165,063	7	126,513	7
8620	Non-controlling interests	48	-	45	-
	Profit	<u>\$ 165,111</u>	<u>7</u>	<u>126,558</u>	<u>7</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 167,999	7	115,506	7
8720	Non-controlling interests	64	-	35	-
	Total comprehensive income	<u>\$ 168,063</u>	<u>7</u>	<u>115,541</u>	<u>7</u>
	Basic earnings per share (Note 6(u))				
9750	Basic earnings per share	<u>\$ 0.34</u>		<u>0.26</u>	
9850	Diluted earnings per share	<u>\$ 0.34</u>		<u>0.26</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to owners of parent

	Share capital		Retained earnings				Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	\$ 4,999,990	961,786	69,197	240,776	639,083	949,056	(29,042)	(78,026)	(107,068)	(203,876)	6,599,888	5,285	6,605,173
Profit	-	-	-	-	126,513	126,513	-	-	-	-	126,513	45	126,558
Other comprehensive income	-	-	-	-	-	-	(29)	(10,978)	(11,007)	-	(11,007)	(10)	(11,017)
Total comprehensive income	-	-	-	-	126,513	126,513	(29)	(10,978)	(11,007)	-	115,506	35	115,541
Balance at March 31, 2020	<u>\$ 4,999,990</u>	<u>961,786</u>	<u>69,197</u>	<u>240,776</u>	<u>765,596</u>	<u>1,075,569</u>	<u>(29,071)</u>	<u>(89,004)</u>	<u>(118,075)</u>	<u>(203,876)</u>	<u>6,715,394</u>	<u>5,320</u>	<u>6,720,714</u>
Balance at January 1, 2021	\$ 4,999,990	974,083	126,621	240,776	964,748	1,332,145	(31,870)	(44,007)	(75,877)	(203,876)	7,026,465	5,137	7,031,602
Profit	-	-	-	-	165,063	165,063	-	-	-	-	165,063	48	165,111
Other comprehensive income	-	-	-	-	-	-	(161)	3,097	2,936	-	2,936	16	2,952
Total comprehensive income	-	-	-	-	165,063	165,063	(161)	3,097	2,936	-	167,999	64	168,063
Balance at March 31, 2021	<u>\$ 4,999,990</u>	<u>974,083</u>	<u>126,621</u>	<u>240,776</u>	<u>1,129,811</u>	<u>1,497,208</u>	<u>(32,031)</u>	<u>(40,910)</u>	<u>(72,941)</u>	<u>(203,876)</u>	<u>7,194,464</u>	<u>5,201</u>	<u>7,199,665</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	\$ 184,611	141,958
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	23,119	21,111
Amortization expense	636	865
Expected credit losses	818	666
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(4,775)	12,854
Interest expense	2,378	6,071
Interest income	(1,126)	(5,600)
Shares of profit of associates and joint ventures accounted for using equity method	(87,966)	(70,837)
Losses (gains) on disposal of property, plan and equipment	22	(579)
Unrealized profit from sales	1,134	746
Realized profit on from sales	(702)	(721)
Total adjustments to reconcile profit (loss)	(66,462)	(35,424)
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(455)	(12,078)
Decrease in notes receivable	45,396	52,801
Decrease (increase) in notes receivable due from related parties	2,700	(182)
Increase in accounts receivable	(23,416)	(39,612)
(Increase) decrease in accounts receivable due from related parties	(56,615)	37,211
Decrease in other receivables	719	600
(Increase) decrease in inventories	(245,729)	5,164
Increase in biological assets	(3,405)	(3,205)
Decrease in prepayments	173,686	137,698
Decrease (increase) in other current assets	282	(1,528)
Increase in defined benefit assets - non-current	(689)	(25,820)
Increase in financial liabilities at fair value through profit or loss	439	1,138
(Decrease) increase in contract liabilities	(3,064)	1,397
Decrease in notes payable	(512)	(2,429)
Decrease in accounts payable	(50,066)	(17,495)
Decrease in other payables	(25,668)	(68,892)
Decrease in other current liabilities	(285)	(13,489)
Decrease in net defined benefit liabilities	(233)	(4,977)
Total changes in operating assets and liabilities, net	(186,915)	46,302
Total adjustments	(253,377)	10,878
Cash (outflow) inflow generated from operations	(68,766)	152,836
Interest received	1,126	5,600
Interest paid	(2,378)	(6,071)
Net cash flows (used in) from operating activities	(70,018)	152,365

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

REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS**TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES****Consolidated Statements of Cash Flows (CONT'D)****For the three months ended March 31, 2021 and 2020****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2021	2020
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(51,356)
Acquisition of property, plant and equipment	(61,165)	(17,528)
Proceeds from disposal of property, plant and equipment	1,707	886
Increase in receipts in advance due to disposal of non-current assets held for sale	-	11,228
Decrease in other financial assets	56,587	172,283
Increase in prepayments for business facilities	(3,101)	(1,043)
Net cash flows (used in) from investing activities	(5,972)	114,470
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,205,977	802,591
Decrease in short-term loans	(1,313,251)	(569,133)
Increase in short-term notes and bills payable	204,000	250,000
Decrease in short-term notes and bills payable	(152,000)	(386,000)
Repayments of long-term debt	-	(762,500)
Payment of lease liabilities	(554)	(548)
Increase in other non-current liabilities	198	-
Decrease in other non-current liabilities	-	(199)
Net cash flows used in financing activities	(55,630)	(665,789)
Effect of exchange rate changes on cash and cash equivalents	(503)	(2,345)
Net decrease in cash and cash equivalents	(132,123)	(401,299)
Cash and cash equivalents at beginning of period	772,454	1,147,024
Cash and cash equivalents at end of period	\$ 640,331	745,725

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2021 and 2020

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

(1) Company history

Taisun Enterprise Corporation (the “Company”) was established on October 21, 1960 in Taiwan, the Republic of China, with the approval of the Ministry of Economic Affairs. Its registered office is located at No. 6, Xinggong Rd., Tianzhong Township, Changhua County.

The consolidated financial statements of the Company as of March 31, 2021 and 2020 comprised the Company and its subsidiaries (together referred to as “the Group”).

The major business activities of the Company and its subsidiaries (the “Group”) are the manufacturing and sales of cooking oil, food, beverages and aquafeeds.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on May 11, 2021.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on April 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2020. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2020.

(b) Basis of consolidation

(i) List of subsidiaries included in the consolidated financial statements

Investor Company	Subsidiary	Nature of business	Shareholding ratio			Notes
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company	PIN-TAI DISTRIBUTION, ENTERPRISE CO., LTD.	Wholesaler of cooking oil and food	99.93 %	99.93 %	99.93 %	A subsidiary that the Company directly holds more than 50% of its shares.
The Group	TAIWAN NIKOMART CO., LTD.	Operating Chained Convenience Stores	98.12 %	98.12 %	98.12 %	A subsidiary that the Group directly (indirectly) holds more than 50% of its shares.
The Group	PIONEER TRAFFIC CO., LTD.	Logistics	97.42 %	97.42 %	97.42 %	A subsidiary that the Group directly holds more than 50% of its shares. (Note 1)

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor Company	Subsidiary	Nature of business	Shareholding ratio			Notes
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company	TAISUN YUAN CO., LTD.	Investment Management	100.00 %	100.00 %	100.00 %	A subsidiary that the Company directly holds more than 50% of its shares.
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Investment	100.00 %	100.00 %	100.00 %	A subsidiary that the Company directly holds more than 50% of its shares.
TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Produce and sell food, beverage, snacks and canned products	100.00 %	100.00 %	100.00 %	A subsidiary that TAISUN (CAYMAN) INVESTMENT LTD. directly holds more than 50% of its shares.
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	TAISUN (HERBAL) LTD.	Beverage	- %	- %	100.00 %	A subsidiary that TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD. directly holds more than 50% of its shares. (Note 2)

Note 1: PIONEER TRAFFIC CO. is a non-significant subsidiary for the three months ended March 31, 2021 and 2020, its financial statements have not been reviewed.

Note 2: Completed the cancellation in April 2020.

(ii) Subsidiaries excluded from consolidation : None.

(c) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate which is forecasted by the management. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(d) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which is in conformity with the consolidated financial statements for the year ended December 31, 2020. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2020.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash on hand and petty cash	\$ 1,325	917	1,188
Check deposits	25,155	30,969	27,959
Cash in banks	601,868	671,689	588,328
Time deposits	-	56,886	96,258
Cash equivalents	<u>11,983</u>	<u>11,993</u>	<u>31,992</u>
Cash and cash equivalents	<u>\$ 640,331</u>	<u>772,454</u>	<u>745,725</u>

The deposit accounts of \$69,189 thousand, \$125,980 thousand and \$0, which did not meet the definition of cash and cash equivalents and were not restricted, were classified as other financial assets—current for the three months ended March 31, 2021, the year ended December 31, 2020, and the three months ended March 31, 2020.

Please refer to Note 6(y) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Assets mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 2,090	1,369	1,688
Non-derivative financial assets			
Stocks listed on domestic markets	53,436	51,072	35,435
Beneficiary certificates open-end funds	<u>31,315</u>	<u>30,335</u>	<u>34,670</u>
Total	<u>\$ 86,841</u>	<u>82,776</u>	<u>71,793</u>
Liabilities mandatorily measured at fair value through profit or loss:			
Non-derivative financial liabilities			
Forward exchange contracts	<u>\$ 127</u>	<u>853</u>	<u>691</u>

(i) Please refer to Note 6(y) for re-measurement at fair value recognized in profit or loss.

(ii) The aforesaid financial assets were not pledged as collateral.

(iii) Derivative instruments not used for hedging

The Group holds derivative financial instruments to hedge certain foreign exchange and interest risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

Forward exchange contracts:

	<u>March 31, 2021</u>		
	<u>Contract amount</u> <u>(In thousands)</u>	<u>Exercise price</u>	<u>Exercise date</u>
Buy option	USD <u>2,000</u>	27.15~27.45(USD/NTD)	2021.06.08~2021.08.31
Sell option	USD <u>2,000</u>	27.15~27.45(USD/NTD)	2021.06.08~2021.08.31

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2020			
	Contract amount (In thousands)	Exercise price	Exercise date
Buy option	USD <u>4,000</u>	27.45~28.055(USD/NTD)	2021.01.19~2021.06.08
Sell option	USD <u>4,000</u>	27.45~28.055(USD/NTD)	2021.01.19~2021.06.08
March 31, 2020			
	Contract amount (In thousands)	Exercise price	Exercise date
Buy option	USD <u>5,000</u>	29.75~30.12(USD/NTD)	2020.04.13~2020.06.04
Sell option	USD <u>5,000</u>	29.75~30.12(USD/NTD)	2020.04.13~2020.06.04

(c) Non-current financial assets at fair value through other comprehensive income

	March 31, 2021	December 31, 2020	March 31, 2020
Equity instruments at fair value through other comprehensive income-non current:			
Shares of stock of listed companies	\$ 154,734	151,744	90,694
Shares of stock of unlisted companies	3,444	2,714	3,055
Shares of stock of overseas unlisted companies	<u>18,138</u>	<u>18,123</u>	<u>12,764</u>
Total	<u>\$ 176,316</u>	<u>172,581</u>	<u>106,513</u>

- (i) The Group intends to hold its equity investments for long-term strategic purposes, rather than for transaction purposes. Therefore, the investments are measured at FVOCI.
- (ii) The aforesaid strategic investments were not disposed or transferred.
- (iii) Please refer to Note 6(z) for credit risk and market risk.
- (iv) The aforesaid financial assets were not pledged as collateral.

(d) Notes and accounts receivable

	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable	\$ 91,802	137,198	72,416
Notes receivable from related parties	-	2,700	2,500
Accounts receivable	707,654	661,594	660,152
Accounts receivable from related parties	423,939	390,134	318,320
Overdue receivables	12,218	12,059	24,527
Less : Allowance for impairment	<u>(43,246)</u>	<u>(42,428)</u>	<u>(55,240)</u>
	<u>\$ 1,192,367</u>	<u>1,234,054</u>	<u>1,022,675</u>

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information, including overall economic environment and related industrial information.

The loss allowance provision in food, logistics and bulk materials segments was determined as follow:

	March 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	\$ 1,113,950	0~0.73%	8,139
Overdue 0 to 90 days	36,143	0~0.82%	4
Overdue 91 to 180 days	-	0~1.59%	-
Overdue 181 to 270 days	-	6.59~11.42%	-
Overdue 271 to 360 days	-	15~41.67%	-
Over 365 days past due	<u>861</u>	100%	<u>861</u>
Total	<u><u>\$ 1,150,954</u></u>		<u><u>9,004</u></u>
	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	\$ 1,052,013	0~0.69%	7,142
Overdue 0 to 90 days	28,624	0~0.82%	235
Overdue 91 to 180 days	240	0~1.67%	4
Overdue 181 to 270 days	-	6.93~19.76%	-
Overdue 271 to 360 days	-	15.79~41.67%	-
Over 365 days past due	<u>713</u>	100%	<u>713</u>
Total	<u><u>\$ 1,081,590</u></u>		<u><u>8,094</u></u>
	March 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	\$ 972,902	0~0.846%	7,258
Overdue 0 to 90 days	11,969	0.16~3.61%	270
Overdue 91 to 180 days	511	16.7%	85
Overdue 181 to 270 days	-	25.23%	-
Overdue 271 to 360 days	-	60.54%	-
Over 365 days past due	<u>863</u>	100%	<u>863</u>
Total	<u><u>\$ 986,245</u></u>		<u><u>8,476</u></u>

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The loss allowance provision in aquafeed segment was determined as follow:

	March 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	\$ 49,352	0.13%	62
Overdue 0 to 90 days	1,136	2.73%	31
Overdue 91 to 180 days	26	13.80%	4
Overdue 181 to 270 days	-	15.28%	-
Overdue 271 to 360 days	-	35%	-
Over 365 days past due	<u>10,698</u>	100%	<u>10,698</u>
Total	<u><u>\$ 61,212</u></u>		<u><u>10,795</u></u>
	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	\$ 85,324	0.13%	107
Overdue 0 to 90 days	2,607	2.71%	71
Overdue 91 to 180 days	9	13.80%	1
Overdue 181 to 270 days	-	16.09%	-
Overdue 271 to 360 days	-	38.84%	-
Over 365 days past due	<u>10,708</u>	100%	<u>10,708</u>
Total	<u><u>\$ 98,648</u></u>		<u><u>10,887</u></u>
	March 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	\$ 42,554	0.15%	63
Overdue 0 to 90 days	1,719	3.21%	55
Overdue 91 to 180 days	220	16.39%	36
Overdue 181 to 270 days	701	19.10%	134
Overdue 271 to 360 days	-	43.75%	-
Over 365 days past due	<u>10,881</u>	100%	<u>10,881</u>
Total	<u><u>\$ 56,075</u></u>		<u><u>11,169</u></u>

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The loss allowance provision at 100% expected loss rate was determined as follow:

	March 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	\$ 23,447	100%	23,447
	December 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	\$ 23,447	100%	23,447
	March 31, 2020		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	\$ 35,595	100%	35,595

The movement in the allowance for notes and accounts receivable was as follow:

	For the three months ended March 31	
	2021	2020
Balance on January 1	\$ 42,428	54,584
Impairment losses recognized	818	666
Foreign exchange losses	-	(10)
Balance on March 31	\$ 43,246	55,240

As of March 31, 2021, December 31, 2020 and March 31, 2020, the financial assets mentioned above were not pledged as collateral.

(e) Other receivables

	March 31, 2021	December 31, 2020	March 31, 2020
Other receivables	\$ 11,649	12,370	13,476
Less: Allowance for impairment	(5,400)	(5,400)	(7,955)
	\$ 6,249	6,970	5,521

There were no receivables that were past due but not impaired.

Please refer to Note 6(y) for the Group's notes and accounts receivable exposed to credit risk and currency risk.

The aforesaid financial assets were not pledged as collateral.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Inventories

	March 31, 2021	December 31, 2020	March 31, 2020
Raw materials	\$ 334,745	156,116	271,363
Materials	24,047	25,352	23,196
Work in process	138,252	104,650	117,415
Finished goods	285,454	254,654	233,446
Merchandise	<u>35,528</u>	<u>31,726</u>	<u>29,217</u>
	<u>\$ 818,026</u>	<u>572,498</u>	<u>674,637</u>

Other gains or losses from inventories except for cost of goods sold recognized as expenses in the current period:

	<u>For the three months ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Operating cost		
Inventory falling price gains from price recovery of inventory	\$ (4)	(958)
Revenue from sale of scraps	(566)	(716)
Losses (gains) losses on physical inventory	565	(2,940)
Losses on disposal	1,125	1,206
Operating expenses	<u>4,920</u>	<u>5,347</u>
	<u>\$ 6,040</u>	<u>1,939</u>

For the three months ended March 31, 2021 and 2020, the Group recognized a gain from the reversal of allowance for inventory valuation loss resulting from destocking. Such gain was deducted from cost of goods sold.

As of March 31, 2021, December 31, 2020 and March 31, 2020, the aforesaid inventories were not pledged as collateral.

(g) Non-current assets held-for-sale

- (i) A resolution was made during the board meeting held on November 11, 2016 for the disposal of the real estate of TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD., a subsidiary of the Group, to a nonrelated party. The commencement of the related transactions had been executed, with the amounts as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Property, plant and equipment	<u>\$ -</u>	<u>-</u>	<u>6,476</u>

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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- 1) On November 24 2019, the Group entered into an agreement to sell its real estate and the deposit of RMB100 thousand (NTD432 thousand), which was recorded under other current liabilities. In April 2020, the real estate had transferred to the buyer, resulting in the disposition benefit by the Group. Please refer to note 6(g) of the 2020 annual consolidated financial statements for other related information.
- 2) The remaining two parking spaces of the Group did not meet the requirements for available for immediate sale. These assets were transferred to investment property for a total of NTD1,309 thousand as of December 31, 2020.

(h) Investments accounted for using equity method

(i) Subsidiaries that have material non-controlling interest were as follow:

Name of Affiliates	Nature of Relationship with the Group	Main operation /location	Proportion of shareholding and voting rights		
			March 31, 2021	December 31, 2020	March 31, 2020
TAIWAN FAMILYMART ART CO., LTD.	Operate chained convenience stores, explore selling paints for the Group	Taiwan	22.47 %	22.47 %	22.48 %

TAIWAN FAMILYMART CO., LTD. is one of the listed companies in Taiwan, with its fair value reflected as below:

March 31, 2021	December 31, 2020	March 31, 2020
<u>\$ 13,241,294</u>	<u>13,140,981</u>	<u>10,335,930</u>

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant differences in accounting principles between the Company and its subsidiaries as at the acquisition date. The intra-group transactions were not eliminated in this information.

Information regarding TAIWAN FAMILYMART CO., LTD. and its subsidiaries

	March 31, 2021	December 31, 2020	March 31, 2020
Current assets	\$ 17,615,359	19,032,433	17,604,500
Non-current assets	43,931,795	42,441,957	40,539,594
Current liabilities	(31,236,195)	(30,440,441)	(30,112,465)
Non-current liabilities	(24,656,722)	(24,047,151)	(22,909,390)
Net assets	<u>\$ 5,654,237</u>	<u>6,986,798</u>	<u>5,122,239</u>
Net assets attributable to non-controlling interests	<u>\$ 407,658</u>	<u>381,607</u>	<u>331,579</u>
Net assets attributable to investee	<u>\$ 5,246,579</u>	<u>6,605,191</u>	<u>4,790,660</u>

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	For the three months ended March 31	
	2021	2020
Operating revenue	\$ <u>20,841,953</u>	<u>19,791,947</u>
Net income	\$ 344,306	296,859
Other comprehensive income	(2,717)	(19,867)
Total comprehensive income	\$ <u>341,589</u>	<u>276,992</u>
Comprehensive income attributable to non-controlling interests	\$ <u>26,052</u>	<u>13,140</u>
Comprehensive income attributable to investee	\$ <u>315,538</u>	<u>263,852</u>
Shares of net assets attributable to investee on January 1	\$ 1,484,149	1,343,649
Comprehensive income attributable to the Group	70,904	59,308
subtotal	1,555,053	1,402,957
Add: investment property	20,000	19,938
Add: trademark	129,713	129,311
Add: goodwill	1,457,345	1,458,444
Book value of net equity of associates attributable to the Group on March 31	\$ <u>3,162,111</u>	<u>3,010,650</u>

Note: The right to dividends receivable can be confirmed on ex-dividend date of securities. As a result, on the balance sheet date, the share of dividends paid to associates in the current period has not been deducted.

(ii) Associates

The Group's financial information for investments accounted for using the equity method that were individually insignificant is as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Carry amounts of individually insignificant associates' equity	\$ <u>293,455</u>	<u>277,430</u>	<u>267,127</u>
	For the three months ended March 31		
	2021	2020	
Attributable to the Group:			
Net gain	\$ 16,455	7,063	
Other comprehensive income	-	-	
Comprehensive income	\$ <u>16,455</u>	<u>7,063</u>	

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Pledge to secure

As of March 31, 2021 and December 31, 2020, the deals of the investment accounted for using equity method were pledged as collateral for long-term borrowings and credit lines, please refer to Note 8. As of March 31, 2020, the investments accounted for using equity method were not pledged as collateral.

(iv) Except for TAIWAN FAMILYMART CO., LTD., investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments was calculated based on the financial statement that have been reviewed.

(i) Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Group as of March 31, 2021 and 2020 were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Transportation equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:							
Balance on January 1, 2021	\$ 1,151,899	949,120	1,004,424	106,091	114,835	128,393	3,454,762
Additions	-	375	1,436	-	1,315	58,039	61,165
Disposals	-	-	(3,908)	(2,417)	(45)	-	(6,370)
Transfer in	-	3,320	33,630	-	2,100	-	39,050
Transfer out	-	-	-	-	-	(39,050)	(39,050)
Effect of movement in exchange rate	-	(240)	(439)	(15)	(25)	-	(719)
Balance on March 31, 2021	<u>\$ 1,151,899</u>	<u>952,575</u>	<u>1,035,143</u>	<u>103,659</u>	<u>118,180</u>	<u>147,382</u>	<u>3,508,838</u>
Balance on January 1, 2020	\$ 1,146,539	924,075	986,265	106,224	215,227	90,337	3,468,667
Additions	-	1,050	298	1,688	580	13,912	17,528
Disposals	-	-	-	(1,407)	(599)	-	(2,006)
Transfer in	-	-	-	3,024	-	-	3,024
Effect of movement in exchange rate	-	(1,775)	(3,668)	(118)	(200)	-	(5,761)
Balance on March 31, 2020	<u>\$ 1,146,539</u>	<u>923,350</u>	<u>982,895</u>	<u>109,411</u>	<u>215,008</u>	<u>104,249</u>	<u>3,481,452</u>
Depreciation and impairment loss:							
Balance on January 1, 2021	\$ -	675,406	828,773	63,709	88,457	-	1,656,345
Depreciation for the period	-	7,046	10,177	2,495	1,670	-	21,388
Disposals	-	-	(3,582)	(1,014)	(45)	-	(4,641)
Effect of movement in exchange rate	-	(174)	(387)	(14)	(23)	-	(598)
Balance on March 31, 2021	<u>\$ -</u>	<u>682,278</u>	<u>834,981</u>	<u>65,176</u>	<u>90,059</u>	<u>-</u>	<u>1,672,494</u>
Balance on January 1, 2020	\$ -	658,373	831,637	59,539	205,056	-	1,754,605
Depreciation for the period	-	6,469	9,465	2,548	937	-	19,419
Disposals	-	-	-	(1,113)	(586)	-	(1,699)
Reclassifications	-	-	(397)	-	397	-	-
Effect of movement in exchange rate	-	(1,164)	(3,132)	(107)	(190)	-	(4,593)
Balance on March 31, 2020	<u>\$ -</u>	<u>663,678</u>	<u>837,573</u>	<u>60,867</u>	<u>205,614</u>	<u>-</u>	<u>1,767,732</u>
Carrying amounts:							
Balance on January 1, 2021	<u>\$ 1,151,899</u>	<u>273,714</u>	<u>175,651</u>	<u>42,382</u>	<u>26,378</u>	<u>128,393</u>	<u>1,798,417</u>
Balance on March 31, 2021	<u>\$ 1,151,899</u>	<u>270,297</u>	<u>200,162</u>	<u>38,483</u>	<u>28,121</u>	<u>147,382</u>	<u>1,836,344</u>
Balance on January 1, 2020	<u>\$ 1,146,539</u>	<u>265,702</u>	<u>154,628</u>	<u>46,685</u>	<u>10,171</u>	<u>90,337</u>	<u>1,714,062</u>
Balance on March 31, 2020	<u>\$ 1,146,539</u>	<u>259,672</u>	<u>145,322</u>	<u>48,544</u>	<u>9,394</u>	<u>104,249</u>	<u>1,713,720</u>

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) Since the law in Taiwan does not allow a legal person or an entity to acquire any agricultural land beginning 2016, the title deed of the 15 pieces of agricultural land, amounting to NTD\$50,749 thousand, located at parcel no.185 and 186 in the Daxin Section of Beidou Township, Changhua County, had been transferred to a natural person. However, the Group still keeps the original certificate of ownership of the real estate for security purpose.
- (ii) Please refer to Note 6(x) for the disposal of profit and loss.
- (iii) For the three months ended March 31, 2021 and 2020, there were no interest capitalization of the Group.
- (iv) As of March 31, 2021, December 31, 2020 and March 31, 2020, the aforementioned land, houses and buildings were not provided as collateral guarantees.
- (j) Right-of-use assets

The movements in the cost and depreciation of the leased land and buildings were as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Cost:			
Balance on January 1, 2021	\$ 21,776	5,922	27,698
Additions	-	911	911
Effect of movement in exchange rate	(38)	-	(38)
Balance on March 31, 2021	<u>\$ 21,738</u>	<u>6,833</u>	<u>28,571</u>
Balance on January 1, 2020	\$ 21,589	5,922	27,511
Effect of movement in exchange rate	(282)	-	(282)
Balance on March 31, 2020	<u>\$ 21,307</u>	<u>5,922</u>	<u>27,229</u>
Accumulated depreciation:			
Balance on January 1, 2021	\$ 10,299	4,308	14,607
Depreciation for the period	111	556	667
Effect of movement in exchange rate	(19)	-	(19)
Balance on March 31, 2021	<u>\$ 10,391</u>	<u>4,864</u>	<u>15,255</u>
Balance on January 1, 2020	\$ 9,773	2,109	11,882
Depreciation for the period	108	549	657
Effect of changes in foreign exchange rate	(128)	-	(128)
Balance on March 31, 2020	<u>\$ 9,753</u>	<u>2,658</u>	<u>12,411</u>
Carrying amounts:			
Balance on March 31, 2021	<u>\$ 11,347</u>	<u>1,969</u>	<u>13,316</u>
Balance on March 31, 2020	<u>\$ 11,554</u>	<u>3,264</u>	<u>14,818</u>

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Investment property

The following are the investment property, including properties, owned by the Group, with leases containing an initial noncancellable lease term of 5 to 10 years. Some leases provide the lessees with options to extend at the end of the term:

	<u>Land and improvements</u>	<u>Buildings</u>	<u>Total</u>
Carrying amounts:			
Balance on January 1, 2021	\$ <u>566,062</u>	<u>50,756</u>	<u>616,818</u>
Balance on March 31, 2021	\$ <u>566,062</u>	<u>50,266</u>	<u>616,328</u>
Balance on January 1, 2020	\$ <u>566,062</u>	<u>51,767</u>	<u>617,829</u>
Balance on March 31, 2020	\$ <u>566,062</u>	<u>51,295</u>	<u>617,357</u>

- (i) There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2021 and 2020. Information on depreciation for the period is discussed in Note 12. Please refer to Note 6(k) of the 2020 annual consolidated financial statements for other related information.
- (ii) The fair value of investment property was not significantly different from those disclosed in Note 6(k) of the annual consolidated financial statements for the year ended December 31, 2020.
- (iii) As of March 31, 2021, December 31, 2020 and March 31, 2020, the investment properties were not pledged as collateral.

(l) Short-term borrowings

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Letter of credit	\$ 40,753	108,027	26,067
Unsecured bank loans	-	40,000	485,000
Total	\$ <u>40,753</u>	<u>148,027</u>	<u>511,067</u>
Unused credit lines	\$ <u>2,711,881</u>	<u>2,492,721</u>	<u>2,965,382</u>
Interest rates	<u>0.55%~1.25%</u>	<u>0.77%~1.59%</u>	<u>0.95%~3.12%</u>

For the three months ended March 31, 2021 and 2020, the Group obtained from short-term borrowings amounting to \$1,205,977 thousand and \$802,591 thousand, the repayment amounting to \$1,313,251 thousand and \$569,133 thousand, respectively.

Please refer to Note 8 for details on pledged assets for bank loans.

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Short-term notes and bills

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Commercial paper payables	\$ <u>72,000</u>	<u>20,000</u>	<u>125,000</u>
Unused credit lines	\$ <u>1,118,000</u>	<u>1,150,000</u>	<u>1,045,000</u>
Interest rates	<u>0.86%~1.3%</u>	<u>1.31%</u>	<u>1.18%~1.39%</u>

For the three months ended March 31, 2021 and 2020, the Group obtained from short-term borrowings amounting to \$204,000 thousand and \$250,000 thousand, the repayment amounting to \$152,000 thousand and \$386,000 thousand, respectively.

(n) Account payable

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Payables to suppliers	\$ <u>475,879</u>	<u>526,122</u>	<u>439,529</u>

(o) Long-term borrowings

	<u>March 31, 2021</u>			
	<u>Currency</u>	<u>Interest rate</u>	<u>Year due</u>	<u>Amount</u>
Secured bank loans	NTD	1%	2023	\$ 600,000
Less: Current portion				-
Total				<u>\$ 600,000</u>
Unused credit line				<u>\$ 1,200,000</u>
	<u>December 31, 2020</u>			
	<u>Currency</u>	<u>Interest rate</u>	<u>Year due</u>	<u>Amount</u>
Secured bank loans	NTD	1%	2023	\$ 600,000
Less: Current portion				-
Total				<u>\$ 600,000</u>
Unused credit line				<u>\$ 1,200,000</u>

(i) Collateral for bank loans

Please refer to Note 8 for details on related assets pledged as collateral.

(ii) Please refer to Note 6(z) for details on financial risk.

(iii) For the three months ended March 31, 2021 and 2020, the Group obtained from long-term borrowings amounting to \$0, the repayment amounting to \$0 thousand and \$762,500 thousand, respectively.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Lease liabilities

The Group's lease liabilities were as follows :

	March 31, 2021	December 31, 2020	March 31, 2020
Current	\$ <u>1,615</u>	<u>1,634</u>	<u>2,168</u>
Non-current	\$ <u>376</u>	<u>-</u>	<u>1,120</u>

Please refer to Note 6(y) for maturity analysis.

The amounts recognized in profit or loss were as follow:

	For the three months ended March 31	
	2021	2020
Interest on lease liabilities	\$ <u>8</u>	<u>13</u>
Expenses relating to short-term leases	\$ <u>127</u>	<u>154</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	\$ <u>8</u>	<u>9</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the three months ended March 31, 2021	For the three months ended March 31, 2020
Total cash outflow for leases	\$ <u>697</u>	<u>724</u>

(i) Real estate leases

The Group leases house and buildings for its warehouses. The leases of warehouses typically run for a period of 3 years.

(ii) Other leases

The Group also leases office equipment with contract terms of one year, and these leases are short-term and/or leases of low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(q) Operating leases

There were no significant changes in operating lease for the three months ended March 31, 2021 and 2020. Please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2020 for other related information.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or no other material onetime events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2020 and 2019.

The expenses recognized in profit or loss for the Group are as follows:

	For the Three Months Ended March 31	
	2021	2020
Operating cost	\$ 139	269
Selling expenses	72	98
Administration expenses	166	267
Total	\$ 377	634

(ii) Defined contribution plans

For the three months ended March 31, 2021 and 2020, the Group's employee benefits retirement expenses amounted to \$5,196 thousand and \$4,706 thousand, respectively.

(s) Income tax

Tax expense in the interim financial statements is measured at net income multiplied by management's best estimation on year end effective tax rate.

(i) The income tax expense for the three months ended March 31, 2021 and 2020 are as follows:

	For the Three Months Ended March 31	
	2021	2020
Current income tax expense		
Current period incurred	\$ 19,500	15,400
Income tax expense from continuing operations	\$ 19,500	15,400

(ii) Status of approval of income tax

Company	Year
The Company	2018
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	2019
TAIWAN NIKOMART CO., LTD.	2019
PIONEER TRAFFIC CO., LTD.	2018

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(t) Share capital and other equity

As of March 31, 2021, December 31, 2020 and March 31, 2020, the authorized capital of the Company consisted of 1,000,000 thousand shares, 1,000,000 thousand shares, and 800,000 thousand shares, respectively, at a par value of \$10 per share, amounting to \$10,000,000 thousand, \$10,000,000 thousand, and \$8,000,000 thousand, respectively, with the outstanding shares amounting to \$4,999,990 thousand.

(i) Capital surplus

The components of the capital surplus are as follows:

	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>March 31,</u> <u>2020</u>
Treasury shares transactions	\$ 38,837	38,837	26,540
Changes in equity of associates accounted for using equity method	17	17	17
Surplus from issuance of ordinary shares	915,977	915,977	915,977
Surplus from issuance of ordinary shares-employee stock options	4,132	4,132	4,132
Expired employee stock options	1,561	1,561	1,561
Other	<u>13,559</u>	<u>13,559</u>	<u>13,559</u>
	<u><u>\$ 974,083</u></u>	<u><u>974,083</u></u>	<u><u>961,786</u></u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of the par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while the Company still have significant expansion of production capacity and vertical development plans in the next few years. The Company's Articles of Incorporation stipulate that the Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then at least 50% of the remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. However, more than 30% of the total dividend distribution in the current year shall be distributed in cash dividends, and the rest shall be distributed in the form of stock dividends.

If the common stock dividends per share is less than NTD 0.1, the Board of Directors have the right not to distribute it.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

1) Legal reserve

When a company incurs profit, the shareholders shall decide on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash of up to 25% of the actual share capital.

2) Special reserve

The Company applied for exemptions during its first-time adoption of IFRSs, resulting in its retained earnings to increase by \$240,776 thousand, incurred from unrealized revaluation increments, exchange differences on translation of foreign financial statements, and fair value of investment property being used as the cost on initial recognition at the transition date. In accordance with Permit No.1010012865 as issued by the Financial Supervisory Commission on April 6, 2012, a special reserve equals to the contra account of other shareholders' equity is appropriated from current and prior period earnings. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of March 31, 2021, December 31, 2020, and March 31, 2020, the Company recognized the special reserve related to all IFRSs adjustments amounting to \$240,776 thousand. When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The amount of cash dividends of appropriations of earnings for 2020 had been approved in the board meeting on March 25, 2021. The appropriations of earnings for 2019 had been approved in the shareholder's meeting on May 21, 2020. These earnings were appropriated as follows:

	2020	2019
Common stock dividends per share		
Cash	\$ 699,999	449,999

For information on earnings distribution, decided by the board of directors, which was approved during the shareholders' meeting, please visit the public information observatory for further information.

(iii) Treasury stock (held by the subsidiaries)

Before the amendment of the Company Law in 2001, the Company's subsidiaries purchased the Company's stock in the open market for investment purposes. Stock held by subsidiaries are deemed as treasury stocks.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The numbers of shares, book value and market price held by the Company's subsidiaries are as follows:

Subsidiaries	Beginning shares	Add	Less	Ending shares
For the three months ended March 31, 2021				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
PIONEER TRAFFIC CO., LTD.	368	-	-	368
	<u>13,679</u>	<u>-</u>	<u>-</u>	<u>13,679</u>
For the three months ended March 31, 2020				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
PIONEER TRAFFIC CO., LTD.	368	-	-	368
	<u>13,679</u>	<u>-</u>	<u>-</u>	<u>13,679</u>
	March 31, 2021	December 31, 2020	March 31, 2020	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	\$ 154,637	154,637	154,637	
TAIWAN NIKOMART CO., LTD.	44,880	44,880	44,880	
PIONEER TRAFFIC CO., LTD.	4,359	4,359	4,359	
	<u>\$ 203,876</u>	<u>203,876</u>	<u>203,876</u>	

The stock prices of the Company as of March 31, 2021, December 31, 2020 and March 31, 2020, were NTD 30.00, NTD 27.60 and NTD 23.05 respectively.

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2021	\$ (31,870)	(44,007)	(75,877)
Exchange differences on foreign operation	(161)	-	(161)
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	3,702	3,702
Changes in other comprehensive income (loss) of associates accounted for using equity methods	-	(605)	(605)
Balance on March 31, 2021	<u>\$ (32,031)</u>	<u>(40,910)</u>	<u>(72,941)</u>

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2020	\$ (29,042)	(78,026)	(107,068)
Exchange differences on foreign operation	(29)	-	(29)
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	(6,512)	(6,512)
Changes in other comprehensive income (loss) of associates accounted for using equity methods	-	(4,466)	(4,466)
Balance on March 31, 2020	<u>\$ (29,071)</u>	<u>(89,004)</u>	<u>(118,075)</u>

(u) Earnings per share

The Group's basic earnings per share and diluted earnings for per share were calculated as follows:

	For the Three Months Ended March 31	
	2021	2020
Basic earnings per share		
Profit from continuing operation attributable to the Company	<u>\$ 165,063</u>	<u>126,513</u>
Weighted average number of ordinary shares	499,999	499,999
Less: impact of treasury stock	13,606	13,606
Adjusted weighted average number of ordinary shares	<u>486,393</u>	<u>486,393</u>
Earnings per share	<u>\$ 0.34</u>	<u>0.26</u>
Diluted earnings per share		
Profit from continuing operation attributable to the Company(after adjusting the effect of diluted ordinary shares)	<u>\$ 165,063</u>	<u>126,513</u>
Adjusted weighted average number of ordinary shares	486,393	486,393
The impact of employee stock compensation	1,857	2,109
Adjusted weighted average number of ordinary shares (after adjusting the effect of diluted ordinary shares)	<u>488,250</u>	<u>488,502</u>
Earnings per share	<u>\$ 0.34</u>	<u>0.26</u>

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Three Months Ended March 31, 2021				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	\$ 1,125,978	-	111,525	-	1,237,503
Bulk materials and aquafeeds	-	919,485	-	-	919,485
Service revenue	-	-	-	100,056	100,056
Revenue from investment properties	-	-	-	1,999	1,999
	<u>\$ 1,125,978</u>	<u>919,485</u>	<u>111,525</u>	<u>102,055</u>	<u>2,259,043</u>

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the Three Months Ended March 31, 2020				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	\$ 1,001,360	-	81,872	-	1,083,232
Bulk materials and aquafeeds	-	650,664	-	-	650,664
Service revenue	-	-	-	102,515	102,515
Revenue from investment properties	-	-	-	1,697	1,697
	\$ 1,001,360	650,664	81,872	104,212	1,838,108

(ii) Contract balances

	March 31, 2021	December 31, 2020	March 31, 2020
Notes receivable	\$ 91,802	137,198	72,416
Notes receivable-related parties	-	2,700	2,500
Accounts receivable	707,654	661,594	660,152
Accounts receivable-related parties	423,939	390,134	318,320
Receivables	12,218	12,059	24,527
Less: loss allowance	(43,246)	(42,428)	(55,240)
Total	\$ 1,192,367	1,161,257	1,022,675
Contract liabilities-sales	\$ 36,686	39,800	45,953

For details on notes receivable, accounts receivable and loss allowance, please refer to Note 6(d).

The amount of revenue recognized for three months ended March 31, 2021 and 2020, which were included in the contract liabilities balance at the beginning of the period, were \$12,381 thousand and \$9,299 thousand, respectively.

The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received.

(w) Remunerations to employees and directors

The Company's Articles of Incorporation require that earnings shall first be offset against any deficit, then, a minimum of 2% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020, remuneration of employees of \$10,092 thousand and \$6,354 thousand, respectively, and remuneration of directors of \$7,064 thousand and \$6,354 thousand, respectively, were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's Articles of Incorporation. Such amounts were recognized as operating expenses for the three months ended March 31, 2021 and 2020. Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and will be charged to profit or loss. The number of shares to be distributed was calculated based on the closing price of the Company's ordinary shares, one day prior to Board of Directors meeting.

For the years ended December 31, 2020 and 2019, the Company had accrued remuneration of employees of \$49,188 thousand and \$37,383 thousand, respectively, and remuneration of directors of \$34,431 thousand and \$30,586 thousand, respectively. There was no difference between the amounts approved in the Board of Directors meeting and the amounts distributed. For further information, please refer to Market Observation Post System website.

(x) Non-operating income and expenses

(i) Other gains and losses

The details of other gain and losses were as follows:

	For the Three Months Ended March 31	
	2021	2020
Rental revenue	\$ 1,235	1,249
Foreign exchange gains (losses)	9,203	(1,303)
Losses (gains) on disposal of property, plant and equipment	(22)	579
Gains (losses) on financial assets at FVTPL	4,775	(12,854)
Dilivey service income	2,508	2,632
Other gains and losses	3,559	5,535
	\$ 21,258	(4,162)

(ii) Finance costs

The details of finance costs were as follows:

	For the Three Months Ended March 31	
	2021	2020
Interest expense		
Bank borrowing	\$ 2,370	6,058
Lease liability	8	13
	\$ 2,378	6,071

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(y) of the consolidated financial statements for the year ended December 31, 2020.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As at March 31, 2021, December 31, 2020 and March 31, 2020, the Group reviewed the concentrations of credit risk arising from its biggest customer-CENTRAL UNION OIL CORP., and it was below 28.07%, 22.35% and 21.77%, respectively, of the accounts receivable.

3) Accounts receivable of credit risk

For credit risk exposure of notes and accounts receivables, please refer to note 6(d). Other financial assets at amortized cost includes other receivables and time deposits, etc.

All of these financial assets are considered to be low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Please refer to Note 6(e) for the movement of allowance for loss.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, excluding the estimated interest payments and the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>
March 31, 2021						
Non-derivative financial liabilities						
Lease liabilities	\$ 1,991	2,004	1,076	551	377	-
Unsecured bank loans (USD)	40,753	40,936	40,936	-	-	-
Secured bank loans (NTD)	600,000	615,000	3,000	3,000	6,000	603,000
Short-term notes and bills payable	72,000	72,388	72,388	-	-	-
Non-interest bearing liabilities	<u>922,249</u>	<u>922,249</u>	<u>922,249</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,636,993</u>	<u>1,652,577</u>	<u>1,039,649</u>	<u>3,551</u>	<u>6,377</u>	<u>603,000</u>

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>
December 31, 2020						
Non-derivative financial liabilities						
Lease liabilities	\$ 1,634	1,644	954	690	-	-
Unsecured bank loans (USD)	108,027	108,706	108,706	-	-	-
Unsecured bank loans (NTD)	40,000	40,231	40,231	-	-	-
Secured bank loans (NTD)	600,000	615,000	3,000	3,000	6,000	603,000
Short-term notes and bills payable	20,000	20,000	20,000	-	-	-
Non-interest bearing liabilities	<u>998,835</u>	<u>998,835</u>	<u>998,835</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,768,496</u>	<u>1,784,416</u>	<u>1,171,726</u>	<u>3,690</u>	<u>6,000</u>	<u>603,000</u>
March 31, 2020						
Non-derivative financial liabilities						
Lease liabilities	\$ 3,288	3,326	1,121	1,080	1,125	-
Unsecured bank loans (USD)	26,067	26,401	26,401	-	-	-
Unsecured bank loans (NTD)	485,000	487,971	487,971	-	-	-
Short-term notes and bills payable	125,000	125,000	125,000	-	-	-
Non-interest bearing liabilities	<u>780,996</u>	<u>780,996</u>	<u>780,996</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,420,351</u>	<u>1,423,694</u>	<u>1,421,489</u>	<u>1,080</u>	<u>1,125</u>	<u>-</u>

(iii) Currency risk

1) Exposure of foreign currency risk

The Group's significant exposure to foreign currency risk is as follows:

	<u>March 31, 2021</u>			<u>December 31, 2020</u>			<u>March 31, 2020</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>NTD</u>
<u>Financial assets</u>									
<u>Monetary items</u>									
USD : NTD	\$ 11,315	28.531	321,355	11,168	28.508	318,000	17,091	30.25	407,348
USD : CNY	2,003	6.560	57,150	2,025	6.539	57,724	24	7.09	721
CNY : USD	13,000	0.15	56,569	13,000	0.15	56,669	13,000	0.14	55,449
<u>Financial liabilities</u>									
<u>Monetary items</u>									
USD : NTD	1,429	28.531	40,753	3,789	28.508	108,027	861	30.25	26,067
USD : CNY	2,000	6.560	57,062	2,000	6.539	57,017	3,500	7.09	105,889

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, other financial assets-current, accounts receivable, other receivables and borrowings that are denominated in foreign currency. A 1% appreciation or depreciation of US dollar against New Taiwan dollar as of March 31, 2021 and 2020 would have increased (decreased) the pre-tax net income for the three months ended March 31, 2021 and 2020 by \$2,698 thousand and \$2,652 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

3) Foreign exchange gains or losses on monetary item

Since the Group has various kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by the total amount. For the three months ended March 31, 2021 and 2020, the foreign exchange (loss) gain (including realized and unrealized portions) amounted to \$9,203 thousand and \$1,303 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

	Book value		
	March 31, 2021	December 31, 2020	March 31, 2020
Fixed rate instruments:			
Financial assets	\$ 158,918	284,789	187,800
Financial liabilities	<u>72,000</u>	<u>20,000</u>	<u>125,000</u>
	<u>\$ 86,918</u>	<u>264,789</u>	<u>62,800</u>
Variable rate instruments:			
Financial assets	\$ 671,058	728,575	678,637
Financial liabilities	<u>640,753</u>	<u>748,027</u>	<u>511,067</u>
	<u>\$ 30,305</u>	<u>(19,452)</u>	<u>167,570</u>

The following sensitivity analysis is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments at the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The report of the Group's internal management on the increases/decreases in the interest rates and the exposure to changes in interest rates of 0.5% is considered by the management to be a reasonable change of interest rate.

If the interest rate increases / decreases by 0.5%, the Group's net income will decrease /increase by \$30 thousand and \$168 thousand for the three months ended March 31, 2021 and 2020, respectively, assuming all other variable factors remaining constant. This is mainly due to the Group's floating interest rate of cash in bank and borrowing factoring.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows; assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain constant:

	For the three months ended March 31			
	2021		2020	
	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)
Increase 5%	\$ 7,053	3,390	4,261	2,804
Decrease 5%	\$ (7,053)	(3,390)	(4,261)	(2,804)

(vi) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

The Group measured its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows ; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2021				
	Book value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss					
Derivative financial assets					
Foreign exchange option	\$ 2,090	-	2,090	-	2,090
Non derivative financial assets					
Listed Stocks	53,436	53,436	-	-	53,436
Beneficiary Certificate-Open-end Funds	31,315	31,315	-	-	31,315
Subtotal	86,841	84,751	2,090	-	86,841
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	\$ 154,734	154,734	-	-	154,734
Shares of stock unlisted on domestic markets	3,444	-	2,289	1,155	3,444
Shares of stock unlisted on foreign markets	18,138	-	-	18,138	18,138
Subtotal	176,316	154,734	2,289	19,293	176,316

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		March 31, 2021				
		Book value	Fair value			Total
			Level 1	Level 2	Level 3	
Financial assets at amortized cost						
Cash and cash equivalents	\$	640,331	-	-	-	-
Notes and account receivables (including related parties)		1,192,367	-	-	-	-
Other receivables (including related parties)		6,249	-	-	-	-
Other financial asset-current		216,124	-	-	-	-
Other financial asset-non current		11,737	-	-	-	-
Subtotal		<u>2,066,808</u>	-	-	-	-
Total	\$	<u><u>2,329,965</u></u>	<u><u>239,485</u></u>	<u><u>4,379</u></u>	<u><u>19,293</u></u>	<u><u>263,157</u></u>
Financial liability at fair value through profit or loss						
Derivative financial liabilities						
Foreign exchange option	\$	127	-	127	-	127
Financial liabilities at amortized cost						
Short term borrowings	\$	40,753	-	-	-	-
Short term notes and bills payable		72,000	-	-	-	-
Notes and accounts payable (including related parties)		477,224	-	-	-	-
Other payables (including related parties)		439,527	-	-	-	-
lease liabilities (including non-current)		1,991	-	-	-	-
Long term borrowings (including current portion)		600,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)		5,498	-	-	-	-
Subtotal		<u>1,636,993</u>	-	-	-	-
Total	\$	<u><u>1,637,120</u></u>	-	<u><u>127</u></u>	-	<u><u>127</u></u>
		December 31, 2020				
		Book value	Fair value			Total
			Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss						
Derivative financial assets						
Foreign exchange option	\$	1,369	-	1,369	-	1,369
Non derivative financial assets						
Listed Stocks		51,072	51,072	-	-	51,072
Beneficiary Certificate-Open-end Funds		30,335	30,335	-	-	30,335
Subtotal		<u>82,776</u>	<u>81,407</u>	<u>1,369</u>	-	<u>82,776</u>
Financial assets at fair value through other comprehensive income						
Shares of stock listed on domestic markets	\$	151,744	151,744	-	-	151,744
Shares of stock unlisted on domestic markets		2,714	-	1,559	1,155	2,714
Shares of stock unlisted on foreign markets		18,123	-	-	18,123	18,123
Subtotal		<u>172,581</u>	<u>151,744</u>	<u>1,559</u>	<u>19,278</u>	<u>172,581</u>

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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		December 31, 2020				
		Book value	Fair value			Total
			Level 1	Level 2	Level 3	
Financial assets at amortized cost						
Cash and cash equivalents	\$	772,454	-	-	-	-
Notes and account receivables (including related parties)		1,161,257	-	-	-	-
Other receivables (including related parties)		6,970	-	-	-	-
Other financial asset-current		272,796	-	-	-	-
Other financial asset-non current		11,510	-	-	-	-
Subtotal		<u>2,224,987</u>	-	-	-	-
Total	\$	<u>2,480,344</u>	<u>233,151</u>	<u>2,928</u>	<u>19,278</u>	<u>255,357</u>
Financial liability at fair value through profit or loss						
Derivative financial liabilities						
Foreign exchange option	\$	853	-	853	-	853
Financial liabilities at amortized cost						
Short term borrowings	\$	148,027	-	-	-	-
Short term notes and bills payable		20,000	-	-	-	-
Notes and accounts payable (including related parties)		527,979	-	-	-	-
Other payables (including related parties)		465,552	-	-	-	-
lease liabilities (including non-current)		1,634	-	-	-	-
Long term borrowings (including current portion)		600,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)		5,304	-	-	-	-
Subtotal		<u>1,768,496</u>	-	-	-	-
Total	\$	<u>1,769,349</u>	-	<u>853</u>	-	<u>853</u>
		March 31, 2020				
		Book value	Fair value			Total
			Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss						
Derivative financial assets						
Foreign exchange option	\$	1,688	-	1,688	-	1,688
Non derivative financial assets						
Listed Stocks		35,435	35,435	-	-	35,435
Beneficiary Certificate-Open-end Funds		<u>34,670</u>	<u>34,670</u>	-	-	<u>34,670</u>
Subtotal		<u>71,793</u>	<u>70,105</u>	<u>1,688</u>	-	<u>71,793</u>
Financial assets at fair value through other comprehensive income						
Shares of stock listed on domestic markets	\$	90,694	90,694	-	-	90,694
Shares of stock unlisted on domestic markets		3,055	-	-	3,055	3,055
Shares of stock unlisted on foreign markets		<u>12,764</u>	-	-	<u>12,764</u>	<u>12,764</u>
Subtotal		<u>106,513</u>	<u>90,694</u>	-	<u>15,819</u>	<u>106,513</u>

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	March 31, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at amortized cost					
Cash and cash equivalents	\$ 745,725	-	-	-	-
Notes and accounts receivable (including related parties)	1,022,675	-	-	-	-
Other receivables (including related parties)	5,521	-	-	-	-
Other financial asset-current	155,808	-	-	-	-
Other financial asset-non current	10,656	-	-	-	-
Subtotal	<u>1,940,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,118,691</u>	<u>160,799</u>	<u>1,688</u>	<u>15,819</u>	<u>178,306</u>
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	\$ 691	-	691	-	691
Financial liabilities at amortized cost					
Short term borrowings	\$ 511,067	-	-	-	-
Short term notes and bills payable	125,000	-	-	-	-
Notes and accounts payable (including related parties)	442,473	-	-	-	-
Other payables (including related parties)	332,596	-	-	-	-
lease liabilities (including non-current)	3,288	-	-	-	-
Deposits received (recognized in the balance sheet as other non current liabilities, others)	5,927	-	-	-	-
Subtotal	<u>1,420,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,421,042</u>	<u>-</u>	<u>691</u>	<u>-</u>	<u>691</u>

2) Valuation techniques for financial instruments not measured at fair value:

The assumptions and methods used in valuing financial instruments that are not measured at fair value are as follows:

a) Financial assets and liabilities measured at amortized cost

Fair value measurement for financial assets and liabilities is based on the latest quoted price and agreed-upon price if these prices are available in an active market. When market value is unavailable, fair value of financial assets and liabilities are evaluated based on the discounted cash flow of the financial assets and liabilities.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Valuation techniques for financial instruments measured at fair value:

a) Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument does not accord with the aforementioned definition, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

If the financial instruments held by the Group have an active market, the measurements of fair value are categorized as follows:

- The listed stocks and beneficiary certificate-open-end funds are recognized as financial assets and liabilities traded in active markets by the standards and nature. The fair value is measured at the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from competitor. Fair value measured by valuation technique can be extrapolated from similar financial instruments, discounted cash flow method or other valuation technique which include model calculating with observable market data at the balance sheet date.

If the financial instruments held by the Group have no active market, the measurements of fair value are categorized as follows:

- Equity instruments without quoted price: The fair value is measured at net asset value method. By looking through the nature and the included items of each asset and liability item and collecting the market value information of each asset and liability for items whose book value may be different from the fair value, the Group needs to obtain the fair value of the Company's net assets, and calculate the Company's equity value. The discount effect is adjusted due to lack of market liquidity in equity securities.

b) Derivative financial instruments

These are based on the valuation model accepted by the most market users, ex: discount rate and option pricing model. Forward exchange agreement is usually based on the current forward rate.

Fair value of structured financial instruments is based on appropriated valuation model, ex: BlackScholes model, or other valuation model, ex: Monte Carlo simulation.

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c) Financial instruments measured at fair value

The Group uses market-observable inputs as much as possible to measure its assets and liabilities. The different levels, wherein the inputs of valuation techniques are used to measure the fair value of financial and non-financial instruments have been 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.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

4) Transfers between Level 1 and Level 2

There were no changes in the valuation techniques for fair value for the three months ended March 31, 2021 and 2020 . In addition, there have been no transfers from each level for the three months ended March 31, 2021 and 2020.

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through other comprehensive income-equity investments.

The Group's equity instrument investments without an active market in Level 3 have more than one significant unobservable inputs. The significant unobservable inputs of financial instrument investments without an active market are individually independent, and there is no correlation between them.

Quantified information of significant unobservable inputs was as follow:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income-equity investments without an active market	net asset value method	· net asset value · Market illiquidity discount (as of March 31, 2021, December 31, 2020 and March 31, 2020 were 25%)	· Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through profit or loss-equity investments without an active market	net asset value method	net asset value ·Market illiquidity discount (as of March 31, 2021, December 31, 2020 and March 31, 2020 were 25%)	· Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)

- 6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income :

	<u>Inputs</u>	<u>Fluctuation in inputs</u>	<u>Profit or loss</u>		<u>Other comprehensive income</u>	
			<u>Favorable</u>	<u>Unfavorable</u>	<u>Favorable</u>	<u>Unfavorable</u>
March 31, 2021						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	\$ <u>-</u>	<u>-</u>	<u>192</u>	<u>(192)</u>
December 31, 2020						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	\$ <u>-</u>	<u>-</u>	<u>193</u>	<u>(193)</u>
March 31, 2020						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	\$ <u>-</u>	<u>-</u>	<u>158</u>	<u>(158)</u>

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

- (z) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note 6(z) of the consolidated financial statements for the year ended December 31, 2020.

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(aa) Capital management

The Group's objectives for managing capital are to safeguard its capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Total liabilities	\$ 2,092,230	2,208,663	1,873,925
Less: cash and cash equivalents	(640,331)	(772,454)	(745,725)
Net debt	1,451,899	1,436,209	1,128,200
Total capital	7,199,665	7,031,602	6,720,714
Adjusted capital	<u>\$ 8,651,564</u>	<u>8,467,811</u>	<u>7,848,914</u>
Debt to equity ratio	<u>16.78%</u>	<u>16.96%</u>	<u>14.37%</u>

Note: Due to increase in borrowings, the debt to equity ratio on March 31, 2021 and December 31, 2020 go up.

(ab) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2021 and 2020 were from foreign exchange movement.

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transactions with related parties and the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
CENTRAL UNION OIL CORP.	Equity-accounted Investee by the Company (associates)
TAIWAN FAMILYMART CO., LTD.	"
TAIWAN DISTRIBUTION CENTER CO., LTD.	Equity-accounted Investee's Subsidiary by the Company (associates)
RE-YI DISTRIBUTION SERVICE CO., LTD.	"
TAISUN FOODS & MARKETING CO., LTD. (Note)	Substantive related parties (other related parties)

Note: No longer a related party since March 1, 2021.

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(b) Significant transactions with related parties

(i) Sale of Goods to Related Parties

	For the three months ended March 31	
	2021	2020
Associates:	\$	
CENTRAL UNION OIL CORP.	761,780	484,716
Other associates	133,548	134,847
Other related parties	22,207	32,605
	\$ 917,535	652,168

The sales prices of the Group to its related parties were the same as those offered to general convenient stores, with a payment term ranging from 35 to 45 days.

The Group provides services to its related parties and nonrelated parties, wherein the charges varies depending on the distance of the area and the nature of the contracted items. In addition, the payment term used by the subsidiary for its regular customers is at the end of each month. The Group's credit terms for its related parties, except for logistics on open account to 30 days and physical distribution on open account to 45 days, is 60 days before the 20th of the following month. For promissory notes, nonrelated parties charge 30~75 days and 45~60 days of promissory notes before the 30th of the following month.

The sales prices of soy powder to CENTRAL UNION OIL CORP. is deducted from the related sales expenses based on the market prices, wherein the Group collects the payment within 45 to 60 days.

The sales prices of food to TAISUN FOODS & MARKETING CO., LTD. is deducted from the related sales expenses based on the market price. The payment term of the original transaction was collected within 60 days. Starting May 2019, the payment terms have been changed to 70% advance receivables, and 30% of the receivables are collected within 30 days. However, another change had been made again on the payment term beginning October 2019, 50% advance receivables, and 50% monthly change-90 days promissory notes.

The Group's unrealized gross profit on sales with its associates is eliminated based on pro rata share.

No collaterals were pledged from the receivables of the related parties. However, the Group evaluated that no bad debts were recognized for TAISUN FOODS & MARKETING CO., LTD.'s allowance for doubtful accounts of \$22,810 thousand.

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(ii) Purchase of Goods from Related Parties

	For the three months ended March 31	
	2021	2020
Associates – processing cost	\$ 71,870	67,446

The above processing cost is the soybean refining processing expenditure derived from the committed related parties of the Group. According to the estimated processing amount, the payment is made in advance and the payment term is open account 15 days to make up the payment. In addition, the Group does not outsource the processing transaction to other non-related parties.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Accounts	Related party category	March 31, 2021	December 31, 2020	March 31, 2020
Note receivable	Other related parties	\$ -	2,700	2,500
Account receivable	Associates – CENTRAL UNION OIL CORP.	346,775	269,069	222,593
	– Other associates	77,164	96,755	70,798
	Other related parties	-	1,500	2,119
		\$ 423,939	370,024	298,010

(iv) Payables from Related Parties

The payables from related parties were as follows:

Accounts	Related party category	March 31, 2021	December 31, 2020	March 31, 2020
Accounts payable	Associates	\$ 9,917	2,282	2,917

(v) Other

Accounts	Related party category	March 31, 2021	December 31, 2020	March 31, 2020
Other current liabilities	Associates	\$ 5,766	9,500	4,832

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(c) Key management personnel compensation

	<u>For the three months ended March 31</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	<u>\$ 14,041</u>	<u>13,683</u>

(8) Pledged assets:

<u>Asset</u>	<u>Purpose of pledge</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Other current financial asset	Forward foreign exchange contract and foreign exchange options	\$ 4,280	4,276	4,538
Other current financial asset	Credit lines of sort-term bank loans	142,655	142,540	151,270
Investment using equity method	Long-term bank loans	<u>365,383</u>	<u>357,184</u>	<u>-</u>
		<u>\$ 512,318</u>	<u>504,000</u>	<u>155,808</u>

(9) Commitments and contingencies:

(a) Unused standby letters of credit

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Unused standby letters of credit	<u>\$ 983,348</u>	<u>773,746</u>	<u>424,704</u>

(b) The Group provides endorsements and guarantees to its related parties: Please refer to Note 13.

(c) The following are the contract price and the amount paid on fixed assets:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Signed-contract	<u>\$ 275,619</u>	<u>286,285</u>	<u>178,427</u>
Paid-price	<u>\$ 147,382</u>	<u>128,393</u>	<u>104,249</u>

(d) As of March 31, 2021, December 31, 2020 and March 31, 2020, the Group has issued a promissory note of \$160,000 thousand as a guarantee for bank financing and performance.

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

- (a) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By item	By function	For the three months ended March 31					
		2021			2020		
		Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits							
Salary		52,408	114,060	166,468	47,183	88,962	136,145
Labor and health insurance		6,076	8,364	14,440	5,494	7,401	12,895
Pension		2,365	3,208	5,573	2,184	3,156	5,340
Others		3,501	3,950	7,451	2,941	3,588	6,529
Depreciation		20,257	2,734	22,991	18,269	2,714	20,983
Amortization		-	636	636	-	865	865

Depreciation for the years ended March 31, 2021, December 31, 2020 and March 31, 2020, each amounting to \$128, were recognized as other gains and losses.

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	Other receivables-related party	Yes	85,593	85,593	57,062	2.62%	2	-	Operation Requirements	-	Promissory Notes	57,062	719,446	1,438,893
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	Other receivables-related party	Yes	56,570	56,570	56,570	2.1%	2	-	Operation Requirements	-	Promissory Notes	56,570	184,822	184,822

Note 1: Lending of capital has the following two types:

1. Entities with business transaction with the Company
2. Loans provided for shortterm financing

Note 2: According to our policy, the calculation for the maximum total amount of loans granted are as follows:

1. The Company’s total amount available for lending shall not exceed 40% of its net value
2. For entities with business transaction with the Company, the total amount of loans shall not exceed 20% of the Company’s net value; and for a single entity, the total amount of loans shall not exceed 10% of the Company’s net value or 120% of its monthly business transaction with the Company.
3. For entities with business transaction with the Company, the total amount of short-term loans shall not exceed 20% of the Company’s net value; and for a single entity, the total amount of short-term loans shall not exceed 10% of the Company’s net value or 50% of the net value of the single entity.
4. For those foreign subsidiaries whose voting shares are directly or indirectly wholly owned by the Company, the total amount of loans shall not exceed 100% of the Company’s net value, with two years term.

Note 3: Balance of loan as of the reporting date was within the credit limits approved by the Board of Directors.

Note 4: Intra-group transactions have been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of March 31, 2021 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars/shares)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Fubon S&P US Preferred Stock ETF	-	Note 2	1,000,000	17,120	- %	17,120	
The Company	Yuanta Global Future Telecommunication ETF	-	"	500,000	14,195	- %	14,195	
The Company	Stock-YI JINN INDUSTRIAL CO., LTD.	-	"	2,622,600	45,240	0.87 %	45,240	
The Company	Stock- CANDO CORPORATION	-	"	256,923	-	0.07 %	-	
The Company	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	Note 3	333,000	20,579	- %	20,579	
The Company	Stock-CHINA TRADE AND DEVELOPMENT CORPORATION	-	"	2,788	28	- %	28	
The Company	Stock-MEGA 888 CORP.	-	"	17,350	174	1.16 %	174	
The Company	Stock-HSIN TUNG YANG CO., LTD.	-	"	79,000	853	0.09 %	853	
The Company	Stock-UNIMICRON TECHNOLOGY CORP.	-	"	485,000	44,378	0.03 %	44,378	
The Company	Stock-YIN-WANG CO., LTD.	-	"	10,000	100	10.00 %	100	
The Company	Stock-TAISUN FOODS & MARKETING CO., LTD.	-	"	886,788	-	18.90 %	-	
The Company	Stock-FWUSOW INDUSTRY CO., LTD.	-	"	3,765,000	82,642	1.17 %	82,642	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taitung Business Bank	-	Note 2	9,628	-	- %	-	

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	Note 3	1,183	62	- %	62	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KERRY TJ LOGISTICS CO., LTD.	-	"	15,524	686	- %	686	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-WUS PRINTED CIRCUIT CO., LTD.	-	"	729	23	- %	23	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-LITE-ON TECHNOLOGY CORPORATION	-	"	6,260	393	- %	393	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-MACRONIX INTERNATIONAL CO., LTD.	-	"	362	16	- %	16	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Winbond Electronics Corporation	-	"	1,195	35	- %	35	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-SILICON INTEGRATED SYSTEMS CORP.	-	"	2,136	40	- %	40	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-China Development Financial Holding Corporation	-	"	56,505	593	- %	593	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taishin Financial Holding Co., Ltd.	-	"	98,026	1,314	- %	1,314	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Shin Kong Financial Holding Co., Ltd.	-	"	20,225	185	- %	185	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CGS INTERNATIONAL, INC.	-	"	1,243	19	- %	19	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	"	10,351,332	310,540	2.07 %	310,540	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-HUALON CORPORATION	-	"	5,176	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PACIFIC ELECTRIC WIRE & CABLE CO., LTD.	-	"	579	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD.	-	"	27,425	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-ORNATUBE ENTERPRISE CO., LTD.	-	"	55,000	-	0.01 %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KUEI HUNG INDUSTRIAL CO., LTD.	-	"	22,000	-	- %	-	
TAIWAN NIKOMART CO., LTD.	Stock-CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.	-	Note 2	107,000	8,196	0.04 %	8,196	
TAIWAN NIKOMART CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	2,960,186	88,806	0.59 %	88,806	
PIONEER TRAFFIC CO., LTD.	Stock-Taitung Business Bank	-	Note 2	9,628	-	- %	-	
PIONEER TRAFFIC CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	368,524	11,056	0.07 %	11,056	
PIONEER TRAFFIC CO., LTD.	Stock-SYSGRATION LTD.	-	"	42,451	1,623	0.03 %	1,623	
PIONEER TRAFFIC CO., LTD.	Stock- CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	"	1,928	102	- %	102	
PIONEER TRAFFIC CO., LTD.	Stock- Winbond Electronics Corporation	-	"	5,305	156	- %	156	
PIONEER TRAFFIC CO., LTD.	Stock- HUALON CORPORATION	-	"	5,176	-	- %	-	
PIONEER TRAFFIC CO., LTD.	Stock- PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD.	-	"	38,760	-	- %	-	
PIONEER TRAFFIC CO., LTD.	Stock- KUEI HUNG INDUSTRIAL CO., LTD.	-	"	22,000	-	- %	-	
PIONEER TRAFFIC CO., LTD.	Stock- ORNATUBE ENTERPRISE CO., LTD.	-	"	60,000	-	0.10 %	-	
PIONEER TRAFFIC CO., LTD.	Stock- POWERCHIP SEMICONDUCTOR MANUFACTURING CO.	-	"	38,995	2,289	- %	2,289	
TAISUN (CAYMAN) INVESTMENT LTD.	Stock-YAMAI LIMITED	-	"	-	18,138	3.66 %	18,138	Note 4
TAISUN YUAN CO., LTD.	Stock-FWUSOW INDUSTRY CO., LTD.	-	"	86,000	1,888	0.03 %	1,888	

Note 1: Financial products after deducting unrealized gains and losses.

Note 2: Financial assets at fair value through profit or loss.

Note 3: Non-current financial assets at fair value through other comprehensive income.

Note 4: Unissued shares.

Note 5: Subsidiaries and subsidiaries held by the Company have been written off when preparing the consolidated financial report.

- (iv) Individual securities acquired or disposed with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Sale	(394,984)	(20) %	OA60	No significant difference to the general customers.	General purchases payments in 30-60 days	429,706	36%	
The Company	CENTRAL UNION OIL CORP.	Investee company measured by equity method	Sale	(761,780)	(38) %	OA45-60	Deduct sales expenses related to CENTRAL UNION OIL CORP. based on market price	No comparable client	346,775	29%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAISUN ENTERPRISE CO., LTD.	Ultimate parent company	Purchase	394,984	99 %	OA60	No significant difference to the general customers.	General purchases payments in 30-60 days	(429,706)	(98)%	
CENTRAL UNION OIL CORP.	TAISUN ENTERPRISE CO., LTD.	Company accounted for under the equity method	Purchase	761,780	31 %	OA45-60	Deduct sales expenses related to CENTRAL UNION OIL CORP. based on market price	No comparable client	(346,775)	(31)%	

- (viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	CENTRAL UNION OIL CORP.	Subsidiary measured by equity method	Account receivable 346,775	9.90	-	-	253,787	-
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Account receivable 429,706	3.78	-	-	150,404	-

- (ix) Trading in derivative instruments: Please refer to notes 6(b).
- (x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	1	Sales revenue	394,984	OA60	17.48%
0	The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	1	Account receivable-related party	429,706	"	4.62%
0	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Other receivables-related party	57,162	Half-year imputed interest, repay the principal when matured	0.62%
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Other receivables-related party	56,771	"	0.61%

Note 1: The numbering is as follows:

1. "0" represents the parent company.
2. Subsidiaries are sequentially numbered from 1 by company.

Note 2: The types of transaction between the parent company and subsidiaries are as follows:

1. Transactions from parent company to subsidiary.
2. Transactions from subsidiary to parent company.
3. Transactions between subsidiaries.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the three months ended March 31, 2021 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2021			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2021	December 31, 2020	Shares	Percentage of ownership	Carrying value			
The Company	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	284,067	284,067	27,203,632	73.92 %	18,749	181	133	Note 1, 3
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Taiwan	Wholesale and retail sales of cooking oil and food	346,126	346,126	21,255,839	99.93 %	134,555	1,575	1,573	Note 1, 2, 3
The Company	TAISUN YUAN CO., LTD.	Taiwan	Investment management	5,000	5,000	500,000	100.00 %	11,001	29	29	
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Cayman	Investments	1,299,114	1,299,114	40,290,000	100.00 %	184,822	9,570	9,570	
The Company	CENTRAL UNION OIL CORP.	Taiwan	Manufacturing, processing and sales of bean products	204,125	204,125	20,000,000	33.33 %	288,803	49,365	16,455	Note 2
The Company	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	2,341,622	2,341,622	50,136,417	22.46 %	3,158,447	318,254	71,482	
The Company	PIONEER TRAFFIC CO., LTD.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26 %	8,809	1,662	220	Note 1
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	PIONEER TRAFFIC CO., LTD.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21 %	103,196	1,662		Note 5
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	87,084	87,084	8,904,412	24.20 %	31,076	181	"	Note 3
TAIWAN NIKOMART CO., LTD.	CVS.COM CO., LTD.	Taiwan	Wholesale of edible products	2,490	2,490	249,000	24.90 %	4,652	-	"	
TAISUN YUAN CO., LTD.	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	3,522	3,522	20,000	0.01 %	3,664	318,254	29	

Note 1: The part of holding of the Company's stock by a subsidiary, is treated as treasury stock, has been deducted; please refer to Notes 6(t).

Note 2: Unrealized gains and losses on transactions between affiliates have been eliminated.

Note 3: The impairment loss recognized with the indication of impairment has been deducted.

Note 4: Subsidiaries transactions have been written off when preparing the consolidated financial reports.

Note 5: Disclosures are exempted in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2021	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Operation, production and sales of food, beverages, snacks, canned products, etc.	784,063 (USD27,500)	(Note 1)	952,935 (USD33,400)	-	-	952,935 (USD33,400)	9,570	100.00%	9,570	103,524	-
Cheng Da Restaurant Investment Management (Sichuan) LTD.	Fresh bread and other food products	36,234 (USD1,270)	(Note 6)	17,689 (USD620)	-	-	17,689 (USD620)	-	3.66%	-	48	-
JIANGSU DA MAI FOODS LTD.	Fresh bread and other food products	94,951 (USD3,328)	(Note 6)	20,828 (USD730)	-	-	20,828 (USD730)	-	3.66%	-	1,005	-

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
991,452	1,365,208	4,316,678

Note 1: Indirect investment in Mainland China through the company (TAISUN (CAYMAN) INVESTMENT LTD.) in the third region.

Note 2: Indirect investment in Mainland China through an existing company in Mainland China. According to the rules of the Investment Board, Ministry of Economic Affairs, the reinvestment of investment businesses in Mainland China does not need to apply to the Investment Board; therefore, these investment amounts are not included in the calculation of the Company's investment in Mainland China.

Note 3: The recognition of the investment through profit or loss of TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD. was based on the financial statements which were reviewed and attested by parent company's CPA in R.O.C. within the same period.

Note 4: The above amounts were translated into New Taiwan dollars at the exchange rate 28.531 as of March 31, 2021.

Note 5: According to the rules of the Investment Board, Ministry of Economic Affairs, the maximum amount on investments should be the higher of the Company's net asset or 60% of the consolidated net assets.

Note 6: The Company reinvested 3.66% shareholding in YAMAI LIMITED, whose company is in Hong Kong and indirectly held 100% shares of its Mainland China company, through TAISUN (CAYMAN) INVESTMENT LTD. The Company does not have any significant influence on YAMAI LIMITED, therefore, no gain or loss on its investment was recognized.

(iii) For details of capital lending to TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD., please refer to Note 13(a).

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
LONG BON INTERNATIONAL CO., LTD.		123,030,000	24.61 %
EVERWIN INVESTMENT CO., LTD.		31,434,000	6.29 %
CHU-YU INVESTMENT LTD.		25,038,000	5.01 %

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

The Group's operating segment information and reconciliation are as follows:

	<u>Consumption division</u>	<u>Commodity division</u>	<u>Foreign division</u>	<u>Other</u>	<u>Adjustment and eliminations</u>	<u>Total</u>
For the Three Months Ended March 31, 2021						
Total revenue	\$ <u>1,125,978</u>	<u>919,485</u>	<u>111,525</u>	<u>102,055</u>	<u>-</u>	<u>2,259,043</u>
Reportable segment profit or loss	\$ <u>51,775</u>	<u>52,646</u>	<u>9,570</u>	<u>70,620</u>	<u>-</u>	<u>184,611</u>
For the Three Months Ended March 31, 2020						
Total revenue	\$ <u>1,001,360</u>	<u>650,664</u>	<u>81,872</u>	<u>104,212</u>	<u>-</u>	<u>1,838,108</u>
Reportable segment profit or loss	\$ <u>89,611</u>	<u>8,335</u>	<u>(3,640)</u>	<u>47,652</u>	<u>-</u>	<u>141,958</u>

Note : Since the measured amount of assets of the Group was not provided to the operating decision maker, it was disclosed as zero.